

RED HERRING PROSPECTUS

Dated November 18, 2009

Please read Section 60B of the Companies Act, 1956

100% Book Building Issue**MBL INFRASTRUCTURES LIMITED**

(Our Company was originally incorporated as Maheshwari Brothers Limited on August 25, 1995 at Registrar of Companies, West Bengal. The name of our Company was changed to MBL Infrastructures Limited with effect from July 05, 2006. For details of incorporation and change of name please refer to the section titled "History and Certain Corporate Matters" beginning on page 90 of this Red Herring Prospectus.)

Registered Office: 23A, Netaji Subhas Road, 3rd Floor, Suite 14, Kolkata 700 001

Tel No: + 91 33 2230 1671/2353; **Fax No:** + 91 33 2230 8807; **Website:** www.mblinfra.com; **E-mail:** cs@mblinfra.com

Corporate Office: SU 2-3, Bhikaji Cama Bhawan, Bhikaji Cama Place, Ground Floor, New Delhi- 110 066,

Tel No: +91 11 2618 3937; **Fax No:** +91 11 2616 7547

Saket Estates, 2nd Floor, Premises No. 2C, 2, Ho Chi Minh Sarani Kolkata 700 071, **Tel No:** + 91 33 2282-0404/05/06/07/08/09; **Fax No:** + 91 33 2282 0405

Contact Person: Mr. Nitin Bagaria, Company Secretary and Compliance Officer

Promoters of the Company: Mr. Ram Gopal Maheshwari, Mr. Anjanee Kumar Lakhota, Mr. Maruti Maheshwari and SMH Capital Limited

PUBLIC ISSUE OF 57,00,000 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) AGGREGATING TO RS. [•] LACS, ("THE ISSUE"), BY MBL INFRASTRUCTURES LIMITED ("OUR COMPANY"), OR "THE ISSUER". THE ISSUE INCLUDES NET ISSUE TO THE PUBLIC OF 56,00,000 EQUITY SHARES TO THE PUBLIC AND A RESERVATION OF UPTO 1,00,000 EQUITY SHARES FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES ("THE EMPLOYEE RESERVATION PORTION") AT THE ISSUE PRICE. THE ISSUE LESS THE EMPLOYEE RESERVATION PORTION IS REFERRED TO AS THE "NET ISSUE". THE ISSUE WILL CONSTITUTE 32.55% AND THE NET ISSUE WILL CONSTITUTE 31.97% OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF OUR COMPANY.

**PRICE BAND OF RS. 165 TO RS. 180 PER EQUITY SHARE OF FACE VALUE OF RS. 10 EACH
THE FLOOR PRICE IS 16.5 TIMES OF THE FACE VALUE AND THE CAP PRICE IS 18 TIMES OF THE FACE VALUE**

In case of revision in the Price Band, the Bidding/Issue Period shall be extended for three additional working days after such revision, 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, shall be widely disseminated by notification to the Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") and by issuing a press release and also by indicating the change on the website of the Book Running Lead Manager and terminals of the Syndicate Members.

In terms of Regulation 26 (1) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, (the SEBI Regulations), this Issue is being made through a 100% Book Building Process wherein not more than 50% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs"), out of which 5% (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remaining QIB portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above Issue Price. Further not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders subject to valid Bids being received from them at or above the Issue Price.

IPO GRADING

This Issue has been graded by ICRA Limited and has assigned ICRA IPO Grade 2, indicating below average fundamentals through its letter dated October 14, 2009. We had, in our earlier proposed public issue of equity shares ("Earlier IPO") received CRISIL IPO Grade 1/5, indicating poor fundamentals vide its letter dated February 23, 2007 ("CRISIL Grading"). For more information on IPO Grading, please refer to the section titled "General Information" beginning on page 15 of this Red Herring Prospectus.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The Face Value of the Equity Shares is Rs.10/- and the Issue Price is [•] times of the Face Value. The Price band (has been determined and justified by the Book Running Lead Manager ("BRLM") and the Company as stated under the section "Basis of Issue Price" on page 50) 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 our Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investment in equity and equity related securities involves 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 beginning on page xiv of this Red Herring Prospectus carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Red Herring Prospectus. Specific attention of the investors is invited to the section titled Risk Factors beginning on page no. xiv of this Red Herring Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company having made all reasonable inquiries, accepts responsibility for, and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of this 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 document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"). The in-principle approvals from BSE and NSE for listing the Equity Shares have been received pursuant to the letter no. DCS/IPO/BS/IPO-IP/1334/2008-09 dated January 13, 2009 and the letter no. NSE/LIST/98506-K dated February 2, 2009 respectively. For the purpose of this issue, BSE shall be the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGER**MOTILAL OSWAL INVESTMENT ADVISORS PRIVATE LIMITED**

113/114, Bajaj Bhawan, 11th Floor, Nariman Point, Mumbai 400 021, India.

Tel: +91 22 3980 4380, Fax: +91 22 3980 4315

Email: mbl.ipo@motilaloswal.com

Investor Grievance ID: moiaplredressal@motilaloswal.com

Website: www.motilaloswal.com

Contact Person: Ms. Akshata Tambe

Registration No: INM000011005

REGISTRAR TO THE ISSUE

INDIA PVT LTD

Formerly INTIME SPECTRUM REGISTRY LTD

LINK INTIME INDIA PRIVATE LIMITED

C- 13 Pannalal Silk Mills Compound, LBS Marg,

Bhandup (West), Mumbai 400 078.

Tel: +91 22 2596 0320, Fax: +91 22 2596 0329

Email: mbl.ipo@linkintime.com

Website: www.linkintime.co.in

Contact Person: Mr. Sachin Achar

Registration Number: INR000004058

ISSUE PROGRAMME *

BID/ISSUE OPENS ON: NOVEMBER 27, 2009

BID/ISSUE CLOSSES ON: DECEMBER 1, 2009

* Our Company may consider participation by Anchor Investors in terms of the SEBI Regulations. The Anchor Bid/ Issue Period shall be one day prior to the Bid/ Issue Opening Date.

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

In this Red Herring Prospectus, all references to “MBL Infrastructures Limited”, “MBL” and “Issuer”, “we”, “us”, “our” and “our Company” are to MBL Infrastructures Limited, a company incorporated under the Companies Act, 1956, with its registered office at 23A, Netaji Subhas Road, 3rd Floor, Suite 14, Kolkata 700 001.

Company Related Terms

| Term | Description |
|---|--|
| Articles/Articles of Association | Articles of Association of our Company, unless context otherwise specifies. |
| Auditors | The statutory auditors of our Company, M/s Agrawal S. Kumar and Associates, Chartered Accountants. |
| Board/Board of Directors | The Board of Directors of our Company, unless the context otherwise specifies. |
| Corporate Promoter | SMH Capital Limited. |
| Directors | Directors of our Company, unless otherwise specified. |
| Equity Shares | Equity shares of our Company of Rs. 10 each fully paid up unless otherwise specified in the context thereof. |
| Group Companies/ Promoter Group Companies | Prabhu International Vyapar Private Limited, SMH Infrastructure Private Limited, MSP Infrastructures Limited, Sahaj Promoters Private Limited, Surprise Commercial Private Limited, Prabhu International, Ganpatrai Ramnarsingh Lakhotia Charitable Trust and Maruti Maheshwari (HUF). |
| Individual Promoters | Mr. Ram Gopal Maheshwari, Mr. Anjanee Kumar Lakhotia and Mr. Maruti Maheshwari. |
| Memorandum/ Memorandum of Association | Memorandum of Association of our Company, unless the context otherwise specifies. |
| Promoters | The promoters of our Company, namely, Mr. Ram Gopal Maheshwari, Mr. Anjanee Kumar Lakhotia, Mr. Maruti Maheshwari and SMH Capital Limited. |
| Registered Office | The registered office of our Company at 23A, Netaji Subhas Road, 3 rd Floor, Suite 14, Kolkata 700 001. |
| Subsidiary | AAP Infrastructure Limited. |

Issue Related Terms

| Term | Description |
|----------------------------------|--|
| Allotment/Allot/Allotted | Unless the context otherwise requires, the allotment of Equity Shares pursuant to the Issue. |
| Allottee | A successful Bidder to whom the Equity Shares are Allotted. |
| Anchor Investor | A Qualified Institutional Buyer, applying under the Anchor Investor Portion with a minimum Bid of Rs. 1000 lacs. |
| Anchor Investor Bid/Issue Period | The date, being the date one day prior to the Bid / Issue Opening Date, on which the Syndicate shall accept Bids from Anchor Investors. |
| Anchor Investor Issue Price | The final price at which Equity Shares will be issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by the Company in |

| Term | Description |
|--|---|
| | consultation with the Book Running Lead Managers. |
| Anchor Investor Margin | An amount representing 25% of the Bid Amount payable by an Anchor Investor at the time of submission of its Bid. |
| Anchor Investor Portion | Up to 30% of the QIB Portion which may be allocated by the Company to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic mutual funds, subject to valid Bids being received from domestic mutual funds at or above the price at which allocation is being done to Anchor Investors. |
| Application Supported by Blocked Amount/ASBA | ASBA is an application, whether electronic or physical, used by Resident Retail Individual Bidder for subscribing to an issue containing an authorisation to a SCSB to block the application money in their specified bank account maintained with the SCSB. |
| ASBA Form | The form which is used by an ASBA investor to submit the bid through SCSB which would be considered as an application for Allotment to ASBA Investors in terms of the Red Herring Prospectus and the prospectus. |
| ASBA Investor | Any investor who is eligible to apply through the ASBA process and <ul style="list-style-type: none"> i. is a ‘Resident Retail Individual Investor’ ii. is bidding at cutoff with a single option as to the number of Equity Shares bid for iii. is applying through the blocking of funds in a bank account with the SCSB iv. has agreed not to revise his bid v. is not bidding under any of the reserved categories. |
| ASBA Public Issue Account | A bank account of the Company under Section 73 of the Act, where the funds shall be transferred by the SCSBs from the bank accounts of the ASBA Bidders. |
| Bankers to the Issue | The HDFC Bank, the IDBI Bank, the IndusInd Bank and the Standard Chartered Bank. |
| Basis of Allotment | The basis on which Equity Shares will be Allotted to Bidders under the Issue and which is described under “Issue Procedure – Basis of Allotment” on page 258 of this Red Herring Prospectus. |
| Bid | An indication to make an offer during the Bidding Period (including, in the case of Anchor Investors, the Anchor Investor Bid/Issue 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. For the purposes of ASBA Investor, it means an indication to make an offer during the Bidding Period by a Retail Resident Individual Bidder to subscribe to the Equity Shares at Cut-off Price. |
| Bid Amount | The highest value of the optional Bids indicated in the Bid cum Application Form. |
| Bid/Issue Closing Date | The date after which the Syndicate will not accept any Bids for the Issue, which shall be notified in a English national newspaper, a Hindi national newspaper and a Bengali newspaper with wide circulation. |
| Bid/Issue Opening Date | The date on which the Members of the Syndicate shall start accepting Bids for the Issue, which shall be notified in a English national newspaper, a Hindi national newspaper and a Bengali newspaper with wide circulation. |
| Bid cum Application Form | The form used by a Bidder to make a Bid and which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and |

| Term | Description |
|--------------------------------------|--|
| | the Prospectus. |
| Bidder | Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form. |
| Bidding/Issue Period | The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof. |
| Book Building Process/Method | Book building route as provided in Chapter III Part 2 of the SEBI Regulations, in terms of which this Issue is being made. |
| BRLM/Book Running Lead Manager | Book Running Lead Manager to the Issue, in this case being Motilal Oswal Investment Advisors Private Limited. |
| BRLM Agreement | Agreement dated October 23, 2009 entered into between our Company and the Book Running Lead Manager. |
| Business Day | Any day on which commercial banks in Mumbai are open for business. |
| 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, including revision thereof. |
| 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. |
| Controlling Branch | Such branches of the SCSB which co-ordinate with the BRLM, the Registrar to the Issue and Stock Exchanges and the list of which is available at www.sebi.gov.in |
| Cut-off Price | Any price within the Price Band determined and justified by the Book Running Lead Manager and The Company. A Bid submitted at Cut-Off Price is a valid price at all levels within the Price Band. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price and Eligible Employees, QIBs and Non-Institutional Bidders are not entitled to bid at the Cut-off Price. |
| Designated Branch | Branch offices of the SCSBs which the respective SCSB has identified as a designated branch at which the physical ASBA Form can be submitted by an ASBA Investor. |
| Designated Date | The date on which funds are transferred from the Escrow Account to the Public Issue Account or the amount locked by the SCSB is transferred from the bank account of the ASBA investor to the ASBA public issue account as the case may be, after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Bidders. |
| Designated Stock Exchange | BSE. |
| Draft Red Herring Prospectus or DRHP | The Draft Red Herring Prospectus dated September 30, 2008 issued in accordance with Section 60B of the Companies Act, which does not contain complete particulars of the price at which the Equity Shares are issued and the size (in terms of value) of the Issue. |
| Eligible Employees | Eligible Employees means employees of our Company, which includes a permanent and full time employee of our Company, working in India or abroad or is a director of our Company, whether whole time or part time and does not include the Promoters and immediate relatives of the Promoter and includes employees of our Corporate Promoter as on the date of the Red Herring Prospectus. |
| Eligible NRIs | NRIs from jurisdictions outside India where it is not unlawful to make an |

| Term | Description |
|------------------------------|--|
| | issue or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe for or purchase the Equity Shares. |
| Employee Reservation Portion | The portion of the Issue being up to 1,00,000 Equity Shares available for allocation to Eligible Employees. |
| Escrow Account | The account opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidder (excluding ASBA investors) will issue cheques or drafts in respect of the Margin Amount when submitting a Bid and the remainder of the Bid Amount, if any, collected thereafter. |
| Escrow Agreement | Agreement to be entered into by our Company, the Registrar to the Issue, BRLM, the Syndicate Members and the Escrow Collection Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected to the Bidders (excluding ASBA investors) 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. |
| First Bidder | The Bidder whose name appears first in the Bid cum Application Form or Revision Form or the ASBA Form. |
| Floor Price | The lower end of the Price Band, at or above which the Issue Price will be finalized and below which no Bids will be accepted. |
| Issue | The public issue of 57,00,000 Equity Shares of Rs. 10 each for cash at a price of [●] each aggregating to Rs. [●] lacs, by our Company. The Issue comprises a Net Issue to the public of 56,00,000 Equity Shares and an Employee Reservation of upto 1,00,000 Equity Shares. |
| Issue Price | The final price at which Equity Shares will be issued and allotted in terms of the Prospectus. The Issue Price will be determined and justified by the Book Running Lead Manager and the Company on the Pricing Date. |
| Issue Proceeds | The gross proceeds of the Issue that would be available to the Company after receipt of final listing and trading approvals. |
| Margin Amount | The amount paid by the Bidder (other than an Anchor Investor) at the time of submission of his/her Bid, being 10% to 100% of the Bid Amount. |
| Mutual Fund Portion | 5% of the QIB Portion (excluding the Anchor Investor Portion) or 1, 40,000 Equity Shares available for allocation to Mutual Funds, out of the QIB Portion (excluding the Anchor Investor Portion). |
| Mutual Funds | A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996. |
| Net Issue | The Issue less the Employee Reservation Portion amounting to 56, 00,000 Equity Shares. |
| Net Proceeds | The Issue Proceeds less the Issue expenses. For further information about use of the Issue Proceeds and the Issue expenses see “Objects of the Issue” on page 40 of this Red Herring Prospectus. |
| 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. 1,00,000 (but not including NRIs other than Eligible NRIs). |
| Non-Institutional Portion | The portion of the Net Issue being not less than 8,40,000 Equity Shares available for allocation to Non-Institutional Bidders, subject to valid Bids received at or above the issue price. |

| Term | Description |
|--|--|
| Pay-in Date | Bid Closing Date or the last date specified in the CAN sent to Bidders, as applicable. |
| Pay-in-Period | (i) With respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/ Issue Opening Date and extending until the Bid/ Issue Closing Date; and (ii) With respect to Bidders whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid/ Issue Opening Date and extending until the closure of the Pay-in Date, specified in the CAN. |
| Physical ASBA | ASBA Forms submitted by an ASBA Investor at the designated branches of the SCSBs. |
| Price Band | Price band of a minimum price (Floor Price) of Rs. 165 and the maximum price (Cap Price) of Rs. 180 and includes revisions thereof. |
| Pricing Date | The date on which the Issue Price is finalised by the Book Running Lead Manager and the Company. |
| Prospectus | The Prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act, containing, <i>inter alia</i> , 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 payable by QIBs (other than Anchor Investors) at the time of submission of their Bid. |
| QIB Portion | The portion of the Net Issue being not more than 28, 00,000 Equity Shares available for allocation to QIBs. |
| Qualified Institutional Buyers or QIBs | Public financial institutions as specified in Section 4A of the Companies Act, 1956, scheduled commercial banks, mutual funds registered with SEBI, FIIs and sub-account registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with IRDA, provident fund with minimum corpus of Rs. 25 crores, National Investment Fund set up by Government of India and national investment fund set up by the Government of India, as defined in 2(zd) of the SEBI Regulations. |
| Refund Account | The account opened with Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount shall be made. |
| Refund Bank | The Standard Chartered Bank |
| Registrar to the Issue | Registrar to the Issue, in this case being Link Intime India Private Limited, having its registered office as indicated in the section titled "General Information - Registrar to the Issue" beginning on page 15 of this Red Herring Prospectus. |
| Resident Retail Individual Bidder(s) | Retail Individual Bidder who is a 'person resident in India' as defined in the Foreign Exchange Management Act, 1999 and who has not Bid for Equity Shares for an amount less than Rs. 1,00,000, intending to apply through ASBA. |
| Retail Individual Bidder(s) | Individual Bidders who have Bid for Equity Shares for an amount not more than Rs. 1,00,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and eligible NRIs and does not include NRIs |

| Term | Description |
|-------------------------------------|---|
| | other than Eligible NRIs). |
| Retail Portion | The portion of the Net Issue being not less than 19,60,000 Equity Shares available for allocation to Retail Individual Bidder(s). |
| Revision Form | The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in any of their Bid cum Application Forms or any previous Revision Form(s). |
| RHP or Red Herring Prospectus | This Red Herring Prospectus dated November 18, 2009 issued in accordance with Section 60B of the Companies Act, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. This Red Herring Prospectus will become a Prospectus upon filing with the RoC after the Pricing Date. |
| SCSB/ Self Certified Syndicate Bank | SCSB is a bank that offers the facility of applying through the ASBA process and is a Banker to the Issue and is registered under the SEBI (Bankers to the Issue) Regulations, 1994 and a list of which is available on http://www.sebi.gov.in . |
| SEBI Regulations | SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time |
| Stock Exchanges | BSE and NSE. |
| Syndicate/Members of the Syndicate | The Book Running Lead Manager and the Syndicate Members. |
| Syndicate Agreement | The agreement entered into between the Syndicate and our Company in relation to the collection of Bids in this Issue dated October 23, 2009. |
| Syndicate Members | Motilal Oswal Securities Limited and Enam Securities Private Limited |
| TRS/Transaction Registration Slip | The slip or document issued by the Syndicate or the SCSBs (only on demand), as the case may be, to the Bidder as proof of registration of the Bid. |
| Underwriters | The Book Running Lead Manager and the Syndicate Members. |
| Underwriting Agreement | The agreement among 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 |
|----------------------|--|
| Act or Companies Act | The Companies Act, 1956 |
| AGM | Annual General Meeting |
| ASBA | Application Supported by Blocked Amounts |
| BIFR | Board for Industrial and Financial Reconstruction |
| BSE | Bombay Stock Exchange Limited |
| CAGR | Compounded Annual Growth Rate |
| CDSL | Central Depository Services (India) Limited |
| CIN | Corporate Identification Number |
| CRISIL | CRISIL Limited |
| Depositories | NSDL and CDSL |
| Depositories Act | The Depositories Act, 1996, as amended from time to time |

| Term | Description |
|----------------------------|--|
| DP/ Depository Participant | A depository participant as defined under the Depositories Act, 1996 |
| DP ID | Depository Participant's Identity. |
| DIN | Director Identification Number |
| EBIDTA | Earnings Before Interest, Depreciation, Tax and Amortisation |
| ECS | Electronic Clearing Service |
| EGM | Extraordinary General Meeting |
| EPS | Earnings Per Share i.e., profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares at the end of that fiscal year |
| FDI | Foreign Direct Investment |
| FEMA | Foreign Exchange Management Act, 1999 read with rules and regulations thereunder and amendments thereto |
| FEMA Regulations | FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations 2000 and amendments thereto |
| FII(s) | Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investor) Regulations, 1995 and 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 |
| GAAP | Generally Accepted Accounting Principles |
| GDP | Gross Domestic Product |
| GoI/Government | Government of India |
| HNI | High Net worth Individual |
| HUF | Hindu Undivided Family |
| ICRA | ICRA Limited |
| Indian GAAP | Generally Accepted Accounting Principles in India |
| IFRS | International Financial Reporting Standards |
| I.T. Act | The Income Tax Act, 1961, as amended from time to time |
| IPO | Initial Public Offering |
| IPR | Intellectual Property Rights |
| Mn / mn | Million |
| MOU | Memorandum of Understanding |
| MP | Madhya Pradesh |
| NA / n.a. | Not Applicable |
| NAV | Net Asset Value being paid up equity share capital plus free reserves (excluding reserves created out of revaluation) less deferred expenditure not |

| Term | Description |
|---------------------------|--|
| | written off (including miscellaneous expenses not written off) and debit balance of Profit and Loss account, divided by number of issued Equity Shares |
| NEFT | National Electronic Fund Transfer |
| 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. OCBs are not allowed to invest in this Issue |
| p.a. | Per annum |
| P/E Ratio | Price/Earnings Ratio |
| PAN | Permanent Account Number allotted under the Income Tax Act, 1961 |
| PAT | Profit after tax |
| PBT | Profit before tax |
| PLR | Prime Lending Rate |
| RBI | The Reserve Bank of India |
| RoC | The Registrar of Companies, West Bengal, Kolkata located at Nizam Palace, IInd MSO Building, 2nd floor, 234/4, A.J.C. Bose Road Kolkata 700 020, India |
| RONW | Return on Net Worth |
| Re. / Rs. / INR | 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 |
| SCSB | Self Certified Syndicate Bank |
| SEBI | The Securities and Exchange Board of India constituted under the SEBI Act, 1992, as amended from time to time |
| SEBI Act | Securities and Exchange Board of India Act 1992, as amended from time to time |
| SEBI Takeover Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended from time to time |
| Sec. | Section |

| Term | Description |
|-------------------|---|
| SEZ | Special Economic Zone |
| SIA | Secretariat for Industrial Assistance |
| State Government | The government of a state of the Union of India |
| Stock Exchange(s) | BSE and/ or NSE, as the context may refer to |
| UIN | Unique Identification Number |
| UK | United Kingdom |
| UNICTRAL | United Nations Commission on International Trade Law |
| US / USA | United States of America |
| US GAAP | Generally Accepted Accounting Principles in the United States of America |
| VAT | Value Added Tax |
| VCFs | Venture Capital Funds as defined and registered with SEBI under the SEBI (Venture Capital Fund) Regulations, 1996 |

Technical/Industry Related Terms

| Term | Description |
|-------------|---|
| AAI | Airports Authority of India |
| ADB | Asian Development Bank |
| BOLT | Build Operate Lease Transfer |
| BOOT | Build Own Operate Transfer |
| BOQ | Bill of Quantities |
| BRO | Border Roads Organisation |
| BOT | Build Operate Transfer |
| BPLR | Bank Prime Lending Rate |
| CDSL | Central Depositories Services (India) Limited |
| CIF | Cost, Insurance and Freight |
| CPWD | Central Public Works Department |
| DDT | Dividend Distribution Tax |
| DG Set | Diesel Generator Set |
| EMD | Earnest Money Deposit |
| EPC | Engineering Procurement and Construction |
| EPCG | Export Promotion Capital Goods Scheme |
| FIPB | Foreign Investment Promotion Board |
| FMV | Fair Market Value |
| FOB | Free on Board |
| GQ | Golden Quadrilateral |
| HM | Hindustan Motors |
| IMG | Inter Ministerial Group |

| Term | Description |
|-------------|---|
| IISCO | Indian Iron and Steel Company Limited |
| IR | Ingresoll Rand India Limited |
| IT | Information Technology |
| JV | Joint Venture |
| JVLR | Jogeshwari Vikroli Link Road |
| Km | Kilometer |
| MCA | Model Concession Agreement |
| MDR | Major District Roads |
| MPRDC | Madhya Pradesh Road Development Corporation |
| ODR | Other District Roads |
| NEFT | National Electronic Funds Transfer |
| NCT | National Capital Territory |
| NH | National Highway |
| NHAI | National Highways Authority of India |
| NHDP | National Highway Development Programme |
| PCP | Port Connectivity Projects |
| PLR | Prime Lending Rate |
| PPP | Public Private Partnership |
| PWD | Public Works Department |
| RMC | Ready Mix Concrete |
| ROW | Right of Way |
| SAIL | Steel Authority of India Limited |
| SARDPNE | Special Accelerated Road Development Programme for North East |
| SBI | State Bank of India |
| SEB | State Electricity Board |
| SH | State Highways |
| SPV | Special Purpose Vehicle |
| UPPWD | Uttar Pradesh Public Works Department |
| VR | Village Roads |

All other words and expressions used but not defined in this Red Herring Prospectus, but defined in the Companies Act, the SEBI Regulations or in the Securities Contracts (Regulation) Act and/ or the Rules and the Regulations made thereunder, shall have the meanings respectively assigned to them in such Acts or the Rules or the Regulations or any statutory modification or re-enactment thereto, as the case may be.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Financial Data

Unless stated otherwise, the financial data in this Red Herring Prospectus is derived from our restated financial statements, prepared in accordance with Indian GAAP and the SEBI Regulations, which are included in this Red Herring Prospectus and set out in the section titled “Financial Statements” beginning on page 129 of this Red Herring Prospectus. Our Fiscal commences on April 1 and ends on March 31 of every year.

There are significant differences between Indian GAAP, US GAAP and IFRS. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein and we urge you to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the Indian Accounting Policies, financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. 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 total and the sum of the amounts listed are due to rounding off.

Currency of Presentation

All references to “India” contained in this Red Herring Prospectus are to the Republic of India, all references to the “US”, “USA”, or the “United States” are to the United States of America, its territories and possessions and all references to “UK” are to the United Kingdom of Great Britain and Northern Ireland, together with all its territories and possessions.

All references to “Rupees” or “Rs.” are to Indian Rupees, the official currency of the Republic of India. In this Red Herring Prospectus, we have presented numerical information in ‘lacs and lakhs’.

Industry and Market Data

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

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 and property valuations to differ materially from those contemplated by the relevant statement.

Actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries in India in which we have our businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in our industry. Important factors that could cause actual results to differ materially from our expectations include, among others:

- Implementation risks involved in our projects;
- Political and regulatory environment;
- Our ability to successfully implement our strategy, growth and expansion plans;
- Issues arising out of operation of our joint ventures
- Fluctuations in the prices of raw materials
- Our exposure to market risks;
- The performance of the financial markets in India

For further discussion of factors that could cause our actual results to differ from our expectations, see “Risk Factors”, “Business Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages xiv, 67 and 179 of this Red Herring Prospectus. By their nature 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. In accordance with SEBI requirements our Company and the Book Running Lead Manager 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

An investment in 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 the Equity Shares. To obtain a complete understanding, you should read this section in conjunction with the sections titled “Business Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 67 and 179 respectively of this Red Herring Prospectus as well as the other financial and statistical information contained in this Red Herring Prospectus. Occurrence of any one or a combination of the following risks, as well as the other risks and uncertainties discussed in this Red Herring Prospectus, could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of the Equity Shares to decline, which could result in the loss of all or part of your investment. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein.

Internal Risks

Risks associated with our business:

- There are outstanding litigations against our Company, our Subsidiary and a Group Company which if materialises will have an adverse effect on our profitability***

Our Company and our Subsidiary, AAP Infrastructure Limited are defendants in legal proceedings incidental to our business and operations. These legal proceedings (apart from the tax litigations) are pending at different stages of adjudication before various courts, tribunals and statutory authorities, brief details of which are set out below:

A. Litigations against our Company

| Type of cases | Number of cases | Quantum involved (Rs. in lacs) | Nature of dispute |
|---------------|-----------------------|--------------------------------|--|
| Criminal | Two (2) cases pending | 16.71 + penalty | Criminal proceedings pertaining to dishonour of cheques. |
| Civil | One (1) case pending | * | Disputes relating to breach of contract |
| Arbitration | One (1) case pending | 287.70 | Disputes relating to breach of contract |

* the financial implication is not quantifiable

B. Litigations by our Company

| Type of cases | Number of cases | Quantum involved (Rs. in lacs) | Nature of dispute |
|---------------|-------------------------|--------------------------------|--|
| Civil | Five (5) cases pending | 1626.00 | Disputes arising out of breach of contract |
| Arbitration | Three (3) cases pending | * | Dispute arising out of breach of contract |

* the financial implication is not quantifiable

C. Litigations against our Subsidiary

| Type of cases | Number of cases | Quantum involved (Rs. in lacs) | Nature of dispute |
|---------------|-------------------------|--------------------------------|---|
| Civil | Three (3) cases pending | * | Writ petitions challenging the right of Company to recover toll tax and setting up of toll booth and praying for cancellation of the provisional completion certificate granted to the Company. |

* the financial implication is not quantifiable

D. Litigations by our Subsidiary

| Type of cases | Number of cases | Quantum involved (Rs. in lacs) | Nature of dispute |
|---------------|-----------------------|--------------------------------|---|
| Civil | Two (2) cases pending | 180.00 | Writ petitions challenging the imposition of labour cess and stamp duty |

E. Litigations by our Group Company, MSP Infrastructures Limited

| Type of cases | Number of cases | Quantum involved (Rs. in lacs) | Nature of dispute |
|---------------|----------------------|--------------------------------------|--|
| Civil | One (1) case pending | 690.30 + Release of Security Deposit | Disputes arising out of breach of contract |

Note: The quantum involved in the litigations is approximate in value, wherever quantifiable.

Should any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements, which could increase our expenses and our current liabilities. Furthermore, if significant claims are determined against us and we are required to pay all or a portion of the disputed amounts, it could have a material adverse effect on our business and profitability.

For further details of outstanding litigations against the Company, our Directors, our Promoters and our Group Company, please see the section titled “Outstanding Litigations and Material Developments” on page 194 of this Red Herring Prospectus.

2. Our Company is involved in tax cases regarding undisclosed income and other matters , which if determined against us, could have adverse impact on our results of operations.

The Company had preferred an appeal against disputed Income Tax Demand for the Assessment year 2004-05 and 2005-06 which was allowed by CIT (Appeals). Income Tax Department has preferred appeal before the Income Tax Appellate Tribunal in respect of the same. Should the appeal be allowed or be successful, our Company could be held liable to an amount of Rs. 343.33 Lacs.

The Government of NCT of Delhi has preferred an appeal in the High Court of Delhi for setting aside the Arbitral Award passed in favour of the Company for reimbursement of Service Tax. Should the appeal be allowed the Company could be held liable to an amount of Rs. 5 Lacs + costs. The matter is pending before the High Court of Delhi.

For details please refer to the section titled “Outstanding Litigations and Material Developments” beginning on page 194 of this Red Herring Prospectus.

3. We have contingent liabilities which, if materializes, could have an adverse effect on our financial condition

We have the following contingent liabilities:

| Sr. | Contingent Liabilities | As at June 30, 2009 | As at March 31, 2009 | As at March 31, 2008 | As at March 31, 2007 |
|-----|---|---------------------|----------------------|----------------------|----------------------|
| 1. | Claims against the Company / disputed liabilities not acknowledged as Debts (to the extent ascertained) | 863.93 | 863.93 | 863.93 | 339.31 |
| 2. | Corporate Guarantees given on behalf of Subsidiary Companies | 2200.00 | 2,200.00 | 2,200.00 | 2,200.00 |
| 3. | Disputed Income Tax demand for the assessment year 2004-05 and 2005-2006 | 343.33 | 343.33* | 578.37 | - |

| Sr. | Contingent Liabilities | As at June 30, 2009 | As at March 31, 2009 | As at March 31, 2008 | As at March 31, 2007 |
|-----|--|---------------------|----------------------|----------------------|----------------------|
| | against which appeal has been preferred by the company | | | | |
| 4. | Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 24.44 | 25.76 | 438.49 | 369.57 |
| 5. | Outstanding Bank Guarantees as on 31st March 2008 | 13901.07 | 13,570.89 | 13,186.21 | 12,477.85 |

* The Company had preferred an appeal against disputed Income Tax Demand for the Assessment year 2004-05 and 2005-06 which was allowed by CIT (Appeals). Income Tax Department has preferred appeal before the Income Tax Appellate Tribunal in respect of the same.

In the event that any of these contingent liabilities materialize, our financial condition may be affected to that extent. For further details, see section titled "Financial Statements" beginning on page 129 of this Red Herring Prospectus.

4. *We had filed the Draft Red Herring Prospectus with SEBI on October 04, 2006 but had withdrawn the same pursuant to a letter dated September 20, 2007 due to an upward revision in fund requirement.*

We had filed the draft offer document with SEBI on October 04, 2006 but withdrew the same due to an upward revision in our fund requirement. We cannot assure you that such circumstances or similar circumstances will not require us to withdraw the Issue at any time prior to Allotment. The proposed IPO was then graded by CRISIL which assigned a grade of 1/5 indicating poor fundamentals of the issue as compared to other listed securities in India through its letter dated February 23, 2007. The CRISIL Grading was valid for sixty days from the date of issue of the grading report.

5. *We do not have any definitive agreements to utilize the net proceeds of the Issue. Further the objects of the Issue for which funds are being raised have not been appraised by any independent appraiser*

The deployment of funds as stated in the "Objects of the Issue" beginning on page 40 of this Red Herring Prospectus is not subject to monitoring by any independent agency. We have not entered into any definitive agreements to utilise a portion of the Issue proceeds. There has been no independent appraisal of the Objects of the Issue. In the event, for whatsoever reason, we are unable to execute our plans as detailed in the "Objects of the Issue" beginning on page 40 of this Red Herring Prospectus, we could have a significant amount of unallocated net proceeds. In the event we are unable to utilize the net proceeds of the issue for the objects specified herein we shall with the approval of the shareholders of the Company deploy the funds for other business purposes in accordance with section 61 of the Companies Act.

6. *We have not placed orders for 56.57% of the total fund required for capital equipments that is required for our Projects and as a result, we may face time and cost overruns.*

We are yet to enter into definitive agreements or are yet to place orders for all the machinery and equipment as detailed in the "Objects of the Issue". We are yet to place orders for equipments worth Rs. 3,107.96 lacs, which amount to 56.57% of the total fund requirement of Rs 5,494.30 lacs for capital equipments. We are subject to risks on account of inflation in the price of machinery and other equipments. These factors may increase the overall cost, and we may have to raise additional funds by way of additional debt or equity placement to complete our Objects of the Issue, which may have an adverse effect on our business and results of operations.

7. *Our subsidiary, AAP Infrastructure Limited, has incurred losses of Rs. 74.25 lacs in Fiscal 2007 and Rs. 23.83 lacs in Fiscal 2008. As it is a wholly owned subsidiary, the consolidated financial results have been affected to that extent.*

AAP Infrastructure Limited, our subsidiary, has incurred losses for the year ended March 31, 2007 and 2008. For further details of the same please refer to the section 'History and Certain Corporate Matters' beginning on

page 90 of this Red Herring Prospectus. In the event that AAP Infrastructure Limited continues to incur losses, the Company's consolidated results of operations and financial condition will be adversely affected.

- 8. *There are potential conflicts of interest, with our Group Company, MSP Infrastructures Limited as they may engage in business activities that are similar to that undertaken by our Company which may affect our business adversely***

Our Group Company, MSP Infrastructures Limited has been promoted by our Promoters and has objects which are similar to that of our Company, as a result of which they may engage in business activities that will be similar to that undertaken by our Company. For further details, see the section titled "Our Promoters and Promoter Group" on page 114 of the Red Herring Prospectus.

- 9. *Construction business is a capital intensive business. Shortfall of funds may affect our ability to bid for further projects which in turn may adversely affect our results of operations.***

Construction business being inherently capital intensive in nature, requires infusion of funds at regular intervals to procure bids for award of new projects. Our Company may not be able to procure the necessary funds in order to bid for further projects which may adversely affect our results of operations. However, Company has not faced such short fall of funds till date which has affected our results of operations.

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

Our business requires a significant amount of working capital. In many cases, significant amounts of our working capital are required to finance the purchase of materials and the performance of engineering, construction and other work on projects before payment is received from clients. In certain cases, we are contractually obligated to our clients to fund working capital on our projects. Moreover, we may need to incur additional indebtedness in the future to satisfy our working capital needs.

It is customary in our business to provide letters of credit, bank guarantees or performance bonds in favour of clients to secure obligations under contracts. 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 could be limited. Providing security to obtain letters of credit, bank guarantees and performance bonds increases our working capital needs and limits our ability to provide bonds, guarantees, and letters of credit, and to repatriate funds or pay dividends. We may not be able to continue obtaining new letters of credit, bank guarantees, and performance bonds in sufficient amounts to match our business requirements.

- 11. *Our contracts in hand may be delayed which could have a material adverse effect on our cash flow position, revenues and earnings.***

Our contracts in hand do not necessarily indicate future earnings. We may also face problems in executing the project as contracted, or executing it on a timely basis or we may not be able to pursue a project which we contemplate undertaking. Moreover, factors beyond our control or the control of our clients may delay a project or cause change of scope, including delays or failures to obtain necessary permits, authorizations, permissions and other types of difficulties or obstructions. Due to the possibility of delays or changes in project scope and schedule, as a result of exercise 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 contract will be performed. Delays in the completion of a project can lead to clients delaying to us some or all of the amounts we expect to be paid in respect of the project. Any delay, reduction in scope, execution, difficulty or payment delay in regard to unexecuted part of our contract or disputes with clients in respect of any of the foregoing could have a material adverse effect on our cash flow position, revenues and earnings.

12. If our Joint Venture partners fail to perform their obligations satisfactorily, we may be required to make additional investments leading to reduced profits or, in some cases, significant losses for us.

In certain cases, as a consequence of client requirements and to mitigate risks associated with projects many of our current operations are conducted through joint ventures. We have entered into joint ventures with the Calcutta Industrial Supply Corporation, Lakeshwari Builders Private Limited, Telecommunications Consultants India Limited and Supreme Infrastructure (India) Limited. For further details these joint venture projects, please refer to the section titled “History and Certain Corporate Matters” beginning on page 90 of this Red Herring Prospectus. This trend is likely to continue in the future. In case we are unable to forge alliances with other companies to meet the pre-qualification requirements, we may lose the opportunity to bid. Where we have been awarded the project, revenues from the project will be that of the joint venture. We can derive revenue only to the extent of our share in the joint venture, as agreed in the applicable joint venture arrangements. Further, if we are unable to successfully manage relationships with our joint venture partners, such projects and therefore our profitability may suffer. If our joint venture partners fail to perform their obligations satisfactorily, we may be required to make additional investments and/or provide additional services to ensure the adequate performance and delivery of the contracted services because we are subject to joint and several liability as a member of the joint venture in most of our projects. These additional obligations could result in reduced profits or, in some cases, significant losses for us. The inability of a joint venture partner to continue with a project due to financial or legal difficulties could mean that we may be required to bear increased and possibly sole responsibility for the completion of the project and bear a correspondingly greater share of the financial risk of the project.

In the event of any disagreements between us and our various joint venture partners regarding the business and operations of the joint ventures, we cannot assure you that we will be able to resolve them in a manner that will be in our best interests, which could have a material adverse effect on our business, financial condition and results of operations.

13. We sub-contract some of our projects, delay in project completion on the part of our sub-contractor will result in delayed payments.

We sub-contract work on some of our projects and payments may depend on the sub-contractors’ performance. A delay in completion on the part of a sub-contractor, for any reason, could result in delayed payment. In addition, we may be liable to the client due to failure on the part of a sub-contractor to maintain the required performance standards or insufficiency of a sub-contractors’ performance guarantees.

14. Delays in the completion of current and future projects could have adverse effects on our operating results

We provide performance guarantees to 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 5% to 10% of the total project cost or, in some cases, the client may be entitled to appoint, at our expense, a third party to complete the work. To the extent that this happens and is not otherwise covered by the limitation of liability 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.

15. Our revenues are highly dependent on a few major clients. The loss of any of these clients may adversely impact our revenues and profitability

As we are mainly into road construction and maintenance we generate our major revenues from a few government funded entities such as MPRTC, NHAI, UPPWD, Delhi PWD, etc. The loss of any such client could have a material adverse effect on our revenues and profitability, the exact quantum of which is not possible to ascertain as on date.

16. We require certain approvals or licenses in the ordinary course of business and the failure to obtain or retain them in a timely manner, or at all, may adversely effect our operations

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. If we fail to obtain or retain any of such approvals or any of the approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. Furthermore, our government approvals and licenses are subject to numerous conditions, some of which are onerous and require us to make 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 “Licenses and Approvals” beginning on page 202 of this Red Herring Prospectus.

17. Any inability to manage our growth could disrupt our business and reduce our profitability.

Our revenues and profitability have grown rapidly in recent years. Our standalone revenue grew by 72.34 % from Rs. 16,931.53 lacs in FY 2007 to Rs 29,180.57 lacs in FY 2008 and a further 73.35 % in FY 2009 to Rs. 50,584.15 lacs over FY 2008. For further details please refer to the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 179 of this Red Herring Prospectus. Any inability to manage our growth may have an adverse effect on our business and results of operations.

18. We plan to bid for Build, Operate and Transfer (“BOT”) projects, there are several risks associated with such projects which may have adverse impact on our revenues.

As part of our strategy, we plan to selectively bid for BOT projects. In addition, we expect that the overall proportion of projects that are offered on a BOT basis will increase over time due to the government’s increasing reliance on private participation in infrastructure investment. BOT projects offer the potential benefit of higher operating margins, as BOT projects can generally give us greater control over project costs. In addition, they offer the potential benefit of greater-than-anticipated revenues from the users of the constructed facility during the concession period. However, the risks associated with undertaking BOT projects can be substantial, including the risk of incorrect forecasts at the bid stage concerning revenues to be derived from the use of the constructed facility and the risk of extended exposure to fluctuating economic conditions. Reduced profitability or losses from BOT projects that do not perform as forecast could have a material adverse effect on our results of operations. Additionally, growth in BOT infrastructure projects may require increasing private sector participation. Investment by the private sector in such projects is dependent on the potential returns from such projects and is therefore linked to government policies relating to public-private participation and the sharing of risks and returns from such projects. Any changes in government policies that may lead to a reduction in capital investment in the infrastructure sector by the private sector could have a material adverse impact on our business and our results of operations.

Revenues in BOT projects accrue to the contractor at a later stage in form of user fees and the toll collected. The collection of the toll amount being uncertain in nature, it may be insufficient to generate enough revenue which shall have a material impact on our business and our results of operations.

19. An inability to attract, recruit and retain our senior management and other key personnel could adversely affect our business and results of operations.

We are highly dependent on our Directors, senior management and other key personnel, including skilled project management personnel for setting our strategic direction and managing our business, which are crucial to our success and business strategy. We have not entered into comprehensive employment contracts or non-compete agreements with our Directors, senior management and other key personnel nor do we maintain “key man” insurance for these individuals. A significant number of our employees are skilled engineers and we face strong competition in recruiting and retaining skilled and professionally qualified staff. Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and retain experienced, talented and skilled professionals. Due to the current limited pool of skilled personnel, competition for senior management, commercial and finance professionals and engineers in our industry is intense. We may also need to increase our pay structures to attract and retain such personnel, which could affect our profit margins. The loss of the services of our Directors, senior management or other key personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our results of operations.

20. *Contracts awarded to us by governments or government-backed entities may be unilaterally terminated for convenience, which may affect our operations adversely.*

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, the time period of which may vary from case to case, subject to appropriate compensation payable to the company for such termination. In the event that a contract is so terminated, our results of operations may be adversely affected.

21. *With significant competition from other construction companies, we may be unable to increase or maintain our volume of order intake.*

We operate in a highly competitive environment. Our competition varies depending on the size, nature and complexity of the project and on the geographical region in which the project is to be executed. We compete against various engineering and construction companies namely J. Kumar Infra Projects Limited, KNR Constructions Limited, MSK Projects India Limited, PBA Infrastructure Limited to name a few. While many factors affect the client decisions, price is a key deciding factor in most of the tender awards.

We may be unable to compete with larger construction companies for complex, high-value contracts as well as projects that are of comparatively lesser value, many of whom may have greater financial resources, economics of scale and operating efficiencies. If we are unable to bid for and win engineering construction projects, both large and small, or compete with larger competitors, we could fail to increase, or maintain, our volume of order intake and our results of operations may be materially adversely affected.

22. *Our subsidiary has entered into a debt agreement which contain restrictive covenants, which having been guaranteed by us, could limit our flexibility in the business operations..*

Our subsidiary, AAP Infrastructure Limited, has entered into a financing arrangement with Punjab National Bank (“**Lender**”) that grants the Lenders certain rights, which, among other things, restrict the right of the SPV to alter or modify the project, create a charge on the assets of the subsidiary, restriction on the payment of unsecured loans during the term of this financial arrangement, ability of the project companies to raise additional debt or equity, pay dividends, make investments, engage in transactions with affiliates, sell assets or acquire other businesses. These debt obligations are secured by a combination of security interests over the assets of our subsidiary’s alongwith a pledge on all the shares held by the promoters of the subsidiary in the subsidiary. There can be no assurance that we will be able to comply with these financial or other covenants in the future.

23. *We have entered into and may continue to enter into, related party transactions which we have been conducted on an arm’s length basis and we could not have achieved more favourable terms had such transactions been entered into with unrelated parties.*

We have entered into certain transactions with related parties, including our Promoter Group, Group Companies, Directors and our employees, as encompassed hereinbelow.

(Rs. in Lacs)

| Name of related party | Nature of Transaction | For the year ended | | | | | For the quarter ended June 30, 2009 |
|-------------------------|-----------------------|--------------------|----------------|----------------|----------------|----------------|-------------------------------------|
| | | March 31, 2005 | March 31, 2006 | March 31, 2007 | March 31, 2008 | March 31, 2009 | |
| Promoters/ Directors | | 9.6 | 9.6 | 18.75 | 21.00 | 33.00 | 8.25 |
| Subsidiary Company | | | | | | | |
| AAP | Contract Receipts | 2,624.69 | 3,665.50 | 2,218.58 | 738.80 | - | - |

| | | | | | | | |
|---|---------------------------------|----------|----------|----------|----------|----------|----------|
| Infrastructure Limited | Receivables at the year end | 721.01 | 1,365.91 | 2,993.98 | 1,903.85 | 2,104.85 | 2,009.01 |
| | Payables at the year end | 319.85 | - | - | - | - | - |
| | Loan Given | | - | - | 2,045 | 1,604.65 | 1,604.65 |
| Joint Ventures | Contract Receipts | 247.63 | 773.45 | 1,223.39 | 3,525.82 | 7,000.25 | 2,294.71 |
| | Receivables at the year end | 9.89 | 21.62 | 22.04 | 692.19 | 644.53 | 626.57 |
| Companies /Firms in which Promoters/ Directors or their Relatives having significant influence | Sale / (Purchase) of AAP Shares | (778.50) | - | - | - | - | - |
| | Share Application Money | - | - | - | 1,500 | - | - |
| | Receivables at the year end | 763.14 | 440.58 | - | - | 2.76 | 2.76 |
| | Equipment Hire Charges Received | - | - | - | - | - | - |
| | Loans Given | - | - | - | 832.50 | 658.25 | 613.25 |
| | Service Charges Paid | - | - | - | - | - | - |
| | Trading Purchase | - | - | - | - | - | - |
| | Payables at the year end | - | - | - | - | - | - |
| | Trading Sales | 1,173.35 | 3,162.49 | 2,891.22 | 5.02 | - | - |
| | Other Receipt | - | - | - | 11.77 | 62.97 | - |
| Relatives of Promoters/ Directors | Salary | - | - | 3.08 | 4.84 | 10.09 | 3.00 |
| Ex Promoters/ Directors | Salary | 2.4 | 2.4 | - | - | - | - |

While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. For detailed information on our related party transactions, see the section titled "Related Party Transactions" on page 125 of this Red Herring Prospectus.

24. We do not own the "MBL" trademark, including the name and logo, and our use of the "MBL" trademark, along with the value of such intellectual property, may be impaired by the actions of others.

The trademark, including the name and logo, "MBL" is an important asset of our business. However, we do not own the "MBL" trademark. Infringement of the "MBL" trademark, for which we may not have recourse, may adversely and materially affect our reputation, and, thereby, our business and results of operations. We have made an application for the registration of the trademark in our name vide our application dated September 21, 2009. However, till date we have not received the certificate of registration from the Trademark Registry.

25. Our Promoters will continue to retain majority control, i.e. 57.32%, in the Company after the Issue, which will enable them to influence the outcome of matters submitted to shareholders for approval.

Upon completion of the Issue, the Promoters and Promoter Group will beneficially own 57.32 % of our post-Issue Equity Share Capital. Consequently they may exercise substantial control over us and inter alia may have the power to elect and remove a majority of our Directors and to determine the outcome of significant corporate transactions and decisions requiring approval of our Board of Directors. This control could delay, defer or prevent a change in control of the Company, impede a merger, consolidation, takeover or other business combination involving the Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company even if it is in the Company's best interest.

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

26. Our growth strategy depends upon the award of contracts. If we fail to win the contracts, our business growth may be adversely effected.

The growth of our business depends on us winning new contracts. Generally, it is very difficult to predict whether and when we will be awarded a new contract since many potential contracts involve a lengthy and complex bidding and selection process that may be affected by a number of factors, including changes in existing or assumed market conditions, financing arrangements, governmental approvals and environmental matters. Since the growth of our business will be derived primarily from these contracts, our future results of operations and cash flows can fluctuate materially. The exact quantum of such fluctuations, however, is difficult to quantify.

27. Our indebtedness and the conditions and restrictions imposed by our financing arrangements could adversely affect our ability to conduct our business and operations

We have entered into agreements with certain banks and financial institutions for short-term and long-term borrowings. Some of these agreements contain restrictive covenants, including, but not limited to, requirements that we obtain written consent from lenders prior to incurring further debt, creating further encumbrances on our assets, disposing of assets outside the ordinary course of business, effecting any scheme of amalgamation or restructuring, undertaking guarantee obligations, declaring dividends, incurring capital expenditures beyond certain limits. We may also be required to maintain security coverage. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain the consents necessary to take the actions we believe are required to operate and grow our business. Certain of our loans may be called at any time by our lenders pursuant to terms of the relevant agreements. Furthermore, a default on some of our loans may also trigger cross-defaults under some of our other loan agreements. An event of default under any debt instrument, if not cured or waived, could have a material adverse effect on us. Unsecured loans availed by our Company, Corporate Promoter and Group Companies may be recalled by the lenders at any point of time.

We cannot assure you that our business will generate sufficient cash to enable us to service our debt or to fund our other liquidity needs. In addition, we may need to refinance all or a portion of our debt on or before maturity. We cannot assure you that we will be able to refinance any of our debt on commercially reasonable terms or at all.

28. A significant part of our business transactions are with the government or government-funded/ controlled entities or agencies and any change in government policies or focus may affect our business and results of operations.

Our business is dependent on infrastructure projects undertaken by governmental authorities and other entities funded by governments or international and multilateral development finance institutions. As of March 31, 2009 most of our contracts were awarded by the central, state and government funded/ controlled entities and agencies. 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. In addition, for projects of value less than Rs.10,000 lacs, government agencies in India may grant “purchase preference” to public sector construction companies whose bid for the project is within 10% of the lowest bidder, and give such public sector enterprises an option to match the lowest bid. 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, the exact quantum of which is not possible to quantify.

29. *Our Group Company, Sahaj Promoters Private Limited has incurred losses in the recent past, the consolidated financial results have been affected to that extent.*

Our Group Company, Sahaj Promoters Private Limited has incurred losses in the recent past as enumerated hereinbelow:

| (Rs.in Lacs) | |
|----------------|--------------------------------------|
| Particulars | For the period ending March 31, 2008 |
| Loss after tax | 0.12 |
| Income | Nil |

In the event our Group Companies suffer or continue to suffer further losses, our consolidated results of operations would be adversely affected.

30. *Our Registered Office and Branch offices are not owned by us and inability to renew the tenancy may adversely affect our operations.*

The registered office and the Branch offices through which we operate our business have been taken by us on a tenancy basis with third parties. The tenancy is subject to negotiations with lessors for renewal. In the event that the tenancy is not renewed, our results of operations may be adversely affected.

31. *Our insurance coverage may not adequately protect us against all losses, to the extent that we suffer a loss or damage resulting from not obtaining or maintaining insurance or exceeding our insurance coverage, the loss would have to be borne by us.*

We believe that the insurance coverage we maintain would reasonably be adequate to cover all normal risks associated with the operation of our business. However, there can be no assurance that any claim under the insurance policies maintained by us will be honored fully or in part on time nor that we have taken out sufficient insurance to cover all material losses. To the extent that we suffer loss or damage resulting from not obtaining or maintaining insurance or exceeding our insurance coverage, the loss would have to be borne by us and it could have a material adverse effect on our results of operations and financial condition.

32. *Our business being seasonal in nature, our revenues from construction and project related activities may be adversely affected due to adverse weather conditions.*

Our operations may be adversely affected by difficult working conditions during the summer months and during monsoon season that restrict our ability to carry on construction activities and fully utilise our resources. During periods of curtailed activity due to adverse weather conditions our revenues from construction and project related activities may be delayed or reduced.

33. *Our profitability and results of operations may be adversely affected in the event of increases in the price of raw materials, fuel costs, labour or other inputs.*

The cost of raw materials, fuel, labour and other inputs constitutes a significant part of our operating expenses. Our construction operations require various raw materials including steel and cement. Fuel costs for operating our construction and other equipment also constitute a significant part of our operating expenses, especially in the case of our infrastructure projects. Our ability to pass on increases in the purchase price of raw materials, fuel 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.

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. Cost variations 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.

Risks associated with the Equity Shares

1. *The Company has issued Equity Shares during the last 12 months at a price which may be lower than the Issue Price.*

The Company has issued Equity Shares during the last 12 months at a price which may be lower than the Issue Price.

| Date of Allotment | No. of Equity Shares | Face Value (Rs.) | Issue Price (Rs.) | Nature of Consideration | Nature of Allotment | Cumulative No. of Equity Shares | Cumulative Paid up Capital (Rs.) | Cumulative Share Premium(Rs.) |
|--------------------------|-----------------------------|-------------------------|--------------------------|--------------------------------|---|--|---|--------------------------------------|
| September 04, 2008 | 4,12,500 | 10 | 200 | Cash | Further allotment of Equity Shares to Prabhu International Vyapar Private Limited | 1,14,76,227 | 11,47,62,270 | 9,13,75,000 |
| September 04, 2008 | 3,37,500 | 10 | 200 | Cash | Further allotment of Equity Shares to SMH Capital Limited | 1,18,13,727 | 11,81,37,270 | 15,55,00,000 |

For further details, please refer to the section titled "Capital Structure" beginning on page 24 of this Red Herring Prospectus.

2. *There is no guarantee that our Equity Shares will be listed on the BSE and the NSE in a timely manner or at all, and any trading closures at the BSE and the NSE may adversely affect the trading price of our Equity Shares.*

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after those Equity Shares have been issued and allotted. Approval will require all other relevant documents authorizing the issuing of our Equity Shares to be submitted. There could be a failure or delay in listing our Equity Shares on the BSE and the NSE. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. In case of such a failure, our Company shall refund all moneys received from the investor within a period of eight days of Our Company becoming liable to make the refunds, failing which the same shall be repaid alongwith an interest at a rate of fifteen percent per annum as prescribed under section 73 of the Companies Act. The BSE and the NSE have in the past experienced problems, including temporary exchange closures, broker defaults, settlements delays and strikes by brokerage firm employees, which, if continuing or recurring, could affect the market price and liquidity of the securities of Indian

companies, including the Equity Shares, in both domestic and international markets. A closure of, or trading stoppage on, either of the BSE and the NSE could adversely affect the trading price of our Equity Shares.

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

Prior to this Issue, there has been no public market for our Equity Shares. The trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including the performance of our business, competitive conditions, general economic, political and social factors, volatility in the Indian and global securities markets, trends in the overall IT industry, the performance of the Indian and global economy and significant developments in India's fiscal regime. There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Issue, or that the price at which our Equity Shares are initially issued will correspond to the prices at which they will trade in the market subsequent to this Issue.

4. *Any further issuance of Equity Shares by the Company or sales of Equity Shares by any significant shareholders may adversely affect the trading price of the Equity Shares.*

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

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

Conditions in the Indian securities market may affect the price or liquidity of our Equity Shares. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. In addition, the governing bodies of the Indian stock exchanges may from time to time restrict securities from trading, limited price movements and restricted margin requirements. If such problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected.

External Risks

1. *Demand for our infrastructure services depends principally on activity and expenditure levels in the building and infrastructure sectors.*

Demand for our infrastructure services is principally dependent on sustained economic development in the regions in which we operate. In addition, demand for our infrastructure services is largely dependent on government policies relating to infrastructure development and budgetary allocations made by governments for such development, as well as funding provided by international and multilateral development financial institutions for infrastructure projects. Investment by the private sector in infrastructure projects is dependent on the potential returns from such projects and is therefore linked to government policies relating to private sector participation and the sharing of risks and returns from such projects. A reduction of capital investment in the building or infrastructure sectors for any reason could have a material adverse effect on our business, results of operations and financial condition.

2. *Instability of economic policies and the political situation in India could adversely affect the fortunes of the industry*

There is no assurance that the liberalization policies of the government will continue in the future. Protests against privatization could slow down the pace of liberalization and deregulation. The Government of India plays an important role by regulating the policies and regulations governing the private sector. The current economic policies of the government may change at a later date. The pace of economic liberalization could change and specific laws and policies affecting the industry and other policies affecting investment in our Company's business could change as well. A significant change in India's economic liberalization and

deregulation policies could disrupt business and economic conditions in India and thereby affect our Company's business.

Unstable internal and international political environment could impact the economic performance in both the short term and the long term. The Government of India has pursued the economic liberalization policies including relaxing restrictions on the private sector over the past several years. The present Government has also announced policies and taken initiatives that support continued economic liberalization.

The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Our Company's business, and the market price and liquidity of the Equity Shares, may be affected by changes in interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

3. *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, tsunamis, 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.

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

Changes in interest rates could significantly affect our financial condition and results of operations. If the interest rates for our existing or future borrowings increase significantly, our cost of servicing such debt will increase. This may adversely impact our results of operations, planned capital expenditures and cash flows.

5. *Force majeure events, terrorist attacks and other acts of violence or war involving India, or other countries could adversely affect the financial markets, result in a loss of customer confidence and adversely affect our business, results of operations, financial conditions and cash flows*

Certain force majeure events, being beyond our control, including natural disasters, terrorist attacks and other acts of violence or war which may involve India or other countries may adversely affect worldwide financial markets, which could lead to economic instability. These acts may also result in a loss of business confidence and have other consequences that could adversely affect our business, results of operations and financial condition. More generally, any of these events could lower business confidence in India or other countries which could adversely affect our financial performance or the market price of the Equity Shares.

6. *Our business is subject to changes in tax rules and regulations that could adversely affect our results of operations.*

Taxes and other levies imposed by the Government of India or the state governments in India that affect us 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. The final determination of our tax liabilities involves the interpretation of local tax laws and related authorities 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. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability. The Indian Income Tax Act provides certain tax benefits to companies engaged in infrastructure development and construction, including

- As per the provisions of Section 80-IA(1) and 80-IA(4) of the Income Tax Act, the Company is eligible to claim 100% tax benefit with respect to profits derived from (i) developing or (ii) operating and maintaining or (iii) developing, operating and maintaining any infrastructure facility. However, the benefit is available subject to fulfillment of conditions prescribed under the said section ; and

- tax-free status on certain income by way of dividends, interest on long-term finance and long-term capital gains from investments/long-term loans, subject to specified conditions.

We have claimed certain tax credits under Section 80 IA of the I.T. Act, relating to infrastructure development projects which decrease the effective tax rates compared to the statutory tax rates. There can be no assurance that these tax incentives will continue in the future or that such tax credits shall be held to be available to us. Some of these benefits are available only for a specified period of time and others are available only in respect of specific projects. As and when the specified period of time expires or specified projects are completed, our tax liabilities may increase, reducing our profitability. Further, there can be no assurance that the Central or State Governments will not amend these provisions to our detriment, or that, after the expiry of the specified period of time, the Government will extend these tax benefits or that it will not enact laws in the future that could adversely impact our tax incentives and, consequently, tax liabilities and profits.

SECTION III: PROMINENT NOTES

- Public issue of 57,00,000 Equity Shares for cash at a price of Rs. [●] per Equity Share (including a share premium of Rs [●] per Equity Share) aggregating Rs. [●] lacs by the Company. The Issue comprises of a reservation of upto 1, 00,000 Equity Shares for Eligible Employees. The Issue less the Employee Reservation Portion is referred to as the “Net Issue”. The Issue comprises of a Net Issue of 56, 00,000 Equity Shares to the public. The Issue would constitute 32.55% of the fully diluted post issue paid-up Equity Capital of the Company. The Net Issue would constitute 31.97% of the fully diluted post issue paid-up Equity Capital of the Company.
- The net worth of our Company was Rs. 9,917.19 Lacs as on March 31, 2009 and Rs. 10,758.29 Lacs as on June 30, 2009 as per our restated standalone financial statements under Indian Accounting Policies.
- The net asset value/ book value per Equity Share was Rs. 83.95 as on March 31, 2009 and Rs. 91.07 as on June 30, 2009 , as per our restated standalone financial statements under Indian Accounting Policies.
- Investors are advised to refer to the section titled “Basis of Issue Price” on page 50 of this Red Herring Prospectus.
- The average cost of acquisition per Equity Shares for our Promoters is as follows:

| Name of the Promoter | Cost per Equity share (Rs.) |
|----------------------------|-----------------------------|
| Mr. Ram Gopal Maheshwari | 4.26 |
| Mr. Anjanee Kumar Lakhotia | 10.75 |
| Mr. Maruti Maheshwari | Nil* |
| SMH Capital Limited | 29.39 |

**All the Equity Shares currently held by Mr. Maruti Maheshwari were allotted to him pursuant to the bonus issue made by the Company.*

- We were incorporated as Maheshwari Brothers Limited on August 25, 1995. The name of our Company was changed to MBL Infrastructures Limited with effect from July 05, 2006 to reflect the nature of our business. We had amended the main objects of our Memorandum of Association to clearly suggest the nature of the business carried on by us, that is, infrastructure development. For further details, please refer to the section titled “History and Certain Corporate Matters” beginning on page 90 of this Red Herring Prospectus.
- Trading in Equity Shares of our Company for all the investors shall be in dematerialized form only.
- Except as disclosed in “Capital Structure” on page 24 of this Red Herring Prospectus, we have not issued any Equity Shares for consideration other than cash.
- For details of related party transactions, see the notes to our financial statements in “Related Party Transactions” on page 125 of this Red Herring Prospectus.
- The Issue is being made, under Regulation 26 (1) of the SEBI Regulations through a 100% Book Building Process wherein not more than 50% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (“QIBs”), out of which 5% (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remaining QIB portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above Issue Price. Undersubscription, if any, in the Mutual Funds portion will be met by a spillover from the QIB portion and be allotted proportionately to the QIB Bidders. Further not less than 15% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Retail Individual Bidders subject to valid Bids being received from them at or above the Issue Price.
- The Issue includes an Employee Reservation Portion of 1,00,000 Equity Shares which are available for allocation to Eligible Employees on a proportionate basis, subject to valid Bids being received at or above the Issue Price. Only the Eligible Employees as defined in the section titled “Definitions and Abbreviations” on page (ii) of this Red Herring Prospectus would be eligible to apply in the Employee Reservation Portion. Eligible Employees may also bid in the Net Issue portion and such Bids shall not be treated as multiple Bids. The Bids in the Employee Reservation Portion are subject to a maximum Bid for 1,00,000 Equity Shares. Under-subscription, if any, in the Employee Reservation Portion, would be allowed to be met with a spill over from any other category at the discretion of the Company, in consultation with the BRLM.

12. Retail Individual Investors, Bidding at Cut-Off, may apply through the ASBA Process. For details of the ASBA Process, please refer to the section titled “Issue Procedure” beginning on page 226 of this Red Herring Prospectus.
13. Investors may note that in case of over-subscription in the Issue, allotment to Qualified Institutional Investors, Non-Institutional Bidders and Retail Bidders shall be on a proportionate basis. For more information, please refer to the section titled “Terms of the Issue” beginning on page 223 of this Red Herring Prospectus.
14. Under-subscription in the Issue, if any, in any category will be met by spill over from other categories at the discretion of our Company in consultation with the BRLM. However, if the aggregate demand by Mutual Funds is less than 1,40,000 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.
15. For details of our related party transactions and other interests of our Promoters in the Company, please refer to the section titled “Related Party Transactions” beginning on page 125 of this Red Herring Prospectus.
16. For details on the transactions by the group companies and the Subsidiary during the last year, the nature of the transactions and the cumulative value of transactions, see “Related Party Transactions” on page 125 of this Red Herring Prospectus.
17. Investors are advised to refer to the section titled “Introduction – Basis of Issue Price” on page 50 of this Red Herring Prospectus.
18. For details of transactions in Equity Shares undertaken by our Directors, Promoters or Group Companies, see “Capital Structure – History of Equity Shares held by the Promoters” on pages 25-28 of this Red Herring Prospectus.
19. For details of the group companies having business and other interests in the Issuer, see “Related Party Transactions” on page 125 of this Red Herring Prospectus.
20. Except as disclosed in the sections “Our Management” and “Our Promoter and Promoter Group” on pages 101 and 114 respectively of this Red Herring Prospectus, none of our Promoters, Directors and key management personnel 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 or held by the companies, firms and trusts in which they are interested as Directors, member, partner and/or trustee and to the extent of the benefits arising out of such shareholding.
21. None of the members of the promoter group, the directors of our Promoter, our Directors and their relatives have financed the purchase by any other person of Equity Shares during the period of six months immediately preceding the date of filing of the Red Herring Prospectus with the SEBI.
22. Investors may contact the Book Running Lead Manager and the Compliance Officer for any complaints, information or clarifications pertaining to the Issue. For contact details of the Book Running Lead Manager or the Compliance Officer, please refer to the section titled “General Information” beginning on page 15 of this Red Herring Prospectus.
23. All clarification or information shall be made available by the BRLM and our Company to the public and investors at large and no selective or additional information would be available only to a section of the investors in any manner whatsoever.

SECTION IV: INTRODUCTION

SUMMARY

This is only a summary and does not contain all the information that you should consider before investing in our Equity Shares. You should read the entire Red Herring Prospectus, including the information contained in the chapters titled “Risk Factors” and “Financial Statements” and related notes beginning on pages xiv and 129 of this Red Herring Prospectus before deciding to invest in our Equity Shares.

SUMMARY OF INDUSTRY

The information presented in this section has been obtained from publicly available documents from various sources including industry websites and publications and from government estimates like NHAI site, Planning Commission, Economic Survey 2007 -2008, 2008- 2009, etc. and management views. Industry websites and publications generally 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. Although we believe industry, market and government data used in this Red Herring Prospectus is reliable and that website data is as current as practicable, these have not been independently verified.

The Indian construction industry is very large and is important to various sectors of the economy. It employs about 310 lac persons – second only to agriculture in terms of employment. It consumes 40-50% of the National Plan outlay and contributes 20% of GDP.

Construction sector may be broadly classified into the following categories:

- Real estate construction investments (i.e. residential and commercial construction)
- Infrastructure construction investments (i.e. roads, urban infrastructure, power, irrigation and railways)
- Industrial construction investments (i.e. steel plants, textiles plants, oil pipelines and refineries)

Infrastructure Industry

Roads

India has the second largest road networks in the world, aggregating to about 33 lac kilometres at present. The country's road network consists of National Highways, State Highways, Major District Roads, Other District Roads and Village Roads. The road network comprises 66,754 km of National Highways, 1,28,000 km of State Highways, 4,70,000 km of Major District Roads and about 26,50,000 km of Other District and Rural Roads. Out of the total length of National Highways, about 32 per cent is single lane/ intermediate lane, about 55 per cent is standard 2-lane and balance 13 per cent is 4-lane width or more. Source: Economic Survey 2007 - 2008

About 65% of freight and 80% passenger traffic is carried by the roads. National Highways constitute only about 2% of the road network but carry about 40% of the total road traffic. Number of vehicles has been growing at an average pace of 10.16% per annum over the last five years.

The Government of India spends about \$4 billion p.a. on road development.

Among the different categories of roads, National Highways constitute around 2%, State Highways 4% while 94 per cent of the entire network comprises ODR, MDR and VR. Out of these, PWD Roads are 21%, Urban Roads 7% and the rest of the road length in India is accounted for by the rural roads. While development and maintenance of National Highways is under the purview of the Centre, all other categories of roads come under the purview of the respective States/ UT Governments with total length of about 1,37,711 km.

The largest highway project ever undertaken in the country is being implemented by the National Highways Authority of India (NHAI).

Phase-I and II of the NHDP envisaged 4/6 laning of about 14,279 kilometres of National Highways at a total estimated cost of Rs. 65,000 crore (at 2004 prices). These two phases consist of the Golden Quadrilateral, the North-South & East-West Corridors, port connectivity and other projects. The Golden Quadrilateral (GQ – 5,846 km) connects the four major cities of Delhi, Mumbai, Chennai and Kolkata. The North-South and East-West Corridors

(NS-EW – 7,142 km) connects Srinagar in the North to Kanyakumari in the South including spur from Salem to Kochi and Silchar in the East to Porbandar in the West, respectively. Under the Port Connectivity Project, roads connecting 12 major ports (380 km) and Other Projects (962 km) will be improved.

As of March 31, 2009, 11,037 km of national highways under NHDP has been completed, the bulk of which lies on the GQ. Nearly 98 per cent works on GQ have been completed by March 2009 and the NS and EW corridors are expected to be completed by December 2009.

As of March 31, 2009, 11,037 km of National Highways under NHDP project has been completed, the bulk of which (5,629 km) lies on the GQ. About 6,194 km of National Highways are under construction. Nearly 98 per cent works on GQ have been completed by March 2009 and the NS and EW Corridors are expected to be completed by December 2009.

SUMMARY OF OUR BUSINESS, STRENGTHS AND STRATEGY

We are engaged in the construction and maintenance of roads and highways, industrial infrastructure projects and other civil engineering projects for various government bodies and other clients. We have a fast growing business that provides integrated engineering, procurement and construction services for civil construction and infrastructure sector projects.

We have a pan India presence and our Company has executed and commenced upon a number of projects in the states of West Bengal, Madhya Pradesh, Uttarakhand, Orissa, Maharashtra, Rajasthan, Assam, Uttar Pradesh, Bihar, Delhi, Andhra Pradesh, Chattisgarh, Jharkhand, Haryana and Karnataka.

We are focused on the following sectors

1. Highway Construction
2. Road Maintenance
3. Industrial Infrastructure Projects
4. Other Civil Engineering Projects
5. BOT Projects

We are also engaged in steel trading and waste management (ferrous scrap and slag recycling) at major steel plants.

We have ready mix concrete ("RMC") and bitumen divisions to ensure adequate and timely supply of high quality of RMC and bitumen mixes. Our RMC division also sells RMC to third parties.

We have quarrying / mining division to ensure adequate and timely supply of our bulk raw material of stone aggregates. Our quarrying division also sells surplus stone aggregates to third parties.

We have successfully completed the execution of BOT project of 114 kms. of Seoni- Balaghat- Rajegaon State Highway under the Public Private Partnership (PPP) arrangements. MBL was among the first batch of contractors to be awarded the contracts of prestigious North South East West Corridor by NHAI and was the first to complete the project. We were the first to be awarded the comprehensive maintenance of Ring Road and outer Ring Road, the most important corridors of Delhi. We also have early mover advantage for maintenance and operation of National Highways.

We have successfully completed the work of construction of additional length of service road and side drains from Km. 146.00 to Km. 156.00 including 2-lane flyover on Guwahati Bypass section of NH 37 in the state of Assam.

Our company is being managed by a qualified team having prior experience in Construction activity. We own fleet of equipments, including hot mix plants, sensor pavers, tandem rollers, soil compactors, stone crushers, tippers, loaders, excavators, motorgraders, concrete batching plants, transit mixers, concrete pumps, reversible drum mixers, dozers and cranes.

We enter into contracts primarily through a competitive bidding process. We solely execute most of our projects as the contractor. When a client requires us to meet specific eligibility requirements for certain larger projects, including requirements relating to particular types of experience and financial resources, we enter into project-specific joint ventures with other construction companies. To encash upon our experience we also enter into project specific joint ventures with regional construction companies.

Also as a normal business practice, depending on the business needs, we outsource some of our work to sub contractors.

As on June 30, 2009 our Company has Rs. 100,198.25 lacs worth of contracts, Rs. 58,512.44 lacs of contracts will be executed solely by us and Rs. 41,685.81 lacs through joint ventures our share being Rs. 28,699.32 lacs in the joint ventures. Out of our total share of contracts of Rs. 87,211.76 lacs the unexecuted portion as June 30, 2009 was Rs.61,246.92 lacs.

Post June 30, 2009 our Company has received contracts worth Rs. 20,281.76 lacs.

Our Operational Income and Profit after Tax (PAT) as per the restated standalone financial statements for the financial year ending March 31, 2009 is Rs. 50,584.15 lacs and Rs. 2,738.39 lacs respectively. Our Operational Income and PAT have grown at 73.35% and 73.38% year on year respectively. Our Operational Income and Profit after Tax (PAT) as per the restated standalone financial statements for the quarter ended June 30, 2009 is Rs. 14,887.56 lacs and Rs. 841.10 lacs respectively.

Major Works executed by Our Company

| Clients | Name of the Contract | Value (Rs. in lacs) | Date of allotment of contract | Completion Date* | Whether completed in time or with delay | Penalty awarded due to delay |
|--|--|---------------------|-------------------------------|------------------|---|------------------------------|
| Madhya Pradesh Road Development Corporation Limited, Bhopal-462011 | Strengthening, Widening, Upgradation, Operation and Maintenance of 114 km. long Seoni-Balaghat Road in the State of M.P | 10,820.00 | 20.01.2003 | 22.02.2008 | Yes | - |
| Delhi, PWD | Contract with Delhi PWD, Outer & Inner Ring Road Maintenance | 3785.86 | 24.08.2005 | 23.02.2009 | Yes | - |
| National Highways Authority of India, New Delhi - 110 075. | Contract with NHAI-Construction of additional length of service road and side drains from km 146.000 to km 156.000 including 2-lane flyover on Guwahati Bypass section of NH-37 in Assam on East West Corridor programme of NHDP | 3556.80 | 19.07.2005 | 19.12.2008 | Yes | - |
| Mumbai Metropolitan Region Development Authority | Widening & Strengthening of Western Express Highway from JVLJ Junction to Andheri Flyover kms 516/400 to 518/600 | 3,348.26 | 20.03.2004 | 31.08.2007 | Yes | - |
| Uttar Pradesh Public Works Department, Lucknow – 226001 | Rehabilitation Road Works of SH-26 from Rajaganj to Near Sharda Bridge (Ch. 118.000 to Ch. 156.000) Loan No. 4684-In-Package no.-UPSRP/RMC-31 | 2,611.00 | 23.03.2005 | 10.06.2008 | Yes | - |
| Uttar Pradesh Public Works Department, Lucknow-226001 | Uttar Pradesh State Road Project Rehabilitation of State Highway from Azamgarh to Doharighat Length 56.758 Km. (Package-17) | 2,600.00 | 14.08.2002 | 31.03.2005 | Yes | - |
| Executive Engineer, RCD, Jamshedpur | Four laning of Km. 0.00 to Km. 15.50 of Adityapur-kandra road at Jamshedpur including construction of culvert & drain. | 2,585.00 | 12.01.2004 | 28.02.2006 | Yes | - |
| National Highways Authority of India, New Delhi - 110 075. | 4 Laning of km.60 to km.70 of Agra-Gwalior section of NH-3 section of NH-3 in the state of Madhya Pradesh. | 2,410.03 | 10.03.2000 | 14.01.2003 | Yes | - |
| National Highways Authority of India, New Delhi - 110 075. | 4 Laning of km.41 to km.51 of Agra-Dholpur section of NH-3 in the state of Rajasthan. | 2,052.00 | 12.08.1999 | 28.03.2001 | Yes | - |
| National Highways Authority of India, New Delhi - 110 075. | Construction of Toll Plazas, including Road works and building works at Km. 75.1 and Km. 164.55 of Delhi-Agra Section of NH-2. | 1,763.00 | 02.04.2002 | 15.05.2006 | Yes | - |
| Jharkhand, PWD | Contract with Jharkhand PWD, (Dhab-Phira) | 1234.54 | 18.12.2006 | 17.12.2008 | Yes | - |

| Clients | Name of the Contract | Value (Rs. in lacs) | Date of allotment of contract | Completion Date* | Whether completed in time or with delay | Penalty awarded due to delay |
|--|---|---------------------|-------------------------------|------------------|---|------------------------------|
| National Highways Authority of India, New Delhi - 110 075. | Short term Improvement and Routine Maintenance of Barwa Adda - Panagarh section of NH-2 (km.398.75 to km.512.00) in the state of Jharkhand/West Bengal, under Package No.- II. | 1,227.37 | 24.04.2002 | 30.06.2003 | Yes | - |
| Uttar Pradesh Public Works Department, Lucknow-226001 | Uttar Pradesh State Road Project Rehabilitation (Major Maintenance) works under phase- I, rehabilitation of SH-30 from Gosaiganj to Reedganj of length 27.000 km. (Package-12) | 1,194.72 | 21.08.2002 | 28.01.2005 | Yes | - |
| National Highways Authority of India, New Delhi - 110 075. | Maintenance and Rehabilitation of Km. 75 to Km. 282 of Tumkur Harihar section of NH-4 in the state of Karnataka. | 1,160.73 | 22.06.2000 | 30.06.2002 | Yes | - |
| National Highways Authority of India, New Delhi - 110 075. | Short term Improvement and Routine Maintenance of the Bangalore-Neelmangla section section of NH-4 (km.10.00 to km. 29.50) & Bangalore-Hosur section of NH-7 (km. 8.00 to km. 33.015) in the state of Karnataka, under Package-IV | 897.94 | 24.04.2002 | 30.06.2003 | Yes | - |

* in some of the projects completion date was rescheduled by the client without payment of penalty

Our Competitive Strengths

We believe that our competitive strengths are as follows:

Technical expertise and execution capabilities

We have technical expertise and reputation for efficient and timely project management and execution. We believe that our expertise in project implementation provides us with a significant competitive advantage. Further, our technical expertise and execution capabilities enable us to position ourselves better to deal with construction or implementation risk. In addition, we have worked on projects where we believe that the timeframe requirements of our clients were more aggressive than is customary for similar types of projects.

We were amongst the first batch of contractors to be awarded the contract for construction of North-South East-West corridor project of NHDP by NHA and were the first one to complete the construction ahead of all other projects that were awarded in this first batch.

Own fleet of construction equipments

We own most of the construction equipments including, hot mix plants, sensor pavers, tandem rollers, soil compactors, stone crushers, tippers, loaders, excavators, motorgraders, concrete batching plants, transit mixers, concrete pumps, reversible drum mixers, dozers, cranes etc and shuttering and centering plates. We believe that ownership of equipment would result in several advantages like lower cost and rapid mobilization. Further, as we own modern equipments we believe that we have a competitive advantage.

Early mover advantage for comprehensive maintenance of metro city road

In December 2004 N.C.T. Delhi had invited global tenders for the first time for the comprehensive maintenance of Ring Road and outer Ring Road, the most important corridors of Delhi. Amongst the large number of reputed domestic and international bidders we were awarded this contract.

We also have early mover advantage for maintenance and operation of National Highways.

There is immense opportunity available in the comprehensive maintenance of metro city roads and maintenance and operation of National Highways in India. Being an early mover in this area we believe that we enjoy competitive advantages.

Integrated business model

We are able to undertake all the activities related to a BOT projects in-house- from tendering for the project to the collection of tolls. This helps to ensure the timely completion of projects reduces our reliance on subcontractors and decreases our cost. We prepare all tendering documents and have a dedicated in-house traffic study team. We have experienced team of engineers and skilled workmen and fleet of construction equipments to construct and maintain the project. Our RMC division manufactures and supplies the concrete. Our quarrying division ensures the timely and cost effective supply of the bulk raw materials of stone aggregates. We have a toll collection team. Our integrated structure enables us to bid for a BOT project with confidence in our ability to complete and operate the project on a profitable basis.

Successfully completed BOT project

We have successfully completed the execution of the BOT project of 114 kms. Seoni- Balaghat - Rajegaon state highway under the Public Private Partnership (“PPP”) arrangements. Successful completion of the BOT project and our extensive experience in construction, operation and maintenance of highways and roads would enable us to capitalise on the opportunities available in this growing sector of the Indian economy.

Continuous enhancement of bid capacity and Pre qualification

There has been a continuous enhancement in our bid capacity in terms of experience, technical knowhow, financial resources and turnover. This enables us to bid for larger and complex projects in our own capacity as prime contractor and in joint ventures with reputed organizations.

Pan India Presence

Our Company has a national presence and is currently executing projects in 9 states across India. We have developed the capability to simultaneously execute projects at geographically diversified locations, giving us the ability to access wider markets.

Availability of raw material at cheaper cost

We take up quarries on lease, do mining and install crushers to produce stone aggregates at our project sites. Producing aggregates in-house enables us to control and ensure the quality and timely delivery required for the projects. Having captive capability ensures availability of this bulk raw material at a cheaper cost.

Our experience in steel trading enables us to identify right procurement opportunities at the right prices and also helps us in effective inventory management.

Elite Customer base and long term relationship with clients

We believe that as a result of our technical expertise and execution capabilities, we have developed long term relationships with our clients. Our existing clients give us significant credibility and, at times, provide references that have proven valuable for acquiring new clients. We believe that our long-term relationships are a key strength that provides us a foundation to expand our business and operations.

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

We have a qualified and motivated workforce consisting of vice presidents, general managers, managers, engineers, technical staff and non-technical staff. 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. Our management team is well qualified and experienced and is responsible for the growth in our business operations. We are dedicated to the

professional development of our employees and continue to invest in them to ensure that they have the necessary skills.

Our Business Strategy

Our objective is to continue to improve and consolidate our position in the construction and infrastructure development and management industries. We intend to achieve this by implementing the following strategies:

Target specific high potential projects

We intend to concentrate on projects where we believe there is high potential growth and where we enjoy competitive advantage. We believe that our expertise and experience in development, operation, and maintenance of road infrastructure projects will provide us with an advantage in pursuing growth opportunities in this fast growing sector.

We intend to be associated with larger, technically more complex projects by leveraging, among other things, our prior experience in infrastructure projects and our equipment base. The high entry barriers for bidding for large order size projects and the resulting decreased competition to bid for and undertake such projects makes this an attractive sector in which to participate. While working on higher value projects may have associated risks, such projects also enable us to reduce operating costs and expenses and benefit from potentially higher margins.

We intend to focus more on comprehensive maintenance of roads in metro cities where we have an early mover advantage and the margins in such activities are comparatively high.

Consolidating our position in the infrastructure space

We intend to consolidate our position in industrial infrastructure projects and foray into urban infrastructure projects such as multilevel car parking, flyovers, grade separator etc. and also other infrastructure projects such as airports, bridges, runways etc.

Joint Venture with other infrastructure companies for increasing the bid capacity for larger projects and with regional players to reap the benefits of our experience.

We continue to develop and maintain strategic alliance and form project specific alliances to increase our bid capacity. We would also continue to form project specific joint ventures with regional players whose resources, skills and strategies are complementary to our business and would help us to reap the benefits of our experience.

Continue to enhance our project execution capabilities

We believe that we have developed a reputation for undertaking challenging infrastructure and construction projects and completing such projects in timely manner. We intend to continue to focus on performance and project execution in order to maximize client satisfaction and margins. We leverage technologies, designs and project management tools to increase productivity and maximize asset utilization in capital intensive activities. We continue to optimize operating and overhead costs to maximize our operating margins. Our ability to effectively manage projects will be crucial to our continued success as a recognised infrastructure company. We believe that we are able to distinguish ourselves from our competitors because of our management strength and in-house development, construction, operation and maintenance capabilities. We intend to continuously strengthen our execution capabilities by adding to our existing pool of engineers, attracting new graduates, and facilitating continuous learning with in-house and external training opportunities.

Bid for, win and operate BOT and Annuity projects.

The government has planned for a number of projects on a BOT or annuity basis. We believe that such projects will become increasingly more prevalent in the coming years because of the government's reliance on the public-private-partnership (PPP) model. BOT or annuity projects generally provide better operating margins because of the added overall control of project costs that can be exerted by the contractor. Additionally BOT projects offer the possibility of higher revenues to the contractor by virtue of better than anticipated use of the asset. We intend to take up

contracts on BOT and annuity projects by leveraging our technical and financial credentials, which we believe will be improved by the strengthened balance sheet that we expect to have following the Issue. Such a balance sheet should allow us to take on more projects, including BOT and annuity projects on our own. It will also increase our ability to form strategic alliances with corporate developers and financial institutions, which we intend to do more of on a project-by-project basis enhancing our prospect to bid for and execute such projects.

Encashing relationship with steel manufacturing companies and previous experience of stone aggregates mining.

Since our inception, we have good relations with the steel manufactures and also reasonable experience in mining. We may enter into mining of minerals such as iron ore, coal etc in future subject to availability of mines and the then prevailing Government Rules and Regulations

SUMMARY FINANCIAL INFORMATION

The following table sets forth our consolidated financial information derived from our restated and audited consolidated financial statements for the years ended March 31, 2005, 2006, 2007, 2008, 2009 and quarter ended June 30, 2009, all prepared in accordance with the Indian Accounting Policies, the Companies Act and SEBI Regulations and restated as described in the Auditor's report of M/s Agrawal S. Kumar & Associates, Chartered Accountants included in the section titled "Financial Statements" beginning on page 129 of this Red Herring Prospectus and should be read in conjunction with those financial statements and notes thereto.

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(Rupees In Lacs)

| | | As at 31st March | | | | | As at June 30, 2009 |
|-----------|--|------------------|-----------------|------------------|------------------|------------------|---------------------|
| | | 2005 | 2006 | 2007 | 2008 | 2009 | |
| A. | Fixed Assets: | | | | | | |
| 1 | Gross Block | 3,662.60 | 4,145.63 | 7,093.78 | 14,080.44 | 16,047.39 | 16,236.62 |
| | Less:- Depreciation | (1,358.92) | (1,662.23) | (2,134.23) | (2,661.27) | (3,600.99) | (3,821.28) |
| | Net Block | 2,303.68 | 2,483.40 | 4,959.55 | 11,419.17 | 12,446.40 | 12,415.34 |
| | Less:- Revaluation Reserve | (425.86) | (322.41) | (218.96) | (115.51) | - | - |
| | Net Block after adjustment for Revaluation Reserve | 1,877.82 | 2,160.99 | 4,740.59 | 11,303.66 | 12,446.40 | 12,415.34 |
| | Capital Work In Progress | 2,269.52 | 4,258.41 | 7,621.42 | 14.62 | - | 25.69 |
| | Total (A) | 4,147.34 | 6,419.40 | 12,362.01 | 11,318.28 | 12,446.40 | 12,441.03 |
| B | Current Assets, Loans and Advances | | | | | | |
| 3 | Inventories | 717.12 | 1,306.58 | 1,262.10 | 2,257.23 | 4,018.54 | 3,256.89 |
| 4 | Sundry Debtors | 1,950.34 | 1,896.60 | 3,085.07 | 8,652.45 | 11,999.57 | 15,201.54 |
| 5 | Cash & Bank Balances | 1,697.19 | 2,025.33 | 2,311.85 | 2,723.06 | 4,504.96 | 3,676.23 |
| 6 | Loans & Advances | 813.66 | 931.48 | 1,860.98 | 1,828.80 | 3,450.45 | 4,322.78 |
| 7 | Other Current Assets | 32.20 | 141.33 | 870.38 | 1,777.64 | 2,980.39 | 2,956.20 |
| | | 5,210.51 | 6,301.32 | 9,390.38 | 17,239.18 | 26,953.91 | 29,413.64 |
| C | Liabilities and Provisions: | | | | | | |
| 8 | Secured Loans | 2,293.77 | 3,646.36 | 5,329.48 | 7,262.61 | 12,682.70 | 13,055.21 |
| 9 | Unsecured Loans | 1,795.61 | 1,343.72 | 2,402.80 | 3,199.33 | 6,737.04 | 7,063.87 |
| 10 | Deferred Tax Liability | 385.25 | 336.02 | 338.70 | 528.52 | 865.16 | 979.11 |
| 11 | Current Liabilities & Provisions | 2,129.73 | 3,941.46 | 6,571.80 | 11,717.35 | 9,294.37 | 10,075.20 |
| | | 6,604.36 | 9,267.56 | 14,642.78 | 22,707.81 | 29,579.27 | 31,173.39 |

| | | | | | | | |
|----------|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| D | Minority Interest | 7.00 | - | - | - | - | - |
| E | Net Worth | 2,746.50 | 3,453.16 | 7,109.61 | 5,849.65 | 9,821.04 | 10,681.27 |
| F | Represented by | | | | | | |
| 12 | Share Capital | 724.25 | 1,086.37 | 1,106.37 | 1,106.37 | 1,181.37 | 1,181.37 |
| 13 | Reserves | 2,448.97 | 2,689.72 | 6,222.46 | 4,858.79 | 8,639.67 | 9,499.90 |
| | Less: Revaluation Reserve | (425.86) | (322.41) | (218.96) | (115.51) | - | - |
| | Reserve (Net of Revaluation Reserve) | 2,023.11 | 2,367.31 | 6,003.50 | 4,743.28 | 8,639.67 | 9,499.90 |
| | | 2,747.36 | 3,453.68 | 7,109.87 | 5,849.65 | 9,821.04 | 10,681.27 |
| 14 | Less: Miscellaneous Expenditure | 0.86 | 0.52 | 0.26 | - | - | - |
| | Net Worth | 2,746.50 | 3,453.16 | 7,109.61 | 5,849.65 | 9,821.04 | 10,681.27 |

CONSOLIDATED STATEMENT OF PROFIT AND LOSSES

(Rupees In Lacs)

| | | Year Ended March 31, | | | | | Quarter ended June 30, 2009 |
|----------|---|----------------------|------------------|------------------|------------------|------------------|-----------------------------|
| | | 2005 | 2006 | 2007 | 2008 | 2009 | |
| | INCOME | | | | | | |
| A | Income from Operation | | | | | | |
| 1 | Income from Construction and Project Related Activities | 9,890.89 | 11,673.20 | 12,285.76 | 19,673.60 | 36,474.27 | 11,319.81 |
| 2 | Income from Waste Management and Trading Activities | 4,395.99 | 4,142.62 | 4,778.37 | 9,723.52 | 14,890.07 | 3,771.29 |
| | Total | 14,286.88 | 15,815.82 | 17,064.13 | 29,397.12 | 51,364.34 | 15,091.10 |
| 3 | Other Income | 12.44 | 6.50 | 6.02 | 53.10 | 63.34 | 17.99 |
| 4 | Increase/(Decrease) in Waste & Trading Inventories | (94.70) | 223.84 | (219.71) | 235.90 | 18.37 | 79.07 |
| | | 14,204.62 | 16,046.16 | 16,850.44 | 29,686.12 | 51,446.05 | 15,188.16 |
| B | EXPENDITURE | | | | | | |
| 5 | Raw materials Consumed | 4275.95 | 2601.66 | 3218.15 | 3570.05 | 10,733.67 | 4,724.52 |
| 6 | Purchases of Waste and Trading Goods | 4238.51 | 4234.40 | 4443.67 | 9707.87 | 14,693.59 | 3,771.71 |
| 7 | Staff Costs | 67.02 | 128.60 | 305.19 | 528.84 | 682.11 | 212.49 |
| 8 | Other Operating Expenses | 4,224.17 | 7,251.24 | 6,091.41 | 11,451.12 | 17,227.47 | 3,972.71 |
| 9 | Administration, Selling & Distribution Expenses | 186.28 | 236.49 | 322.56 | 332.14 | 652.58 | 158.58 |
| 1 | Loss on sale of Fixed | - | 0.71 | 2.82 | 2.96 | 2.53 | - |

| | | | | | | | |
|---|---|------------------|------------------|------------------|------------------|------------------|------------------|
| 0 | Assets | | | | | | |
| | | 12,991.93 | 14,453.09 | 14,383.80 | 25,592.98 | 43,991.95 | 12,840.01 |
| | Earning Before Interest, Depreciation, Tax & Amortization (EBIDTA) | 1,212.69 | 1,593.07 | 2,466.65 | 4,093.14 | 7,454.10 | 2,348.15 |
| | Interest | 279.92 | 518.23 | 906.46 | 1,440.37 | 2,802.20 | 864.29 |
| | Depreciation | 197.56 | 200.78 | 380.65 | 513.41 | 833.20 | 220.28 |
| | Profit Before Tax (PBT) | 735.20 | 874.06 | 1,179.54 | 2,139.36 | 3,818.70 | 1,263.58 |
| | Provision for Taxation | | | | | | |
| | - Current Tax | 55.00 | 72.52 | 140.00 | 250.00 | 735.36 | 289.40 |
| | - Deferred Tax | 22.22 | (49.23) | 2.68 | 189.82 | 336.64 | 113.95 |
| | - Fringe Benefit Tax | - | 4.42 | 5.21 | 7.24 | 6.38 | - |
| | Profit After Tax (PAT) | 657.98 | 846.35 | 1,031.65 | 1,692.30 | 2,740.32 | 860.23 |
| | (Short)/ Excess Provision in respect of Income Tax for Earlier years | 4.46 | (16.15) | (17.68) | (136.70) | - | - |
| | Net Profit as per Audited Financial Statements (A) | 662.44 | 830.20 | 1,013.97 | 1,555.60 | 2,740.32 | 860.23 |
| | Adjustments on account of restatements (B) | | | | | - | - |
| | Net Profit as restated (A) - (B) | 662.44 | 830.20 | 1,013.97 | 1,555.60 | 2,740.32 | 860.23 |
| | Balance brought forward from the previous year as restated | 338.28 | 343.55 | 617.31 | 1,251.84 | 1,142.27 | 1,693.66 |
| | Profit available for appropriation as restated | | | | | | |
| | - Proposed Dividend | 36.21 | 108.64 | 110.64 | 165.96 | 229.86 | - |
| | - Corporate Tax on Dividend | 4.73 | 15.24 | 18.80 | 28.20 | 39.07 | - |
| | - Transfer to General Reserve | 616.22 | 432.56 | 250.00 | 80.00 | 1,920.00 | - |
| | - Transfer to Capital Redemption Reserve | - | - | - | 1,391.01 | - | - |
| | Balance carried forward as restated | 343.55 | 617.31 | 1,251.84 | 1,142.27 | 1,693.66 | 2,553.89 |

RESTATED CASH FLOW STATEMENT - CONSOLIDATED

(Rupees In Lacs)

| | | Year Ended March 31, | | | | | Quarter ended June 30, 2009 |
|----|--------------------------------------|----------------------|------|------|------|------|-----------------------------|
| | | 2005 | 2006 | 2007 | 2008 | 2009 | |
| A. | Cash flows from Operating Activities | | | | | | |

| | | Year Ended March 31, | | | | | Quarter ended June 30, 2009 |
|-----------|---|----------------------|-------------------|-------------------|-------------------|-------------------|-----------------------------|
| | | 2005 | 2006 | 2007 | 2008 | 2009 | |
| | Net Profit / (Loss) before Tax & Extraordinary Items | 735.20 | 874.06 | 1,179.54 | 2,139.36 | 3,818.68 | 1,263.58 |
| | Adjustments for : | | | | | | |
| | (Profit)/Loss on Sale of Fixed Assets | (1.43) | 0.71 | 2.82 | 2.96 | 2.53 | - |
| | Depreciation | 197.56 | 200.79 | 380.65 | 513.41 | 833.20 | 220.28 |
| | Preliminary Expenses Written Off | 0.14 | 0.09 | - | - | - | - |
| | Interest and Finance Charges | 279.92 | 518.24 | 906.47 | 1,440.37 | 2,802.20 | 864.29 |
| | Operating Profit before Working Capital Changes | 1,211.39 | 1,593.89 | 2,469.48 | 4,096.10 | 7,456.61 | 2,348.15 |
| | (Increase) / Decrease in Inventories | (283.96) | (589.46) | 44.48 | (995.13) | (1,761.31) | 761.65 |
| | (Increase) / Decrease in Trade and other receivable | 97.39 | (184.82) | (1,506.38) | (3,423.03) | (6,083.02) | (3,954.23) |
| | Increase / (Decrease) in Trade Payables and other Liabilities | 559.21 | 1,736.46 | 1,288.33 | 1,646.81 | (841.29) | 586.43 |
| | Cash Generated from Operations | 1,584.03 | 2,556.07 | 2,295.91 | 1,324.75 | (1,229.01) | (258.01) |
| | Direct Taxes | (50.54) | (93.10) | (162.54) | (393.94) | (527.21) | (190.85) |
| | Net Cash from Operating Activities | 1,533.49 | 2,462.97 | 2,133.37 | 930.81 | (1,756.22) | (448.85) |
| B. | Cash Flow from Investing Activities | | | | | | |
| | Additions in Fixed Assets | (2,501.79) | (4,218.48) | (4,057.04) | (3,259.99) | (1,969.08) | (214.92) |
| | Sale of Fixed Assets | 26.28 | 6.00 | 4.90 | 61.74 | 5.25 | - |
| | (Additions) / Disposals of Investments | (778.50) | (7.00) | - | | - | - |
| | Net cash used in Investing Activities | (3,254.01) | (4,219.48) | (4,052.14) | (3,198.25) | (1,963.83) | (214.92) |
| C. | Cash Flow from Financing Activities | | | | | | |
| | Increase in Share capital (Including Share Application Money) | 120.24 | (1.60) | 20.00 | 1,500.00 | (1,425.00) | - |
| | Increase in Share Premium | - | - | 130.00 | - | 1,425.00 | - |
| | Proceeds from Capital Subsidy | 1,044.00 | 1,740.00 | 348.00 | | - | - |
| | (Repayments) / Proceeds of Secured Loan | 1,244.60 | 1,352.59 | 1,702.45 | 1,933.13 | 5,420.09 | 372.50 |
| | (Repayments) / Proceeds of | 342.88 | (451.89) | 1,043.75 | 796.53 | 3,097.36 | 326.83 |

| | | Year Ended March 31, | | | | | Quarter ended June 30, 2009 |
|--|---|----------------------|-----------------|-----------------|-----------------|-----------------|-----------------------------------|
| | | 2005 | 2006 | 2007 | 2008 | 2009 | |
| | Unsecured Loan | | | | | | |
| | Dividend & Dividend Tax Paid | (29.96) | (36.21) | (132.45) | (110.64) | (212.96) | - |
| | Interest and Finance Charges | (279.92) | (518.24) | (906.46) | (1,440.37) | (2,802.54) | (864.29) |
| | Net cash from Financing Activities | 2,441.84 | 2,084.65 | 2,205.29 | 2,678.65 | 5,501.95 | (164.96) |
| | Net Increase / (Decrease) in cash and cash equivalents (A+B+C) | 721.32 | 328.14 | 286.52 | 411.21 | 1,781.90 | (828.73) |
| | Cash & Cash Equivalent (Opening Balance) | 975.87 | 1,697.19 | 2,025.33 | 2,311.85 | 2,723.06 | 4,504.96 |
| | Cash & Cash Equivalent (Closing Balance) | 1,697.19 | 2,025.33 | 2,311.85 | 2,723.06 | 4,504.96 | 3,676.23 |

THE ISSUE

| | |
|---|---|
| Issue in terms of this Red Herring Prospectus | 57,00,000 Equity Shares* constituting 32.55% of our post-Issue paid-up share capital |
| Of which: | |
| 1. Employee Reservation Portion | 1,00,000 Equity Shares |
| 2. Net Issue to the public | 56,00,000 Equity Shares constituting 31.97% of our post-Issue paid-up share capital |
| Of which: | |
| 1. Qualified Institutional Buyers portion* | Not more than 28,00,000 Equity Shares, constituting not more than 50% of the Net Issue (allocation on a proportionate basis) of which, 1,40,000 Equity Shares of face value of Rs. 10 each will be available for allocation to Mutual Funds only and balance for all QIBs including Mutual Funds. |
| 2. Non Institutional Bidders portion | Not less than 8,40,000 Equity Shares, constituting not less than 15% of the Net Issue to the Public (Allocation on a proportionate basis)** |
| 3. Retail Individual Bidders portion | Not less than 19,60,000 Equity Shares, constituting Not less than 35% of the Net Issue to the Public (Allocation on a proportionate basis)** |
| Equity Shares outstanding prior to the Issue | 1,18,13,727 Equity Shares |
| Equity Shares outstanding after the Issue | 1,75,13,727 Equity Shares |
| For information on the use of Issue proceeds, please see the section titled “Objects of the Issue” beginning on page 40 of this Red Herring Prospectus. | |

* The Company may consider participation by Anchor Investors for upto 8,40,000 Equity Shares in accordance with applicable SEBI Regulations.

Allocation to all categories, except the Anchor Investor Portion, if any, shall be made on a proportionate basis.

The Company may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic mutual funds, subject to valid Bids being received from domestic mutual funds at or above the price at which allocation is being done to Anchor Investors. For further details, please see the section entitled “Issue Procedure” on page 226 of this Red Herring Prospectus.

** Under-subscription, if any, would be allowed to be met with spillover from any other category or combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange. Under subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue Portion, at the discretion of the BRLM and the Company. In case of under subscription in the Net Issue, spill over to the extent of under subscription shall be permitted from the Employee Reservation Portion subject to the Net Issue constituting 25% of the post Issue capital of the Company.

NOTE: Allocation shall be made on a proportionate basis subject to valid Bids received at or above the Issue Price. Under subscription, if any, in any category would be allowed to be met with spill over from any other category at the discretion of the Company, in consultation with the Book Running Lead Manager.

GENERAL INFORMATION

Registered of our Company

23-A, Netaji Subhas Road,
3rd Floor, Suite 14,
Kolkata 700 001.
Tel: +91 33 2230 1671/2353
Fax: +91 33 2230 8807
E-mail: cs@mblinfra.com
Website: www.mblinfra.com
Registration Number: 21-73700
Corporate Identification Number: U27109WB1995PLC073700.

Corporate Office of our Company

Saket Estates, 2nd Floor, Premises No. 2C,
2, Ho Chi Minh Sarani,
Kolkata – 700 071
Tel: +91 33 2282-0404/05/06/07/08/09
Fax: +91 33 2282 0405
E-mail: kolkata@mblinfra.com

SU 2-3, Bhikaji Cama Bhawan,
Bhikaji Cama Place, Ground Floor,
New Delhi – 110 066
Tel: +91 11 2618 3937
Fax: +91 11 2616 7547
Email: delhi@mblinfra.com

Address of Registrar of Companies

Our Company is registered with the Registrar of Companies, West Bengal, situated at the following address:

Registrar of Companies, West Bengal,
Nizam Palace,
Ind MSO Building, 2nd floor,
234/4, A.J.C. Bose Road,
Kolkata 700 020.

Our Company was incorporated on August 25, 1995 as Maheshwari Brothers Limited under the Companies Act as a public limited company. For further details of our incorporation and change of name, please refer to the section titled “History and Certain Corporate Matters” beginning on page 90 of this Red Herring Prospectus.

Board of Directors

The Board of Directors comprises of:

| Sr. No. | Name | Designation |
|---------|----------------------------|---|
| 1 | Mr. Ram Gopal Maheshwari | Chairman |
| 2 | Mr. Anjanee Kumar Lakhotia | Chief Executive Officer and Whole-time Director |
| 3 | Mr. Maruti Maheshwari | Executive Director |
| 4 | Mr. Bhanu Prakash Agarwal | Independent Director |
| 5 | Mr. Ashwini Kumar Singh | Independent Director |
| 6 | Mr. Kumar Singh Baghel | Independent Director |

For further details of our Directors, see “Our Management” on page 101 of this Red Herring Prospectus.

Company Secretary and Compliance Officer

Mr. Nitin Bagaria

23-A, Netaji Subhas Road,
3rd Floor, Suite 14,
Kolkata 700 001.
Tel: +91 33 2230 1671
Fax: + 91 33 2230 8807
E-mail: cs@mblinfra.com

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre 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 Manager

Motilal Oswal Investment Advisors Private Limited

113/114, Bajaj Bhawan,
11th Floor, Nariman Point,
Mumbai 400 021.
Tel: +91 22 3980 4380
Fax: +91 22 3980 4315
Email: mbl.ipo@motilaloswal.com
Investor Grievance id: moiaplredressal@motilaloswal.com
Website: www.motilaloswal.com
Contact Person: Ms. Akshata Tambe
Registration number: INM000011005

Legal Counsel to the Issue

Khaitan & Co.

One Indiabulls Centre
13th Floor
841 Senapati Bapat Marg
Elphinstone Road
Mumbai 400 013, India
Tel: +91 22 6636 5000
Fax: +91 22 6636 5050
Email: capital.markets@khaitanco.com

Syndicate Members

Motilal Oswal Securities Limited

2nd Floor, Queens Mansion
44, A.K.Naik Marg
Behind Khadi Gram Udyog, Fort
Mumbai 400 001.
Tel: +91 22 3027 8090
Fax: +91 22 3027 8061
Email: anoop@motilaloswal.com
Contact Person: Mr. Anoop Tulsyan
Website: www.motilaloswal.com
SEBI Registration Number: INB 011041257 (BSE Cash segment), INB231041238 (NSE Capital Market segment)

Enam Securities Private Limited

Khatau Building, 2nd Floor,
44 Bank Street, Fort,

Mumbai 400 001
Tel: +91 022 2267 7901
Fax: +91 022 2266 5613
Email: ajays@enam.com; vinay@enam.com
Contact Person: Mr. Ajay Sheth / Mr. Vinay Ketkar
Website: www.enam.com
SEBI Registration Number: INM000006856

Experts

Except as disclosed in the sections titled “General Information”, “Financial Statements” and “Other Regulatory and Statutory Disclosures” beginning on page 15, 129 and 208 respectively of this Red Herring Prospectus, our Company has not obtained any other expert opinion.

IPO Grading

The Issue has been graded by ICRA, a credit rating agency registered with SEBI. ICRA through its letter dated October 14, 2009 has assigned a “ICRA IPO Grade 2” to the Issue. ICRA IPO Grade 2 indicates below average fundamentals. The IPO grading is assigned on a five point scale from 1 to 5 with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals. The report assigning the IPO grading has been annexed with this Red Herring Prospectus. A summary of the rationale for the grading assigned by ICRA in its report is reproduced below:

“The IPO Grade assigned by ICRA takes into account MBL’s experienced management team, its demonstrated track-record of having successfully executed small to medium size projects in the roads segment, and its healthy order book position, which along with the buoyant outlook for the construction industry, is expected to provide for growth in the company’s revenues and profits. The grading is however constrained by MBL’s significant project concentration risks, with the top three projects accounting for 50% of its current order book; the lack of sectoral diversification in the company’s revenues, given its focus on road projects in the infrastructure business; high revenue contribution from its low margin waste management and trading business; and challenges involved in scaling up of resources to successfully execute large projects. While the road construction segment offers significant growth opportunities, it also remains exposed to execution risks that arise out of delays in land acquisition. Moreover, this segment is turning increasingly competitive following the entry of a large number of players into road construction. Given the significant concentration of road projects in MBL’s current order book (98% of its current order book is accounted for by road projects), its ability to face competitive pressures in this segment or successfully diversify into other segments will remain crucial to maintain its future profitability. In 2007-08, MBL successfully completed road project on Build-Operate and Transfer (BOT) basis, and such BOT projects are expected to remain a focus area for the company in the future. However, BOT projects, being capital intensive and involving a longer gestation, may result in moderation of return indicators in the medium term. Going forward, ICRA expects the MBL’s funding requirements to increase in line with its need to augment its equipment and working capital, which is required to support its increased scale of operations; and the funds from the proposed IPO would enable MBL to maintain a prudential capital structure while funding its growth. In addition to funding, the company’s ability to retain and attract experienced personnel will also be crucial for its future growth.”

We had filed a draft offer document for our proposed public issue of equity shares (“Earlier IPO”) with SEBI on October 04, 2006. The Earlier IPO was graded by CRISIL which assigned a grade of 1/5 indicating poor fundamentals of the issue as compared to other listed securities in India through its letter dated February 23, 2007. The CRISIL Grading was valid for sixty days from the date of issue of the grading report. Company then withdrew the earlier draft offer document filed with SEBI due to an upward revision in its fund requirement on September 20, 2007.

Registrar to the Issue

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West),
Mumbai 400 078
Tel: +91 22 2596 0320
Fax: +91 22 2596 0329
E-mail: mbi.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact person: Mr. Sachin Achar

Bankers to the Issue and Escrow Collection Banks

| HDFC Bank | IDBI Bank |
|---|---|
| Lodha – I, Think Techno Campus O-3 Level Next to Kanjurmarg Railway Station Kanjurmarg (East) Mumbai – 400042, India. Tel: +91 22 30752928 Fax: +91 22 25799801 E-mail: deepak.rane@hdfcbank.com Website: www.hdfcbank.com Contact person: Mr. Deepak Rane | IDBI Bank Ltd. Unit No. 2, Corporate Park Sion Trombay Road, Chembur Mumbai- 400071, India. Tel: +91 22 66908402 Fax: +91 22 66908423 E-mail: mn.kamat@idbi.co.in Website: www.idbibank.com Contact person: Mr. M.N. Kamat |
| IndusInd Bank | Standard Chartered Bank |
| IBL House, CTS Number 179G, MIDC Cross Road B Off Andheri Kurla Road, Andheri (E) Mumbai – 400 059, India. Tel: +91 22 67778790 Fax: +91 22 66238021 E-mail: sunil.dsouza@indusind.com Website: www.indusind.com Contact person: Mr. Sunil Dsouza | 90, M.G. Road, Fort Mumbai- 400001, India. Tel: +91 22 22683955 Fax: +91 22 22690232 E-mail: joseph.george@sc.com Website: www.standardcharterd.co.in Contact person: Mr. Joseph George |

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSB for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSBs collecting the ASBA Bid cum Application Form, please refer the above mentioned SEBI website.

Bankers to the Company

| State Bank of Mysore | State Bank of Patiala | State Bank of Bikaner and Jaipur | Standard Chartered Bank |
|---|--|---|--|
| 3,4 & 5 D.D.A. Building Nehru Place, New Delhi 110 019 Tel.: +91 11 2643 9182 Fax: +91 11 5621 6893 Email: nehruplace@sbm.co.in | 2nd Floor, Chandralok Building 36, Janpath New Delhi 110 001 Tel. No.: +91 11 2373 8096 Fax No.: +9111 2335 4365 Email: sbpcbnd@yahoo.co.in | 27 Barakhamba Road New Delhi 110 001 Tel: +91 11 2450 2610 Fax: +91 11 2335 6814 Email: sbbj10390@sbbj.co.in | DLF Building No. 7A 3 rd Floor, DLF Cyber city, Sector – 24/25/25A, Gurgaon 122 001 Tel: +91 124 4876 147 Fax: +91 124 4876 200 Email: bipul.chand@sc.com |

| | | | |
|---|--|---|---|
| State Bank of Hyderabad | Bank of India | State Bank of Travancore | IDBI Bank Limited |
| 74, Janpath, New Delhi 110 001 Tel: +91 11 2332 1699 Fax: +91 11 2331 3683 Email: sbhkgm@ndf.vsnl.net.in | 5, B.T.M. Sarani, Kolkata 700 001 Tel: +91 33 2210 4257 Fax: +91 033 2242 7572 Email: kolkatacbb@bankofindia.co.in | Ansal Chamber, 3, Bhikaji Cama Place, Rama Krishna Puram, New Delhi 110 066 Tel: +91 11 2616 5282 +91 11 2619 4611 Email: rkpuram@sbt.co.in | Indian Red Cross Society Building, 1 , Red Cross Road, Post Bag No – 231 New Delhi 110 001 Tel:+91 11 2346 1900 Fax:+91 11 2371 1664 Email: newdelhi@idbi.co.in |
| Yes Bank Limited | Oriental Bank of Commerce | | |
| 48 Nyaya Marg, Chanakya Puri New Delhi 110 021 Tel: +91 11 6656 9000 Fax: +9111 4618 0144 Email: gaurav.jindal@yesbank.in | Overseas Branch, (Lord's Building) 7/1 Lord Sinha Road. Ground Floor, Kolkata 700 071 Tel: +91 33 2282 5012 Fax: +91 33 2282 1514 Email: bm544@obc.co.in | | |

Refund Banks

Standard Chartered Bank

90, M.G. Road, Fort
Mumbai- 400001, India.
Tel: +91 22 22683955
Fax: +91 22 22690232
E-mail: joseph.george@sc.com
Website: www.standardcharterd.co.in
Contact person: Mr. Joseph George

Auditors of the Company

Agrawal S. Kumar and Associates

Chartered Accountants,
Room No.: 27A, 1st Floor,
23A, Netaji Subhas Road,
Kolkata 700 001.
Tel: +91 33 2220 8382
Fax: +91 33 3028 8499
E-mail: agrsk@vsnl.net

Monitoring Agent

There is no requirement to appoint a Monitoring Agency for the Issue in terms of Regulation 16 of the SEBI Regulations.

Inter Se Allocation of Responsibilities

Since Motilal Oswal Investment Advisors Private Limited is the sole Book Running Lead Manager to the Issue, all the responsibilities of the Issue will be managed by them.

Credit Rating

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

Trustees

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

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, which will be determined and justified by the BRLM and the Company and advertised atleast two days prior to the Bid / Issue Opening Date. The Issue Price is finalized after the Bid / Issue Closing Date. The principal parties involved in the Book Building Process are:

- Our Company;
- The Book Running Lead Manager;
- The Syndicate Member(s) who are intermediaries registered with SEBI/ registered as brokers with BSE/NSE and eligible to act as Underwriters. The Syndicate Member has been appointed by the Book Running Lead Manager;
- Registrar to the Issue;
- Self Certified Syndicate Banks and
- Escrow Collection Banks.

The SEBI Regulations, has permitted the Issue of securities to the public through the 100% Book Building Process, wherein not more than 50% of the Net Issue shall be allotted on a proportionate basis to QIBs, of which 5% (excluding Anchor Investor Portion) shall be reserved for Mutual Funds only. The balance Equity Shares of the QIB portion shall be allocated in a proportionate basis to all QIBs including Mutual Funds receiving allocation in the portion reserved for Mutual Funds, as aforesaid. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Further, upto 1,00,000 Equity Shares shall be available for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received at or above the Issue Price. Our Company will comply with the SEBI Regulations for this Issue. In this regard, our Company has appointed the Book Running Lead Manager to procure subscriptions to the Issue.

In accordance with the SEBI Regulations, QIBs bidding the QIBs portion are not allowed to withdraw their Bid(s) after the Bid/Issue Closing Date. In addition, QIBs are required to pay not less than 10% of the Bid Amount payable on application upon submission of the Bid cum Application Form during the Bid/Issue Period and allocation to QIBs will be on a proportionate basis. For further details, see “Terms of the Issue” on page 223 of this Red Herring Prospectus.

The process of Book Building under the SEBI Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue.

Investors are advised to make their own judgment about investment through the ASBA process prior to submitting a Bid-cum-ASBA Form to a SCSB.

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

Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 20 to Rs. 24 per share, issue size of 3,000 Equity Shares and receipt of five bids from bidders, details of which are shown in the table below.

A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book 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 | 24 | 500 | 16.67% |
| 1,000 | 23 | 1,500 | 50.00% |
| 1,500 | 22 | 3,000 | 100.00% |
| 2,000 | 21 | 5,000 | 166.67% |
| 2,500 | 20 | 7,500 | 250.00% |

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

Steps to be taken by the Bidders for Bidding

1. Check eligibility for making a Bid (see “Issue Procedure – Who Can Bid?” on page 248 of this Red Herring Prospectus);
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
3. Ensure that you have mentioned your PAN number in the Bid cum Application Form (see “Issue Procedure – PAN” on page 245 of this Red Herring Prospectus);
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; and
5. Bids by QIBs will only have to be submitted to the BRLM and / or its affiliates.

Withdrawal of the Issue

The Company, in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue at any time after the bidding. In such an event the Company would issue a public notice in the newspapers, in which the pre-issue advertisements were published, within two days of the closure of the Issue, providing reasons for not proceeding with the Issue. The Company shall also promptly inform the Stock Exchanges on which the Equity Shares were proposed to be listed and SCSBs.

Bid/Issue Programme

BID/ISSUE OPENS ON NOVEMBER 27, 2009

BID/ISSUE CLOSES ON DECEMBER 1, 2009

* The Anchor Investor Bid/ Issue Period, if any, shall be one day prior to the Bid/ Issue Opening Date.

The Company may consider participation by Anchor Investors in terms of the SEBI Regulations. The Anchor Investor Bid/ Issue Period shall be one day prior to the Bid/ Issue Opening Date.

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 centres mentioned on the Bid cum Application Form.

On the Bid/Issue Closing Date, Bids (excluding the ASBA Investors) shall be uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders, Non-Institutional Bidders and Employees bidding under the Employee Reservation Portion where the Bid Amount is in excess of Rs. 100,000 and (ii) until 5.00 p.m. or such extended time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders and Employees bidding under the Employee Reservation Portion where the Bid Amount is up to Rs. 100,000. It is clarified that Bids not uploaded in the book, would be rejected. Bids by ASBA Investors shall be uploaded by the SCSB in the electronic system to be provided by the NSE and the BSE.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid cum Application Form, for a particular ASBA Investor, the Registrar to the Issue shall ask for rectified data from the SCSB.

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing date, the bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than the times mentioned above on the Bid/Issue Closing Date. All times mentioned in the Red Herring Prospectus is Indian Standard Time. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, the Issuer, BRLM, Syndicate Member(s) and the SCSB will not be responsible. Bids will be accepted only on Business Days, i.e., Monday to Friday (excluding any public holidays).

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 the time period 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 Bid/Issue Period in accordance with the SEBI Regulations provided that the Cap Price is less than or equal to 120% of the Floor Price. The Floor Price can be revised up or down to a maximum of 20% of the Floor Price advertised at least one day before the Bid /Issue opening Date.

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

Underwriting Agreement

After the determination of the Issue Price and allocation of the Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLM shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfill 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*

| Name and Address of the Underwriters | Indicated Number of Equity Shares to be Underwritten | Amount Underwritten (Rs. in lacs) |
|---|---|--|
| [●] | [●] | [●] |
| [●] | [●] | [●] |

The abovementioned is indicative of the total number of Equity Shares to be underwritten and would be finalized after the pricing and actual allocation.

In the opinion of our Board of Directors and the Book Running Lead Manager (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 abovementioned Underwriters are registered with SEBI under Section 12 (1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board of Directors / Committee of Directors, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Notwithstanding the above table, the BRLM 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. If the Syndicate Member fails to fulfill its underwriting obligations as set out in the Underwriting Agreement, the BRLM shall fulfill the underwriting obligations in accordance with the provisions of the Underwriting Agreement.

CAPITAL STRUCTURE

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

(Rs. in lacs)

| | Particulars | Nominal Value | Aggregate Value at Issue Price |
|-----------|--|---------------|--------------------------------|
| A | Authorised Capital | | |
| | 2,52,50,000 Equity Shares of Rs 10 each | 2,525.00 | |
| B | Issued, Subscribed and Paid Up Capital before the Issue | | |
| | 1,18,13,727 Equity Shares of Rs 10 each | 1,181.37 | [●] |
| C | Present Issue in terms of this Red Herring Prospectus | | |
| | 57,00,000 Equity Shares of Rs 10 each | 570.00 | [●] |
| D | Out of which : | | |
| a. | Employee Reservation Portion | | |
| | Upto 1,00,000 Equity Shares of Rs 10 each | 10.00 | |
| b. | Net Issue to the Public | | |
| | 56,00,000 Equity Shares of Rs 10 each | 560.00 | [●] |
| | Of which: | | |
| | (i) Qualified Institutional Buyers portion - Not more than 28,00,000 Equity Shares shall be available for allocation | 280.00 | [●] |
| | (ii) Non-Institutional Bidders portion - not less than 8,40,000 Equity Shares | 84.00 | [●] |
| | (iii) Retail Individual Bidders portion - not less than 19,60,000 Equity Shares | 196.00 | [●] |
| E | Paid Up Equity Capital after the Issue | | |
| | 1,75,13,727 Equity Shares of Rs 10 each | 1,751.37 | [●] |
| F | Share Premium Account | | |
| | Before the Issue | 1,555.00 | |
| | After the Issue | | [●] |

History of change in authorised share capital of Our Company

| Date of Shareholder's Resolution | Cumulative Number of Equity Shares | Face Value (Rs.) | Increase in number of shares | Authorized Share Capital (Rs.) |
|----------------------------------|------------------------------------|------------------|------------------------------|--------------------------------|
| Incorporation of our Company | 10,00,000 | 10 | — | 1,00,00,000 |
| March 23, 1996 | 25,00,000 | 10 | 15,00,000 | 2,50,00,000 |
| March 22, 1997 | 40,00,000 | 10 | 15,00,000 | 4,00,00,000 |
| February 29, 2000 | 50,00,000 | 10 | 10,00,000 | 5,00,00,000 |
| August 08, 2001 | 60,00,000 | 10 | 10,00,000 | 6,00,00,000 |

| | | | | |
|--------------------|--|----|-------------|--------------|
| March 09, 2005 | 75,00,000 | 10 | 15,00,000 | 7,50,00,000 |
| March 31, 2006 | 1,75,00,000 | 10 | 1,00,00,000 | 17,50,00,000 |
| September 02, 2006 | 2,00,00,000 | 10 | 25,00,000 | 20,00,00,000 |
| December 07, 2007 | Authorised share capital was increased from Rs. 20,00,00,000 to Rs. 25,25,00,000. The authorised capital was restructured and reclassified into 1,11,50,000 Equity Shares of Rs 10 each and 1,41,00,000 redeemable preference shares of Rs. 10 each* | 10 | 5,250,000 | 25,25,00,000 |
| December 13, 2007 | The authorised capital was restructured into 2,52,50,000 Equity Shares of Rs 10 | 10 | - | 25,25,00,000 |

* The preference shares were redeemed on December 07, 2007.

Notes to Capital Structure

Share Capital History of our Company

1. Equity Share Capital History of Our Company

| Date of Allotment | No. of Equity Shares | Face Value (Rs.) | Issue Price (Rs.) | Nature of Consideration | Nature of Allotment | Cumulative No. of Equity Shares | Cumulative Paid up Capital (Rs.) | Cumulative Share Premium (Rs.) |
|-------------------|----------------------|------------------|-------------------|--------------------------------|--|---------------------------------|----------------------------------|--------------------------------|
| August 25, 1995 | 7,000 | 10 | 10 | Cash | Allotment to the initial subscribers to the Memorandum | 7,000 | 70,000 | - |
| January 01, 1996 | 2,65,610 | 10 | - | Consideration other than cash* | Consideration for the take over of the running partnership firm, Maheshwari Brothers | 2,72,610 | 27,26,100 | - |
| March 30, 1996 | 12,61,500 | 10 | 10 | Cash | Further allotment of Equity Shares | 1,534,110 | 15,341,100 | - |
| December 31, 1996 | 9,03,000 | 10 | 10 | Cash | Further allotment of Equity Shares | 24,37,110 | 2,43,71,100 | - |

| Date of Allotment | No. of Equity Shares | Face Value (Rs.) | Issue Price (Rs.) | Nature of Consideration | Nature of Allotment | Cumulative No. of Equity Shares | Cumulative Paid up Capital (Rs.) | Cumulative Share Premium (Rs.) |
|--------------------|----------------------|------------------|-------------------|-------------------------|---|---------------------------------|----------------------------------|--------------------------------|
| February 7, 2001 | 2,36,000 | 10 | 20 | Cash | Further allotment of Equity Shares | 26,73,110 | 2,67,31,100 | 23,60,000 |
| February 23, 2001 | 5,19,875 | 10 | 40 | Cash | Further allotment of Equity Shares | 31,92,985 | 3,19,29,850 | 1,79,56,250 |
| August 09, 2001 | 27,99,500 | 10 | 10 | Cash | Further allotment of Equity Shares | 59,92,485 | 5,99,24,850 | 1,79,56,250 |
| March 16, 2005 | 12,50,000 | 10 | 10 | Cash | Further allotment of Equity Shares | 72,42,485 | 7,24,24,850 | 1,79,56,250 |
| March 31, 2006 | 36,21,242 | 10 | — | Other than cash | Issue of Bonus Shares in the ratio of 1:2 to the existing shareholders of the Company | 1,08,63,727 | 10,86,37,270 | Nil** |
| May 26, 2006 | 2,00,000 | 10 | 75 | Cash | Further allotment of Equity Shares | 1,10,63,727 | 11,06,37,270 | 1,30,00,000 |
| September 04, 2008 | 7,50,000 | 10 | 200 | Cash | Further allotment of Equity Shares | 1,18,13,727 | 11,81,37,270 | 15,55,00,000 |
| Total | | | | | | 1,18,13,727 | 11,81,37,270 | 15,55,00,000 |

*Issued as consideration for takeover of a partnership firm.

** The bonus was paid from the share premium account and the general reserve account.

For more details, see the section titled “History and Certain Corporate Matters” on page 90 of this Red Herring Prospectus.

Except for the Equity Shares issued pursuant to the bonus issue and as a result of the takeover of the partnership firm, as referred to hereinabove, the Company has not issued any Equity Shares for consideration other than cash.

2. Promoters Contribution and Lock-in

(A) History of Equity Shares held by the Promoters

The Equity Shares held by the Promoters were acquired/ allotted in the following manner:

| Sr. No. | Date of Allotment/Transfer | Nature of consideration | No. of Equity Shares | Face Value | Issue/Acquisition Price (Rs.) |
|---------------------------------|------------------------------|-------------------------|----------------------|------------|-------------------------------|
| Mr. Ram Gopal Maheshwari | | | | | |
| 1. | Allotment on August 25, 1995 | Cash | 1,000 | 10 | 10 |

| Sr. No. | Date of Allotment/Transfer | Nature of consideration | No. of Equity Shares | Face Value | Issue/Acquisition Price (Rs.) |
|----------------------------|--|-------------------------------|----------------------|------------|-------------------------------|
| 2. | Allotment on March 30, 1996 | Cash | 77,000 | 10 | 10 |
| 3. | Allotment on December 31, 1996 | Cash | 28,000 | 10 | 10 |
| 4. | Transfer on February 25, 2000 | Cash | 7,000 | 10 | 10 |
| 5. | Allotment on February 7, 2001 | Cash | 5,000 | 10 | 20 |
| 6. | Allotment on August 09, 2001 | Cash | 60,000 | 10 | 10 |
| 7. | Transfer on January 17, 2003 | Cash | 1,50,000 | 10 | 20 |
| 8. | Transfer on May 28, 2004 | Cash | 1,30,000 | 10 | 10 |
| 9. | Transfer on September 29, 2004 | Cash | 1,10,000 | 10 | 10 |
| | | | 1,31,250 | 10 | 1 |
| | | | 26,250 | 10 | 40 |
| 10. | Transfer on July 08, 2005 | Cash | 1,00,000 | 10 | 10 |
| 11. | Transfer on July 12, 2005 | Cash | 1,58,750 | 10 | 10 |
| | | | 10,500 | 10 | 20 |
| 12. | Transfer on August 01, 2005 | Cash | 50,000 | 10 | 10 |
| 13. | Transfer on August 30, 2005 | Cash | 10,000 | 10 | 10 |
| | | | 10,000 | 10 | 40 |
| 14. | Transfer on September 22, 2005 | Cash | 50,000 | 10 | 10 |
| 15. | Transfer on March 20, 2006 | Cash | 1,12,500 | 10 | 5 |
| | | | 3,750 | 10 | 20 |
| | | | 4,73,500 | 10 | 4.48 |
| | | | 2,65,000 | 10 | 6.65 |
| | | | 3,20,000 | 10 | 6.67 |
| 16. | Transfer on March 31, 2006 | Cash | 2,93,875 | 10 | 4.47 |
| | | | 1,33,500 | 10 | 6.65 |
| | | | 1,60,000 | 10 | 6.66 |
| 17. | Allotment on March 31, 2006 as part of the bonus issue | Consideration other than cash | 5,57,375 | 10 | - |
| 18. | Transferred by Mr. Maheshwari on May 22, 2007 | Cash | (11,03,000) | 10 | 20 |
| 19. | Transferred by Mr. Maheshwari on June 4, 2007 | Cash | (82,500) | 10 | 20 |
| | Total | | 22,48,750 | | |
| Mr. Anjanee Kumar Lakhotia | | | | | |
| 1. | Allotment on August 25, 1995 | Cash | 1,000 | 10 | 10 |
| 2. | Allotment on March 30, 1996 | Cash | 61,000 | 10 | 10 |
| 3. | Allotment on December 31, 1996 | Cash | 5,000 | 10 | 10 |

| Sr. No. | Date of Allotment/Transfer | Nature of consideration | No. of Equity Shares | Face Value | Issue/Acquisition Price (Rs.) |
|-----------------------|--|-------------------------------|----------------------|------------|-------------------------------|
| 4. | Transfer on March 22, 1999 | Cash | 2,500 | 10 | 10 |
| 5. | Transfer on August 26, 1999 | Cash | 2,500 | 10 | 10 |
| 6. | Transfer on February 25, 2000 | Cash | 1,500 | 10 | 10 |
| 7. | Allotment on February 7, 2001 | Cash | 1,500 | 10 | 20 |
| 8. | Transfer on August 30, 2003 | Cash | 1,500 | 10 | 20 |
| 9. | Transfer on May 28, 2004 | Cash | 79,000 | 10 | 10 |
| 10. | Transfer on September 29, 2004 | Cash | 75,000 | 10 | 10 |
| 11. | Transfer on March 31, 2005 | Cash | 10,500 | 10 | 10 |
| 12. | Transfer on June 20, 2005 | Cash | 35,000 | 10 | 10 |
| 13. | Allotment on March 31, 2006 as part of the bonus issue | Consideration other than cash | 1,28,750 | 10 | - |
| 14. | Transfer on June 4, 2007 | Cash | 1,65,250 | 10 | 20 |
| 15. | Transferred by Mr. Lakhotia on November 30, 1996 | Cash | (10,000) | 10 | 10 |
| 16. | Transferred by Mr. Lakhotia on February 25, 2000 | Cash | (7,000) | 10 | 10 |
| 17. | Transferred by Mr. Lakhotia on January 17, 2003 | Cash | (1,500) | 10 | 20 |
| 18. | Transferred by Mr. Lakhotia on July 16, 2007 | Cash | (26,500) | 10 | 85 |
| 19. | Transferred by Mr. Lakhotia on July 19, 2007 | Cash | (17,000) | 10 | 85 |
| | Total | | 5,08,000 | | |
| Mr. Maruti Maheshwari | | | | | |
| 1. | Allotment on March 30, 1996 | Cash | 12,000 | 10 | 10 |
| 2. | Transfer on March 22, 1999 | Cash | 22,500 | 10 | 10 |
| 3. | Transfer on August 26, 1999 | Cash | 10,000 | 10 | 10 |
| 4. | Transfer on February 25, 2000 | Cash | 1,500 | 10 | 10 |
| 5. | Allotment on February 7, 2001 | Cash | 4,500 | 10 | 20 |
| 6. | Transfer on August 30, 2003 | Cash | 2,47,500 | 10 | 10 |
| 7. | Transfer on May 28, 2004 | Cash | 30,500 | 10 | 10 |
| 8. | Transfer on March 20, 2006 | Cash | 5,000 | 10 | 6.67 |
| 9. | Transfer on March 31, 2006 | Cash | 2,500 | 10 | 6.66 |
| 10. | Allotted on March 31, 2006 as part of the bonus issue | Consideration other than cash | 54,000 | 10 | - |
| 11. | Transferred by Mr. Maheshwari on May 28, 2004 | Cash | (2,20,500) | 10 | 10 |
| 12. | Transferred by Mr. Maheshwari on May 22, | Cash | (1,45,000) | 10 | 20 |

| Sr. No. | Date of Allotment/Transfer | Nature of consideration | No. of Equity Shares | Face Value | Issue/Acquisition Price (Rs.) |
|---------------------|--|-------------------------------|----------------------|------------|-------------------------------|
| | 2007 | | | | |
| | Total | | 24,500 | | |
| SMH Capital Limited | | | | | |
| 1. | Allotted on December 31, 1996 | Cash | 4,95,000 | 10 | 10 |
| 2. | Transfer on March 22, 1999 | Cash | 10,000 | 10 | 10 |
| 3. | Transfer on February 25, 2000 | Cash | 14,000 | 10 | 10 |
| 4. | Allotted on February 7, 2001 | Cash | 12,000 | 10 | 20 |
| 5. | Transfer on March 29, 2002 | Cash | 24,000 | 10 | 10 |
| 6. | Transfer on September 29, 2004 | Cash | 77,000 | 10 | 10 |
| | | | 52,500 | 10 | 40 |
| 7. | Allotment on March 16, 2005 | Cash | 12,50,000 | 10 | 10 |
| 8. | Transfer on September 22, 2005 | Cash | 1,45,000 | 10 | 10 |
| 9. | Transfer on March 02, 2006 | Cash | 83,125 | 10 | 40 |
| | | | 2,63,000 | 10 | 10 |
| | | | 1,500 | 10 | 20 |
| 10. | Allotted on March 31, 2006 as as part of the bonus issue | Consideration other than cash | 11,93,562 | 10 | - |
| 11. | Allotment on September 04, 2008 | Cash | 3,37,500 | 10 | 200 |
| 12. | Transferred by SMH Capital Limited on October 20, 1997 | Cash | (40,000) | 10 | 10 |
| | Total | | 39,18,187 | | |

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

All Equity Shares which are being locked-in are eligible for computation of promoters' contribution under Regulation 36 of the SEBI Regulations.

Pursuant to the SEBI Regulations, an aggregate of 20% of the fully diluted post-Issue capital of the Company held by the Promoters shall be locked in for a period of three years from the date of Allotment of Equity Shares in the Issue.

The details of such lock-in are set forth in the table below:

| Sr. No. | Date of Allotment/Transfer | Nature of consideration | No. of Equity Shares locked in* | Face Value | Issue/Acquisition Price (Rs.) | Percentage of Post-Issue Paid-up Capital |
|----------------------------|----------------------------|--|---------------------------------|------------|-------------------------------|--|
| SMH Capital Limited | | | | | | |
| 1. | March 16, 2005 | Cash | 8,55,030 | 10 | 10 | 4.88 |
| 2. | March 31, 2006 | Other than cash as part of bonus issue | 11,93,562 | 10 | N A | 6.82 |
| | Total | | 20,48,592 | | 11.70 | |

| Sr. No. | Date of Allotment/ Transfer | Nature of consideration | No. of Equity Shares locked in* | Face Value | Issue/ Acquisition Price (Rs.) | Percentage of Post-Issue Paid-up Capital |
|----------------------------|-----------------------------|--|---------------------------------|------------|--------------------------------|--|
| Mr. Ram Gopal Maheshwari | | | | | | |
| 1. | March 20, 2006 | Cash | 30,990 | 10 | 6.66 | 0.18 |
| 2. | March 31, 2006 | Cash | 2,93,875 | 10 | 4.47 | 1.68 |
| | | | 1,33,500 | 10 | 6.65 | 0.76 |
| | | | 1,60,000 | 10 | 6.66 | 0.91 |
| 3. | March 31, 2006 | Other than cash as part of bonus issue | 5,57,375 | 10 | N A | 3.18 |
| | Total | | 11,75,740 | | | 6.71 |
| Mr. Anjanee Kumar Lakhotia | | | | | | |
| 1. | March 31, 2006 | Other than cash as part of bonus issue | 1,00,354 | 10 | N A | 0.57 |
| 2. | June 4, 2007 | Cash | 1,65,250 | 10. | 20 | 0.94 |
| | Total | | 2,65,604 | | | 1.52 |
| Mr. Maruti Maheshwari | | | | | | |
| 1. | March 31, 2006 | Other than cash as part of bonus issue | 12,810 | 10 | N A | 0.07 |
| | Total | | 12,810 | | | 0.07 |
| Total | | | 35,02,746 | | | 20.00 |

(C) Details of share capital locked in for one year

In terms of Regulation 36 of the SEBI Regulations, in addition to 20% of the post-Issue shareholding of the Company held by the Promoters and locked in for three years as specified above, the entire pre-Issue share capital of the Company, that is 83,10,981 Equity Shares, will be locked in for a period of one year from the date of Allotment in this Issue.

(D) Lock in of Equity Shares Allotted to Anchor Investors

Equity Shares, if Allotted to Anchor Investors, in the Anchor Investor Portion, shall be locked in for a period of 30 days from the date of Allotment of Equity Shares in the Issue.

(E) Other Requirements in respect of lock-in

In terms of Regulation 39 of the SEBI Regulations, locked-in Equity Shares of our Company held by the Promoters can be pledged with banks or financial institutions as collateral security for loans granted by such banks or financial institutions provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan. Further, the Equity Shares constituting 20% of the fully diluted post-Issue capital of the Company held by the Promoters that are locked in for a period of three years from the date of Allotment of Equity Shares in the Issue, may be pledged only if, in addition to complying with the aforesaid conditions, the loan has been granted by the banks or financial institutions for the purpose of financing one or more objects of the Issue.

In terms of Regulation 40 of the SEBI Regulations, 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 Regulation 36 of the SEBI Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining

period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable. Further, in terms of Regulation 40 of the SEBI Regulations, Equity Shares held by the Promoter may be transferred to and among the Promoter Group or to a new promoter or persons in control of the Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

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

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

Shareholders of our Company

The table below presents our shareholding pattern before the proposed Issue and as adjusted for the Issue: (Equity Shares of face value Rs.10 each)

Statement showing Shareholding Pattern

| Category code | Category of shareholder | Number of shareholders | Total number of shares | Number of shares held in dematerialized form | Total shareholding as a percentage of total number of shares | | Shares Pledged or otherwise encumbered | |
|---------------|---|------------------------|------------------------|--|--|----------------------------|--|-----------------|
| | | | | | As a percentage of (A+B) | As a percentage of (A+B+C) | Number of Shares | As a percentage |
| (A) | Shareholding of Promoter and Promoter Group | | | | | | | |
| 1 | Indian | | | | | | | |
| (a) | Individuals/Hindu Undivided Family | 7 | 29,59,625 | 29,59,625 | 25.05 | 25.05 | NIL | NIL |
| (b) | Central Government/State Government(s) | NIL | 0 | 0 | 0 | 0 | NIL | NIL |
| (c) | Bodies Corporate | 2 | 70,78,477 | 70,78,477 | 59.92 | 59.92 | NIL | NIL |
| (d) | Financial Institutions/Banks | Nil | | | | | | |
| (e) | Any Other(specify) | | | | | | | |
| | Sub-Total (A)(1) | 9 | 1,00,38,102 | 1,00,38,102 | 84.97 | 84.97 | NIL | NIL |
| 2 | Foreign | | | | | | | |
| (a) | Individuals (Non-Resident Individuals/Foreign | Nil | | | | | NIL | NIL |
| (b) | Bodies Corporate | Nil | | | | | NIL | NIL |
| (c) | Institutions | Nil | | | | | NIL | NIL |
| (d) | Any other (Specify) | Nil | | | | | NIL | NIL |

| | | | | | | | | |
|-----|---|-----|-----------|-----------|-------|-------|-----|-----|
| | Sub-Total(A)(2) | Nil | | | | | NIL | NIL |
| | Total shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2) | 9 | 10038102 | 10038102 | 84.97 | 84.97 | NIL | NIL |
| (B) | Public shareholding | | | | | | NA | NA |
| 1 | Institutions | | | | | | NA | NA |
| a) | Mutual Funds/UTI | NIL | 0 | 0 | 0.00 | 0.00 | | |
| b) | Financial Institutions/Banks | 0 | 0 | 0 | 0.00 | 0.00 | | |
| c) | Central Government/State Government(s) | NIL | 0 | 0 | 0.00 | 0.00 | | |
| d) | Venture Capital Funds | NIL | | | | | | |
| e) | Insurance Companies | NIL | | | | | | |
| f) | Foreign Institutional Investors | NIL | | | | | | |
| g) | Foreign Venture Capital Investors | NIL | | | | | | |
| h) | Any Other (Specify) | NIL | | | | | | |
| | Sub-Total(B)(1) | 0 | 0 | 0 | 0.00 | 0.00 | | |
| 2 | Non-Institutions | | | | | | NA | NA |
| a) | Bodies Corporate | 7 | 17,75,625 | 17,75,625 | 15.03 | 15.03 | | |
| b) | Individuals- | | | | | | | |
| | i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 0 | 0 | 0 | 0.00 | 0.00 | | |
| | ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | 0 | 0 | 0 | 0.00 | 0.00 | | |
| c) | Any Other (Specify) | | | | | | | |

| | | | | | | | | |
|-------|---|------------|--------------------|--------------------|---------------|---------------|-----------|-----------|
| | i) Non-resident Indians | 0 | 0 | 0 | 0.00 | 0.00 | | |
| | ii) Foreign Nationals | 0 | 0 | 0 | 0.00 | 0.00 | | |
| | iii) Clearing Members | 0 | 0 | 0 | 0.00 | 0.00 | | |
| | Sub-Total(B)(2) | 7 | 17,75,625 | 17,75,625 | 15.03 | 15.03 | | |
| | Public Shareholding (B)=(B)(1)+(B)(2) | 7 | 17,75,625 | 17,75,625 | 15.03 | 15.03 | NA | NA |
| | Total (A)+(B) | 16 | 1,18,13,727 | 1,18,13,727 | 100.00 | 100.00 | | |
| (C) | Shares held by Custodians and against which Depository Receipts have been issued | NIL | | | | | NA | NA |
| | GRAND TOTAL (A)+(B)+(C) | 16 | 1,18,13,727 | 1,18,13,727 | 100.00 | 100.00 | | |

Statement showing Shareholding of persons belonging to the category “Promoter and Promoter Group”

| Sl.No. | Name of the shareholder | Total shares held | | Shares Pledged or otherwise encumbered | | |
|--------|---|-------------------|--|--|-----------------|--|
| | | Number of Shares | Shares as a percentage of total number of shares(I.e. Grand Total (A)+(B)+(C) indicated in Statement at para (1)(a) above) | Number | As a percentage | As a % of grand total (a) + (b) + (c) of sub-clause (i)(a) |
| 1 | Ram Gopal Maheshwari | 22,48,750 | 19.04 | NIL | NIL | NIL |
| 2 | Sweta Maheshwari | 29,250 | 0.25 | NIL | NIL | NIL |
| 3 | Maruti Maheshwari | 24,500 | 0.21 | NIL | NIL | NIL |
| 4 | Aditya Maheshwari | 50,000 | 0.42 | NIL | NIL | NIL |
| 5 | Anuj Maheshwari | 50,000 | 0.42 | NIL | NIL | NIL |
| 6 | Prabhu International Vyapar Private Limited | 31,60,290 | 26.75 | NIL | NIL | NIL |
| 7 | SMH Capital Limited. | 39,18,187 | 33.17 | NIL | NIL | NIL |
| 8 | Anjaneer Kumar Lakhotia | 5,08,000 | 4.30 | | | |

| | | | | | | |
|---|-------------------|--------------------|--------------|------------|------------|------------|
| 9 | Uma Devi Lakhotia | 49,125 | 0.42 | NIL | NIL | NIL |
| | TOTAL | 1,00,38,102 | 84.97 | NIL | NIL | NIL |

Statement showing shareholding of persons belonging to the category "Public" and holding more than 1% of the total number of shares

| Sl.No. | Name of the shareholder | Number of shares | Shares as a percentage of total number of shares (i.e. Grand Total (A)+(B)+(C) indicated in Statement at para (1)(a) above). |
|--------|--|------------------|--|
| 1 | Sal Real Estates Private Limited | 5,00,000 | 4.23 |
| 2 | Param Capital Research Private Limited | 5,00,000 | 4.23 |
| 3 | Narayan Securities Limited | 3,00,000 | 2.54 |
| 4 | Jai Art N Image Private Limited | 3,55,625 | 3.01 |
| | TOTAL | 16,55,625 | 14.01 |

The statement showing details of locked in shares

| Sl.No. | Name of the shareholder | Number of locked-in shares | Locked-in shares as a percentage of total number of shares (i.e. Grand Total (A) + (B) + (C) indicated in Statement at para (1)(a) above). |
|--------|-------------------------|----------------------------|---|
| 1 | Nil | Nil | Nil |

3. Equity Shares held by top 10 shareholders

(A) On the date of filing this Red Herring Prospectus with SEBI:

| S. No. | Shareholder | No. of Equity Shares held | Percentage |
|--------|---|---------------------------|------------|
| 1. | SMH Capital Limited | 39,18,187 | 33.17 |
| 2. | Prabhu International Vyapar Private Limited | 31,60,290 | 26.75 |
| 3. | Mr. Ram Gopal Maheshwari | 22,48,750 | 19.04 |
| 4. | Mr. Anjanee Kumar Lakhotia | 5,08,000 | 4.30 |
| 5. | Sal Real Estates Private Limited | 5,00,000 | 4.23 |
| 6. | Param Capital Research Private Limited | 5,00,000 | 4.23 |
| 7. | Jai Art N Image Pvt Limited | 3,55,625 | 3.01 |
| 8. | Narayan Securities Private Limited | 3,00,000 | 2.54 |
| 9. | Mr. Aditya Maheshwari | 50,000 | 0.42 |
| | Mr. Anuj Maheshwari | 50,000 | 0.42 |
| | Paragraph Securities Private Limited | 50,000 | 0.42 |

| S. No. | Shareholder | No. of Equity Shares held | Percentage |
|--------|------------------------|---------------------------|--------------|
| 10. | Mrs. Uma Devi Lakhotia | 49,125 | 0.42 |
| | Total | 1,16,89,977 | 98.95 |

(B) 10 days prior to the date of filing this Red Herring Prospectus with SEBI:

| S. No. | Shareholder | No. of Equity Shares held | Percentage |
|--------|---|---------------------------|--------------|
| 1. | SMH Capital Limited | 39,18,187 | 33.17 |
| 2. | Prabhu International Vyapar Private Limited | 31,60,290 | 26.75 |
| 3. | Mr. Ram Gopal Maheshwari | 22,48,750 | 19.04 |
| 4. | Mr. Anjanee Kumar Lakhotia | 5,08,000 | 4.30 |
| 5. | Sal Real Estates Private Limited | 5,00,000 | 4.23 |
| 6. | Param Capital Research Private Limited | 5,00,000 | 4.23 |
| 7. | Jai Art N Image Pvt Limited | 3,55,625 | 3.01 |
| 8. | Narayan Securities Private Limited | 3,00,000 | 2.54 |
| 9. | Mr. Aditya Maheshwari | 50,000 | 0.42 |
| | Mr. Anuj Maheshwari | 50,000 | 0.42 |
| | Paragraph Securities Private Limited | 50,000 | 0.42 |
| 10. | Mrs. Uma Devi Lakhotia | 49,125 | 0.42 |
| | Total | 1,16,89,977 | 98.95 |

(C) Two years prior to the date of filing this Red Herring Prospectus with SEBI:

| S. No. | Shareholder | No. of Equity Shares held | Percentage |
|--------|---|---------------------------|--------------|
| 1. | SMH Capital Limited | 35,80,687 | 32.36 |
| 2. | Prabhu International Vyapar Private Limited | 27,47,790 | 24.84 |
| 3. | Mr. Ram Gopal Maheshwari | 22,48,750 | 20.33 |
| 4. | Mr. Anjanee Kumar Lakhotia | 5,08,000 | 4.59 |
| 5. | Sal Real Estates Private Limited | 5,00,000 | 4.23 |
| | Param Capital Research Private Limited | 5,00,000 | 4.23 |
| 6. | Narayan Securities Private Limited | 3,00,000 | 2.71 |
| 7. | Prikar Venture Capital Private Limited | 2,00,000 | 1.81 |
| 8. | Gokul Sales Private Limited | 75,625 | |
| 9. | Paragraph Securities Private Limited | 54,000 | 0.49 |
| 10. | Mr. Aditya Maheshwari | 50,000 | 0.45 |
| | Mr. Anuj Maheshwari | 50,000 | 0.45 |
| | Total | 1,08,14,852 | 97.75 |

4. Share capital build-up of the Promoter Group

| Name of the member of the Promoter Group | Date of Allotment/ transfer | No. of Equity Shares | Issue/ Acquisition Price per Equity Share (Rs.) | Nature of Consideration | Nature of Transaction |
|---|-----------------------------|----------------------|---|-------------------------------|--------------------------------|
| Prabhu International Vyapar Private Limited | September 22, 2005 | 43,000 | 40 | Cash | Transfer |
| | | 40,000 | 32.50 | | |
| | | 2,32,000 | 10 | | |
| | September 23, 2005 | 50,000 | 40 | Cash | Transfer |
| | | 30,000 | 10 | | |
| | February 03, 2006 | 19,250 | 20 | Cash | Transfer |
| | | 3,13,360 | 10 | | |
| | March 31, 2006 | 3,63,805 | NA | Consideration other than cash | Bonus issue |
| | April 21, 2006 | 40,500 | 8.02 | Cash | Transfer |
| | | 16,15,875 | 9.66 | | |
| | September 04, 2008 | 4,12,500 | 200 | Cash | Allotment |
| Total | | 31,60,290 | | | |
| Mr. Aditya Maheshwari | September 11, 1998 | 20,000 | 10 | Cash | Transfer |
| | March 22, 1999 | 2,500 | 10 | Cash | Transfer |
| | August 26, 1999 | 3,500 | 10 | Cash | Transfer |
| | February 15, 2000 | 1,000 | 10 | Cash | Transfer |
| | February 07, 2001 | 500 | 20 | Cash | Further issue of Equity Shares |
| | January 04, 2002 | 9,000 | 10 | Cash | Transfer |
| | August 30, 2003 | 1,00,000 | 10 | Cash | Transfer |
| | March 31, 2005 | 7,000 | 10 | Cash | Transfer |
| | March 31, 2006 | 71,750 | NA | Consideration other than cash | Bonus issue |
| | June 04, 2007 | (1,65,250) | 20 | Cash | (Transfer) |
| Total | | 50,000 | | | |
| Mr. Anuj Maheshwari | September 11, 1998 | 2,500 | 10 | Cash | Transfer |
| | March 22, 1999 | 5,000 | 10 | Cash | Transfer |
| | August 26, 1999 | 4,000 | 10 | Cash | Transfer |
| | June 04, 2007 | 50,000 | 20 | Cash | Transfer |

| Name of the member of the Promoter Group | Date of Allotment/ transfer | No. of Equity Shares | Issue/ Acquisition Price per Equity Share (Rs.) | Nature of Consideration | Nature of Transaction |
|--|-----------------------------|----------------------|---|-------------------------------|--------------------------------|
| | February 25, 2000 | (11,500) | 10 | Cash | (Transfer) |
| Total | | 50,000 | | | |
| Ms. Uma Devi Lakhota | August 25, 1995 | 1,000 | 10 | Cash | Allotment |
| | November 30, 1996 | 10,000 | 10 | Csh | Transfer |
| | September 11, 1998 | 14,000 | 10 | Cash | Transfer |
| | March 22, 1999 | 2,000 | 10 | Cash | Transfer |
| | February 25, 2000 | 2,000 | 10 | Cash | Transfer |
| | February 07, 2001 | 750 | 20 | Cash | Allotment |
| | March 31, 2005 | 3,000 | 10 | Cash | Transfer |
| | March 31, 2006 | 16,375 | NA | Consideration other than cash | Bonus issue |
| | June 04, 2007 | 32,500 | 20 | Cash | Transfer |
| | July 16, 2007 | (12,500) | 85 | Cash | (Transfer) |
| | July 19, 2007 | (20,000) | 85 | Cash | (Transfer) |
| Total | | 49,125 | | | |
| Ms. Sweta Maheshwari | September 11, 1998 | 5,000 | 10 | Cash | Transfer |
| | February 07, 2001 | 4,500 | 20 | Cash | Further issue of Equity Shares |
| | April 09, 2005 | 10,000 | 10 | Cash | Transfer |
| | March 31, 2006 | 9,750 | NA | Consideration other than cash | Bonus issue |
| Total | | 29,250 | | | |

The face value of all the Equity Shares reflected in this build-up is of face value Rs 10.

- Neither we nor our Directors or the Book Running Lead Manager have entered into any buyback and/or standby and/ or safety net arrangements for the purchase of our Equity Shares from any person.
- Our Company has not granted any stock options to any of our employees as on date of this Red Herring Prospectus.
- Other than as stated above, none of our Directors or key managerial personnel holds any Equity Shares in our Company. The BRLM or its associates do not hold any Equity Shares in our Company.
- The Company, the Directors, the Promoters or the Promoter Group shall not make any, direct or indirect, payments, discounts, commissions or allowances under this Issue, except as disclosed in this Red Herring Prospectus.
- Undersubscription, if any, in the Net Offer to the Public portion would be met from the Employee Reservation Portion. The undersubscribed portion, if any, from the Equity Shares in the Employee Reservation Portion will be treated as part of the Net Issue and Allotment shall be made in accordance with the terms specified in the section titled "Issue Procedure" on page 226 of the Red Herring Prospectus.

10. An over-subscription to the extent of 10% of the Net Issue can be retained for the purpose of rounding off to the nearer multiple of minimum allotment lot while finalizing the Allotment.
11. The Issue includes an Employee Reservation Portion of upto 1,00,000 Equity Shares which are available for allocation to Eligible Employees on a proportionate basis, subject to valid Bids being received at or above the Issue Price. Only the Eligible Employees as defined in the section titled “Definitions and Abbreviations” on page ii of this Red Herring Prospectus would be eligible to apply in the Employee Reservation Portion. Eligible Employees may also Bid in the Net Issue Portion and such Bids shall not be treated as multiple Bids. The Bids in the Employee Reservation Portion are subject to a maximum Bid for 1,00,000 Equity Shares.
12. In the case of over-subscription in all categories, not more than 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, of which 5% (excluding Anchor Investor Portion) shall be reserved for Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion in the QIB Portion will also be eligible for allocation in the remaining QIB portion. Undersubscription, if any, in the Mutual Funds portion will be met by a spillover from the QIB portion and allocated proportionately to the remaining QIB Bidders. Further, not less than 15% of Net Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.
13. Under-subscription, if any, in any category would be met with spill over from other categories or combination of categories at the discretion of the Company in consultation with the Book Running Lead Manager.
14. There would 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 in the Issue have been listed.
15. 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.
16. We have not raised any bridge loans against the proceeds of the Issue.
17. The Equity Shares held by the Promoters are not subject to any pledge.
18. We have not issued any Equity Shares in the last one year at a price which is lesser than the Issue Price.
19. We have not issued any Equity Shares for consideration other than cash except the following:

| Date of Allotment | No. of Equity Shares | Face Value (Rs.) | Issue Price (Rs.) | Nature of Consideration | Nature of Allotment |
|-------------------|----------------------|------------------|-------------------|--|---|
| January 01, 1996 | 2,65,610 | 10 | Nil | Other Than Cash (Issued as consideration for Takeover of Partnership Firm) | Shares issued in consideration for takeover of Partnersip firm, Maheshwari Brothers |
| March 31, 2006 | 36,21,242 | 10 | Nil | Bonus Issue in the ratio of 1:2 | Bonus Issue |

20. There are no outstanding warrants, financial instruments or any rights, which would entitle the Promoters or the shareholders or any other person any option to acquire any of the Equity Shares.
21. The securities offered through this Issue shall be made fully paid-up or may be forfeited within 12 months from the date of allotment of the securities as prescribed under Schedule VIII.2 (VI)(D)(2)(m) of the SEBI Regulations.

22. We presently do not intend or propose to alter our capital structure for a period of six months from the Bid/Issue opening date, by way of split or consolidation of Equity Shares or further issue of equity (including issue of securities convertible into or exchangeable for, directly or indirectly, for Equity Shares) whether preferential or otherwise. However, during such period or at a later date, we may issue Equity Shares or securities linked to Equity Shares to finance an acquisition, merger or joint venture by us or as consideration for such acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by our Board to be in our best interests.
23. Except as disclosed in the section titled “Our Management” beginning on page 101 of this Red Herring Prospectus, none of our Directors or key managerial personnel holds any of the Equity Shares.
24. The Directors of the Company and their immediate relatives have not undertaken any transactions in the Equity Shares of the Company during a period of six months preceding the date of this Red Herring Prospectus.
25. None of the members of the promoter group, the directors of our Promoter, our Directors and their relatives have financed the purchase by any other person of Equity Shares, during the period of six months immediately preceding the date of the Red Herring Prospectus.
26. The Equity Shares offered through this Issue will be fully paid up.
27. On March 31, 2000, the plant and machinery of our Company were revalued on “Net Replacement Value” based on reports submitted by an approved valuer. Net appreciation of Rs. 954.35 lacs in the value of plant and machinery were credited to the Revaluation Reserve.
28. Except for the bonus issue of 36,21,242 Equity Shares on March 31, 2006, our Company has not capitalized any of its reserves since inception. For the purposes of the bonus issue, Rs. 1,79,56,250 out of the share premium account and Rs 1,82,56,170 out of the general reserve account were capitalized.
29. The Promoters may pledge their Equity Shares with banks or financial institutions as additional security for loans whenever availed by them from banks or financial institutions.
30. There are restrictive covenants in the agreements that we have entered into with banks for short-term loans and long-term borrowings. These restrictive covenants in many cases provide for borrowers covenants which are restrictive in nature and require us to obtain their prior permission.
31. As per the RBI regulations, OCBs are not allowed to participate in this Issue.
32. As on the date of this Red Herring Prospectus, the total number of holders of Equity Shares is 16.
33. Neither the Book Running Lead Manager nor any of its associates have any shareholding in the Company.
34. For details of the shareholders of the Company who hold more than 10% of the paid-up pre-Issue capital of the Company, please refer to the note titled “Equity Shares held by 10 top shareholders” referred to hereinabove.

OBJECTS OF THE ISSUE

We intend to use the proceeds of the Issue for investing in capital equipments, funding working capital requirement, meeting general corporate purposes and Issue related expenses.

Additionally, the object of the Issue is to achieve the benefits of listing on the Stock Exchanges. We believe that listing will enhance our Company's brand name and provide liquidity to our Company's existing shareholders and provide a public market for the Equity Shares in India.

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

The following table summarizes the requirement of funds proposed to be raised through the Issue:

| Particulars | Amount (Rs. in Lacs) |
|---|----------------------|
| Investment in Capital Equipments | 5,494.30 |
| Part funding of working Capital requirement | 3,000.00 |
| General Corporate Purposes | [•] |
| Issue Expenses | [•] |
| Total | [•] |

Means of Finance

| Particulars | Amount (Rs. in Lac) |
|-------------------|---------------------|
| Term Loan | 1,000.00 |
| Internal Accruals | [•] |
| Issue Proceeds | [•] |
| Total | [•] |

In case the IPO gets deferred, the Company might consider borrowing funds for the same. In such a case the proceeds of the Issue would be utilized in repaying the debts taken for the above purposes.

We confirm that the firm arrangements of finance through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised through this Issue have been made. The term loan of Rs. 1,000 lacs has been sanctioned by Standard Chartered Bank. The balance portion of the proposed means of finance has not been tied-up.

The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution or any independent organization.

In case of variations in actual utilization of funds 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 have been raised in the Issue. In the event of any shortfall in the Issue proceeds, the requirement shall be satisfied from internal accruals.

We may have to revise our expenditure and fund requirements as a result of variations in the cost structure, changes in estimates and external factors, which may not be within the control of our management. This may entail rescheduling, revising or canceling the planned expenditure and fund requirements and increasing or decreasing the expenditure for a particular purpose from its planned expenditure mentioned below at the discretion of our management. In addition, the estimated dates of completion of the Objects of the Issue as described herein are based on management's current expectations and are subject to change due to various factors including those described

above, some of which may not be in our control. Accordingly, the Net Proceeds of the Issue would be used to meet all or any of the uses of the funds described herein.

Details of requirement of funds

1. Investment in Capital Equipments

We need to invest in capital equipment on a regular basis. We have projected a capital expenditure plan of Rs. 5,494.30 lacs on the basis of the quotations received. We believe that ownership of capital equipments would strengthen our execution capacity for more complex projects and would be more economical in the long run.

The Promoters, Directors, Promoter Group does not have any interest in the proposed acquisition of equipments or in the entities from whom we have obtained quotations for the same. Following are details of the equipments for which we have obtained the quotations:

We have already placed orders for equipments worth Rs. 885.71 lacs. Besides the equipments for which orders are placed we have also purchased certain equipments of worth Rs. 1,500.63 lacs whose details are given in the following table.

Equipments Purchased

| Sr. No. | Name of Equipments | Supplier's Name | Date of Purchases | Amount |
|----------------|---------------------------|--|--------------------------|----------------------|
| | | | | (Rs. In Lacs) |
| 1 | Komatsu Motor Grader | Larsen & Tubro Limited | 07/04/2008 | 43.07 |
| 2 | Reversible Mixer- 2 Nos. | Universal Construction Machinery & Equipment Private Limited | 27/06/2008 | 10.24 |
| 3 | Tata Tipper 1613-36 | Tata Motors Limited | 19/06/2008 | 11.13 |
| 4 | Tata Tipper 1613-36 | Tata Motors Limited | 19/06/2008 | 11.13 |
| 5 | Tata Tipper 1613-36 | Tata Motors Limited | 19/06/2008 | 11.13 |
| 6 | Tata Tipper 1613-36 | Tata Motors Limited | 19/06/2008 | 11.13 |
| 7 | Vibratory Soil Compactor | Greaves Cotton Limited | 31/05/2008 | 20.33 |
| 8 | Vibratory Soil Compactor | Greaves Cotton Limited | 31/05/2008 | 20.33 |
| 9 | Tata Tipper 2516-38 | Tata Motors Limited | 26/06/2008 | 16.54 |
| 10 | Tata Tipper 2516-38 | Tata Motors Limited | 27/06/2008 | 16.54 |
| 11 | Tata Tipper 2516-38 | Tata Motors Limited | 27/06/2008 | 16.54 |
| 12 | Tata Tipper 2516-38 | Tata Motors Limited | 26/06/2008 | 16.54 |
| 13 | Tata Tipper 2516-38 | Tata Motors Limited | 26/06/2008 | 16.54 |
| 14 | Tata Tipper 2516-38 | Tata Motors Limited | 26/06/2008 | 16.54 |
| 15 | Tata Tipper 2516-38 | Tata Motors Limited | 26/06/2008 | 16.54 |
| 16 | Tata Tipper 2516-38 | Tata Motors Limited | 27/06/2008 | 16.54 |
| 17 | Hydraulic Excavator | L & T Komatsu Limited | 20/06/2008 | 35.01 |
| 18 | TWL 3036, Wheel Loaders | Telco Construction Equip Co.Limited | 30/07/2008 | 27.72 |
| 19 | TWL 3036, Wheel Loaders | Telco Construction Equip Co.Limited | 30/07/2008 | 27.72 |
| 20 | Excavator Komatsu | L & T Komatsu Limited | 29/07/2008 | 45.81 |
| 21 | Komatsu Motor Grader | Larsen & Tubro Limited | 30/05/2008 | 56.31 |
| 22 | Tata Tipper 1613-36 | Tata Motors Limited | 24/05/2008 | 11.15 |
| 23 | Tata Tipper 1613-36 | Tata Motors Limited | 24/05/2008 | 11.15 |

| | | | | |
|----|---|---|------------|-------|
| 24 | Tata Tipper 1613-36 | Tata Motors Limited | 24/05/2008 | 11.15 |
| 25 | Tata Tipper 1613-36 | Tata Motors Limited | 24/05/2008 | 11.15 |
| 26 | Tata Tipper 1613-36 | Tata Motors Limited | 24/05/2008 | 11.15 |
| 27 | Batching Plant CPL CP30 | Schwing Stetter (India) Private Limited | 25/10/2007 | 36.95 |
| 28 | Concrete PumpBP350XTD | Schwing Stetter (India) Private Limited | 16/08/2008 | 15.76 |
| 29 | Terex Vectra- Backhoe Loader | Terex Vectra Equipment Private Limited | 30/09/2007 | 17.80 |
| 30 | TWL 3036, Wheel Loaders | Tele Construction Equip Co.Limited | 13/05/2008 | 27.99 |
| 31 | Excavator Komatsu | L & T Komatsu Limited | 22/05/2008 | 45.81 |
| 32 | Komatsu Motor Grader | L & T Komatsu Limited | 30/05/2008 | 56.31 |
| 33 | Transit Mixer | Greaves Cotton Limited | 31/05/2008 | 8.75 |
| 34 | Transit Mixer | Greaves Cotton Limited | 31/05/2008 | 8.75 |
| 35 | WMM Plant | Appollo Earthmovers Limited | 13/05/2008 | 23.87 |
| 36 | Tipper 2516TC | Tata Motors Limited | 27/06/2008 | 16.24 |
| 37 | 1 Tippers 2516TC | Tata Motors Limited | 27/06/2008 | 16.99 |
| 38 | 1 Nos. Tippers 1613 | Tata Motors Limited | 26/08/2008 | 11.02 |
| 39 | 1 nos. WMM Plant | Apollo Earth Movers Ltd, | 21/08/2008 | 23.63 |
| 40 | Vibratory Heavy Tandem Roller | Greaves Cotton Ltd. | 29/11/2008 | 20.7 |
| 41 | Vibratory Heavy Tandem Roller | Greaves Cotton Ltd. | 29/11/2008 | 20.7 |
| 42 | 500 KVA 415 Volts Silent DG Set | Jaksons Limited | 24/01/2009 | 25.42 |
| 43 | Apollo Bitumen Presure Distributor - ATM 6000 | Apollo Earth Movers Ltd, | 10/12/2008 | 7.39 |
| 44 | Kobelco Hydraulic Excavator | Kobelco Construction Equipment India Pvt. Ltd | 25/11/2008 | 48.25 |
| 45 | Wet Mix Paver Finisher Model WM-6 | Apollo Construction Equipment Co. Ltd. | 22/12/2008 | 15.47 |
| 46 | Drum Type Concrete Mixer RM 750 | Gamzen Plast Pvt .Ltd. | 09/01/2009 | 8.8 |
| 47 | Concrete Pump Model BP 350D | Greaves Cotton Ltd. | 11/12/2008 | 16.43 |
| 48 | Vibratory Soil Compactor BW | Greaves Cotton Ltd. | 31/12/2008 | 19.12 |
| 49 | Vibratory Soil Compactor BW | Greaves Cotton Ltd. | 31/12/2008 | 19.12 |
| 50 | L&T Hydraulic Excavator PC 200 | L&T Komatsu Ltd. | 28/11/2008 | 46.45 |
| 51 | Apollo Hydrostatic Paver AP550 | Gujrat Apollo Industries Ltd. | 10/12/2008 | 37.13 |
| 52 | Komatsu Motor Grader GD 511A | L&T Komatsu Ltd. | 10/12/2008 | 59.58 |
| 53 | Terex Vectra TX 760 Backhoe Loader | Terex Vectra Equipments (P) Ltd. | 22/11/2008 | 16.63 |
| 54 | Terex Vectra TX 760 Backhoe Loader | Terex Vectra Equipments (P) Ltd. | 22/11/2008 | 16.63 |
| 55 | Volvo Motor Grader G 930 | Volvo India Pvt. Ltd. | 15/01/2009 | 82.11 |
| 56 | Volvo Motor Grader G 930 | Volvo India Pvt. Ltd. | 15/01/2009 | 82.11 |
| 57 | Concrete Paver Finisher | Conmat Systems | 16/09/2008 | 16.86 |
| 58 | Reversible Drum Type Concrete Mixer | Gamzen Plast Pvt .Ltd. | 12/12/2008 | 4.5 |

| | | | | |
|----|-------------------------------------|---------------------------------------|------------|----------------|
| 59 | Reversible Drum Type Concrete Mixer | Gamzen Plast Pvt .Ltd. | 12/12/2008 | 4.5 |
| 60 | Telco Z Bar Wheel Loader | Telco Construction Equipment Co. Ltd. | 28/09/2008 | 28.01 |
| 61 | Tata Wheel Loader 3036 | Telco Construction Equipment Co. Ltd. | 28/11/2008 | 28.01 |
| 62 | D.G. 25KVA | Jaksons & Company | 26/09/2008 | 3.01 |
| 63 | D.G. 25 KVA Generator Set | Jaksons & Company | 26/09/2008 | 3.01 |
| 64 | D.G. 25 KVA Generator Set | Jaksons & Company | 04/02/2009 | 2.81 |
| 65 | - 82.5 KVA GEN SET | JACKSON LTD | 03/11/2008 | 4.87 |
| 66 | - 82.5 KVA GEN SET | JACKSON LTD | 03/11/2008 | 2.95 |
| 67 | - 25 KVA GEN SET | JACKSON LTD | 03/11/2008 | 5.05 |
| 68 | FO Heating Kit | Apollo Earth Movers Ltd, | 13/12/2008 | 1.57 |
| 69 | FO Heating Kit | Apollo Earth Movers Ltd, | 13/12/2008 | 1.57 |
| 70 | CONCRETE MIXER MACHINE WITH HOPPER | BHWAL ENGINEERING WORKS | 11/11/2008 | 2 |
| 71 | MECHANICAL ROAD BROOM | DHURVI ROAD EQUIPMENT PVT LTD | 26/12/2008 | 1.41 |
| 72 | Concrete Mixture Machine | B. J. D. Engineering Works | 23/09/2008 | 2 |
| 73 | Concrete Mixture Machine | B. J. D. Engineering Works | 24/12/2008 | 1 |
| 74 | Concrete Mixture Machine | B. J. D. Engineering Works | 23/01/2009 | 1 |
| 75 | - MOBILE TOWER CRANE MODEL-2518 | OMEGA CONSTRUCTION EQUIPMENT P.LTD. | 14/02/2009 | 10.4 |
| 76 | - BAR BENDING CUTTING MACHINE | JAYEM MANF. CO. | 27/12/2008 | 1.97 |
| 77 | - BAR BENDING CUTTING MACHINE | JAYEM MANF. CO. | 20/12/2008 | 2.04 |
| 78 | FO Heating Kit | Apollo Earth Movers Ltd, | 13/12/2008 | 1.05 |
| | | | | 1500.63 |

Purchase of the above mentioned equipments was financed through the loan from Standard Chartered Bank /other banks and internal accruals.

Following are details of the equipments for which we have placed the orders and obtained quotations.

Orders Placed

| Sr. No. | Name of Equipment | Supplier's Name | Date of Order Placed | Quantity Required | Amount (Rs in lacs) | Advance Amount Paid (Rs. In lacs) |
|---------|-----------------------|---|----------------------|-------------------|---------------------|-----------------------------------|
| 1. | Pneumatic Tyre Roller | Volvo India Pvt. Ltd | 16.06.2009 | 1 | 30.91 | 0.25 |
| 2. | Backhoe Loader | Terex Vectra Equipments Pvt. Ltd | 28.07.2009 | 2 | 31.47 | 0.40 |
| 3. | Weigh Bridge | Essae Digitronics Pvt. Ltd | 15.06.2009 | 2 | 10.60 | Nil |
| 4. | WM-6 Paver | Apollo Construction Equipments Pvt. Ltd | 14.08.2009 | 1 | 15.18 | Nil |

| | | | | | | |
|-------|--|--------------------------|------------|-----|--------|------|
| 5. | Tippers | Tata Motors Ltd. | 17.08.2009 | 10 | 177.42 | 2.50 |
| 6. | Vibratory Soil Compactor | Greaves Cotton Limited | 22.08.2009 | 2 | 37.54 | Nil |
| 7. | Vibratory Soil Compactor | Atlas Copco (India) Ltd. | 22.08.2009 | 1 | 21.53 | Nil |
| 8. | Excavator | L&T Komatsu Limited | 22.08.2009 | 1 | 33.25 | Nil |
| 9. | Motor Grader | Volvo India Pvt. Ltd | 27.08.2009 | 1 | 163.20 | Nil |
| 10. | Track Mounted Jaw Crushing Plant & Track Mounted Cone Crushing Plant | Voltas Limited | 31.08.2009 | 1&1 | 364.61 | 2.00 |
| Total | | | | | 885.71 | 5.10 |

Quotations received

| Sr. No. | Name of Equipment | Supplier's Name | Date of Quote | Amount (Rs in lacs) | Quantity Required |
|---------|--|---|---------------|---------------------|-------------------|
| 1 | Pneumatic Tyre Roller | Volvo India Pvt. Ltd | 16.06.2009 | 30.91 | 1 |
| 2 | Weigh Bridge | Essae Digitronics Pvt. Ltd | 15.06.2009 | 10.6 | 2 |
| 3 | WM-6 Paver | Apollo Construction Equipments Pvt. Ltd | 14.08.2009 | 15.18 | 1 |
| 4 | Tippers | Tata Motors Ltd. | 17.08.2009 | 177.42 | 10 |
| 5 | Vibratory Soil Compactor | Greaves Cotton Limited | 22.08.2009 | 37.54 | 2 |
| 6 | Vibratory Soil Compactor | Atlas Copco (India) Ltd. | 22.08.2009 | 21.53 | 1 |
| 7 | Excavator | L&T Komatsu Limited | 22.08.2009 | 33.25 | 1 |
| 8 | Motor Grader | Volvo India Pvt. Ltd | 27.08.2009 | 163.2 | 2 |
| 9 | Track Mounted Jaw Crushing Plant & Track Mounted Cone Crushing Plant | Voltas Limited | 31.08.2009 | 364.61 | 1 & 1 |
| 10 | Backhoe Loader | Terex Vectra Equipments Pvt. Ltd | 28.07.2009 | 31.47 | 2 |
| 11 | Total Station | Sokkia India Pvt. Ltd. | 9/19/2009 | 19.15 | 3 |
| 12 | Wet Mix Plant | Gujarat Apollo Industries Ltd | 9/19/2009 | 46.37 | 2 |
| 13 | Tata Wheel Loader | Telco Construction Equipment Company Ltd. | 9/19/2009 | 105.99 | 4 |
| 14 | Tipper | Tata Motors Limited | 9/19/2009 | 164.14 | 15 |
| 15 | Tipper | Tata Motors Limited | 9/19/2009 | 442.43 | 25 |
| 16 | Paver Finisher (Sensor) | Apollo Earthmovers Ltd. | 9/19/2009 | 152.36 | 4 |
| 17 | Universal Concrete Reversible Mixer | Universal Construction Machinery & Equipment PVT. Ltd | 9/19/2009 | 19.05 | 3 |
| | | | | | |
| 18 | Conmat Mechanised IN-SITU Hitech Fixed Form | Conmat Systems Pvt. Ltd. | 9/19/2009 | 15.95 | 1 |

| | | | | | |
|----|-------------------------------------|--|-----------|----------------|----|
| | Cylinder Paver Finisher | | | | |
| 19 | Electronic Weigh Bridge | Essae Digitronics Pvt. Ltd. | 9/19/2009 | 15.9 | 3 |
| 20 | Diesel Generator-35 KVA | Jaksons Ltd | 9/19/2009 | 9.97 | 3 |
| 21 | Diesel Generator-82.5 KVA | Jaksons Ltd | 9/19/2009 | 21.59 | 5 |
| 22 | Diesel Generator-125 KVA | Jaksons Ltd | 9/19/2009 | 24.29 | 3 |
| 23 | Diesel Generator-320 KVA | Jaksons Ltd | 9/19/2009 | 15.01 | 1 |
| 24 | Diesel Generator-380 KVA | Jaksons Ltd | 9/19/2009 | 36.54 | 2 |
| 25 | Diesel Generator-500 KVA | Jaksons & Company | 9/19/2009 | 25.44 | 1 |
| 26 | HOT Mix Plant Batch Type - ANP 2000 | Gujarat Apollo Industries Ltd | 9/19/2009 | 404.08 | 2 |
| 27 | Vibratory Asphalt Compactor | Volvo India Pvt. Ltd | 9/20/2009 | 74.52 | 3 |
| 28 | Pneumatic Tyre Roller | Volvo India Pvt. Ltd | 9/20/2009 | 62.93 | 2 |
| 29 | Hydraulic Excavator | L & T Komatsu Limited | 9/21/2009 | 229 | 5 |
| 30 | Hydraulic Excavator | L & T Komatsu Limited | 9/21/2009 | 69.6 | 2 |
| 31 | Compressor | Doosan International India Pvt. Ltd | 9/21/2009 | 12.7 | 1 |
| 32 | Compressor | Doosan International India Pvt. Ltd | 9/21/2009 | 9.1 | 1 |
| 33 | Hydraulic Excavator | Kobelco Construction Equipment India Pvt Ltd | 9/21/2009 | 100 | 2 |
| 34 | Drill and Accessories & tools | Atlas Copco (India) Ltd | 9/21/2009 | 28.31 | 2 |
| 35 | Vibratory Soil Compactor | Dynapac - Suchita Millenium | 9/21/2009 | 41.95 | 2 |
| 36 | Motor Grader with Scarifier | Larsen Toubro Ltd | 9/21/2009 | 219.13 | 3 |
| 37 | Excavator Loader | Terex Vectra Equipment (P) Ltd | 9/21/2009 | 62.93 | 4 |
| 38 | Rock Breaker | Doosan International India Pvt. Ltd | 9/21/2009 | 51.34 | 1 |
| 39 | Concrete Batching Plant | Greaves Cotton Limited | 9/22/2009 | 35.33 | 1 |
| 40 | Tandem Roller | Greaves Cotton Limited | 9/22/2009 | 64.59 | 3 |
| 41 | Vibratory Soil Compactor | Greaves Cotton Limited | 9/22/2009 | 20.42 | 1 |
| 42 | Transit Mixer | Schwing Stetter (India) Pvt. Ltd | 9/23/2009 | 25.67 | 3 |
| 43 | Transit Mixer | Greaves Cotton Limited | 9/22/2009 | 26.5 | 3 |
| 44 | Concrete Pump | Schwing Stetter (India) Pvt. Ltd | 9/22/2009 | 19.54 | 1 |
| 45 | Concrete Pump | Greaves Cotton Limited | 9/22/2009 | 18.22 | 1 |
| 46 | Concrete Batching Plant | Schwing Stetter (India) Pvt. Ltd | 9/23/2009 | 35.33 | 1 |
| 47 | Tipper | Ashok Leyland Ltd (Shree Automotive Pvt. Ltd.) | 9/23/2009 | 298.85 | 15 |
| 48 | RMC Cabin Chassis | Tata Motors Ltd | 9/23/2009 | 41.35 | 3 |
| 49 | Chassis with Cabin | Ashok Leyland Ltd | 9/23/2009 | 42.39 | 3 |
| | Sub Total | | | 3993.67 | |

2. For the orders placed we have made an initial payment of Rs. 5.10 lacs

Margin Money for Working Capital Requirements

We expect a further increase in the working capital requirements in view of our proposed project. Accordingly, we have proposed to use Rs. 3,000 lacs out of the issue proceeds to meet the increase in margin money for the long term working capital requirements.

| Particulars | Audited | Proj | Proj |
|--------------------------------------|---------------|---------------|---------------|
| | 2008-09 | 2009-10 | 2010-11 |
| Raw Materials | 3,632 | 4,875 | 6,095 |
| Finished Goods | 386 | 154 | - |
| Adv to suppliers & Contractors | 5,055 | 5,245 | 6,059 |
| Receivables | 14,104 | 15,392 | 21,986 |
| Other Current Assets | 2,862 | 4,000 | 5,500 |
| Total Currents assets | 26,039 | 29,665 | 39,640 |
| Less - | | | |
| Trade Creditors for goods | 3,702 | 3,047 | 3,809 |
| Trade Creditors for expenses | 2,180 | 1,983 | 3,207 |
| Short Term Advances from Contractees | 2,341 | 2,636 | 3,801 |
| Other Liabilities | 996 | 400 | 500 |
| Total Currents liabilities | 9,219 | 8,065 | 11,317 |
| Working Capital Gap | 16,820 | 21,600 | 28,323 |
| Bank Finance proposed | 9,135 | 12,000 | 15,000 |
| Margin Money | 7,685 | 9,600 | 13,323 |

As per our estimates we would require 3,000 lacs out of the issue proceeds to meet the increase in margin money for the long term working capital requirements.

We have estimated future working capital requirements based on the following:

| Particulars | Basis | No. of Days |
|--------------------------------|---|-------------|
| Sundry Debtors | Days of total Sales | 90 |
| Inventory - Raw Material | Days of total Purchase | 60 |
| Inventory – Finished Goods | Days of Sales | 15 |
| Sundry Creditors | Days of total Purchase | 45 |
| Adv to suppliers & Contractors | Days of total Purchase and sub -contracting | 40 |

As on September 30, 2009, our Company has total working capital facilities of Rs. 49,400 lacs sanctioned from a consortium of banks and some other banks out of which fund based limit is Rs.16,400 lacs and non- fund based limit is Rs. 33,000 lacs.

3. General Corporate Purposes

General Corporate Purposes, include but not restricted to strategic initiatives, partnerships, meeting exigencies, which our Company in the ordinary course of business may face, or any other purposes as approved by our Board. In accordance with the policies set up by the Board, the management will have flexibility in applying a part of the Net Proceeds for general corporate purposes. The 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 utilisation of the Net Proceeds and increasing or decreasing expenditure for a particular object. In case of any short fall in the

Net Proceeds, our management may explore a range of options including utilizing our internal accruals or seeking debt from future lenders. Our management expects that such alternate arrangements will be available to fund such shortfall.

4. Issue Expenses

The expenses for this Issue include lead management fees, selling commission, printing and distribution expenses, legal fees, advertisement expenses, registrar fees, depository charges and listing fees to the Stock Exchanges, among others. The total expenses for this Issue are estimated to be approximately Rs. [●] lacs, which is [●] % of the issue size.

All the Issue related expenses shall be met out of the proceeds of the Issue and the break-up of the same is as follows:

| Particulars | Expenses (Rs. lacs) | As a % of the Issue size | As a % of the total Issue expenses |
|--|---------------------|--------------------------|------------------------------------|
| Management fees, underwriting commission and brokerage | [●] | [●] | [●] |
| Marketing and advertisement expenses | [●] | [●] | [●] |
| Stationery, printing and registrar expenses | [●] | [●] | [●] |
| Others | [●] | [●] | [●] |
| Total | [●] | [●] | [●] |

5. Fund Deployment and Implementation Schedule

Our Company has incurred the following expenditure on the proposed projects upto September 30, 2009. The same has been certified by Agrawal S. Kumar and Associates, Chartered Accountants pursuant their certificate dated October 15, 2009.

Rs. Lacs

| Particulars | Incurred upto September 30, 2009 | Up to March 31, 2010 | FY 2011 | Total Cost |
|--|----------------------------------|----------------------|------------|------------|
| Investment in Capital Equipments | 1,505.73 | 3,988.57 | - | 5,494.30 |
| Funding of working Capital requirement | - | 750.00 | 2,250.00 | 3,000.00 |
| General Corporate Purposes | - | [●] | [●] | [●] |
| Issue Expenses | 79.93 | [●] | [●] | [●] |
| Total | 1,585.66 | [●] | [●] | [●] |

The aforementioned expenditure of Rs. 1585.66 lacs, was financed through debt from Standard Chartered Bank /other banks and through internal accruals.

6. Interim Use of Funds

Pending utilization for the purposes described above, we intend to temporarily invest the funds in high quality interest/dividend bearing liquid instruments including money market mutual funds, deposits with banks for the

necessary duration and other investment grade interest bearing securities as may be approved by the Board. Such transactions would be at the prevailing commercial rates at the time of investment. We may also apply a part of the Net Proceeds, pending utilisation for the purposes described above, towards our working capital requirements. Should we utilize the funds towards our working capital requirements, we undertake that we will ensure consistent and timely availability of the Net Proceeds so temporarily used to meet the fund requirement for the objects of the Issue contained herein.

7. Monitoring Utilisation of Funds

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

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

BASIC TERMS OF ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, the Memorandum and Articles of Association of the Company, conditions of RBI approval, if any, the terms of this Red Herring Prospectus, Red Herring Prospectus and Prospectus, Bid-cum-Application Form, the Revision Form, the Confirmation of Allocation Note (“CAN”) and other terms and conditions as may be incorporated in the Allotment Advice, and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, Government of India, Stock Exchanges, RBI, ROC and / or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Issue

The Issue of Equity Shares has been authorized by the resolution of the Board of Directors at their meeting held on July 19, 2008 subject to a approval of the shareholders through a Special Resolution to be passed pursuant to section 81(1A) of the Companies Act. The shareholders have, at the Extra-Ordinary General Meeting of our Company held on August 16, 2008, approved the Issue.

The Company has obtained in-principle listing approvals dated January 13, 2009 and February 02, 2009 from the BSE and the NSE, respectively.

The Company has also obtained all necessary contractual approvals required for the Issue.

Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of the Memorandum and Articles of Association and shall rank pari passu in all respects with the other existing shares of the Company including in respect of the rights to receive dividends. The Allottees in receipt of the Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details please see “Main Provisions of the Articles of Association” on page 273 of this Red Herring Prospectus.

Face Value and Issue Price

The Equity Shares with a face value of Rs.10 each are being offered in terms of this Red Herring Prospectus at a price of Rs. [●] per share. At any given point of time, there shall be only one denomination for the Equity Shares of the Company, subject to applicable laws. The Issue Price is [●] times the face value of the Equity Shares. The Anchor Investor Issue Price is Rs. [●] per Equity Share.

Minimum Subscription

If we do not receive the minimum subscription of 90% of the Net Issue to public including devolvement of Underwriters within 60 days from the date of closure of the Issue, the Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after the Company becomes liable to pay the amount, the Company shall pay interest as prescribed under Section 73 of the Companies Act.

For further details please refer to the the section “Terms of the Issue” on page 223 of this Red Herring Prospectus.

BASIS OF ISSUE PRICE

The Issue Price will be determined and justified by the Company and the BRLM on the basis of assessment of market demand for the proposed Issue of Equity Shares by way of the Book Building Process.

The price band of the Issue is Rs 165 to Rs 180 per Equity Share. The face value of the equity share is Rs 10/- and the price is 16.5 times the face value at the lower end of the price band and 18 times the face value at the higher end of the price band.

Qualitative Factors

Some of the qualitative factors which may form the basis for computing the Issue Price are as follows:

- Technical expertise and execution capabilities
- Sophisticated construction equipments
- Early mover advantage for comprehensive maintenance of metro city roads
- Integrated business model
- Continuous enhancement of bid capacity and Pre qualification
- Elite customer base and long term relationship with clients

For detailed discussion on the above factors, see the section “Business Overview” beginning on page 67 of this Red Herring Prospectus.

Quantitative Factors

The information presented in this section is derived from our Company’s audited restated Standalone financials statements for the Fiscals 2007, 2008 and 2009.

1. Restated diluted Earning per Equity Share (EPS) of Face Value of Rs.10 each.

| Year | EPS (Rs.) | Weight |
|--|-----------|--------|
| For Fiscal 2007 | 9.86 | 1 |
| For Fiscal 2008 | 13.37 | 2 |
| For Fiscal 2009 | 23.18 | 3 |
| Weighted Average | 17.69 | |
| For the quarter ended June 30, 2009 (Annualized) | 28.48 | |

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

- a. Based on Fiscal 2009 EPS of Rs. 23.18 - [•] x
- b. Based on weighted average EPS of Rs. 17.69 - [•] x

Industry peer P/E

- i. Highest : 134.1
- ii. Lowest : 1
- iii. Industry composite : 13.6

(Source: Capital Market, September 21 – October 04, 2009 Industry: Construction)

Return on Net worth (RONW)

| Year | RONW (%) | Weight |
|-----------------|----------|--------|
| For Fiscal 2007 | 23.85 | 1 |
| For Fiscal 2008 | 26.56 | 2 |
| For Fiscal 2009 | 27.61 | 3 |

| | | |
|--|-------|--|
| Weighted Average | 26.63 | |
| For the quarter ended June 30, 2009 (Annualized) | 31.27 | |

Minimum return on the increased net worth after the Issue required to maintain standalone pre-Issue EPS of Rs. 23.18 is [●] %

Net Asset Value (NAV) per share, pre-Issue, post-Issue and comparison with the Issue Price:

- a. As at March 31, 2009 : Rs. 83.95
- b. As t June 30, 2009 : Rs. 91.07
- c. Issue Price : Rs. [●]
- d. After the Issue : Rs. [●]

Comparison with Industry Peers

| Name of the Company | Sales (Rs. lacs) | Face Value (Rs.) | EPS (Rs.) | P/E | RONW (%) | NAV (Rs.) |
|-------------------------------|------------------|------------------|-----------|-----|----------|-----------|
| MBL Infrastructures Limited | 50,584 | 10 | 23.18 | [●] | 27.61 | 83.95 |
| J Kumar Infraprojects Limited | 40,650 | 10 | 13.1 | 9.5 | 24.1 | 70.7 |
| KNR Constructions Limited | 64,960 | 10 | 15.4 | 6.2 | 17.8 | 93.6 |
| MSK Projects India Limited | 36,590 | 10 | 10.4 | 8.5 | 7.9 | 122.1 |
| PBA Infrastructure Limited | 36,430 | 10 | 9.5 | 6.8 | 15.0 | 67.1 |

The comparable ratios of the companies which are to some extent similar to our business are as given below:

(Source: Capital Market, September 21 – October 04, 2009 Industry: Construction, Based on audited financials for the year ended March 31, 2009)

The Issue Price of Rs. [●] has been determined and justified by our Company and the BRLM, on the basis of assessment of market demand for the Equity Shares by way of the Book Building Process.

The BRLM believes that the Issue Price of Rs [●] is justified based on the above parameters.

STATEMENT OF TAX BENEFITS

To,
The Board of Directors,
MBL Infrastructures Limited
23A, N.S. Road,
Room No.14, 3rd Floor,
Kolkata 700 001

Sub: Statement of Possible Tax Benefits Available to the Company and its Shareholders

Dear Sir,

Following is the summary of the possible tax benefits available to MBL Infrastructures Limited (the “Company”) and its shareholders under tax laws presently in force in India. These several benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependant upon fulfilling such conditions, which are based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

This summary does not consider all aspects of taxation which may be relevant to a particular investor in light of the investor’s particular circumstances. Investors should consult their own advisers on the taxation of their acquiring, holding or disposing of Shares under the laws of any jurisdiction in which they are liable to taxation.

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

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

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of current tax laws presently in force in India, relevant to the subject matter of our report.

Yours faithfully,

For AGRAWAL S. KUMAR & ASSOCIATES
Chartered Accountants

(Mukesh Kumar Jhawar)
Partner
Membership No: 61308

Date: October 15, 2009
Place: Kolkata

ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS

There are certain deductions and exemptions available under ITA to the Company which determines the taxability of the Company. Based on this, the tax position of the Company is set out below. Tax implications on the investors of making investment in the Company as set out below would be subject to the provisions of any double taxation avoidance agreement (“**tax treaty**”) that may be available to the investor, if the investor is a resident of a country with which India has entered into a tax treaty as well as on the investor’s personal tax circumstances. The following summary of the tax implications does not constitute legal or tax advice and is based on the understanding of taxation law in force on the date of this Prospectus. While this summary is considered to be correct interpretation of existing laws in force on the date of this Prospectus, no assurance can be given that courts or other authorities responsible for the administration of such laws will agree with this interpretation or that changes in such laws will not occur.

Special Tax Benefits

To our Company under Income tax Act, 1961:

Deduction under section 80IA- As per the provisions of Section 80- IA(1) and 80-IA(4) of the Income Tax Act, the Company is eligible to claim 100% tax benefit with respect to profits derived from (i) developing or (ii) operating and maintaining or (iii) developing, operating and maintaining any infrastructure facility. However, the benefit is available subject to fulfillment of conditions prescribed under the section.

General Tax Benefits

Direct Tax Benefits under the Income Tax Act, 1961 (“ITA”)

- a. *Depreciation Allowance under section 32 of the ITA-* The Company will be entitled to claim depreciation at the prescribed rates on specified tangible and intangible assets. Also, the depreciation that remains unabsorbed on account of insufficient profits in a year will be carried forward and set off against the succeeding year’s profit and would be carried forward indefinitely.
- b. *Carry forward of business losses under section 72 of the ITA-* Business losses, if any, for any year will be carried forwarded and set off against business profits for subsequent eight years.
- c. *Deduction of preliminary expenses under section 35D of the ITA-* The Company will be entitled to a deduction of one fifth of the preliminary expenses incurred for the issue of shares for a period of five years beginning with the year in which the Company expands its current industrial undertaking. The amount of deduction is limited to five percent of the cost of the project/ capital employed in the business.
- d. *Minimum Alternate Tax (“MAT”) Credit under section 115JAA(1A) of the ITA-* The Company is eligible to claim the credit of MAT paid for any year commencing on or after April 01, 2006 against normal income tax payable in subsequent years. MAT credit shall be allowed for any year to the extent of difference between the tax computed as per the normal provisions of the ITA for that year and the MAT which would be payable for that year. Such MAT credit will be available for set-off up to 10 years succeeding the year in which the MAT credit initially arose.
- e. *Dividend income exemption Section 10(34) of the ITA -* Dividends (whether interim or final) received by the Company as referred in Section 115-O will be exempt from tax. Further, the Company will not be eligible to claim a deduction for any amount expended in connection with earning such exempt income as per section 14A of the ITA.
- f. *Income From Certain Mutual Funds -Section 10(35) of the ITA-* Income received by the Company in respect of the units of the specified mutual funds will be exempt from tax.
- g. *Long term capital gains under section 112 of the ITA-* Long term capital gains arising from the sale of an asset to the Company shall be subject to tax 20% (plus applicable surcharge/ education cess). In case of long term capital gains resulting on transfer of listed securities outside the stock exchange, tax shall be calculated @ 20% (plus applicable Surcharge & education Cess) on gain after indexation benefit as provided in the second proviso to section 48. The amount of such tax should however be limited to 10%

(plus applicable Surcharge & education Cess) without indexation, at the option of the Shareholder. For this purpose, Indexation Benefit would mean the 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.

- h. *Long term capital gains on listed securities under Section 10(38) of the ITA*- Long term capital gains arising from sale of listed Equity Shares or units of an equity oriented fund through a recognized stock exchange will not be subject to capital gains tax, provided the applicable Securities Transaction Tax i.e. at the rate of 0.025% on the transaction value is paid by the Company and the transaction of such sale is entered into on or after October 01, 2004.
- i. *Short term capital gains on Equity Shares under section 111A*- Any short term capital gains arising to the company from the sale of equity share in a company or unit of an equity oriented fund on a recognized stock exchange will be subject to tax only at a rate of 15% (plus applicable surcharge & education cess) provided the applicable Securities Transaction Tax i.e. at the rate of 0.025% on the transaction value is paid by the Company. Other short term capital gains would be taxed at the rate of 30% (plus applicable surcharge & education cess)
- j. *Deduction from capital gains under section 54EC of the ITA*- Capital gains arising to the Company on transfer of a long term capital assets (in cases not covered under section 10(38) of the Act) shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. Such bonds must be held as investment by the Company for a minimum period of three years; otherwise the amount of capital gains not charged to tax earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money. It is also to be noted that the investment made on or after April 01, 2007 in the long term specified asset by the assessee during any financial year is restricted to rupees fifty lacs.

Investors

Resident shareholders

The following ***General Tax Benefits*** are available to the existing/ prospective shareholders of the Company under the IT Act.

- a. *Dividend Income and Capital gains*-
Dividend received by shareholders, on which the Company has paid DDT will not be taxed in the hands of the shareholders. Capital gains realized by the shareholders on transfer or sale of shares of the Company would be taxed under the provisions as explained under section A, (h) to (k) above.
- b. *Deduction under section 54F of ITA, arising from long term capital gains in certain circumstances* –
Long term capital gains arising from sale or transfer of shares (in cases not covered under section 10(38) of the Act) would not be chargeable to tax in case of a shareholder who is individual or Hindu Undivided Family (HUF) , to the extent that the net consideration are used for purchase of residential house property within a period of one year before and two years after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer. For this purpose, net consideration means full value of the consideration received or accrued 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 not charged to tax earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred.

Further, at the time of investment individual or HUF should not own more than one house.

- c. *Income of a minor exempt upto certain limit under section 10(32) of the ITA*-

Any income of minor children clubbed in the total income of the parent under Section 64(1A) of the ITA will be exempt from tax to the extent of Rs. 1,500 per minor child.

Non resident shareholders

Following benefits are available under the ITA to non resident shareholders.

- a. *Dividend Income* – Dividend received by the non-resident shareholders, on which the Company has paid DDT will not be taxed in the hands of such shareholders
- b. *Income of a minor*- The provision mentioned in clause (c) under the “Resident shareholder” applies to a non resident shareholder also in the same manner.
- c. *Capital Gains Tax*- options available under the ITA- A non resident has the option to be governed by the special provisions of Chapter XII-A of the ITA or the normal provisions of the ITA. The normal provisions of the ITA for the capital gains in relation to sections 111A, 112 and 10(38) as discussed in clause (h) to (j) under section A of “Company” apply to the non residents also. Further, proviso to section 48 of the ITA provides that where a non resident purchases shares or debentures of an Indian Company in foreign currency, the capital gains would be computed in such foreign currency and will then be reconverted into Indian currency and be taxed @ 10% (plus applicable surcharge & education cess) .

As mentioned above a non resident may opt for the special provisions described in chapter XII-A (sections 115C to 115H) of the ITA for computing his/her capital gains tax liability. These provisions are discretionary for the non resident and a non resident may elect not to be governed by them. The benefits available under this chapter to a non resident are set out below:

- As per the provision of Section 115D read with Section 115E of the ITA, long term capital gains arising on transfer of an Indian company’s shares will be subject to tax at the rate of 10% (plus applicable surcharge & education cess), without indexation benefit.
 - As per the provisions of Section 115F of the ITA, gains arising on transfer of a long term capital asset being shares in an Indian company shall not be chargeable to tax if the entire net consideration received on such transfer is invested within six months in any specified asset or savings certificates referred to in Section 10 (4B) of the Act. However, the specified asset or the savings certificate in which the investment has been made should not be transferred for a period of three years from the date of investment otherwise the amount of capital gains 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 ITA, non-resident Indians are not obliged to file a return of income under Section 139(1) of the Act, if their only source of income is income from investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income.
- d. *Exemption from tax on long term capital gains in certain cases*- The benefits of Section 54EC of the ITA as described in clause (k) in Section A under ‘Company’ and Section 54F of the ITA in clause (b) under taxation of Resident shareholders, are available to a non resident shareholder as well.
 - e. *Provisions of the ITA vis a vis provisions of the treaties*- The provisions of the ITA would be applicable to the extent they are more beneficial to the non-resident as compared to the provisions of the applicable tax treaty, as per Section 90(2) of the ITA.

Taxation of Foreign Institutional Investors (“FII”)

- a. *Dividend Income*- Dividend received by FIIs, on which the Company has paid DDT will not be taxed in the hands of such FII shareholders

- b. *Exemption of Capital Gains from Income Tax*- The exemptions under section 10(38) and section 54EC as discussed in clause (i) and (k) respectively under section A, describing taxation of Company apply to the taxation of FII's as well.
- c. *Taxability of income and capital gains*- There is a special provision in the ITA for taxation of the income of FII's. Section 115AD provides the rates of taxation as follows:
 - Short term capital gains are chargeable @ 30% (plus applicable surcharge & education cess) (other than cases covered under the provisions of section 111A which are chargeable @15%)(plus surcharge & education cess)
 - Long term capital gains are chargeable @ 10% (without cost indexation) (plus applicable surcharge & education cess) but the provisions of section 10(38) shall apply as mentioned in clause (b) above.
- d. The benefit of tax treaties would be available as mentioned in clause (e) under the taxation of non residents.

Mutual Funds

As per the provisions of Section 10(23D) of the ITA, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, Mutual Funds setup by public sector banks or public financial institutions and Mutual Funds authorised by the Reserve Bank of India would be exempt from income tax, subject to the Conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

Venture Capital Companies/Funds

As per the provisions of Section 10(23FB) of the ITA, all venture capital companies/funds registered with the Securities and Exchange Board of India, subject to the conditions specified, are eligible for exemption from income tax on all their income, including dividend from and income from sale of shares of the Company.

Applicability of Wealth Tax Act, 1957

Shares in a company held by a shareholder are not treated as an asset subject to wealth tax within the meaning of Section 2(ea) of Wealth tax Act, 1957; hence, wealth tax is not leviable on shares held in a company.

Applicability of Gift Tax Act, 1958

Gift Tax Act was abolished with effect from October 01, 1998. Accordingly, no gift tax would be levied on gifts of shares of the Company.

Notes:

All the above tax benefits will be available only to the sole / first named holder in case the shares are held by joint holders. Legislation, its judicial interpretation and the policies of the regulatory authorities are subject to change from time to time and these may have a bearing on the advice that we have given. Accordingly, any change or amendment in the law or relevant regulations would necessitate a review of the above. Unless specifically requested, we have no responsibility to carry out any review of our comments for changes in laws or regulations occurring after the date of issue of this Note.

The above Statement of Possible 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 ordinary shares. The statements made above are based on the tax laws in force as also under the Finance Act, 2009 and as interpreted by the relevant taxation authorities as of date. The Investors in your Company are advised to consult their tax advisors with respect of the tax consequences of their holdings based on their residential status and the relevant double taxation conventions.

SECTION V: ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information presented in this section has been obtained from publicly available documents from various sources including industry websites and publications and from government estimates like NHAI site, Planning Commission, Economic Survey 2007 -2008, 2008- 2009, etc. and management views. Industry websites and publications generally 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. Although we believe industry, market and government data used in this Red Herring Prospectus is reliable and that website data is as current as practicable, these have not been independently verified.

Construction Industry

The Indian construction industry is very large and is important to various sectors of the economy. It employs about 310 lac persons – second only to agriculture in terms of employment. It consumes 40-50% of the National Plan outlay and contributes 20% of GDP.

Source: www.cidc.in

Construction sector may be broadly classified into the following categories:

- Real estate construction investments (i.e. residential and commercial construction)
- Infrastructure construction investments (i.e. roads, urban infrastructure, power, irrigation and railways)
- Industrial construction investments (i.e. steel plants, textiles plants, oil pipelines and refineries)

Infrastructure Industry

Roads

India has the second largest road networks in the world, aggregating to about 33 lac kilometres at present. The country's road network consists of National Highways, State Highways, Major District Roads, Other District Roads and Village Roads. The road network comprises 66,754 km of National Highways 1,28,000 km of State Highways, 4,70,000 km of Major District Roads and about 26,50,000 km of Other District and Rural Roads. Out of the total length of National Highways, about 32 per cent is single lane/ intermediate lane, about 55 per cent is standard 2-lane and balance 13 per cent is 4-lane width or more. Source: Economic Survey 2007 - 2008

About 65% of freight and 80% passenger traffic is carried by the roads. National Highways constitute only about 2% of the road network but carry about 40% of the total road traffic. Number of vehicles has been growing at an average pace of 10.16% per annum over the last five years.

Source: <http://www.nhai.org>

The Government of India spends about \$4 billion p.a. on road development. The ambitious National Highway Development Project (NHDP) of the Government is at an advanced stage of implementation. Key sub-projects under the NHDP include:

- The Golden Quadrilateral (GQ-5846 km of 4 lane highways)
- North-South & East-West Corridors (NSEW-7142 km of 4 lane highways)

Among the different categories of roads, National Highways constitute around 2%, State Highways 4% while 94 per cent of the entire network comprises ODR, MDR and VR. Out of these, PWD Roads are 21%, Urban Roads 7% and the rest of the road length in India is accounted for by the rural roads. While development and maintenance of National Highways is under the purview of the Centre, all other categories of roads come under the purview of the respective States/ UT Governments with total length of about 137,711 km.

The Golden Quadrilateral and NSEW projects

India has a vast network of national highways that cover the length and breadth of the country. The longest National Highway is NH 7, which goes from Varanasi in Uttar Pradesh to the southernmost tip of India, Kanyakumari in

Tamilnadu. It covers a distance of 2,369 kms. One of India's very famous highway projects is the Golden Quadrilateral Highway Project, connecting India's four metropolitan cities, Delhi, Mumbai, Kolkatta and Chennai.

Source: www.mapsofindia.com/roads/index.html



The National Highways Development Project (“NHDP”)

The largest highway project ever undertaken in the country is being implemented by the National Highways Authority of India (NHAI).

Phase-I and II of the NHDP envisaged 4/6 laning of about 14,279 kilometres of National Highways at a total estimated cost of Rs. 65,000 crore (at 2004 prices). These two phases consist of the Golden Quadrilateral, the North-South & East-West Corridors, port connectivity and other projects. The Golden Quadrilateral (GQ – 5,846 km) connects the four major cities of Delhi, Mumbai, Chennai and Kolkata. The North-South and East-West Corridors (NS-EW – 7,142 km) connects Srinagar in the North to Kanyakumari in the South including spur from Salem to Kochi and Silchar in the East to Porbandar in the West, respectively. Under the Port Connectivity Project, roads connecting 12 major ports (380 km) and Other Projects (962 km) will be improved.

As of March 31, 2009, 11,037 km of national highways under NHDP has been completed, the bulk of which lies on the GQ. Nearly 98 per cent works on GQ have been completed by March 2009 and the NS and EW corridors are expected to be completed by December 2009.

As of March 31, 2009, 11,037 km of National Highways under NHDP project has been completed, the bulk of which (5,629 km) lies on the GQ. About 6,194 km of National Highways are under construction. Nearly 98 per cent works on GQ have been completed by March 2009 and the NS and EW Corridors are expected to be completed by December 2009. A summary of progress under different phases of NHDP is given in the following table:

National Highway Projects (as on March 31, 2009)

| Sr. | NHDP No. Component | Total Length (kms) | Completed 4-lane (kms) | Under Implementation | Balance for award of civil works (kms) |
|-----|--------------------|--------------------|------------------------|----------------------|--|
| | | | | Length (kms) | |
| 1 | GQ | 5,846 | 5,721 | 125 | - |
| 2 | NS-EW | 7,142 | 3,436 | 2,915 | 791 |
| 3 | Port connectivity | 380 | 206 | 168 | 6 |
| 4 | Other NHs | 962 | 781 | 161 | 20 |
| 5 | NHDP Phase-III | 12,109 | 787 | 1,878 | 9,444 |
| 6 | NHDP Phase-V | 6,500 | 106 | 928 | 5,470 |
| 7 | NHDP Phase-VII | 700 | - | 19 | 681 |
| | Total | 33,639 | 11,037 | 6,194 | 16,412 |

Source: Department of Road Transport & Highways

The upgradation of 12,109 km has been approved by the Government under NHDP Phase- III at an estimated cost of Rs. 80,626 crore. In addition to the above-mentioned approved projects, there is a proposal for two-laning with paved shoulder for 20,000 km of National Highways under NHDP Phase-IV. The Government has also approved six-laning of 6,500 km of NHs comprising 5,700 km of GQ and balance 800 km of other sections of NHs under NHDP Phase-V at a cost of Rs. 41,210 crore. The Government has approved construction of 1,000 km of expressways with full access control on new alignments at a cost of Rs. 16,680 crore under NHDP Phase-VI and the construction of ring roads including improvement of NH Links in City, grade separated intersections, flyovers, elevated highways, ROBs, underpasses and service roads at a cost of Rs. 16,680 crore under NHDP Phase-VII.

The implementation of NHDP has been faced with a number of constraints that include delays in land acquisition and removal of structures, shifting of utilities, law and order problem in some States and poor performance of some contractors. Regardless of these constraints, the impact on the economy due to completion of about 96 per cent of the GQ is already visible.

Roads worth Rs. 2 lac cr in 2 years- The government will award road projects worth Rs. 2,00,000 crore in the next two years as said by road transport & highway minister Kamal Nath. The government has set a target of building 7,000 km of highways annually. At present, only about 1,500 km of highways is constructed a year. About 150 highway projects are already running behind schedule due to various reasons such as cost escalation, delay in land acquisition and poor performance of contractors. In order to avoid delay in execution of road projects on account of land acquisition, the NHAI is setting up 150 special land acquisition units (SLUs) and 10 regional offices across the country. As per a recent survey, slow progress in land acquisition delayed 70% of the 190 infrastructure projects being implemented by various agencies.

In order to make highway projects more investor-friendly, the government is looking at ways to make rules flexible. It has already restructured the cost of various road projects by factoring in increased input cost. Private developers have demanded relaxation in the termination clause of the model concession agreement (MCA) and variability of concession period to make projects more viable.

Source: Economic Times dated July 31, 2009

Corridor management

The substantial completion of NHDP Phase-I, i.e., Golden Quadrilateral, has necessitated greater emphasis on corridor management, that is, on managing highways in such a manner as to deliver maximum throughput in terms of speed and traffic volume while minimizing the cost of operation and enhancing road safety. The concept of corridor management is being applied on completed sections of NHDP through operation and maintenance contracts. The scope of work, among other things, includes road maintenance, road property management, incident management, traffic management, toll fee collection, wayside amenities and engineering improvements.

Financing of NHDP

The main source of finance of NHAI for the implementation of various phase of NHDP is the fuel cess. The present rate of cess is Rs. 2 per litre on both petrol and diesel, a part of which is allocated to NHAI to fund implementation of NHDP. During 2008-09, an amount of Rs. 9,329.85 crore has been provided for the National Highways and for State roads out of the same. Of this amount, Rs. 6,972.47 crore is for National Highways and Rs. 2,171.64 crore for State roads (including Rs. 500 crore from unspent balance of the previous years). An amount of Rs. 185.74 crore has also been allocated during 2008-09 for the development of State Roads.

The funds allocated from the cess is leveraged by NHAI to borrow additional funds from the domestic market. The Government of India has also taken loans from the World Bank (US\$ 1,965 million), Asian Development Bank (US\$ 1,605 million) and the Japan Bank for International Cooperation (JBIC) (Yen 32,060 million) for financing the projects under NHDP. These loans are passed on to NHAI by the Government partly in the form of grant and partly as loan. NHAI has also negotiated a direct loan of US\$ 165 million from the ADB for one of its projects. The funds provided to NHAI including the borrowings from the market are utilized for the projects and for servicing and repayment of borrowings from the domestic market. The year-wise funds received from the Government and funds borrowed by NHAI are given in the table below.

Financial Structure of NHAI

Rs. in crore

| Year | Cess Funds | External Assistance | | Borrowings | Budgetary Support |
|-----------|------------|---------------------|-------|------------|-------------------|
| | | Grant | Loan | | |
| 1999-2000 | 1,032.0 | 492.0 | - | 656.6 | - |
| 2000-01 | 1,800.0 | 461.0 | 120.0 | 804.4 | - |
| 2001-02 | 2,100.0 | 887.0 | 113.0 | 5,592.9 | - |
| 2002-03 | 2,000.0 | 1,202.0 | 301.0 | - | - |
| 2003-04 | 1,993.0 | 1,159.0 | 290.0 | - | - |
| 2004-05 | 1,848.0 | 1,239.0 | 361.0 | - | - |
| 2005-06 | 3,269.7 | 2,400.0 | 500.0 | 1,289.0 | 700.0 |
| 2006-07 | 6,407.5 | 1,582.5 | 395.5 | 1,500.0 | 110.0 |
| 2007-08 | 6,541.5 | 1,788.8 | 447.2 | 305.18 | 265.0 |
| 2008-09 | 6,972.47 | 1,515.0 | 379.0 | 1,096.3 | 159.0 |

Public-Private Partnership (PPP)

Historically, investments in the infrastructure, particularly in the highways, were being made by the Government mainly because of the large volume of resources required, long gestation, uncertain returns and associated externalities. The galloping resource requirements, concern for managerial efficiency and consumer responsiveness have led in recent times to an active involvement of the private sector.

It has been decided that all the sub-projects in NHDP Phase-III to Phase-VII would be taken up on the basis of Public-Private Partnership (PPP) on Build Operate and Transfer (BOT) mode. To this end, and to encourage participation of private sector, the Department of Road Transport and Highways has laid down comprehensive policy guidelines for private sector participation in the highway sector. The private sector participation envisaged in Phase- II of NHDP has also been increased.

The Government has also announced several incentives such as tax exemptions and duty-free import of road building equipments and machinery to encourage private sector participation. Implementation of projects through construction contracts is to be done in exceptional cases where private sector participation is not possible at all. Preparatory work has begun in consultation with the Planning Commission for seeking the Government approvals for the enhanced scope of NHDP.

Source: Economic Survey 2008 - 2009

Policy initiatives for attracting private investment

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

Source: <http://www.nhai.org>

Special Accelerated Road Development Programme in the North-Eastern Region

The Special Accelerated Road Development Programme for the North-Eastern region (SARDPNE) aims at improving the road connectivity to State capitals, district headquarters and remote places of the NE region. It envisages two-/fourlaning of about 5,174 km of National Highways and two-laning/improvement of about 4,589 km of State roads. This would provide connectivity to 85 district headquarters in the North-Eastern States, to National Highways and State Roads. The programme has been divided into the following:

Phase A would include improving 2,619 km of roads consisting of 2,029 km of National Highways and 590 km of State roads at an estimated cost of Rs. 16,286 crore. Out of this, the Border Roads Organization (BRO) and State PWDs have been assigned the development of 1,795 km of roads.

Out of this, 1,400 km of roads at an estimated cost of Rs. 4,285 crore has been approved for execution and the remaining 395 km has been approved "in-principle" by the Government. Improvement of the remaining length of 824 km of national highways is to be done by NHAI. Out of this, works on 330 km will be done by inviting bids for construction works and balance length of 494 km will be taken up on BOT basis. Out of 1,400 km roads to be executed by DoRTH, BRO & state PWDs, projects covering a length of 1,065 km at a cost of Rs. 3,378 crore has been approved till date and works are in progress. The likely target date of completion for phase A is 2012-13.

Phase B involves two-laning of 4,825 km of National Highways and two-laning/ improvements of State roads. Phase B is approved only for DPR preparation and investment decision is yet to be taken by the Government. The Arunachal Pradesh Package for Road and Highways involving roads of 2,319 km length was also approved by the Government. Out of this, 1,472 km is national highways and 847 km is state/general staff/ strategic roads.

The Ministry of Road Transport and Highways has set up a high-powered Inter-Ministerial Committee to appraise and coordinate individual sub-projects under SARDP-NE. The Committee has approved various sub-projects covering 1,065 km length at an estimated cost of Rs. 3,378 crore under Phase A of the programme.

Source: Economic Survey 2008 - 2009

Investment projected for the Eleventh Five Year Plan

The Eleventh Five Year Plan places high priority to the expeditious completion of works approved under the different phases of the NHDP. For the roads and bridges sector, the Eleventh Five Year Plan envisages a total investment of Rs. 3,14,152 crore (approximately US\$ 78.5 billion @ Rs. 40/\$) over the five-year period starting from 2007-08. Of this the shares of the Centre, the States and the private sector are expected to be 34.2, 31.8 and 34 per cent, respectively.

Civil Aviation

The Civil Aviation sector has undergone dramatic expansion during the Tenth Five Year Plan period. The rapid growth of the economy especially during the last four years has been accompanied by a sharp increase in the volume of air traffic. The number of domestic and international air passengers (combined) has almost doubled between 2004

and 2007. Cargo traffic has increased by more than 45 per cent between 2003- 04 and 2006-07. As per the provisional figures available, international and domestic passengers recorded growth of 15.6 per cent and 32.51 per cent, respectively, during 2007. During April-October 2007, international and domestic cargo recorded growth of 13 per cent and 9.8 per cent, respectively.

As of now, there are 14 scheduled airline operators having 334 aircraft. During 2007, the scheduled operators have been given permission for import of 72 aircraft. The Ministry of Civil Aviation has given “in-principle” approval for import of 496 aircraft and, in the next five years, more than 250 aircraft are likely to be acquired by the scheduled operators. There are also 65 non-scheduled airlines operators who have 201 aircraft in their inventory. The explosive growth in air traffic has made it imperative to rapidly expand the air infrastructure to ensure safe and efficient handling of air traffic.

Airports

The Kolkata and Chennai airports are proposed to be substantially upgraded by the Airports Authority of India (AAI) pursuant to a decision of the Committee on Infrastructure. An Inter-Ministerial Group (IMG), has approved the action plan for the development of Kolkata airport. The proposal involves construction of an integrated terminal building to handle 200 lac passengers per annum and airside works at a total cost of Rs. 1,942.51 crore for completion in June 2010. In respect of Chennai Airport, an Inter-Ministerial Group has approved an action plan involving expansion of international and domestic terminal building to handle additional 130 lac passengers per annum and major airside works including extension of secondary runway at a total estimated cost of Rs. 1,808 crore, for completion in June 2010.

The Airports Authority of India (AAI) has undertaken an ambitious project of modernization of 35 non-metro airports. Airside works, including construction of terminal buildings, would be undertaken by AAI. Work on most of these airports has been taken up. The work at Agra airport (Civil Enclave) has been completed and major works at 7 other airports viz. Agatti, Ahmedabad (Domestic), Amritsar, Jaipur, Nagpur, Tiruchirappalli and Udaipur are scheduled to be completed within the current financial year. It is expected that terminal buildings and associated airside works in respect of 24 airports will be completed by end-March 2009, whereas the remaining 11 airports would be completed by March 2010. Separately, city side development of 24 select non-metro airports would be taken up through PPP. The city side development includes commercial exploitation and maintenance of terminal buildings.

The main objectives of the aviation sector as set out in the Eleventh Five Year Plan would be to provide world class infrastructure facilities, safe, reliable and affordable air services so as to encourage growth in passenger and cargo traffic, and air connectivity to remote and inaccessible parts of the country. Apart from developing major and green field airports, the modernization of Air Traffic Management is also envisaged.

Ports

Ports not only play a crucial role in facilitating international trade but also act as fulcrum of economic activity in their surroundings and hinterland. Despite having adequate capacity and modern handling facilities, the average turnaround time of 3.6 days, compared with 10 hours in Hong Kong, undermines the competitiveness of Indian ports. Since ports are not adequately linked to the hinterland the evacuation of cargo is slow leading to congestion. To this end, all port trusts have set up groups with representatives from NHAI, the railways and State Governments to prepare comprehensive plans aimed at improving road-rail connectivity of ports. The NHAI has taken up port connectivity as a major component of NHDP. An efficient multi-modal system, which uses the most efficient mode of transport from origin to destination, is a prerequisite for the smooth functioning of any port. It involves coordinating rail and road networks to ensure good connectivity between ports and the hinterland.

Traditionally, most ports in the world are owned by the public sector. But privatization of port facilities and services has now gathered momentum and India is also following the global trend. To meet this requirement, an enabling policy framework has already been put in place by the Government. Depending on the nature of facility/ service, private operators can enter into a service contract, a management contract, a concession agreement or a divestiture to operate port services. Areas that have been opened up to the private sector on a BOT basis include construction of cargo handling berths and dry docks, container, terminals and warehousing facilities and ship repair facilities.

Source: Economic Survey 2007 - 2008

Urban Infrastructure

Rapid economic growth will inevitably lead to an increase in urbanization as cities provide large economies of agglomeration for individual activity. Unfortunately, the state of urban infrastructure in the country has deteriorated to an extent that we are not able to fully benefit from these economies. Poor urban infrastructure inflicts a severe hardship on people. Congested roads, poor public transport, inadequate availability of water, improper treatment of sewage, uncollected solid waste, and above all grossly inadequate housing that forces more than 50% of the population in some metropolis to live in slums severely decrease the quality of life and lower the well being of urban population. Unless we deal with these problems now, the situation will deteriorate further as urban population may rise from present 28% to 40-50% by 2025. In order to cope with massive problems that have emerged as a result of rapid urban growth the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) was launched by the government on December 03, 2005 for a seven-year period beginning 2005-06. It envisages urban renewal projects in a mission mode approach. The objectives of the JNNURM are to: (a) give focused attention to integrated development of infrastructure services in 63 selected cities; (b) establish linkage between asset creation and asset management through reforms needed for long term sustainability; (c) ensure adequate funds to meet the deficiencies in urban infrastructural services; (d) achieve planned development of cities; (e) scale up civic amenities and provision of utilities; (f) put special focus on urban renewal of old city areas; and (g) provide basic services to the urban poor including security of tenure at affordable prices, improved housing, water supply, and sanitation, and (h) ensuring delivery of other existing universal services of the government for education, health and social security.

Source: Government of India, Planning Commission

Sustainable Infrastructure Development – Role of the Private Sector

Sustainable Development

The core idea of sustainable development is development that meets the need of the present without compromising the ability of future generation to meet their own needs. In broad terms sustainable development encompasses:

- Help the less privileged, who for their sustenance and livelihood depend on the natural habitat, and tend to disturb the eco systems in the process.
- Self-reliance development.
- Cost-effective development – the development should not degrade the environment nor should it reduce productivity.
- The issues of health control, appropriate technologies, self-reliance for food, water, air and shelter for all.
- The notion of people-centered initiatives.

Sustainable Infrastructure

One of the major issues of sustainable development is provision of environmentally sound infrastructure such as water supply and sanitation, power, transport and telecommunications. Infrastructure has been the exclusive province of the public sector and the performance of various Governance entities has been rather dismal. Further, the demands on infrastructure has been ever increasing due to the following:

- Population growth.
- Rapid urbanization.
- Growth in Income of the average consumer.
- Decline in official development assistance (ODA), state assisted subsidies and initiatives.
- Ever increasing demand for environmental related funding.

With this increase demand and the inability of the cash-strapped public utilities to provide financial resources for development and private sector participation in infrastructure development, it becomes very important that resources for development are directed towards sustainable development. A judicious mix of choices, therefore needs to be exercised to maintain this delicate balance.

Publicly Operated Infrastructure

The performance of publicly operated infrastructure and utilities has been rather dismal with the result they are financially insolvent and not self sustaining, and don't meet the objectives, therefore. The following problems have been identified and apply at varying levels to various public services:

- Quality of service is dismal.
- The coverage of service is limited with very low scope for auto growth.
- The services cannot cope with expanding population.
- Inefficient operation.
- Poor maintenance.
- Excessive wasteful usage.
- Poor cost recovery leading to financial problems.
- Low labour productivity and high labour cost.
- Poor management – inability to attract management talent and qualified technical staff on a dynamic basis.
- Needs substantial subsidization.
- Lack of clear regulatory responsibility.
- Environmental problems.

The Private Sector in Infrastructure Development

Due to the poor performance of publicly operated infrastructure and utilities and ever increasing demands on infrastructure, the governments have been convinced to seek active involvement of the private sector. However, there are several challenges associated with private participation.

Promise of the Private Sector

The promise of private sector lies in:

- Better management
- Better access to private capital

Challenges in the Private Sector

While the benefits of private sector are clear, the obstacles too are substantial. The public sector that invites private participation also faces risks. The challenges in private sector participation in infrastructure development are highlighted as follows:

- Investments are capital intensive, and rely on state support indirectly.
- The projects have long gestation period
- Long payback period
- Private Sector risks are as follows:
 - Demand may turn out to be low
 - Tariffs may be too high
 - Delays in construction
 - Condition of infrastructure may turn out to be worse
 - Higher costs
 - Financial risks due to currency devaluation
 - Legal risks in disputes
 - Political risks
- Risks faced by public sector inviting private sector are:
 - The procured service may be sub-standard
 - Cost may turn out to be too high
 - Public opposition – especially from labour unions
 - Difficult to achieve competition
- Lack of adequate legislation for private sector involvement
- Non enforcement of property rights and contracts due to lack of proper legislation
- Bureaucratic inertia

- Lack of confidence in Private operator
- Lack of confidence in Private operator
- Reluctance to deal with labour problems
- The private sector may show too little interest to ensure competitive bidding

Options for Private Sector Participation

There is a wide spectrum of options for private sector participation in infrastructure and public services. The options reflect the variations of the respective role of the private and public sectors. The options can be divided into two groups and they are given as follows:

- That retain public ownership and include the following:
 - Service contracts
 - Management contracts
 - Lease arrangements
 - Concessions
- That involves partial or temporary ownership of assets. This group includes:
 - Build, own, operate systems and their variations
 - Joint Ownership or mixed companies, where public and private Sector operate jointly
 - Sale / divestiture to the business entities having more benign postures.

The wide range of options allows flexibility and thereby allow the parties to progressively move from less risky arrangements to more risky ones.

Mobilizing of resources from the Private Sector

In order to attract private capital and talent (technical and managerial) a series of economic, financial, legal and institutional reforms are necessary:

- Product macroeconomic management practices
- Stable and convertible currency
- Enforcement of contracts
- Demonopolizing niche areas
- Overhauling regulatory framework
- Removal of subsidies
- Removal of barriers to foreign capital
- Allow tariffs to reflect costs
- Allow repatriation of profits
- Encourage foreign participation
- Strengthen local capital market
- Improve access to international capital market

Source: www.cidc.in

Common Wealth Games, 2010 – City Plans

Government of National Capital Territory of Delhi (GNCTD) has allocated a sum of Rs 11.89 billion to enhance, expand and upgrade city infrastructure.

Indira Gandhi International Airport

Delhi's airport is being modernised, upgraded and expanded to handle the passenger traffic envisaged during the XIX Commonwealth Games 2010 Delhi. Passenger and baggage handling facilities have been upgraded and a new 4.43 metre runway, the longest operational runway in Asia, became operational in 2008. It is fitted with the highly-sophisticated Instruments Landing System (ILS) on both sides, and is built to the highest Code F standards. Expansion plans include the construction of a new state-of-the-art terminal (T3) with a capacity to handle 350 lac passengers per year. It will have 75 aero-bridges, of which nine will be compatible to handle operations of mammoth A-380 aircraft. It will have 20 parking bays for passengers. The terminal, connected with all types of

transport systems, will have an advanced five-level in-line baggage-handling device with explosive-detection technology for high-class efficiency and security. There will be 160 check-in counters for fast clearance and more number of immigration counters. The departure complex will be situated on the upper deck of the two tier building and arrival on the lower deck. The roof of the building will have stylised incisions to allow daylight, but it will be angled to protect the interior from direct sun-rays. The airport's connectivity with the city will be enhanced through a six-lane highway (National Highway 8). The Metro Rail will also have a dedicated corridor from the airport to the Games Village for easy transfer of athletes and officials.

Transportation and Road Network

Delhi will have a dedicated Metro line from the airport to the city centre – Connaught Place – by 2010. The Games Village as well as the main competition venues such as the Jawaharlal Nehru Stadium and the Indira Gandhi Stadium will be connected through the Metro. The inter-city connectivity as well as passenger capacity will be enhanced. All Metro stations are planned to be Wi-Fi enabled by 2010.

A four-lane, 2.2 km underground stretch from Ring Road to Lodhi will link the Games Village to the Jawaharlal Nehru Stadium, reducing travelling time for athletes. Twelve new flyovers and several bridges and under-bridges have been planned to improve road connectivity with the Games Villages, the sports venues, and within the city. Road widening also is in progress. The new eight-lane expressway from Gurgaon to Delhi is functional. A total of 1,100 new low-floor, high-capacity air-conditioned buses will ply on Delhi roads by 2010 to ease commuting.

(Source: www.cwgdelhi2010.org)

BUSINESS OVERVIEW

Unless stated otherwise, the financial data in this section is as per our consolidated financial statements prepared in accordance with Indian Accounting Policies set forth elsewhere in this Red Herring Prospectus. In this section only, any reference to “we”, “us” or “our” refers to MBL Infrastructures Limited

Overview

We are engaged in the construction and maintenance of Roads and Highways, industrial infrastructure projects and other civil engineering projects for various government bodies and other clients. We have a fast growing business that provides integrated engineering, procurement and construction services for civil construction and infrastructure sector projects.

We have a pan India presence and our Company has executed and commenced upon a number of projects in the states of West Bengal, Madhya Pradesh, Uttarakhand, Orissa, Maharashtra, Rajasthan, Assam, Uttar Pradesh, Bihar, Delhi Andhra Pradesh, Chattisgarh, Jharkhand, Haryana and Karnataka.

We are focused on the following sectors

1. Highway Construction
2. Road Maintenance
3. Industrial Infrastructure Projects
4. Other Civil Engineering Projects
5. BOT Projects

We are also engaged in steel trading and waste management (ferrous scrap and slag recycling) at major steel plants.

We have ready mix concrete (“RMC”) and bitumen divisions to ensure adequate and timely supply of high quality of RMC and bitumen mixes. Our RMC division also sells RMC to third parties.

We have quarrying / mining division to ensure adequate and timely supply of our bulk raw material of stone aggregates. Our quarrying division also sells surplus stone aggregates to third parties.

We have successfully completed the execution of BOT project of 114 kms. of Seoni- Balaghat- Rajegaon State Highway under the Public Private Partnership (PPP) arrangements. MBL was among the first batch of contractors to be awarded the contracts of prestigious North South East West Corridor by NHAI and was the first to complete the project. We were the first to be awarded the comprehensive maintenance of Ring Road and outer Ring Road, the most important corridors of Delhi. We also have early mover advantage for maintenance and operation of National Highways.

We have successfully completed the work of construction of additional length of service road and side drains from Km. 146.00 to Km. 156.00 including 2-lane flyover on Guwahati Bypass section of NH 37 in the state of Assam.

With the Common Wealth Games nearing, Delhi City has undertaken development of roads in and around Delhi. MBL has already bagged five contracts relating to the Common Wealth Games which are mentioned below:

| Sr. No. | Name of the Project | Contract Value (Rs. in lacs.) |
|---------|---|-------------------------------|
| 1 | Construction of Road under bridge on Auchandi road, connecting to G. T. road to Badli Industrial area (on delhi – Ambala Line) for Municipal Corporation of Delhi | 2,488 |
| 2 | Construction of Road under Bridge on existing railway line level crossing on Narela Lampur road at Narela for Municipal Corporation of Delhi | 2,369 |
| 3 | Street Scaping & Beautification of MCD roads around Tyagraj Sports Complex, Siri Fort complex and RK Khanna Tennis Stadium | 2,639 |

| | | |
|---|--|-------|
| 4 | Streetscaping & Beautification of MCD Roads around Dr. Karni Singh Shooting Range and JLN Sports complex | 3,875 |
| 5 | Street Scaping & Beautification of Various roads around IGI Stadium under PWD Zone M-1 | 1,994 |

Our company is being managed by a qualified team having prior experience in Construction activity. We have a fleet of equipment, including hot mix plants, sensor pavers, tandem rollers, soil compactors, stone crushers, tippers, loaders, excavators, motorgraders, concrete batching plants, transit mixers, concrete pumps, reversible drum mixers, dozers and cranes.

We enter into contracts primarily through a competitive bidding process. We solely execute most of our projects as the contractor. When a client requires us to meet specific eligibility requirements for certain larger projects, including requirements relating to particular types of experience and financial resources, we enter into project-specific joint ventures with other construction companies. To encash upon our experience we also enter into project specific joint ventures with regional construction companies.

Also as a normal business practice, depending on the business needs, we outsource some of our work to sub contractors.

As on June 30, 2009 our Company has Rs. 100,198.25 lacs worth of contracts, Rs. 58,512.44 lacs of contracts will be executed solely by us and Rs. 41,685.81 lacs through joint ventures our share being Rs. 28,699.32 lacs in the joint ventures. Out of our total share of contracts of Rs. 87,211.76 lacs the unexecuted portion as June 30, 2009 was Rs.61,246.92 lacs.

Post June 30, 2009 our Company has received contracts worth Rs. 20,281.76 lacs.

Our Operational Income and Profit after Tax (PAT) as per the restated standalone financial statements for the financial year ending March 31, 2009 is 50,584.15 lacs and Rs. 2,738.39 lacs respectively. Our Operational Income and PAT have grown at 73.35% and 73.38% year on year respectively. Our Operational Income and Profit after Tax (PAT) as per the restated standalone financial statements for the quarter ended June 30, 2009 is Rs. 14,887.56 lacs and Rs. 841.10 lacs respectively.

Major Works Executed by our Company

| Clients | Name of the Contract | Value (Rs. in lacs) | Date of allotment of contract | Completion Date* | Whether completed in time or with delay | Penalty awarded due to delay |
|--|--|------------------------|-------------------------------------|---------------------|--|---------------------------------------|
| Madhya Pradesh Road Development Corporation Limited, Bhopal-462011 | Strengthening, Widening, Upgradation, Operation and Maintenance of 114 km. long Seoni-Balaghat Road in the State of M.P | 10,820.00 | 20.01.2003 | 22.02.2008 | Yes | - |
| Delhi, PWD | Contract with Delhi PWD, Outer & Inner Ring Road Maintenance | 3785.86 | 24.08.2005 | 23.02.2009 | Yes | - |
| National Highways Authority of India, New Delhi - 110 075. | Contract with NHAI-Construction of additional length of service road and side drains from km 146.000 to km 156.000 including 2-lane flyover on Guwahati Bypass section of NH-37 in Assam on East West Corridor programme of NHDP | 3556.80 | 19.07.2005 | 19.12.2008 | Yes | - |
| Mumbai Metropolitan Region Development Authority | Widening & Strengthening of Western Express Highway from JVLR Junction to Andheri Flyover kms 516/400 to 518/600 | 3,348.26 | 20.03.2004 | 31.08.2007 | Yes | - |

| Clients | Name of the Contract | Value (Rs. in lacs) | Date of allotment of contract | Completion Date* | Whether completed in time or with delay | Penalty awarded due to delay |
|--|---|------------------------|-------------------------------------|---------------------|--|---------------------------------------|
| Uttar Pradesh Public Works Department, Lucknow – 226001 | Rehabilitation Road Works of SH-26 from Rajaganj to Near Sharda Bridge (Ch. 118.000 to Ch. 156.000) Loan No. 4684-In-Package no.-UPSRP/RMC-31 | 2,611.00 | 23.03.2005 | 10.06.2008 | Yes | - |
| Uttar Pradesh Public Works Department, Lucknow-226001 | Uttar Pradesh State Road Project Rehabilitation of State Highway from Azamgarh to Doharighat Length 56.758 Km. (Package-17) | 2,600.00 | 14.08.2002 | 31.03.2005 | Yes | - |
| Executive Engineer, RCD, Jamshedpur | Four laning of Km. 0.00 to Km. 15.50 of Adityapur- kandra road at Jamshedpur including construction of culvert & drain. | 2,585.00 | 12.01.2004 | 28.02.2006 | Yes | - |
| National Highways Authority of India, New Delhi - 110 075. | 4 Laning of km.60 to km.70 of Agra-Gwalior section of NH-3 section of NH-3 in the state of Madhya Pradesh. | 2,410.03 | 10.03.2000 | 14.01.2003 | Yes | - |
| National Highways Authority of India, New Delhi - 110 075. | 4 Laning of km.41 to km.51 of Agra-Dholpur section of NH-3 in the state of Rajasthan. | 2,052.00 | 12.08.1999 | 28.03.2001 | Yes | - |
| National Highways Authority of India, New Delhi - 110 075. | Construction of Toll Plazas, including Road works and building works at Km. 75.1 and Km. 164.55 of Delhi-Agra Section of NH-2. | 1,763.00 | 02.04.2002 | 15.05.2006 | Yes | - |
| Jharkhand, PWD | Contract with Jharkhand PWD, (Dhab-Phira) | 1234.54 | 18.12.2006 | 17.12.2008 | Yes | - |
| National Highways Authority of India, New Delhi - 110 075. | Short term Improvement and Routine Maintenance of Barwa Adda - Panagarh section of NH-2 (km.398.75 to km.512.00) in the state of Jharkhand/West Bengal, under Package No.- II. | 1,227.37 | 24.04.2002 | 30.06.2003 | Yes | - |
| Uttar Pradesh Public Works Department, Lucknow-226001 | Uttar Pradesh State Road Project Rehabilitation (Major Maintenance) works under phase- I, rehabilitation of SH-30 from Gosaiganj to Reedganj of length 27.000 km. (Package-12) | 1,194.72 | 21.08.2002 | 28.01.2005 | Yes | - |
| National Highways Authority of India, New Delhi - 110 075. | Maintenance and Rehabilitation of Km. 75 to Km. 282 of Tumkur Harihar section of NH-4 in the state of Karnataka. | 1,160.73 | 22.06.2000 | 30.06.2002 | Yes | - |
| National Highways Authority of India, New Delhi - 110 075. | Short term Improvement and Routine Maintenance of the Bangalore-Neelmangla section section of NH-4 (km.10.00 to km. 29.50) & Bangalore-Hosur section of NH-7 (km. 8.00 to km. 33.015) in the state of Karnataka, under Package-IV | 897.94 | 24.04.2002 | 30.06.2003 | Yes | - |

* in some of the projects completion date was rescheduled by the client without payment of penalty

Our Competitive Strengths

We believe that our competitive strengths are as follows:

Technical expertise and execution capabilities

We have technical expertise and reputation for efficient and timely project management and execution. We believe that our expertise in project implementation provides us with a significant competitive advantage. Further, our technical expertise and execution capabilities enable us to position ourselves better to deal with construction or implementation risk. In addition, we have worked on projects where we believe that the timeframe requirements of our clients were more aggressive than is customary for similar types of projects.

We were amongst the first batch of contractors to be awarded the contract for construction of North-South East-West corridor project of NHDP by NHAI and were the first one to complete the construction ahead of all other projects that were awarded in this first batch.

Own fleet of construction equipments

We own most of the construction equipments including, hot mix plants, sensor pavers, tandem rollers, soil compactors, stone crushers, tippers, loaders, excavators, motorgraders, concrete batching plants, transit mixers, concrete pumps, reversible drum mixers, dozers, cranes etc and shuttering and centering plates. We believe that ownership of equipment would result in several advantages like lower cost and rapid mobilization. Further, as we own modern equipments we believe that we have a competitive advantage.

Early mover advantage for comprehensive maintenance of metro city road

In December 2004 N.C.T. Delhi had invited global tenders for the first time for the comprehensive maintenance of Ring Road and outer Ring Road, the most important corridors of Delhi. Amongst the large number of reputed domestic and international bidders we were awarded this contract.

We also have early mover advantage for maintenance and operation of National Highways.

There is immense opportunity available in the comprehensive maintenance of metro city roads and maintenance and operation of National Highways in India. Being an early mover in this area we believe that we enjoy competitive advantages.

Integrated business model

We are able to undertake all the activities related to a BOT projects in-house- from tendering for the project to the collection of tolls. This helps to ensure the timely completion of projects reduces our reliance on subcontractors and decreases our cost. We prepare all tendering documents and have a dedicated in-house traffic study team. We have experienced team of engineers and skilled workmen and fleet of construction equipments to construct and maintain the project. Our RMC division manufactures and supplies the concrete. Our quarrying division ensures the timely and cost effective supply of the bulk raw materials of stone aggregates. We have a toll collection team. Our integrated structure enables us to bid for a BOT project with confidence in our ability to complete and operate the project on a profitable basis.

Successfully completed BOT project

We have successfully completed the execution of the BOT project of 114 kms. Seoni - Balaghat - Rajegaon state highway under the Public Private Partnership ("PPP") arrangements. Successful completion of the BOT project and our extensive experience in construction, operation and maintenance of highways and roads would enable us to capitalise on the opportunities available in this growing sector of the Indian economy.

Continuous enhancement of bid capacity and Pre qualification

There has been a continuous enhancement in our bid capacity in terms of experience, technical knowhow, financial resources and turnover. This enables us to bid for larger and complex projects in our own capacity as prime contractor and in joint ventures with reputed organizations.

Pan India Presence

Our Company has a national presence and is currently executing projects in 9 states across India. We have developed the capability to simultaneously execute projects at geographically diversified locations, giving us the ability to access wider markets.

Availability of raw material at cheaper cost

We take up quarries on lease, do mining and install crushers to produce stone aggregates at our project sites. Producing aggregates in-house enables us to control and ensure the quality and timely delivery required for the projects. Having captive capability ensures availability of this bulk raw material at a cheaper cost.

Our long experience in steel trading enables us to identify right procurement opportunities at the right prices and also helps us in effective inventory management.

Elite Customer base and long term relationship with clients

We believe that as a result of our technical expertise and execution capabilities, we have developed long term relationships with our clients. Our existing clients give us significant credibility and, at times, provide references that have proven valuable for acquiring new clients. We believe that our long-term relationships are a key strength that provides us a foundation to expand our business and operations.

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

We have a qualified and motivated workforce consisting of vice presidents, general managers, managers, engineers, technical staff and non-technical staff. 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. Our management team is well qualified and experienced and is responsible for the growth in our business operations. We are dedicated to the professional development of our employees and continue to invest in them to ensure that they have the necessary skills.

Our Business Strategy

Our objective is to continue to improve and consolidate our position in the construction and infrastructure development and management industries. We intend to achieve this by implementing the following strategies:

Target specific high potential projects

We intend to concentrate on projects where we believe there is high potential growth and where we enjoy competitive advantage. We believe that our expertise and experience in development, operation, and maintenance of road infrastructure projects will provide us with an advantage in pursuing growth opportunities in this fast growing sector.

We intend to be associated with larger, technically more complex projects by leveraging, among other things, our prior experience in infrastructure projects and our equipment base. The high entry barriers for bidding for large order size projects and the resulting decreased competition to bid for and undertake such projects makes this an attractive sector in which to participate. While working on higher value projects may have associated risks, such projects also enable us to reduce operating costs and expenses and benefit from potentially higher margins.

We intend to focus more on comprehensive maintenance of roads in metro cities where we have an early mover advantage and the margins in such activities are comparatively high.

Consolidating our position in the infrastructure space

We intend to consolidate our position in industrial infrastructure projects and foray into urban infrastructure projects such as multilevel car parking, flyovers, grade separator etc. and also other infrastructure projects such as airports, bridges, runways etc.

Joint Venture with other infrastructure companies for increasing the bid capacity for larger projects and with regional players to reap the benefits of our experience.

We continue to develop and maintain strategic alliance and form project specific alliances to increase our bid capacity. We would also continue to form project specific joint ventures with regional players whose resources, skills and strategies are complementary to our business and would help us to reap the benefits of our experience.

Continue to enhance our project execution capabilities

We believe that we have developed a reputation for undertaking challenging infrastructure and construction projects and completing such projects in timely manner. We intend to continue to focus on performance and project execution in order to maximize client satisfaction and margins. We leverage technologies, designs and project management tools to increase productivity and maximize asset utilization in capital intensive activities. We continue to optimize operating and overhead costs to maximize our operating margins. Our ability to effectively manage projects will be crucial to our continued success as a recognised infrastructure company. We believe that we are able to distinguish ourselves from our competitors because of our management strength and in-house development, construction, operation and maintenance capabilities. We intend to continuously strengthen our execution capabilities by adding to our existing pool of engineers, attracting new graduates, and facilitating continuous learning with in-house and external training opportunities.

Bid for, win and operate BOT and Annuity projects.

The government has planned for a number of projects on a BOT or annuity basis. We believe that such projects will become increasingly more prevalent in the coming years because of the government's reliance on the public-private-partnership (PPP) model. BOT or annuity projects generally provide better operating margins because of the added overall control of project costs that can be exerted by the contractor. Additionally BOT projects offer the possibility of higher revenues to the contractor by virtue of better than anticipated use of the asset. We intend to take up contracts on BOT and annuity projects by leveraging our technical and financial credentials, which we believe will be improved by the strengthened balance sheet that we expect to have following the Issue. Such a balance sheet should allow us to take on more projects, including BOT and annuity projects on our own. It will also increase our ability to form strategic alliances with corporate developers and financial institutions, which we intend to do more of on a project-by-project basis enhancing our prospect to bid for and execute such projects.

Encashing relationship with steel manufacturing companies and previous experience of stone aggregates mining.

Since our inception, we have good relations with the steel manufactures and also reasonable experience in mining. We may enter into mining of minerals such as iron ore, coal etc in future subject to availability of mines and the then prevailing Government Rules and Regulations

Our Business

Construction and Project related activities

We are engaged in the construction and maintenance of Roads and Highways, industrial infrastructure projects and other civil engineering projects.

i) Highway Construction

MBL has executed and commenced upon a number of projects of Highway / Road Construction in the states of West Bengal, Madhya Pradesh, Uttarakhand, Maharashtra, Rajasthan, Assam, Uttar Pradesh, Bihar, Delhi, Andhra Pradesh, Chattisgarh, Jharkhand, Haryana and Karnataka.

ii) Road Maintenance

India possesses the second largest road network in the world across approximately 3.3 mn km, creating a significant opportunity in the area of road maintenance. We have the contract of comprehensive maintenance of Ring Road and

outer Ring Road, the most important corridors of Delhi. We have executed significant contracts in maintenance and operation of national highways.

iii) Industrial Infrastructure Projects

MBL is engaged in industrial infrastructure projects. MBL is executing a contract for SAIL modernization which includes land development, construction of roads, security building, railways over bridge etc.

iv) Other Civil Engineering Projects

MBL is engaged in various civil engineering projects such as construction of toll plazas, civil drains, commercial buildings etc.

v) BOT Projects

The Company has successfully completed the execution of the BOT project of 114 km Seoni- Balaghat- Rajegaon State Highway on SH – 26 and SH -11 which are important constituent of the main trunk route network of Madhya Pradesh. The Project Road falls in two districts of Madhya Pradesh viz. Seoni (about 45 kms) & Balaghat (about 69 kms) and it is a very important link road connecting NH-7 at Seoni (Madhya Pradesh) and NH-6 at Duggipur (near Gondia, Maharashtra). It serves as an important link for transportation of various minerals, agricultural and forest products and various other commodities. It provides shortest link for the traffic coming via NH-7 from North-West part of the state and the country as a whole and moving towards State of Chhattisgarh, Orissa & West Bengal and vice- versa.

vi) Waste Management and Steel trading

Waste Management (Ferrous-scrap and slag recycling)

We are engaged in waste management (ferrous scrap and slag recycling) at major steel plants since our inception.

Steel scrap is generated at steel plants during the production of liquid iron at blast Furnace and conversion of the same into Steel and other various operations at Steel Melting Shop and Furnaces. The scraps mixed with slag have been dumped since years at slag dumps inside the steel plants. Huge quantity of scrap has been stocked in these dumps. Steel scrapes recovered from the dumps in all major steel plants can be reused in the steel plant or sold in the market.

We have been awarded contracts and successfully completed several contracts for steel scrap recovery and processing at various SAIL-units & other major steel plants

We are also carrying on trading of steel scrap recovered by us under contract for recovery and processing. The trading helps us for early realization of payment, helps the client to dispose off materials which are not required for their own consumption. Besides, this is an additional revenue source for us in the existing structure without any special expenses

Steel trading

We are into trading of iron and steel. Steel trading facilitates the identification of right procurement opportunities- the right volume of the right quality at the right price. MBL's presence in this area of the business has resulted in effective inventory management of a basic raw material.

Types of Contracts

Our contracts types fall into the following categories:

- **Lump Sum contracts** – Lump Sum contracts provide for a single price for the total amount of work, subject to variations pursuant to changes in the client's project requirements. In Lump Sum contracts, the client supplies all the information relating to the project, such as designs and drawings. Based on such information, we are

required to estimate the quantities of various items, such as raw materials, and the amount of work that would be needed to complete the project, and then prepare our own bill of quantities (“BOQ”) to arrive at the price to be quoted. We are responsible for the execution of the project based on the information provided and technical stipulations laid down by the client at our quoted price.

- **Design and Build contracts** – Design and Build contracts provide for a single price for the total amount of work, subject to variations pursuant to changes in the client’s project requirements. In Design and Build contracts, the client supplies conceptual information pertaining to the project and spells out the project requirements and specifications. We are required to (i) appoint consultants to design the proposed structure, (ii) estimate the quantities of various items that would be needed to complete the project based on the designs and drawings prepared by our consultants and (iii) prepare our own BOQ to arrive at the price to be quoted. We are responsible for the execution of all aspects of the project based on the above at our quoted price.
- **Item rate contracts** - Item rate contracts are contracts where we need to quote the price of each item presented in a BOQ furnished by the client. In item rate contracts the client supplies all the information such as design, drawings and BOQ. We are responsible for the execution of the project based on the information provided and technical stipulations laid down by the client at our quoted rates for each respective item.
- **Percentage rate contracts** - Percentage rate contracts require us to quote a percentage above, below or at par with the estimated cost furnished by the client. In percentage rate contracts, the client supplies all the information such as design, drawings and BOQ with the estimated rates for each item of the BOQ. We are responsible for the execution of the project based on the information provided and technical stipulations laid down by the client at our quoted rates, which are arrived at by adding or subtracting the percentage quoted by us above or below the estimated cost furnished by the client.

Depending on the nature of the project and the project requirements, contracts may also contain a combination of aspects of any of the contract types discussed above.

- **Build Operate and Transfer** - Build Operate and Transfer (BOT) contracts – BOT contracts are a relatively recent phenomenon developed to attract private sector investments in the development of projects in various sectors such as water supply, roads, bridges and power. Typically, BOT contracts involve the construction of an asset as required by the client, with partial or total financing arrangements provided by the bidders/contractors. BOT contracts require the successful bidder to construct operate and maintain the asset over a pre-defined period (known as the “Concession Period”) at its own expense. In return, the bidder is granted a right to collect revenues from the end users of the asset during the Concession Period through a pre-defined mechanism. For example, for road projects executed on a BOT basis, the bidder is permitted to collect and keep tolls received from vehicles that use that road during the Concession Period. The bidder is required to transfer ownership of the asset back to the client at the end of the Concession Period. BOT contracts may provide for a “Take or Pay Clause” (i.e., even if the client does not utilize the constructed facility during the period of operation and maintenance, a predetermined amount of revenue is paid to the contractor by the client).

Details of our total contracts in hand as on June 30, 2009

| Sr. No. | Name of the Project | Contract Value (Rs. in Lacs) |
|---------|--|------------------------------|
| | Sole Contracts | |
| 1 | Faridabad Bypass –Construction of additional 10.50 mtr lane & widening & strengthening of existing lane to 10.50 mtrs for Haryana Urban Development Authority. | 12213.28 |
| 2 | Contract with MPRDC funded by Asian Development Bank – Nagod – Jasso – Saleha – Pawai – Mohindra – Semaria Amanganj Road (Package no. 9) | 8059.21 |
| 3 | Contract with MPRDC funded by Asian Development Bank - Amanganj Malhera (SH-10) (Package no. 10) | 6,675.00 |
| 4 | Civil works at Rajiv Gandhi Thermal Power Project with TCIL, a profitable | 3148.76 |

| Sr. No. | Name of the Project | Contract Value (Rs. in Lacs) |
|---------|--|------------------------------|
| | central govt organization at Hisar Dist. | |
| 5 | Contract with SAIL- Construction of Approach road (2 lane with provision of 4 lane) from GT road at Neamatpur to Burnpur | 2,704.96 |
| 6 | Widening of 8 lane & strengthening of NH-24 from km 5.700 to km 6.800 in the state of Delhi | 1019.95 |
| 7 | West Bengal Development Project - Improvement of Jirat – Habra Road – LCB Contact package: WBCDP/PKG F | 2401.80 |
| 8 | Contract with RCD, Bihar ADB funded project for Improvement / up-gradation of roads and bridges of SH-68 (Shivganj - Rafiganj - Goh - Uphara - Devkund-Baidrabad) Package – 1 | 16852.78 |
| 9 | Resurfacing by Hot-in-Situ Recycling of Existing Bitumen Layer of Various Delhi Roads under Maintenance Zone M-1 & M-3 | 4033.00 |
| 10 | Improvement & strengthening of S.S.N Marg from chandan Haula Village to Bhatimines, Phase II in ward no.58, South zone Delhi under Municipal Corporation of Delhi. – Drainage Work | 1403.70 |
| | Sub total | 58512.44 |
| | Joint Venture contracts | MBL Share |
| 1 | Contract with NHAI-Widening and Strengthening of NH-37 from 2 Lane to 4 Lane from 183.00 to Km 163.895 of Sonapur to Guwahati in Assam on East West Corridor Under Phase II Programme of NHDP (51% JV with TCIL) (Contract value Rs. 16,671.60 lacs) | 15,769.67 |
| 2 | Development of State Highways (Districts Bhagalpur –Banka) under Rashtriya Sam Vikas Yojna, Package No 9A (60% JV with CISC) (Contract value Rs. 10,920.25 lacs) | 6,552.00 |
| 3 | Contract with NHAI-Rehabilitation and Up gradation of Chitradurga section (40% JV with Supreme Infrastructure (India) Limited) (Contract value Rs. 10,393.62 lacs) | 4,157.45 |
| 4 | Development of state highway in Patna District under Rashtriya Sam Vikas Yojna, Package No. 13 (60% JV with LBPL) (Contract value Rs. 3,700.34 lacs) | 2,220.20 |
| | Sub total | 28,699.32 |
| | Total | 87,211.76 |

Out of our total share of contracts of Rs. 87,211.76 lacs the unexecuted portion as June 30, 2009 was Rs.61,246.92 lacs.

Details of our contracts in hand awarded after June 30, 2009

| Sr. No. | Name of the Project | Contract Value (Rs. in Lacs) |
|---------|---|------------------------------|
| | Sole Contracts | |
| 1 | Contract with Public Works department-Uttarakhand for ADB funded project Package No. 5 in the district of Nainital and Udham Singh Nagar (Malla – Talla – Nathuakhan, Nainital-Pangot, Mangoli-Khamari and Kitcha-Dareu road) | 3490.92 |
| 2 | Maintenance of main carriage way, service road, side drain and median maintenance including periodic renewal from KM 146.000 to KM 163.895 on | 3425.83 |

| Sr. No. | Name of the Project | Contract Value (Rs. in Lacs) |
|---------|---|------------------------------|
| | Guwahati Bypass of NH-37 in Assam (Contract Package No.CP-01/2009) | |
| 3 | Construction of Road under bridge on Auchandi road, connecting to G. T. road to Badli Industrial area (on delhi – Ambala Line) for Municipal Corporation of Delhi | 2488.09 |
| 4 | Construction of Road under Bridge on existing railway line level crossing on Narela Lampur road at Narela for Municipal Corporation of Delhi | 2368.96 |
| 5 | Streetscaping & Beautification of MCD roads around Tyagraj Sports Complex, Siri Fort complex and RK Khanna Tennis Stadium | 2638.70 |
| 6 | Streetscaping & Beautification of MCD Roads around Dr. Karni Singh Shooting Range and JLN Sports complex | 3874.96 |
| 7 | Street Scaping & Beautification of Various roads around IGI Stadium under PWD Zone M-1 | 1994.30 |
| | Total | 20281.76 |

Equipment

We own sophisticated construction equipments including, hot mix plants, sensor pavers, tandem rollers, soil compactors, stone crushers, tippers, loaders, excavators, motorgraders, concrete batching plants, transit mixers, concrete pumps, reversible drum mixers, dozers, cranes etc and shuttering and centering plates. Our equipments are managed, maintained and operated by trained personnel. We believe that owning and managing a large portion of the equipment enables us to achieve higher operating margins. Because equipment ownership is an important parameter to determine our margins, we intend to use Rs. 5,494.30 lacs towards asset acquisition as stated in the section entitled “Objects of the Issue” on page 40 of this Red Herring Prospectus.

The following table provides a list of some of our major construction equipment as on April 01, 2009:

| Sl. No. | Description of Asset | Supplier's Name | Quantity |
|---------|--|---|----------|
| 1 | Hot Mix Plant (Batch / Drum Type) | Parker Plant Limited./Gujrat Apollo / Solid | 12 |
| 2 | Paver Finisher (Sensor / Mechanical)/ Concrete | Gujarat Apollo/Solid Steel/IR/Vogle/Conmat | 11 |
| 3 | Crusher (Cone / Jaw) | Metso /Pranjal / Harjeet | 7 |
| 4 | Compactor / Roller | Greaves | 11 |
| 5 | Soil Compactor | IR/L&T/Greaves | 9 |
| 6 | PTR Roller | Volvo | 1 |
| 7 | WMM Plant | Gujrat Appolo/Condequip | 5 |
| 8 | Motor Grader | Volvo India Limited/Komatsu | 11 |
| 9 | Hydraulic Excavator | L&T Komatsu /Volvo/ Kobelco | 15 |
| 10 | Loader | Telcon/HM | 16 |
| 11 | Hydraulic Excavator cum Loader | Terex Vectra/JCB | 8 |
| 12 | Concrete Batching Plant | Schwing Shetter / Universal/ Gamzen | 10 |
| 13 | Transit Mixer | Greaves Cotton Limited | 7 |
| 14 | Concrete Pump | Schwing Shetter / Greaves | 4 |

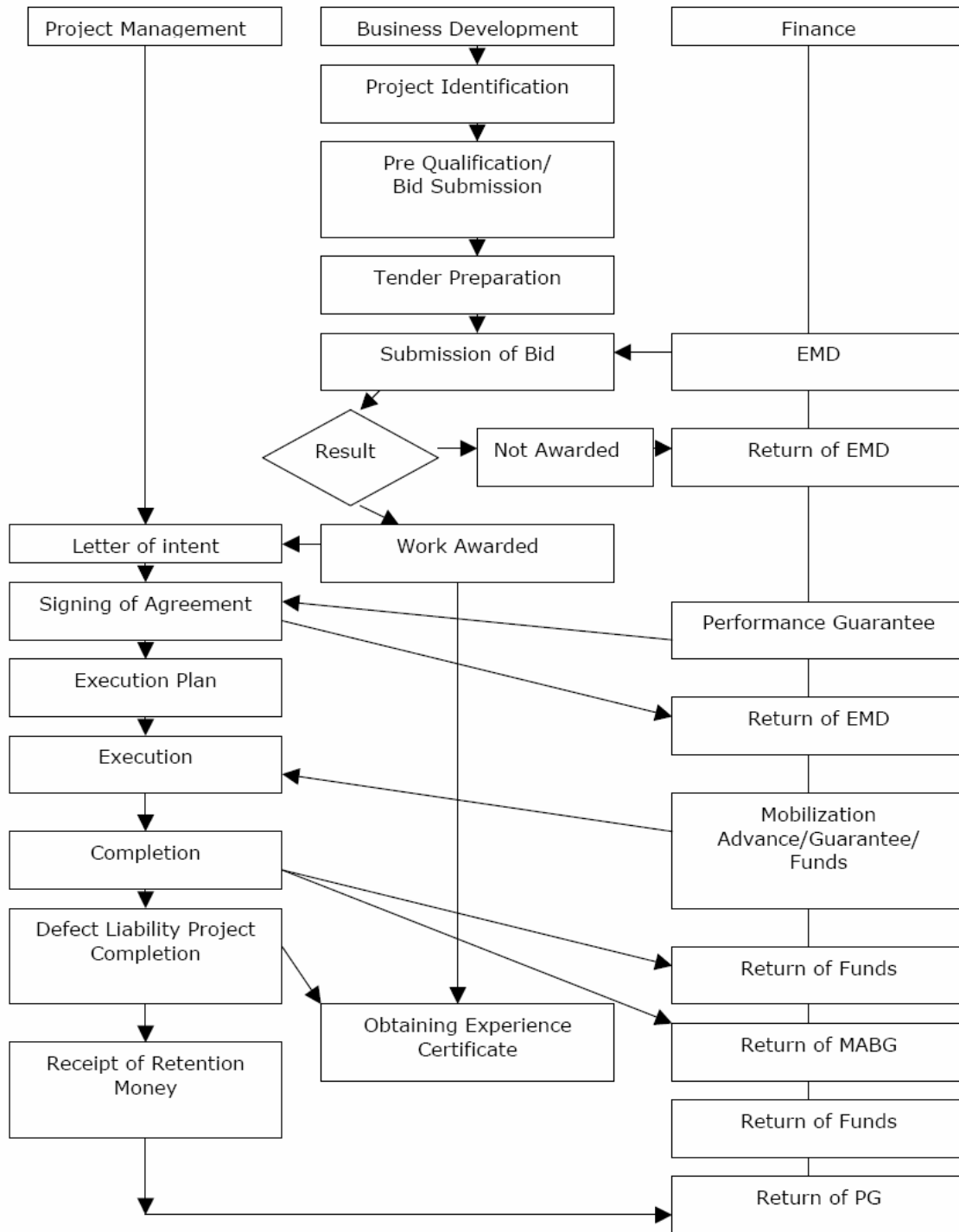
| | | | |
|----|------------------------------|---|----|
| 15 | 770 Kerb Laying Machine | Arrow | 1 |
| 16 | Shuttering Materials | J B Formwork Systems/ Arsons / Diamond | 10 |
| 17 | Crawler Drill & Compressor | Atlas Copco/Dossan | 3 |
| 18 | Hydraulic Rock Breaker | Atlas Copco | 1 |
| 19 | Dozer | Komatsu / BEML | 9 |
| 20 | Crane / Shovel | HM/ Omega | 6 |
| 21 | D. G. Set | Jackson / Cummins / Kirloskar | 22 |
| 22 | Tipplers / Dumpers | Tata Motors /Ashok Leyland / Euclid | 87 |
| 23 | Tractor | Pibco India Private Limited/Soni | 2 |
| 24 | Trucks/ Tankers | Tata Motors/ Ashok Leyland | 8 |
| 25 | Bitumen Pressure Distributor | Gujarat Apollo Equipment Limited | 6 |
| 26 | Weigh Bridge | Essae/Avery | 4 |
| 27 | Laboratory Equipments | Sokkia India Private Limited / Associated | 7 |
| 28 | Mechanical Broomer | Dulevo International/ Dhruvi | 4 |
| 29 | Magnetic Separator | Mcnally Bharat/Assembled | 4 |
| 30 | Electro Magnet | Elektromag Devices | 12 |
| 31 | Tolling Equipments | Rajdeep Info | 1 |

Equipment to be purchased out of the proceeds of the Issue

For details please refer to the section titled “Objects of the Issue” beginning on page 40 of this Red Herring Prospectus.

Project Life Cycle

The construction projects go through a series of events right from the Invitation of Expression of Interest by the client till the handing over of the project to the client and the end of the Defect Liability Period. A schematic representation of the events is given below:



We enter into contracts primarily through a competitive bidding process. The process in construction starts from the stage of tendering and ends at the completion of project.

Business Development

Keeping in mind the objects of the company, the nature of work being carried out by us the prospective contracts are identified by our business development team by looking at notices inviting tenders published in news papers, journals, websites etc. or in case of limited tenders by way of communication from the clients. Our business development team keeps track of the prospective projects and the prospective clients by going through the notice

inviting tenders, meeting the clients etc. Sometimes services of specialised consultants are taken to explore and identify the projects.

Bidding Process

Inviting a Bid

The client conceives a specific project and follows it up with the appointment of a consultant who prepares a detailed project report. This report addresses various aspects of project implementation commencing from obtaining clearances, right of ways, scope of work, technical parameters, etc., to related costs which define the approximate estimated cost of the project.

At the next level the client invites expression of interest / pre-qualifications from prospective bidders. The qualifying criteria mainly include the following:-

Technical Capability: The bidder should have the experience of having implemented projects of similar nature, necessary experienced manpower, ownership / availability of necessary plant and machinery etc.

Financial Strength: This includes the minimum annual turnover, net worth requirement, working capital requirements, etc.

Submission of bids

The business development section procures the bidding document. The bidding documents normally contain Earnest Money Deposit ("EMD"), the technical bid and the financial bid. The technical bid is prepared and relevant documents of work experience, personnel capabilities, equipment capabilities, work methods, work programmes and other relevant details are prepared.

Survey is conducted regarding the site condition, availability, source and price of raw materials, availability of local labour etc. Cost of executing the project is estimated. The tendering strategy and the pricing is decided.

The bids normally require submission of EMD in the form of bank guarantee / demand draft / fixed deposit receipts. The EMD is obtained.

The EMD, the technical bid and the financial bid are submitted in a sealed envelope.

Awarding of contracts

Normally the envelope containing EMD is opened first and the bids containing valid EMD are only considered for further processing. Then the technical bid is opened and processed by the client. The bidders meeting the pre qualification criteria are notified of the pre qualification and the financial bid of only the pre qualified bidder is opened.

Usually the lowest bidder is awarded the contract. The client may conduct negotiations. The successful bidder is issued a Letter of Intent. On receipt of the Letter of Intent a performance guarantee is required to be submitted. The performance guarantee may be in the form of bank guarantee or fixed deposit. Upon submission of the performance guarantee formal contract is signed.

Execution and Completion of Project

Mobilisation of necessary plant and machinery, personnel, camp development etc. is undertaken in line with the works programme. In most of the contracts the client releases mobilization advance against bank guarantees. In most of the contracts interim payment certificates are issued and payments released accordingly on progress of the work as per provisions of the contract.

The work is supervised by independent consultants or officials of the clients. On completion of the work completion certificate is issued.

In most of the contracts some money is retained from the interim payments normally subject to a overall ceiling. Such retention money is usually released against bank guarantee based on the terms specified in the agreement.

The contracts normally contain a defect liability period after the completion. The defects occurring during the defect liability period are required to be rectified. On completion of the defect liability period the performance security is released.

Return/Invocation of guarantees

At different stages of the contract normally bank guarantees are submitted for EMD, performance, mobilization or retention money. The bank guarantees are released at different stages on fulfillment of obligations. On non fulfillment of obligations the bank guarantees may be invoked by the client as per provisions of the contract or the terms of the issue of the bank guarantee.

Handing over of site

The site is handed over on completion of the work. Many of the contracts provide for handing over on completion in stages.

Joint Venture Arrangements

Project-Specific Joint Ventures and Strategic Alliances

Generally, we bid for projects as the sole contractor of the project with full responsibility for the entire project, including, if required, the overall responsibility and sole discretion to select and supervise subcontractors. In case of certain projects we may not be able to bid on standalone basis with certain constraints on resources like financial strength, equipment, manpower or local content resources, or with an option to share the risk on a particularly large project, we may seek to make alliances through the formation of special purpose vehicles (SPVs) or project-specific joint ventures with other contracting, engineering and construction companies.

In a project-specific joint venture, each member of the joint venture shares the risks and revenues of the project according to a predetermined agreement. The agreements categorically specifies the work that needs to be performed by each party and the responsibilities of each party with respect to the joint venture, including how the joint venture will be managed and the equipment, personnel or other assets that each party will contribute or make available to the joint venture. The profits and losses of the joint venture are shared among the members according to a predetermined ratio. The fixed assets required for the project are acquired or owned by the joint venture partners. The agreements also set forth the manner in which any disputes among the members will be resolved. The construction contracts that the joint ventures enter into, or the joint ventures themselves, typically impose joint and several liability on the members. Thus, should the other member(s) of our joint ventures default on its or their duties to perform, we would remain liable for the completion of the project.

We have entered into the joint venture agreements as described in the table below.

| Sr. No. | JV Partners' Name | Employer | Purpose | Date of Agreement | Value of Contract (Rs. lacs) | Our Share (%) |
|----------------|--|--|---|--------------------------|-------------------------------------|----------------------|
| 1 | Telecommunications Consultants India Limited | National Highways, Authority of India, New Delhi | Widening & Strengthening of existing NH from 2 lane to 4 lane from 183.00 Km to 163.895 Km of Sonapur to Guwahati section of NH- 37 in the state of Assam | 27/05/05 | 16,671.60 | 51 |
| 2 | Lakeshwari Builders Private Limited | Central Public Works Department, New Delhi | development of the state highways in the state of Bihar under the Rashtriya Sam Vikas Yojana for the package no. 13: | 08/06/07 | 3,700.34 | 60 |

| | | | | | | |
|---|--|--|---|----------|------------------|----|
| | | | Bihta-Bikram-Pali-Arwal Road in the Patna district | | | |
| 3 | Calcutta Industrial Supply Corporation | Central Public Works Department, New Delhi | Development of the Bhagalpur-Hansdiha Road, Pirpainti-Godda-Road, Bhagalpur-Amarpur via Kajaraili Road, state highways at Bihar | 16/08/07 | 10,920.25 | 60 |
| 4 | Supreme Infrastructure (India) Limited | National Highways, Authority of India, New Delhi | Rehabilitation and upgrading of the Chitradurga section of National Highway 4 (kms 189 to kms 207) | 16/03/07 | 10,393.62 | 40 |
| | Total | | | | 41,685.81 | |

Guarantees

We are often required to provide financial and performance guarantees for our performance and financial obligations in relation to our contracts. The amount of guarantee facilities available to us depends upon our financial condition and the availability of adequate security for the banks providing such guarantees. Our performance guarantees have never been encashed by our clients.

Utilities

Raw materials/Consumables/Bought outs

The major raw materials are stone aggregates, cement, steel, diesel, and bitumen. Our Company follows a centralized purchase system for cement, steel, diesel, and bitumen through its purchase department. In case of steel, diesel and bitumen the requirements are project specific and our Company generally enters into a memorandum of understanding with major suppliers to ensure both availability and timely delivery to meet its project schedule requirements.

As stone aggregate is a critical raw material having captive capability ensures availability of this bulk raw material at a cheaper cost. We take up quarries on lease, do mining and install crushers to produce stone aggregates at our project sites. Producing aggregates in-house enables us to control and ensure the quality and timely delivery required for the projects. Additionally we also purchase stone aggregates from the stone crushers nearby to our project sites.

For some of the projects, our Company is required to purchase specific equipments and components, which are key inputs for project implementation. These are called bought outs. This may include but not be limited to metal beam crash barrier, gabions, road marking, sign boards, gantry mounted sign boards etc. Majority of the bought outs are technology specific. As the project defines the list of bought outs which may vary from project to project, the above mentioned items do not form a comprehensive list of bought outs.

Water

Water requirement is largely project specific and is procured locally by way of establishing / hiring bore wells. The Company owns / hires water tankers to transport the same to the projects sites.

Electricity

Power is required at site for running various machinery and equipment and also for lighting. Generally power requirements are met at site through normal distribution channel like State Electricity Board or is generated through DG sets owned by us having different capacities.

Clientele

Our clientele includes:

- National Highways Authority of India (NHAI)
- Uttar Pradesh Public Works Department, World Bank division
- Public Works Department Road Construction Division, Jharkhand
- Public Works Department NCT New Delhi
- Mumbai Metropolitan Region Development Authority
- Madhya Pradesh Road Development Corporation.
- Steel Authority of India Limited
- Road Construction Department, Bihar
- Public Works Department, West Bengal
- Haryana Urban Development Authority
- Municipal Corporation of Delhi
- Public Works Department, Uttarakhand

Collaboration

We have not entered into technical, marketing or financial collaboration.

Competition

We face lot of competition from both domestic as well as international players. While service quality, technical ability, reputation, experience, equipment, finance, health and safety records and the availability of skilled personnel are key factors in client decisions among competitors, price is often the deciding factor in most tender awards. Our key competitors are J. Kumar Infra Projects Limited, KNR Constructions Limited, MSK Projects India Limited, PBA Infrastructure Limited to name a few. Some of our competitors may have significantly greater resources than those available to us. For details on risks relating to our competition, see the section entitled “Risk Factors” on page xiv of this Red Herring Prospectus.

Insurance

Our principal types of insurance coverage include all risk insurance policies, fire insurance, personal accident coverage insurance, money insurance, plant and machinery insurance as well as transit insurance. We also maintain workmen’s compensation policies. Our insurance policies may not be sufficient to cover our economic losses. Our operations are subject to hazards inherent in providing engineering and construction services, such as risk of equipment failure, work accidents, fire, earthquake, flood and other force majeure events. This includes hazards that may cause injury and loss of life, damage and destruction of property, equipment and environmental damage. Not all risks associated with our business and operations may be insurable, on commercially reasonable terms, or at all. Although we believe that the amount of insurance presently maintained by us and our group companies represents an appropriate level of coverage required to insure our business and operations, and is in accordance with industry standards in India, such insurance may not provide adequate coverage in certain circumstances and is subject to certain deductibles, exclusions and limits on coverage. For further details, see refer to the section titled “Risk Factors” beginning on page xiv of this Red Herring Prospectus. Insurance during the construction phase typically includes the following:

- Comprehensive all risk policy for construction activities during the construction period covering all risks associated with construction;
- A medical claims policy and a personal accident policy;
- Third party liability insurance;
- Workmen’s compensation and employer’s liability insurance;
- Plant and equipment insurance including transit insurance;
- Professional indemnity insurance; and
- Motor own damage and liability insurance.

Details of the Insurance Policies obtained by our Company are as follows:

| Sr No | Policy and Coverage | Insurance Company | Items Covered | Premium Paid for the year 2008-2009 (Rs. in lacs) |
|-------|---|---|--|---|
| 1. | Vehicle Insurance Coverage – Comprehensive incl. third party damage | New India /United India / Reliance General Insurance / Bajaj Alliance General Insurance | Four Wheelers | 3.46 |
| 2. | Plant & Machinery | United India / Reliance General Insurance / ICICI Lombard / National Insurance / | Crusher loaders, Mechanical Boomers, Transit Mixers, Motor graders, Bitumen sprayer, Tippers, Tractors, Cranes, etc. | 9.95 |
| 3. | Project (Contractors' All Risk Policy) | United India / Reliance General Insurance | Comprehensive | 27.78 |
| 4. | Workmen Compensation | United Insurance / New India | Workmen Compensation | 2.80 |
| 5. | Miscellaneous | United Insurance | Money In Transit / Fire Insurance / Marine Policy / Two Wheelers | 1.71 |

Human Resource

We believe that a combination of our reputation in the market, our working environment and competitive compensation programs allow us to attract and retain talented people. Our senior management team consists of experienced individuals with diverse skills in manufacturing, engineering, international business and finance.

We believe that our employees are the key to the success of our business. We focus on hiring and retaining employees and workers who have prior experience in the construction industry. We have a policy of providing the necessary training to our new employees and workers. We view this process as a necessary tool to maximize the performance of our employees. Our work force consists of our permanent employees.

The following table sets out the number of our employees as of the end of the last three fiscal:

| Year | FY 2007 | FY 2008 | FY 2009 |
|-------------------------------|---------|---------|---------|
| Number of Permanent Employees | 266 | 320 | 482 |

The following table sets forth certain information in respect of our full-time employees as of March 31, 2009:

| Category | No. of Permanent Employees |
|------------------|----------------------------|
| Technical Staff | 94 |
| Commercial Staff | 35 |
| Administrative | 29 |
| Skilled Workers | 324 |

The following table sets forth analysis of the educational qualification in respect of our full-time employees as of March 31, 2009:

| Qualification | No. of Employees |
|-----------------|------------------|
| Post Graduates | 74 |
| Graduates | 139 |
| Under Graduates | 269 |
| Total | 482 |

* Some of our employees hold multiple qualifications and have been counted in more than one of the above categories.

None of our employees are part of any union. We have not lost a day to industrial action in our history of operations. As such, we consider our relations with our employees to be good. We seek to adopt an open culture and a participative management style, to enable us to maximize the benefits from the knowledge and skills of our management.

Health, Safety and Environment Protection

The company recognizes and takes care of its responsibility for safety and environment protection. Various measures taken are: -

- Promotion and development of consciousness for safety and environment protection among all personnel.
- Implementation of safety & Environment protection system through regular training and compliance test.
- Organizing meeting & seminars
- Taking various safety & Environment protection measures

The work of recovery & processing of Iron and steel scrap is carried out inside the premises of major steel plants. All necessary environmental clearances are already in place for these plants.

Necessary safety provisions are taken by us such as warning signs, providing of safety helmets, safety boots, safety equipments, fire fighting equipments, providing back gear horns in vehicles, sirens etc

The work is mainly mechanized and there is no involvement of child Labour.

Our Properties

The details of our Registered Office and various branch offices are given as below:

| Sr. No. | City | Address | Lessor/ Seller | Period | Purpose |
|---------|------------|--|-------------------------------|---|-------------------|
| 1. | Kolkata | 23A, Netaji Subhas Road, 3rd Floor, Suite 14, Kolkata 700 001 | Bagaria More Company Limited. | The agreement is an open tenancy agreement. | Registered office |
| 2. | Kolkata | Saket Estates, 2nd Floor, Premises No. 2C, 2, Ho Chi Minh Sarani Kolkata 700 071 | Raj Roop Doshi | From December 01, 2007 to November 30, 2013 | Corporate Office |
| 3. | New Delhi | SU 2 – 3, Bhikaji Cama Bhawan, Bhikaji Cama Place, New Delhi 110 066 | M/s. Paras Dyes & Chemicals | From February 15, 2009 to January 14, 2010 | Corporate Office |
| 4. | Bhadravati | Shed No. B-1 and B-2, Industrial Estate, | Ganesh Bright Steels | This is freehold | Branch Office |

| | | | | | |
|----|----------|---|--|---|---------------|
| | | Bhadravati, Lower Hutha village, Hobli, Bhadravati Taluk | | premises | |
| 5. | Satna | 276, Virat Nagar, Near Daylight Public School, P.O. & Dist. Satna, Madhya Pradesh | Smt. Usha Yadav | 24 Months stating from June 8, 2008. | Branch Office |
| 6. | Guwahati | Ganesh Chandra Das Avenue, behind MLA Hotel, Dispur, Guwahati. | Mr. A. Das. This lease is in favor of MBL-TCIL Joint Venture | The period of lease commenced from April 01, 2005 and extendible for a period decided between the parties | Branch Office |

The Company is also using a premise in Balaghat which is owned by the Promoters. However, there is no formal agreement to reflect this understanding.

Our Intellectual Property

Our corporate logo is not registered as a trademark. We have applied to the registrar of trademarks for registration of the logo as a trademark in our name vide our application dated September 21, 2009.

Earlier the Company was in the process of brand building and had taken a view to apply for registration at a later stage. Since the management believes that the Company has grown in size and the brand has been built-up over a period of time it was considered appropriate to apply for registration to protect the mark. Accordingly we have applied to the Registrar of Trademarks for registration of the logo as trademarks in our name vide our application dated September 21, 2009.

REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below are not exhaustive, and is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional legal advice.

Set forth below are certain significant regulations that generally govern this industry in India:

National Highways Act, 1956

Under this Act, the GOI is vested with the power to declare a highway as a National Highway and also to acquire land for this purpose. The GOI may by notification, declare its intention to acquire any land when it is satisfied that for a public purpose such land is required for the building, maintenance, management or operation of a national highway. The National Highways Act prescribes the procedure for the same. Such procedure relates to declaration of an intention to acquire, entering and inspecting such land, hearing of objections, declaration required to be made for the acquisition and the mode of taking possession.

The central government is responsible for the development and maintenance of National Highways. However, it may direct that such functions may also be exercised by state governments. Further, the GOI has the power to enter into an agreement with any person for the development and maintenance of a part or whole of the highway. Such person would have the right to collect and retain fees at such rates as may be notified by the GOI.

The National Highways (Collection of Fees by any Person for the use of Section of National Highways/ Permanent Bridge/ Temporary Bridge on National Highways) Rules, 1997 provide that the GOI may enter into agreements with persons for development and maintenance of the whole or part of a national highway/permanent bridge/temporary bridge on national highway. Such person may invest his own funds for development or maintenance and is allowed to collect and retain the fees at agreed rates from different categories of vehicles for an agreed period for the use of the facilities created herein. The rates of fees and the period of collection are decided by the GOI and the factors taken into account to decide the same include expenditure involved in building; maintenance, management and operation of the whole or part of such section; interest on the capital invested; reasonable return, the volume of traffic; and the period of such agreement.

Once the period of collection of fees by the person is completed, all rights pertaining to the section of the national highway, Permanent Bridge or the Temporary Bridge on the national highway would be deemed to have been taken over by the Government of India.

National Highways Authority of India

The NHAI Act provides for the constitution of an authority for the development, maintenance and management of national highways. Pursuant to the same NHAI was set up in 1995. Under the NHAI Act, the central government carries out development and maintenance of the national highway system through NHAI, an autonomous body. Pursuant to the same, NHAI has the power to enter into and perform any contract necessary for the discharge of its functions under the NHAI Act.

In an effort to provide for additional financing of its projects, the NHAI has taken measures to attract private sector participation in development of projects. The NHAI Act prescribes a limit in relation to the value of the contracts that may be entered into by NHAI. However, such contracts can exceed the value so specified with the prior approval of the central government. The NHAI provides that the contracts for acquisition, sale or lease of immovable property cannot exceed a term of thirty (30) days.

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

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

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

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

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

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

Environmental Laws

Manufacturing projects must also ensure compliance with environmental legislation such as the Water (Prevention and Control of Pollution) Act 1974 (“WPA”), the Air (Prevention and Control of Pollution) Act, 1981 (“APA”) and the Environment Protection Act, 1986 (“EPA”).

The WPA aims to prevent and control water pollution. This legislation provides for the constitution of a Central Pollution Control Board and State Pollution Control Boards. The functions of the Central Board include coordination of activities of the State Boards, collecting data relating to water pollution and the measures for the prevention and control of water pollution and prescription of standards for streams or wells. The State Pollution Control Boards are responsible for the planning for programmes for prevention and control of pollution of streams and wells, collecting and disseminating information relating to water pollution and its prevention and control; inspection of sewage or trade effluents, works and plants for their treatment and to review the specifications and data relating to plants set up for treatment and purification of water; laying down or annulling the effluent standards for trade effluents and for the quality of the receiving waters; and laying down standards for treatment of trade effluents to be discharged. This legislation debars any person from establishing any industry, operation or process or any treatment and disposal system, which is likely to discharge trade effluent into a stream, well or sewer without taking prior consent of the State Pollution Control Board.

The Central and State Pollution Control Boards constituted under the WPA are also to perform functions as per the APA for the prevention and control of air pollution. The APA aims for the prevention, control and abatement of air pollution. It is mandated under this Act that no person can, without the previous consent of the State Board, establish or operate any industrial plant in an air pollution control area.

The EPA has been enacted for the protection and improvement of the environment. The Act 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.

The Public Liability Insurance Act, 1991 provides for public liability insurance for the purpose of providing immediate relief to the persons affected by accident occurring while handling hazardous substances and for matters connected herewith or incidental thereto. Hazardous substance means any substance or preparation which is defined as hazardous substance under the Environment (Protection) Act, 1986, and exceeding such quantity as may be specified by notification by the Central Government.

Contract Labour (Regulation and Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970, as amended (the “CLRA”), requires establishments that employ or have employed on any day in the previous 12 months, 20 or more workmen as contract labour to be registered and prescribes certain obligations with respect to the welfare and health of contract labour.

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

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

Penalties, including both fines and imprisonment, may be imposed for contravention of the provisions of the CLRA.

Labour Laws

India has stringent labour related legislation. We are required to comply with certain labour and industrial laws, which includes the Industries (Development and Regulation) Act, 1951, Industrial Disputes Act 1947, the Employees’ Provident Funds and Miscellaneous Provisions Act 1952, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, Workmen Compensation Act, 1923, the Payment of Gratuity Act, 1972, the Payment of Wages Act, 1936, amongst others.

Payment of Gratuity Act, 1972

Under the Payment of Gratuity Act, 1972 (the “Gratuity Act”), an employee in a factory is deemed to be in ‘continuous service’ for a period of at least 240 days in a period of 12 months or 120 days in a period of six months immediately preceding the date of reckoning, whether or not such service has been interrupted during such period by sickness, accident, leave, absence without leave, lay-off, strike, lock-out or cessation of work not due to the fault of the employee. An employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, superannuation, death or disablement. The maximum amount of gratuity payable shall not exceed Rs.350,000.

Payment of Bonus Act, 1965

Under the Payment of Bonus Act, 1965 (the “Payment of Bonus Act”) an employee in a factory who has worked for at least 30 working days in a year is eligible to be paid bonus. ‘Allocable surplus’ is defined as 67% of the available surplus in the financial year, before making arrangements for the payment of dividend out of profit of the Company. The minimum bonus to be paid to each employee is the higher of 8.33% of the salary or wage or Rs.100, and must be paid irrespective of the existence of any allocable surplus. If the allocable surplus exceeds minimum bonus payable, then the employer must pay bonus proportionate to the salary or wage earned during that period, subject to a maximum of 20% of such salary or wage. The maximum bonus payable must not exceed Rs.500. Contravention of the Act by a company will be punishable by proceedings for imprisonment up to six months or a fine up to Rs.1,000 or both against those individuals in charge at the time of contravention of the Payment of Bonus Act.

Minimum Wages Act, 1948

The State Governments may stipulate the minimum wages applicable to a particular industry. The minimum wages generally consist of a basic rate of wages, cash value of supplies of essential commodities at concession rates and a special allowance, the aggregate of which reflects the cost of living index as notified in the Official Gazette. Workers are to be paid for overtime at overtime rates stipulated by the appropriate State Government. Any contravention may result in imprisonment of up to six months or a fine of up to Rs.500.

Employees Provident Fund and Miscellaneous Provisions Act, 1952

The Employees Provident Fund and Miscellaneous Provisions Act, 1952 provides for the institution of compulsory provident fund, pension fund and deposit linked insurance funds for the benefit of employees in factories and other establishments. A liability is placed both on the employer and the employee to make certain contributions to the funds mentioned above.

Workmen's Compensation Act, 1923

The Workmen's Compensation Act, 1952 provides for compensation of workers by their respective employers in case of injury by accident arising out of and during the course of employment.

Maternity Benefit Act, 1951

The Act provides for leave and some other benefits to women employees in case of confinements or miscarriage etc.

Equal Remuneration Act, 1979

The Act provides for payment of equal wages for equal work of equal nature to male or female workers and for not making discrimination against female employees in the matters of transfers, training and promotions etc.

Child Labour (Prohibition and Regulation) Act, 1986

The Act prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Under this Act the employment of child labour in the building and construction industry is prohibited.

Inter-State Migrant Workmen's (Regulation of Employment and Conditions of Service) Act, 1979

The Act is applicable to an establishment, which employs five or more inter-state migrant workmen through an intermediary (who has recruited workmen from one state for employment in an establishment situated in another State). The inter state migrant workmen, in an establishment to which this Act becomes applicable, are required to be provided certain facilities such as housing, medical aid, travel expenses etc.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was originally incorporated as Maheshwari Brothers Limited on August 25, 1995. The certificate of commencement of business was received on September 12, 1995. The name of our Company was changed to MBL Infrastructures Limited with effect from July 05, 2006 and fresh certificate of incorporation was issued by the Registrar of Companies, West Bengal.

Our Registered Office is located at 23-A, Netaji Subhas Road, 3rd Floor, Suite 14, Kolkata-700 001, West Bengal and our Corporate Office is located at Corporate Office: Saket Estates, 2nd Floor, Premises No. 2C, 2, Ho Chi Minh Sarani Kolkata – 700 071 and at SU 2-3, Bhikaji Cama Bhawan, Bhikaji Cama Place, Ground Floor, New Delhi – 110 066.

The Promoters of our Company are Mr. Ram Gopal Maheshwari, Mr. Anjanee Kumar Lakhota, Mr. Maruti Maheshwari and SMH Capital Limited. Mr. Pawan kumar Lakhota, Mr. Shree Kumar Lakhota and Mr. Mahabir Prasad Lakhota, brothers of Mr. Ram Gopal Maheshwari and Mr. Anjanee Kumar Lakhota were the subscribers to the Memorandum of Association and the earlier promoters, shareholders and directors of our Company. All three of them severed themselves from our Company and all its affairs and are neither the Directors nor the shareholder in our Company.

For details regarding our Promoters and Promoter Group please refer to the section titled “Our Promoter and Promoter Group” on page 114 of the RHP.

Major events in the history of our Company:

| Year | Events |
|------|--|
| 1996 | Took over Maheshwari Brothers, a partnership firm engaged in the business of trading in steel and waste management at steel plants. |
| 1999 | Was awarded the first batch of contracts for the north-south-east-west corridor projects by the National Highways Authority of India (“NHAI”) |
| 2000 | The plant and machinery of our Company were revalued on “Net Replacement Value” based on reports submitted by an approved valuer. Net appreciation of Rs. 954.35 lacs in the value of plant and machinery were credited to the Revaluation Reserve |
| 2001 | Completed four laning of Agra-Gwalior section of National Highway 3 from km 41 to km 51 near Dholpur, Rajasthan, for a project value of Rs. 2,052.00 lacs, the first to be completed under the north-south-east-west corridor project by NHAI |
| 2002 | Completed the rehabilitation and maintenance of the Tumkur - Harihar section of National Highway 4 for NHAI for Rs. 1,161.00 lacs. |
| | Awarded the BOT Project of Seoni-Balaghat-Rajegaon state highway by the Madhya Pradesh Rajya Setu Nirman Nigam Limited (now the Madhya Pradesh Road Development Corporation Limited). |
| | AAP Infrastructure Limited was incorporated as a special purpose vehicle for the purposes of execution of the BOT project. |
| 2003 | Completed two projects for NHAI, a maintenance and toll operations project and a maintenance project |
| | Mr. Mahabir Prasad Lakhota, one of our earlier promoters, shareholders and directors of our Company, disassociated himself from the Company. |
| 2004 | Completed km 60 to km 70 of the four lane Agra-Gwalior section of National Highway in Madhya Pradesh |
| 2005 | Awarded contract for the comprehensive maintenance of Ring Road and Outer Ring Road at the National Capital Territory of Delhi. |
| | Entered into a joint venture with Telecommunications Consultants India Limited (“Joint Venture”). The Joint Venture was awarded the contract, valued at Rs 16,700 lacs. Further details of this Joint Venture have been enumerated hereinbelow. |

| Year | Events |
|------|--|
| | Mr. Shree Kumar Lakhotia, one of our earlier promoters, shareholders and directors of our Company, has disassociated himself from the Company. |
| 2006 | Mr. Pawan Kumar Lakhotia, one of our earlier promoters, shareholders and directors of our Company, has disassociated himself from the Company. |
| | Bonus issue of 36,21,242 Equity Shares made to the then existing shareholders of the Company in the ratio of 1:2 |
| | AAP Infrastructure Limited became a wholly owned subsidiary of our Company. |
| 2007 | Awarded the Industrial Infrastructure Development Project by Steel Authority of India Limited (“SAIL”) and Indian Iron and Steel Company Limited (“IISCO”) |
| 2008 | Completed the development work of our first BOT Project on the 114 km Seoni-Balaghat-Rajegaon state highway. |
| 2008 | Completed the work of construction of additional length of service road and side drains from Km. 146.00 to Km. 156.00 including 2-lane flyover on Guwahati Bypass section of NH 37 in the state of Assam. |
| 2009 | Awarded the contract for maintenance of main carriage way, service road, side drain and median maintenance including periodic renewal from KM 146.000 to KM 163.895 on Guwahati Bypass of NH-37 in Assam., |

For details of our competitors, please refer to “Business Overview” and “Basis of Issue Price” on pages 67 and 50 of this Red Herring Prospectus.

Other than as disclosed in “Capital Structure” and “Financial Indebtedness” on pages 24 and 190 of this Red Herring Prospectus, the Company has not issued any capital in the form of either equity or debt.

For details on Corporate profile of our Company regarding its history, the description of the activities, services, products, market of each segment, the growth of our Company, the standing of the issuer with reference to the prominent competitors with reference to its products, management, major suppliers and customers, environmental issues, segment, i.e. geographical, etc. refer to page 67 of the Business Overview section of this Red Herring Prospectus.

For information on technology, market, managerial competence and capacity built up refer to section titled “Business Overview” on page 67 of this Red Herring Prospectus.

For details on number of members of our Company refer to page 24 of the Capital Structure section of this Red Herring Prospectus.

On March 31, 2000, the plant and machinery of our Company were revalued on “Net Replacement Value” based on reports submitted by an approved valuer. Net appreciation of Rs. 954.35 lacs in the value of plant and machinery were credited to the Revaluation Reserve.

Change in Registered Office

There has been no change of our registered office since incorporation.

Our Main Objects

Our main objects as contained in our Memorandum of Association are:

- *To carry on the business of construction, development, creation, expansion, design, modernization, management and maintenance of infrastructures projects and facilities including but not limited to power*

(both conventional & non-conventional), information technology, roads, highways, bridges, fly-over, airports, ports, railways, environmental engineering & management, sanitation, sewerage disposal, water & waterways, industrial estates, Food Park, Industrial Park, Bio-technology Park, or any other facility of similar nature and to act as consultant, advisor, agent, promoter, developer, sponsor, contractor, financier for execution and completion of all sorts of engineering projects and to mobilize resources and to arrange both private and government sector participation for development of infrastructure projects, Joint Venture, foreign collaboration project etc.

- *To acquire, purchase, exchange, hire, buy, sell, construct, design, develop, promote, execute, undertake, maintain, run, manage, erect, demolish, alter, furnish, decorate, consult, advise, or otherwise deal in lands, buildings, houses, apartments, commercial complexes, residential complexes, office complexes, hospitals, shopping mall, townships, cineplexes, multiplexes, amusement parks, hotels, resorts, restaurants, clubs, golf course, film city, educational institutes, dairy farms, agro projects and all other kinds of immovable projects.*

Amendments to the Memorandum of Association

Since our incorporation, the following changes have been made to our Memorandum of Association:

| Date of Amendment | Amendments |
|--------------------------|--|
| March 23, 1996 | Authorised share capital was increased from Rs. 1,00,00,000 to Rs.2,50,00,000 |
| March 22, 1997 | Authorised share capital was increased from Rs. 2,50,00,000 to Rs. 4,00,00,000 |
| February 29, 2000 | Authorised share capital was increased from Rs. 4,00,00,000 to Rs. 5,00,00,000 |
| August 08, 2001 | Authorised share capital was increased from Rs. 5,00,00,000 to Rs. 6,00,00,000 |
| March 09, 2005 | Authorised share capital was increased from Rs. 6,00,00,000 to Rs. 7,50,00,000 |
| March 31, 2006 | Authorised share capital was increased from Rs. 7,50,00,000 to Rs. 17,50,00,000 |
| May 12, 2006 | <p>The main objects of our Company as mentioned at the time of incorporation were amended and replaced by the following:</p> <p><i>1. To carry on the business of construction, development, creation, expansion, design, modernization, management and maintenance of infrastructures projects and facilities including but not limited to power (both conventional & non-conventional), information technology, roads, highways, bridges, fly-over, airports, ports, railways, environmental engineering & management, sanitation, sewerage disposal, water & waterways, industrial estates, Food Park, Industrial Park, Bio-technology Park, or any other facility of similar nature and to act as consultant, advisor, agent, promoter, developer, sponsor, contractor, financier for execution and completion of all sorts of engineering projects and to mobilize resources and to arrange both private and government sector participation for development of infrastructure projects, Joint Venture, foreign collaboration project etc.</i></p> <p><i>To acquire, purchase, exchange, hire, buy, sell, construct, design, develop, promote, execute, undertake, maintain, run, manage, erect, demolish, alter, furnish, decorate, consult, advise, or otherwise deal in lands, buildings, houses, apartments, commercial complexes, residential complexes, office complexes, hospitals, shopping mall, townships, cineplexes, multiplexes, amusement parks, hotels, resorts, restaurants, clubs, golf course, film city, educational institutes, dairy farms, agro projects and all other kinds of immovable projects.</i></p> |
| May 12, 2006 | <p>The 'other objects' were amended and the following clauses were incorporated:</p> <p><i>1.. To carry on the business of buyers, sellers, suppliers, agents, traders,</i></p> |

| Date of Amendment | Amendments |
|--------------------|--|
| | <p><i>merchants, indentors, brokers, assemblers, packers, stockiests, dealers, contractors, transporters, distributors, importers, exporters, miners, engineers, fabricators, processors, manufacturers, representative, commission brokers, of and in all kinds and forms of Iron Steel Goods, ferrous & non-ferrous metals, industrial and other wastes and by product, hardware, stores, plant, machinery, spare parts & accessories, vessel and other earth moving equipments, Ferro alloys and ferrous and non-ferrous scrap including mild steel scrap, cast iron scrap, M.S. Melting Scrap, M. S. Turning & Boring, unserviceable steel drums & barrels, grinding dust, alloys steel scrap, steel skull, mild, high carbon, spring, high speed, tool, alloy, stainless and special steel ingots, billets, rounds flats, anglas, channels, plates, bars, joists, rods, structural, tubes pipes, sheets, castings wires & rolling materials.</i></p> <p><i>2.. To carry on in India or elsewhere the business of Recovery and processing of all types of Iron & Steel Scrap, Slag and other salvages from dumps or current arising or otherwise as contractor, processors, dealers, buyers, sellers, importers, exporters, indentors, manufacturers, fabricators, engineers, merchants, stockiest, suppliers, distributors, transporters, agents, representative, commissions brokers, liaison jobs agents and consignors or otherwise.</i></p> <p><i>42.To carry on business as contractor for all types and natures of contracts and projects including civil, mechanical, structural, engineering and electrical, labour, mining, etc.</i></p> |
| July 05, 2006 | The name of our Company was changed from ‘Maheshwari Brothers Limited’ to ‘MBL Infrastructures Limited’ |
| September 02, 2006 | Authorised share capital was increased from Rs. 17,50,00,000 to Rs. 20,00,00,000. |
| December 07, 2007 | Authorised share capital was increased from Rs. 20,00,00,000 to Rs. 25,25,00,000. The authorised capital was restructured into 1,11,50,000 Equity Shares of Rs 10 each and 1,41,00,000 redeemable preference shares of Rs. 10 each |
| December 13, 2007 | Authorized share capital was restructured into 2,52,50,000 Equity Shares of Rs 10 each. |

Overview of our Subsidiary:

AAP Infrastructure Limited

Our Company was awarded a project by the Madhya Pradesh Rajya Setu Nirman Nigam Limited (“MPRS “), now known as Madhya Pradesh Road Development Corporation Limited, on a BOT basis for reconstruction, strengthening, widening and rehabilitation of a section of the Seoni- Balaghat Road along with its operation and maintenance (“Project”).

In accordance with the terms of the concession agreement entered into with MPRS for the execution of the Project, a special purpose vehicle was necessary to be incorporated. As a result, AAP Infrastructure Limited was incorporated on December 30, 2002 under the Companies Act. It received the certificate for commencement of business on January 14, 2003.

On March 31, 2006, AAP Infrastructure Limited became the wholly owned subsidiary of our Company.

As on date of this Red Herring Prospectus, the shareholding pattern of AAP Infrastructure Limited is as follows:

| Name of shareholder | Number of shares held | Percentage holding (%) |
|-----------------------------|-----------------------|------------------------|
| MBL Infrastructures Limited | 1,19,30,000 | 99.42 |

| | | |
|---|--------------------|---------------|
| Nominees of MBL Infrastructures Limited | 70,000 | 0.58 |
| Total | 1,20,00,000 | 100.00 |

Board of Directors

The following are the directors on the board of AAP Infrastructure Limited as on date of this Red Herring Prospectus:

| Sr No | Name of Director | Designation |
|--------------|----------------------------|-------------------------------------|
| 1. | Mr. Anjanee Kumar Lakhotia | Chairman and Non Executive Director |
| 2. | Mr. Maruti Maheshwari | Non-Executive Director |
| 3. | Mr. Bhanu Prakash Agarwal | Non-Executive Director |

Mr. Namit Jain and Ms. Payal Agarwal, are the Manager and company secretary of our subsidiary respectively.

Financial Performance

Following are the audited financials of the company

(Rs. in lacs, except per share data)

| Particulars | For the year ending March 31, 2005 | For the year ending March 31, 2006 | For the year ending March 31, 2007 | For the year ending March 31, 2008 | For the year ending March 31, 2009 | For the quarter ended June 30, 2009 |
|---|---|---|---|---|---|--|
| Share capital | 1,110.50 | 1,110.50 | 1,110.50 | 1,200.00 | 1,200.00 | 1,200.00 |
| Reserves & Surplus (excluding revaluation reserves) | - | - | 2,547.15* | (98.08) | (96.17) | (77.07) |
| Total income | - | - | 132.60 | 216.55 | 780.19 | 203.53 |
| Profit After Tax | - | - | (74.25) | (23.83) | 1.91 | 19.10 |
| EPS (Rs.) | - | - | (0.67) | (0.21) | 0.02 | 0.16 |
| NAV per share (Rs.) | 9.99 | 10.00 | 9.33 | 9.73 | 9.20 | 9.35 |
| Accumulated profits/ (losses) not accounted for | - | - | - | - | - | - |

* Includes capital subsidy of Rs. 2,621.66 lacs

Shareholder and other agreements:

Joint Venture Agreements:

- 1. Joint Venture Agreement dated August 16, 2007 (“the Agreement”) between our Company and Calcutta Industrial Supply Corporation (“CISC”), together hereinafter referred to as “the Parties” and individually as the “Party”**

Our Company has entered into this Agreement for the purposes of performing the contract for the development package No 9A of the Bhagalpur-Hansdiha Road, Pirpanti-Godda-Road, Bhagalpur-Amarpur via Kajaraili Road, District Bhagalpur, state highways at Bihar under the Rajya Samaj Vikas Yojana (“**the Project**” or “**the Contract**”), awarded by the Consultancy Services Organization, Central Public Works Department, New Delhi

(“Client”). The Project was awarded to the Parties vide a letter of acceptance dated May 03, 2007 at a contract price of Rs. 10,920.25 lacs.

Management Structure

A supervisory board has been constituted for managing and administering the the Project and to make decisions related to the same (“**Supervisory Committee**”). The Supervisory Committee comprises of four directors, two nominated by each Party. All decisions shall be arrived at by unanimous consensus. If no unanimous decision can be arrived at for matters other than those which have arisen in the usual course of business, the Parties shall have recourse to arbitration. If no unanimous consensus has been arrived at for matters arising out of the routine course of business, one representative of each Party has been vested with the authority to decide on the same by unanimous consent, failure of which shall result in the issue being referred to arbitration.

Validity

The Agreement shall remain in force until all matters in relation to the Project are over and been settled.

Participating share in the Contract

- MBL – 60%
- CISC – 40%

Our Company is the “Lead Partner” and is authorized on behalf of the joint venture to receive instructions and incur liabilities for an on behalf of all the partners of the joint venture.

Responsibility for execution of the Contract

The Parties have agreed that they shall be held jointly and severally liable to the Client for all obligations arising from and in connection with the performance of the Project. Payments under the contract shall be made to the joint venture and not to the individual partners. An escrow account would be opened in a nationalised bank for receipt of payment for the execution of the Project.

Performance Security

CISC has provided the necessary performance security, mobilization and the machinery advance security to the Client.

Joint Assets

The Parties shall invest from their own respective resources to acquire any assets in its own name which it may deem fit and proper. The joint assets, if any, shall be distributed in the ratio of each Parties respective financial interest.

Miscellaneous

In the event any of the Parties defaults in the performance of its obligations under this agreement, and fails to cure such defect within the period stipulated by the other party, such other party shall have the right to takeover the work, interests and responsibilities of such defaulting party at the cost of the defaulting party. Neither party is permitted to assign, pledge, sell or otherwise dispose off in full or in part of its respective interests in the joint venture to any third party without prior approval of the other party.

2. Joint Venture Agreement dated June 8, 2007 (“the Agreement”) between our Company and Lakeshwari Builders Private Limited (“LBPL”), together hereinafter referred to as “the Parties” and individually as the “Party”

The Parties have entered this Agreement for the purposes of performing the contract for development of the state highways in the state of Bihar under the Rashtriya Sam Vikas Yojana for the package no. 13: Bihta-

Bikram-Pali-Arwal Road in the Patna district (“**the Project**” or “**the Contract**”), awarded by the Consultancy Services Organization, Central Public Works Department, New Delhi (“**Client**”). The Project was awarded to the Parties vide a letter of acceptance dated March 9, 2007 at a contract price of Rs. 37,00.34 lacs.

Management Structure

A supervisory committee has been constituted to manage and administer the Project and to make decisions relating thereto (“**Supervisory Committee**”). The Supervisory Committee comprises of a chairman, a vice-chairman and two directors, one nominated by each Party. MBL has nominated the chairman and LBPL has nominated the vice-chairman of the Supervisory Committee. All decisions shall be arrived at by unanimous consensus. If no unanimous decision can be arrived at for matters other than those which have arisen in the usual course of business, the Parties shall be recourse of arbitration. If no unanimous consensus has been arrived at for matters arising out of the ordinary course of business, the chairman shall be vested with the authority to decide on the same.

Participating share in the Contract

- MBL – 60%
- LBPL – 40%

Our Company is the “Lead Partner” and has been authorised receive instructions and incur liabilities for an on behalf of all the partners of the joint venture.

Responsibility for execution of the Contract

The Parties have agreed that they shall be held jointly and severally liable to the Client for all obligations arising from and in connection with the performance of the Project.

Performance Security

LBPL has provided the necessary bid and performance security and the machinery advance security to the Client.

Validity

The Agreement is valid from the date of its execution till all the matters in connection with the Project for which the Agreement is signed are over and settled.

Joint Assets

The Parties shall invest from their own respective resources to acquire any asset in its own name which it may deem fit and proper. The joint assets, if any, shall be distributed in the ratio of each Parties respective financial interest.

Miscellaneous

In the event any of the Parties defaults in the performance of its obligations under this agreement, and fails to cure such defect within the period stipulated by the other party, such other party shall have the right to takeover the work, interests and responsibilities of such defaulting party at the cost of the defaulting party. Neither party is permitted to assign, pledge, sell or otherwise dispose off in full or in part of its respective interests in the joint venture to any third party or enter into any similar relationship with any third party, without prior approval of the other party.. LBPL under no circumstances is authorized to sub-contract any of its responsibilities to a third party.

3. **Joint Venture Agreement dated May 27, 2005 (“the Agreement”) between Telecommunications Consultants India Limited (“TCIL”), a Government of India enterprise and our Company, together hereinafter referred to as “the Parties” and individually as the “Party”**

The Parties had entered into this Agreement for the purpose of widening and strengthening of the existing national highway from a two lane highway to a four lane highway from kilometer 183 to the kilometer 163.895 stretch of the Sonarpur to Guwahati section of NH-37 in Assam on East West Corridor under phase II programme of NHDP (“**the Project**” or “**the Contract**”). The Project was awarded to the Parties vide a letter of acceptance dated March 7, 2005 at a contract price of Rs. 16,671.60 lacs.

Lead Partner

Our Company is the lead partner in the joint venture and is responsible for the performance of the Contract. Our Company has been authorised to incur liabilities and receive instructions on behalf of all the partners of the joint venture.

Management Structure

A supervisory board has been constituted to administer the joint venture (“Supervisory Committee”). The Supervisory Committee comprises of a chairman, a vice-chairman and two directors, one nominated by each Party. TCIL has nominated the chairman and MBL has nominated the vice-chairman of the Supervisory Committee. The Agreement requires our Company to provide suitable experienced personnel for atleast three positions, for the purpose of general planning, site management and plant operations during the tenure of the Project. Our Company has appointed the project director while TCIL has appointed the General Manager (Finance). All decisions taken by the Supervisory Committee shall be by way of unanimous consensus. If no unanimous decision can be arrived at for matters other than those which have arisen in the usual course of business, the Parties shall be recourse of arbitration. If no unanimous consensus has been arrived at for matters arising out of the ordinary course of business, the chairman is vested with the authority to decide on the same.

Participating share in the Contract

- MBL – 51%
- TCIL – 49%

Responsibility for execution of the Contract

The Parties have agreed that they shall be held jointly and severally liable to the Client for all obligations arising from and in connection with the performance of the the Project.

Joint Assets

The Parties shall invest from their own respective resources to acquire any assets in its own name which it may deem fit and proper. The joint assets, if any, shall be distributed in the ratio of each Parties respective financial interest.

Validity

The Agreement is valid from the date of its execution till all the matters in connection with the Project for which the Agreement is signed are over and settled.

Miscellaneous

In the event any of the Parties defaults in the performance of its obligations under this agreement, and fails to cure such defect within the period stipulated by the other party, such other party shall have the right to takeover the work, interests and responsibilities of such defaulting party at the cost of the defaulting party. Our Company, under no circumstances, is authorized to sub-contract any of its responsibilities to any third party.

4. **Joint Venture Agreement dated March 16, 2007 (“the Agreement”) between our Company and Supreme Infrastructure (India) Limited (“SIIL”), together hereinafter referred to as “the Parties” and individually as the “Party”**

The Parties has entered into this Agreement for the purposes of executing the Project on Western Transport Corridor Tumkur- Haveri of Rehabilitation and upgrading of the Chitradurga section of NH 4, Package 3, (kms 189 to kms 207) (“**the Project**” or “**the Contract**”), invited by the National Highway Authority of India (“**Client**”). The Project was awarded to the Parties pursuant to a letter of acceptance dated December 12, 2006 at a contract price of Rs. 10,393.62 lacs.

Management Structure

A supervisory board has been constituted to manage and administer the Project and to take decisions relating to the same (“Supervisory Committee”). The Supervisory Committee comprises of a chairman, a vice-chairman and two directors, one nominated by each Party. MBL has nominated the chairman and SIIL has nominated the vice-chairman of the Supervisory Committee. All decisions taken by the Supervisory Committee shall be by way of unanimous consensus. If no unanimous decision can be arrived at for matters other than those which have arisen in the usual course of business, the Parties shall be recourse of arbitration. If no unanimous consensus has been arrived at for matters arising out of the ordinary course of business, the chairman shall be vested with the authority to decide on the same.

Participating share in the Contract

- SIIL – 60%
- MBL – 40%

Responsibility for execution of the Contract

The Parties have agreed that they shall be held jointly and severally liable to the Client for all obligations arising from and in connection with the performance of the Project.

Performance Guarantee

SIIL has provided the performance guarantee on behalf of the Joint Venture to the Client.

Joint Assets

The Parties shall invest from their own respective resources to acquire any assets in its own name which it may deem fit and proper. The joint assets, if any, shall be distributed in the ratio of each Parties respective financial interest.

Miscellaneous

In the event any of the Parties defaults in the performance of its obligations under this agreement, and fails to cure such defect within the period stipulated by the other party, such other party shall have the right to takeover the work, interests and responsibilities of such defaulting party at the cost of the defaulting party. No party is, under any circumstances, is authorized to subcontract any of its responsibilities to any third party .

5. **Concession agreement dated November 18, 2002 between Madhya Pradesh Rajya Setu Nirman Nigam Limited (the “Employer”), AAP Infrastructure Limited (“AAP”) and our Company, together hereinafter referred to as “the Parties” and individually as the “Party”. AAP and our Company are together hereinafter referred to as the “Concessionaire”**

The Employer had invited proposals for short listing bidders to reconstruct, strengthen, widen and rehabilitate a section of Seoni - Balaghat on the State Highway-26 and Balaghat - Rajegoan on State Highway -11 aggregating about 114 kms and its operation and maintenance to be executed on a “build, operate and transfer” (“**BOT**”) basis (the “**Project**”).

Our Company's bid was accepted by the Employer and was issued a Letter of Acceptance (No. MPRSNN/ROAD-BOT/2002) (the "**Letter of Acceptance**") which, inter alia, required the execution of this Concession Agreement.

Our Company has promoted and incorporated AAP as company with limited liability for the purposes of this agreement and has requested the Employer to accept AAP as an entity which shall perform the obligations under the Letter of Acceptance. AAP was incorporated as a special purpose vehicle and our Company would be jointly and severally liable for all the obligations of AAP arising out of this agreement.

The Parties have agreed that the Concessionaire accepts a concession of 5,440 days commencing from the day the physical possession of the Project site is delivered over to AAP or a period of 120 days after the date of execution of this Agreement, whichever is later ("**Concession Period**"). The concession granted to the Concessionaire (the "**Concession**") entitles it to, inter alia:

- a. investigate, study, design, engineer, finance, construct, operate and maintain the Project during the Concession Period
- b. on completion of the Project and during period during which AAP is entitled to collect toll, to manage and operate the Project to facilitate use of road appropriately for toll collection and regulate the traffic so as to prevent damage to the road condition
- c. levy and collect fees from vehicles and persons for using the Project or deny entry on non-payment
- d. bear and pay all expenses incurred in fulfillment of AAP's obligations

For the purposes of this agreement, our Company had provided a security of Rs. 120 lacs in the form of a bank guarantee, issued in favour of the Employer ("Performance Security"). The Performance Security has been released and our Company has provided a security of Rs 60 lacs in the form of a bank guarantee in favour of the Employer for the maintenance of the Project ("Maintenance Security"). In the event the Concessionaire is in default of its obligations under this agreement, the Employer shall have the right to forfeit the Maintenance Security. AAP has also agreed not to assign or create any lien or encumbrances on the concession granted on part or whole of the Project highway nor transfer, lease or part possession therewith unless specifically permitted.

The Concessionaire shall be entitled, during the toll period, that is, the period commencing from the commercial operations day from which the Concessionaire is entitled to collect the toll to completion of the Concession Period or the termination date, whichever is earlier. The date from which the Concessionaire is entitled to collect toll shall be notified by the Employer upon the full or substantial completion of the works of the Project. Termination date is the date on which the terms of this agreement expire in terms of this agreement or pursuant to a termination notice. There shall be a revision in the toll fees on a yearly basis at the rate of 7% increment. The Concessionaire shall pay to the Employer an amount equivalent to 1% of the toll collected as the project monitoring fee.

The Employer has issued completion certificate to our Company as per the provisions of the Contract.

An Independent Consultant shall monitor the Project. In the event the Employer is not satisfied with the results of any of the tests conducted by the Independent Consultant or by itself, it shall intimate to the Concessionaire of such conclusion and the Concessionaire shall forthwith take such steps to remedy such defect. The Concessionaire shall bear all costs for any such tests conducted.

The Employer may require additional work to be done on the Project, which is beyond the scope of this Agreement, by the Concessionaire at his own cost, without any change in the Concession Period or any additional compensation payable to the Concessionaire, if such changes do not require expenditure exceeding Rs 100 lacs or does not adversely affect the date from which the Concessionaire is entitled to collect toll.

The Employer has paid to the Concessionaire a non-refundable grant/ subsidy as cash support equal to Rs 3,480 lacs.

In the event the Concessionaire is in material breach of this Agreement and such breach is cured prior to the termination of this Agreement, the Concessionaire shall compensate the Employer for all direct costs suffered or incurred by the Employer within 180 days of the demand raised by the Employer, in one lump sum payment or in three equal semi annul installments alongwith interest at the rate of SBI PLR alongwith 2% per annum on the amount outstanding.

We do not have any strategic partners or financial partners.

OUR MANAGEMENT

Board of Directors

As per the Articles of Association, our Company must have a minimum of three and a maximum of twelve Directors. As on the date of this Red Herring Prospectus, our Company has six Directors on its Board.

The following table sets forth details regarding the Board of Directors as on the date of this Red Herring Prospectus:

| Name, Father's name, Address and Occupation | Designation | Qualifications | Age (years) | Other Directorships |
|--|---|----------------|-------------|---|
| Mr. Ram Gopal Maheshwari S/o Late Mr. Rameshwar Lal Lakhotia, “Prasad Residency” 8/10, Alipore Park Road, 4th Floor, Kolkata 700 027 Occupation: Business DIN: 00351015 | Chairman and Non-Executive Director | B.Com | 64 | <ul style="list-style-type: none"> Prabhu International Vyapar Private Limited Sahaj Promoters Private Limited |
| Mr. Anjanee Kumar Lakhotia S/o Late Mr. Rameshwar Lal Lakhotia, B-37, Swami Nagar, New Delhi 110 017 Occupation: Business DIN: 00357695 | Chief Executive Officer and Whole Time Director | B.Com, F.C.A. | 46 | <ul style="list-style-type: none"> AAP Infrastructure Limited SMH Capital Limited Sahaj Promoters Private Limited |
| Mr. Maruti Maheshwari S/o Mr. Ram Gopal Maheshwari, “Prasad Residency”, 8/10, Alipore Park Road, 4th Floor, Kolkata 700 027 Occupation: Business DIN: 00349177 | Executive Director | B.Com | 34 | <ul style="list-style-type: none"> AAP Infrastructure Limited Prabhu International Vyapar Private Limited Sahaj Promoters Private Limited MSP Infrastructures Limited |
| Mr. Bhanu Prakash Agarwal, S/o Mr. Satya Narayan Jajodia, 408, Kamalalaya Centre, 156A, Lenin Sarani, Kolkata 700 013 Occupation: Professional DIN: 00088569 | Independent Director | B.Com, C.A | 46 | <ul style="list-style-type: none"> Suvidha Placements Limited Suvidha Consultants Limited Suvidha Insurance Broking (P) Limited Suvidha Corporate Management Limited AAP Infrastructure Limited Times Consultancy |

| Name, Father's name, Address and Occupation | Designation | Qualifications | Age (years) | Other Directorships |
|--|----------------------|--------------------------------|-------------|---|
| | | | | Services (P) Limited • Panchwati Dealers (P) Limited |
| Mr. Ashwini Kumar Singh S/o Late Mr. Rama Balak Sinha E3D, E Block, Belair Apartment, Jokhiram Durga Dutt Lane, Main Road, Ranchi 834 001 Occupation: Service DIN: 00365901 | Independent Director | B.E. (Electrical) | 65 | Nil |
| Mr. Kumar Singh Baghel S/o Mr. Amrit Singh Baghal, 32, Laxman Colony, Shyam Nagar, Jaipur 302 019 Occupation: Retired DIN: 00774004 | Independent Director | M.A. (English), CAIIB (Part I) | 68 | Nil |

Details of appointment and term of the Directors:

| Name of Directors | Date of Resolution | Designation and Term |
|---------------------------|--------------------|---|
| Mr. Ram Gopal Maheshwari | August 25, 1995 | Appointed as Non-Executive Chairman on April 06, 2006. and re appointed as non executive director on September 29, 2007 and is liable to retire by rotation. Mr. Maheshwari has been a Director of the Company since inception, |
| Mr. Anjanee Kumar Lakhota | August 25, 1995 | Re-appointed as a Whole Time Director from July 01, 2009 to June 30, 2014 vide resolution dated July 01, 2009. He was appointed as Whole Time Director and Chief Executive Officer from July 01, 2006 for 3 years vide resolution passed on July 22, 2006. He was a Director of the Company since inception. |
| Mr. Maruti Maheshwari | April 19, 2006 | Re-appointed as an Executive Director from July 01, 2009 to June 30, 2014 vide resolution dated July 01, 2009. He was appointed as an Executive Director from July 01, 2006 for 3 years vide resolution dated July 22, 2006. He was appointed as an Additional Director on April 19, 2006 and was regularized in the AGM held on September 26, 2006 |
| Mr. Bhanu Prakash Agarwal | April 19, 2006 | Appointed as an Additional Director on April 19, 2006. He was regularized in the AGM held on September 26, 2006. and reappointed on September 29, 2007 is liable to retire by rotation. |
| Mr. Ashwini Kumar Singh | May 29, 2006 | Reappointed as Non Executive Director in AGM held on |

| | | |
|------------------------|-------------------|--|
| | | September 15, 2008 and is liable to retire by rotation. He was appointed as an Additional Director on May 29, 2006 and was regularized in the AGM held on September 26, 2006. |
| Mr. Kumar Singh Baghel | September 9, 2006 | Reappointed as Non Executive Director in AGM held on September 15, 2008 and is liable to retire by rotation. He was appointed as an Additional Director on September 09, 2006 and was regularized in the AGM held on September 26, 2006. |

Brief Profile of the Directors

Mr. Ram Gopal Maheshwari

Mr. Ram Gopal Maheshwari is the Promoter of our Company and has been associated with our Company since its inception. He is currently the Chairman of our Company. He is a commerce graduate from Calcutta University. He has over two decades of experience in the infrastructure industry.

Mr. Anjanee Kumar Lakhotia

Mr. Anjanee Kumar Lakhotia is the Promoter, Chief Executive Officer and a Whole Time Director of our Company. He has been associated with our Company since its inception. He is a commerce graduate from St. Xavier's College, Kolkata and is a fellow member of the Institute of Chartered Accountants of India. He has over a decade's experience in the infrastructure industry.

Mr. Maruti Maheshwari

Mr. Maruti Maheshwari is a Promoter and an Executive Director of our Company. He is a commerce graduate from Kuvempu University. He has over a decade's experience in the infrastructure development industry. He is responsible for the execution, supervision and administration of the projects undertaken by our Company. He has been associated with us since inception.

Mr. Bhanu Prakash Agarwal

Mr. Bhanu Prakash Agarwal is an Independent Director on our Board. He is a qualified chartered accountant and is a fellow member of the Institute of Chartered Accountants of India. He is a private consultant for direct and indirect tax matters. He is the Managing Director of Suvidha Consultants Limited, a company providing management consultancy services. He is the chairman of the Indirect Tax Committee of the Merchants Chambers of Commerce, a member of the Indirect Tax Committee of the Bengal Chambers of Commerce and a member of the Regional Advisory Committee constituted by the Service Tax Commissionerate, Kolkata. He has been associated with our Company since April 2006.

Mr. Ashwini Kumar Singh

Mr. Ashwini Kumar Singh is an Independent Director on our Board. He holds a degree in electrical engineering from Jadavpur University, Kolkata. He has been associated with SAIL as part of their senior management for more than twenty years. He is currently associated with Essar Steel Limited as the resident director of their Jharkhand Unit. He was also associated with the Rourkela Steel Plant and the Muktanand Steel Plant as the managing director. He is a fellow member of the Institute of Engineers, Indian Council of Arbitration, All India Management Association and the National HRD Network. He has been associated with our Company since May 2006.

Mr. Kumar Singh Baghel

Mr. Kumar Singh Baghel is an Independent Director on our Board. He holds a masters degree in English and CAIIB (Part I). He was associated with the State Bank of Bikaner and Jaipur for over thirty four years and retired as the

general manager. He was responsible for the administration of fields such as corporate credit and forex, planning and development and finance and investments. He has been associated with our Company since September 2006.

Relationship between Directors inter-se

Mr. Ram Gopal Maheshwari is father of Mr. Maruti Maheshwari and brother of Mr. Anjanee Kumar Lakhotia.

Arrangement for selection of directors or members of senior management

There is no arrangement or understanding with major shareholders, customers or others, pursuant to which directors or members of senior management are selected.

Borrowing powers of the Board

Article 69 of our Articles authorizes the Board may, from time to time, at its discretion subject to the provisions of Section 292 of the Act, raise or borrow, either from the Directors or from elsewhere and secure the payment of any sum or sums of money for the purpose of the Company; provided that the Board shall not without the sanction of the Company in General Meeting borrow any sum of money which together with money borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate for the time being of the paid up capital of the Company and its free reserves, that is to say, reserves not set aside for any specific purpose.

Pursuant to a resolution passed by the shareholders of our Company on July 22, 2006 in accordance with provisions of the Companies Act, the Board has been authorised to borrow monies upon such terms and conditions, with or without security, as the Board may think fit, provided that the monies to be borrowed together with the monies already borrowed by Our Company (apart from the temporary loans obtained from its bankers in the ordinary course of business) shall not exceed, at any time, the aggregate amount of Rs.20,000 lacs (Rupees Twenty Thousand lacs) at any one time.

Compensation of our Executive Directors

1. By an agreement dated July 01, 2009 between our Company and Mr. Anjanee Kumar Lakhotia, Mr. Anjanee Kumar Lakhotia's remuneration was determined to be Rs. 2,00,000/- (Rupees two lacs only) per month (in the grade of Rs. 2,00,000 to Rs. 3,00,000 per month) along with perquisites, the total quantum of which would not exceed the limits prescribed under sections 198 and 309 read with Schedule XIII of the Companies Act. The terms of the agreement would be valid for a period of five years, that is, till June 30, 2014.
2. By an agreement dated July 01, 2009 between our Company and Mr. Maruti Maheshwari, Mr. Maruti Maheshwari's remuneration was determined to be Rs. 1,50,000/- (Rupees One lac fifty thousand only) per month (in the grade of Rs. 1,50,000 to Rs. 2,50,000 per month) along with perquisites, the total quantum of which would not exceed the limits prescribed under sections 198 and 309 read with Schedule XIII of the Companies Act. The terms of the agreement would be valid for a period of five years, that is, till June 30, 2014.

The Company has not entered into any service contract with the directors for providing benefits upon termination of the employment.

Compensation of our non-executive Directors

Our non-executive Directors are entitled to receive sitting fees for attending meetings of the Board or Committees thereof.

Board Procedure

Our Company has held Board meetings as per the provisions of the Companies Act and has maintained minutes of the meetings thereof.

Shareholding of our Directors:

The details of the shareholding of our Directors, as on the date of filing of the Red Herring Prospectus are as under:

| Sr. No. | Name of the Directors | Number of Equity Shares | % of holding (pre-Issue) |
|---------|----------------------------|-------------------------|--------------------------|
| 1. | Mr. Ram Gopal Maheshwari | 22,48,750 | 19.04 |
| 2. | Mr. Anjanee Kumar Lakhotia | 5,08,000 | 4.30 |
| 3. | Mr. Maruti Maheshwari | 24,500 | 0.21 |

As per our Articles of Association, the Directors are not required to hold any qualification shares.

For details regarding Equity Shares held by the Promoters and their families and entities controlled by them, please see the section titled ‘Capital Structure’ beginning on page 24 of this Red Herring Prospectus.

Interest of Directors:

All of our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board/ committee thereof as well as to the extent of the remuneration paid to them for services rendered as officers or employees of the Company.

All of our Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them and that may be subscribed for or allotted to them in the present Issue in terms of this Red Herring Prospectus and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

The Directors may also be regarded as interested in the Equity Shares, if any, held or that may be subscribed by and allotted to their relatives and to the companies, firms and trusts, if any, in which they are interested as directors, members, partners, and / or trustees.

The Articles of Association provide that the Directors and officers shall be indemnified by our Company against loss, if any, in defending any proceeding brought against Directors and officers in their capacity as such, if the indemnified Director or officer receives judgment in his favour or is acquitted in such proceeding. For further details, please refer to the section titled “Main Provisions of the Articles of Association - Article 196” beginning on page 285 of this Red Herring Prospectus.

Except as disclosed in the section titled “History and Certain Corporate Matters” beginning on page 90 of this Red Herring Prospectus, our Company has not entered into any contract, agreement or arrangement during the preceding two years from the date of this Red Herring Prospectus in which the directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

Our Directors are not interested in any property acquired by our Company within two years of the date of this Red Herring Prospectus.

Our Directors are not partners in any partnership firm.

For further details on the interests of Directors, please refer to the section titled “Related Party Transactions” beginning on page 125 of this Red Herring Prospectus.

Payment or Benefit to Officers of our Company (non salary related)

Except as stated mentioned in the section titled “Related Party Transactions” beginning on page 125 of this Red Herring Prospectus, no amount or benefit has been paid or given since incorporation or is intended to be paid or given to any of the Directors or Key Managerial Personnel or officers of our Company except the normal remuneration for services rendered as Directors, officers or employees.

Our Company has made no other payments or benefits to its officers besides their salary.

Changes in the Board of Directors for the last three years:

The following changes have occurred in the Board of Directors in the last three years:

| Name of Director | Date of Appointment/ Resignation | Reasons for change |
|------------------------------|---|---------------------------|
| Mr. Ram Chandra Mukunda | February 04, 2008 | Resignation |
| Mr. Ram Chandra Mukunda | February 15, 2007 | Appointment |
| Mr. Shiba Prasad Mukherjee | February 15, 2007 | Resignation |
| Mr. Kumar Singh Baghel | September 09, 2006 | Appointment |
| Mr. Pawan Kumar Lakhotia | September 02, 2006 | Resignation |
| Mr. Shiba Prasad Mukherjee | June 30, 2006 | Appointment |
| Mr. Ashwini Kumar Singh | May 29, 2006 | Appointment |
| Mr. Bhanu Prakash Agarwal | April 19, 2006 | Appointment |
| Mr. Maruti Maheshwari | April 19, 2006 | Appointment |
| Mr. Shree Kumar Lakhotia | July 30, 2005 | Resignation |
| Mrs. Gayatri Devi Maheshwari | July 11, 2005 | Due to death |

Changes in Auditors

Changes in our Auditors in the last three years are as follows:

| Name of Auditor | Date of Appointment/ Resignation | Reasons for change |
|-------------------------------------|---|---|
| M/s Agrawal S. Kumar and Associates | February 27, 2007 | Appointment |
| M/s Khandelwal Ravindra and Company | January 20, 2007 | Casual vacancy caused by the merger of the Firm with other firm |
| M/s Khandelwal Ravindra and Company | May 12, 2006 | Appointment |
| M/s V. K. Keshari and Company | April 17, 2006 | Resignation |
| M/s V. K. Keshari and Company | September 30, 1997 | Appointment |

Corporate Governance

Corporate governance is administered by the Board and through various committees of the Board. However, the primary responsibility for upholding high standards of corporate governance and providing the necessary disclosures within the framework of legal provisions and institutional conventions with the commitment to enhance shareholders' value vests with the Board.

Pursuant to the listing of the Equity Shares, our Company is required to enter into listing agreement with the Stock Exchanges. Our Company is in compliance with the applicable provisions of the listing agreement pertaining to corporate governance, including appointment of independent Directors and constitution of the following committees of our Company's Board.

Committees of the Board

The Board functions through the following committees:

I. Audit Committee

The Audit Committee was constituted on October 16, 2001 and reconstituted on January 08, 2008. The scope and functions of the Audit Committee are as per Section 292A of the Companies Act and clause 49 of the listing agreement.

The members of the Audit Committee are:

1. Mr. Bhanu Prakash Agarwal – Independent Director
2. Mr. Ashwini Kumar Singh -Independent Director
3. Mr. Kumar Singh Baghel – Independent Director
4. Mr. Anjanee Kumar Lakhota – Whole Time Director

The Chairman of the Committee is Mr. Bhanu Prakash Agarwal. The Company Secretary and Compliance Officer of our Company acts as the secretary of the Audit Committee.

Functions of the Audit Committee, inter alia, include but not limited to the following:

1. To investigate any activity within its terms of reference;
2. To seek information from any employee;
3. To obtain outside legal or other professional advice;
4. To secure attendance of outsiders with relevant expertise, if it considers necessary
5. 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.
6. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory and the fixation of audit fees.
7. Approval of payment to statutory Auditor for any other services rendered by statutory Auditors.
8. Reviewing with management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters to be included in the Directors Responsibility Statement to be included in the Board report in terms of Clause (2AA) of section 217 of 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. Qualification in the draft audit report.
9. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
10. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue and making appropriate recommendations to the Board to take up steps in this matter.

11. Reviewing with the management, performance of statutory and internal auditors, and adequacy of internal control systems.
12. 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.
13. Discussion with internal auditors any significant findings and follow up thereon.
14. 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.
15. Discussion with the 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.
16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
17. To review the functioning of the Whistle Blower Mechanism, in case the same is existing.
18. Carry out any other functions as is mentioned in the terms of reference of the Audit Committee

II. Shareholders/Investors Grievance Committee

The Shareholders/Investors Grievance Committee was constituted on June 14, 2006 and was re-constituted on January 08, 2008. The committee shall function in accordance with Clause 49 of the listing agreement.

The members of the Shareholders/Investors Grievance Committee are:

1. Mr. Ashwini Kumar Singh – Independent Director
2. Mr. Bhanu Prakash Agarwal - Independent Director
3. Mr. Maruti Maheshwari – Executive Director

The Chairman of the Committee is Mr. Ashwini Kumar Singh. The Company Secretary and Compliance Officer of our Company acts as the secretary of the Shareholders/Investors Grievance Committee.

The Shareholders/Investors Grievance Committee has been set up for the following purposes:

1. To provide the requisite information to the members / shareholders on the appointment / re-appointment of the Director(s).
2. To make available the information like quarterly results, presentation made by companies to analysts on our Company's website, or to sent in such a form so as to enable the stock exchange to post it on its website.
3. To look into the redressing of shareholder and investors complaints like transfer/ transmission of shares, non-receipt of balance sheet, non-receipt of declared dividend, etc.

III. Directors' Remuneration Committee

The Directors' Remuneration Committee of our Company was constituted on June 30, 2006 and was re-constituted on January 08, 2008. The committee shall function in accordance with Clause 49 of the listing agreement.

The members of the Directors' Remuneration Committee are:

1. Mr. Ashwini Kumar Singh – Independent Director
2. Mr. Bhanu Prakash Agarwal – Independent Director
3. Mr. Kumar Singh Baghel – Independent Director

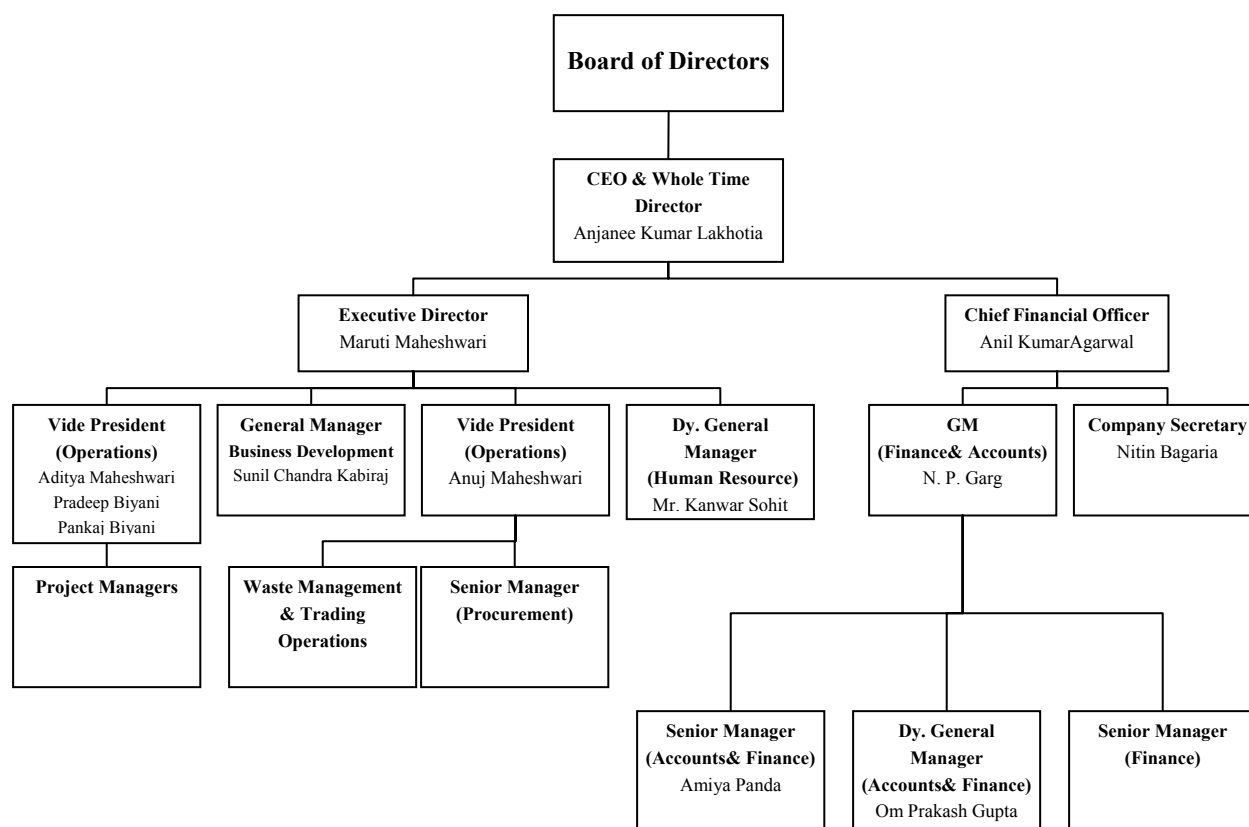
The Chairman of the Committee is Mr. Ashwini Kumar Singh.

The terms of reference of the Directors' Remuneration Committee are to decide, consider and review the remuneration of all the directors and other payments that are required to be paid by the Company to the Directors and shall be responsible to incorporate the details as required for the compliance of the Corporate Governance in the Annual Report of the Company.

Policy on Disclosures and Internal Procedure of Insider Trading

The provisions of Regulation 12 (1) of SEBI (Prohibition of Insider Trading) Regulations, 1992 will be applicable to our Company immediately upon listing of its Equity Shares on the Stock Exchanges. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 1992 on listing of our Equity Shares. The Company had adopted "Code of Conduct for Prevention of Insider Trading" which also include provisions of Regulation 12(1) of SEBI (Prohibition of Insider Trading) Regulations, 1992.

Management Organisation Structure of Our Company:



Key Managerial Personnel

Our Company is managed by the Board of Directors, assisted by qualified professionals. The details of key managerial personnel of our Company are as follows:

Mr. Anil Kumar Agarwal, 38 years, is the Chief Financial Officer of the Company. He is a member of the Institute of Chartered Accountants of India and holds a diploma in Information System Audit from the same institute. He has been associated with our Company since August 2008. He has more than 15 years of experience in the field of

accounts, finance, taxation and matters related to company law. Prior to joining our organization, he was associated with Shyam Steel Industries Limited. The remuneration paid to him in Fiscal 2009 is Rs. 6,84,931.

Mr. Aditya Maheshwari, 31 years, holds the designation of “Vice President –Operations”. He is a commerce graduate from Kuvempu University, Karnataka. He has been associated with the Company since August 2006. He was responsible for the management of the Rourkela business operations at SAIL-RSP. He has also undertaken the execution of the Agra-Gwalior Project. He is currently in-charge of the Guwahati Projects. The remuneration paid to him in fiscal 2009 is Rs. 5,05,854.

Mr. Anuj Maheshwari, 30 years, holds the designation of “Vice President –Operations”. He is a commerce graduate from Kuvempu University, Karnataka. He has been associated with the Company since August 2006. He is responsible for the procurement of stores and spares required for the project sites. He has also been responsible for the banking operations of the Company. He has been responsible for the execution of the waste management, trading and banking activities for the Company’s project at Bhadravati. The remuneration paid to him in fiscal 2009 is Rs. 5,03,594.

Mr. Pradeep Kumar Biyani, 40 years, holds the designation of “Vice President –Operations”. He is a graduate from the Calcutta University. He has been associated with our Company since January 1996. He has been involved in the execution of various waste management and maintenance projects of Barwa – Adda - Panagarh, Section of NH-2. He is currently in-charge of the industrial infrastructure project at SAIL and IISCO. The remuneration paid to him in fiscal 2009 is Rs. 3, 25,000.

Mr. Pankaj Biyani, 36 years, holds the designation of “Vice President – Operations”. He is a graduate from Calcutta University. He has been associated our Company since January 1996. He was instrumental in the execution of Sonauli - Gorakhpur Road Project, in the Rehabilitation Road Works of SH-26 from Rajaganj to Near Sharda Bridge and Uttar Pradesh State Road Project Rehabilitation works under phase- I, rehabilitation of SH-30 from Gosaiganj to Reedganj of length 27 km of the Uttar Pradesh Public Works Department. He is presently in-charge of the World Bank funded project at Uttar Pradesh and ADB funded projects in Madhya Pradesh. The remuneration paid to him in fiscal 2009 is Rs. 3, 25,000.

Mr. Sunil Chandra Kabiraj, 66 years holds the designation “General Manager (Business Development”) and is responsible for all technical aspects pertaining to the submission of tenders and implementation of projects. He holds a bachelors degree in civil engineering from North Bengal University. He has been associated with our Company since incorporation and has more than 45 years of experience in the construction field. Prior to joining our organization, he has been associated with the “Border Roads Organization” under Ministry of Shipping and Transport from 1966 to 1990 as the Assistant Executive Engineer (Civil) and was responsible for the planning, execution and maintenance of roads and bridges and as the Assistant Inspector of Works in the construction of the Broad Gange Project by the N. F. Railway from 1964-1966. The remuneration paid to him in fiscal 2009 is Rs. 2, 29,823.

Mr. N. P. Garg, 49 years, holds the designation of General Manger (Finance & Accounts). He is a Commerce Graduate and Chartered Accountant. He is having experience of 25 years in the in the field of finance, account and commercial & liaison and worked companies like Rath Group, Bhusan Steel Group and Filatax Industries at Senior Position. He has been associated with our company since December 2008. He is responsible for the account, finance and other related activities of our company. Prior to joining our Company, he was associated with P.R Rath Group of Industries as General Manger (Finance and Accounts). The remuneration paid to him in fiscal 2009 is Rs. 1,79,822.

Mr. Om Prakash Gupta, 34 years, holds the designation of Deputy General Manager (Finance and Accounts). He is an Associate Member of the Institute of Chartered Accountant of India. He has been associated with the Company since March 2008. He has over 7 years of experience in the field of accounts and finance. He is responsible for the accounts and finance related activities of our Company. Prior to joining our Company, he was associated with RPG Cellucom India Private Limited as their Manager (Finance). The remuneration paid to him in fiscal 2009 is Rs. 6, 81,485.

Mr. Amiya Kumar Panda, 36 years, holds the designation of Senior Manager (Accounts). He is a commerce graduate from Utkal University, Orissa and is a member of the ICWAI University Kolkata. He has been associated with the Company since August 2003 and has 16 years in the fields of finance and accounts. His responsibilities include preparation of accounts, bank information and reports, co-ordinating loan syndication and, insurances, preparation of budgets and interaction with auditors. Prior to joining our Company, he was associated with M/s K.P. Todi & Associates. The remuneration paid to him in fiscal 2009 is Rs. 4, 50,613.

Mr. Bikram Singh, 68 years, holds the designation of Project Manager. He holds a diploma in civil engineering from Roorkey University and is a member of AMIE India, Institute of Engineers. He has been associated with the Company since 2005 and has over two decades of experience in the field of civil constructions. Prior to joining our Company, he was Project Manager of Valechha Engineering Limited and before he was associated with PWD, Delhi and has held the position of an executive engineer. The remuneration paid to him in fiscal 2009 is Rs. 3, 86,250.

Mr. Suresh Chander Khanna, 65 years, holds the designation of Project Manager. He holds a bachelor degree in civil engineering from BIT, Ranchi. He has been associated with the Company since 2007 and has 36 years experience in the related field of civil construction, maintenance of roads projects and civil engineering. Prior to joining the Company, he was associated with the Central Public Works Department and other PSU Sectors, where he has held the position of an executive engineer. The remuneration paid to him in fiscal 2009 is Rs. 4, 42,218.

Mr. Hemraj Sharma, 40 years, holds the designation of Project Manager. He holds a degree in civil engineering Nagpur University. He has been associated with the Company since 2007. He has more than 11 years experience in the field of civil engineering and specializes in urban infrastructure and maintenance projects. The remuneration paid to him in fiscal 2009 is Rs. 6, 26,250.

Mr. R. K. Srivastava, 37 years, holds the designation of Project Manager. He holds a degree in civil engineering from Institute of Engineering and Rural Technology – Allahabad, Uttar Pradesh. He has been associated with the Company since May 2005 and has 23 years in the field of highway engineering. He has specialized in material engineering. He is a member of the Institute of Engineers (India). Prior to joining our Company, he has been associated with Unitech Limited, Paramount Pollution Control Limited, Jai Prakash Enterprises Limited. He is currently the project manager of the East West Corridor programme of NHDP for the NH-37 in Assam. The remuneration paid to him in fiscal 2009 is Rs. 7, 86,250.

Mr. B. M. Rawat, 35 years, holds the designation of Project Manager. He holds a bachelors degree in civil engineering. He has been associated with the Company since 2002. He has more than 12 years experience in the field of civil engineering and specializes in construction of roads and highways. He has overseen the execution of the Seoni – Balaghat Project of the Company. Presently, he is in-charge of the ADB funded project in Madhya Pradesh. Prior to joining our Company, he was associated with Prakash Mahavir JV as Senior Engineer from June 2001 and before that from October 1999 to June 2001 was associated with Progressive Construction Limited. The remuneration paid to him in fiscal 2009 is Rs. 5, 26,756.

Mr. Nitin Bagaria, 26 years, is the Company Secretary and the Compliance Officer of the Company. He is a commerce graduate from St. Xavier's College, Kolkata and is an associate member of ICSI. He also holds a degree in law from the University of Pune. He has over 3 years of experience and his previous employers include M/s Bengal Tea & Fabrics Limited, M/s Simplex Infrastructures Limited, M/s Tata Toyo Radiator Ltd and M/s Kirloskar Consultants Limited. Since Mr. Nitin Bagaria has joined our Company in September 2009, no remuneration was paid to him in Fiscal 2009.

Mr. Kanwar Sohni, 40 years, is the Dy. General Manager-Human Resources of the Company. He holds a degree in law from Punjab University, with P.G. Diploma in Industrial Relations & Personnel Management. He is having an experience of 13 years in the field of Human Resources in various companies. He is responsible for the management of human resources of the Company. Prior to joining our Company he was associated with DSC Limited as Deputy General Manager-Human Resources. Since he has joined our Company in September 2009, no remuneration was paid to him in Fiscal 2009.

All the Key Managerial Personnel are permanent employees of our Company.

Shareholding of Key Managerial Personnel

Except for Mr. Anuj Maheshwari and Mr. Aditya Maheshwari, both of whom hold 50,000 Equity Shares each, none of the Key Managerial Personnel hold any Equity Shares in our Company as on the date of filing of the Red Herring Prospectus.

Bonus and/or profit sharing plan for the Key Managerial Personnel

There is no profit sharing plan with the Key Managerial Personnel. Bonuses are given as per the bonus given to the other employees of our Company.

Changes in Key Managerial Personnel

There have been the following changes in the Key Managerial Personnel of our Company within the last three years of filing of this Red Herring Prospectus:

| Name of Key Managerial Personnel | Designation | Date of change | Reasons for change |
|----------------------------------|--|-------------------|--------------------|
| Mr. Aditya Maheshwari | Vice President –Operations | August 01, 2006 | Appointment |
| Mr. Anuj Maheshwari | Vice President –Operations | August 01, 2006 | Appointment |
| Mr. Subrata Basu | Appointed as a General Manager (Business Development) on September 15, 2006 and resigned on January 31, 2009 | | |
| Ms. Namrata Sharma | Appointed as the Company Secretary on May 29, 2006 and resigned on January 01, 2007 | | |
| Mr. Hemraj Sharma | Project Manager | January 01, 2007 | Appointment |
| Mr. Suresh Chander Khanna | Project Manager | March 15, 2007 | Appointment |
| Mr. Prem Kumar Bafana | Appointed as the General Manager (Finance) and Company Secretary on January 01, 2007 and resigned on March 31, 2007 | | |
| Mr. Prabhat Ranjan | Appointed as the Senior Manager – Accounts on August 16, 2006 –and resigned on April 30, 2007 | | |
| Mr. Rajendra Garg | Appointed as the Senior Manager (Accounts and Finance) on August 16, 2007 and resigned on August 04, 2009. | | |
| Mr. P. R. Shivsankar | Appointed as the Company Secretary on April 16, 2007 and resigned on September 01, 2007 | | |
| Mr. Sunanda Terei | Appointed as the Senior Manager (Finance and Accounts-Branch Co-ordination) August 16, 2006 and resigned on October 31, 2007 | | |
| Mr. P. K. Juneja | Appointed as the Project Manager on September 07, 2007 and resigned on June 30, 2009 | | |
| Ms. Supriya Sethia | Appointed as the Company Secretary and the Compliance Officer on December 21, 2007 and resigned on September 21, 2009. | | |
| Mr. Om Prakash Gupta | Deputy General Manager (Finance and Accounts) | March 15, 2008 | Appointment |
| Mr. Gautam Bhalotia | Appointed as the Senior Manager (Finance and Accounts) August 16, 2006 and resigned on April 30, 2008 | | |
| Mr. Anil Kumar Agarwal | Chief Financial Officer | August 18, 2008 | Appointment |
| Mr. N. P. Garg | General Manager (Finance and Accounts) | December 22, 2008 | Appointment |

| | | | |
|-------------------|--|--------------------|-------------|
| Mr. Nitin Bagaria | Company Secretary and the Compliance Officer | September 21, 2009 | Appointment |
| Mr. Kanwar Sohit | Dy. General Manager (Human Resource) | September 24, 2009 | Appointment |

Interest of the Key Managerial Personnel

None of our key managerial personnel have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and 50,000 Equity Shares each, held by Mr. Aditya Maheshwari and Mr. Anuj Maheshwari.

The following Key Managerial Personnel are directors in our Group Companies:

| Sr. No | Name of Key Managerial Personnel | Name of Group Company |
|--------|----------------------------------|---|
| 1. | Mr. Aditya Maheshwari | Prabhu International Vyapar Private Limited |
| 2. | Mr. Anuj Maheshwari | Prabhu International Vyapar Private Limited |

Relationship between Promoter / Directors and Key Managerial Personnel:

Mr. Anjanee Kumar Lakhota is the brother of Mr. Ram Gopal Maheshwari

Mr. Maruti Maheshwari, Mr. Aditya Maheshwari and Mr. Anuj Maheshwari are the sons of Mr. Ram Gopal Maheshwari.

Except as stated hereinabove, there is no relation between any of the Promoters / Directors and any person occupying any management positions at the board level or at one level below the board.

Employee Stock Option Scheme

As of date of this Red Herring Prospectus, our Company has not formulated any Employee Stock Option or Purchase Scheme.

Payment or benefit to officers of the Company (non-salary related)


As of date of this Red Herring Prospectus, our Company has not paid or has intended to pay any amounts or has given or intended to give, any benefits (non-salary) within the preceeding two years to any of its officers.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters:

I. Individual Promoters:

The Individual Promoters of our Company are Mr. Ram Gopal Maheshwari, Mr. Anjanee Kumar Lakhotia and Mr. Maruti Maheshwari.

| | |
|---|---|
|  | <p>Mr. Ram Gopal Maheshwari,</p> <p>Passport number - H4486430</p> <p>Voters identity number - None</p> <p>Driving license number is WB-011999436708</p> <p>Permanent Account Number - AEUPM7619D</p> <p>Bank Account Details: State Bank of Mysore, Bank Account No: 54028010744</p> <p>Director's Identification Number: 00351015</p> |
|  | <p>Mr. Anjanee Kumar Lakhotia,</p> <p>Passport number is F1992383,</p> <p>Voters identity number – NEC0427880,</p> <p>Driving license number - None,</p> <p>Permanent Account Number – ABWPL3541N,</p> <p>Bank Account Details: State Bank of Mysore, Bank Account No: 64004555088</p> <p>Director's Identification Number: 00357695</p> |
|  | <p>Mr. Maruti Maheshwari,</p> <p>Passport number is F6210157</p> <p>Voters identity number - None</p> <p>Driving license number – WB19006701</p> <p>Permanent Account Number – AEOPM9824Q</p> <p>Bank Account Details: State Bank of Mysore, Bank Account No: 54027993531</p> <p>Director's Identification Number: 00349177</p> |

For further details of our Individual Promoters, please refer to the section titled “Our Management” and for details of any outstanding litigation by and against them, please refer to the section titled “Outstanding Litigations and Material Developments” beginning on page 101 and page 194 respectively of this Red Herring Prospectus.

We confirm that the details of the permanent account numbers, bank account numbers and passport numbers of our individual promoters shall be submitted to the Stock Exchanges at the time of filing the Red Herring Prospectus with the Stock Exchanges.

II. Corporate Promoter:

SMH Capital Limited

SMH Capital Limited was incorporated on May 16, 1996. The registered office of the company is located at 23A, Netaji Subhas Road, 3rd Floor, Room No. 14, Kolkata – 700 001. SMH Capital Limited is registered as a non-banking finance company (“NBFC”) with the Reserve Bank of India (“RBI”) and has received the certificate of registration as an NBFC from the RBI on February 27, 1998. They are currently carrying on investment activities.

Main objects of SMH Capital Limited:

1. To act as investors, financiers, guarantors, to lend or deal with the money either with or without interest or security, including in current or deposit account with any bank or banks, other person or persons upon such terms, conditions and manner as may from time to time be determined and to receive money on deposits or loan upon such terms and conditions as the company may approve provided however that the company shall not carry on banking business as defined under the Banking Regulation Act, 1949 subject to the guidelines issued and regulations framed by Reserve Bank of India or any other authority vested with powers under the Banking Regulation Act, 1949, but not to carry on Chit Fund Business.
2. To promote the formation and mobilization of capital, to manage capital, and investment, share purchase company, to undertake bill discounting business, to purchase finance, discount, rediscount, forfeit, bills of exchange, to arrange, acceptance or co-acceptance of bills, to draw, endorse, accept, discount, buy, sell, and deal in bills, notes, hundies, warrants, coupons, suits and decrees for money granted by any court in the union of India, and to arrange and /or co-ordinate documentation and negotiation in this regard, to borrow, to lend, to negotiate loans, to transact business as promoters, financiers, monetary agents, to carry on the business of a company established with the object of financing industrial enterprises within the meaning of section 370 of the Companies Act, 1956, to raise or provide venture capital, to promote or finance the promotion of joint stock company, to invest in, to undertake, portfolio management, advisory financial, and counseling services, to undertake factoring, to purchase book debts and receivables of companies and to lend or give credit against the same and to act as Authorized Foreign exchange dealer.

Equity Shareholding Pattern

| Name of the Shareholders | No. of equity shares of the face value of Rs. 10 each | Percentage holding (%) |
|--------------------------------------|--|-------------------------------|
| Mr. Anjanee Kumar Lakhotia | 2,79,900 | 18.08 |
| Ms. Uma Devi Lakhotia | 75,100 | 4.85 |
| Mr. Venkatesh Lakhotia | 85,000 | 5.49 |
| Surprise Commercial Private Limited | 7,18,100 | 46.38 |
| Mr. Darban Singh Nayal | 100 | 0.01 |
| Gokul Sales Private Limited | 1,20,500 | 7.78 |
| Jai Art N Image Private Limited | 83,500 | 5.39 |
| Khetan Tracon Private Limited | 20,000 | 1.29 |
| Sourabh Securities Private Limited | 20,000 | 1.29 |
| Orde Management Private Limited | 40,000 | 2.58 |
| KanyaKumari Agencies Private Limited | 30,000 | 1.94 |
| Concrete Credit Limited | 40,000 | 2.58 |
| Astrol Dealcom Private Limited | 30,000 | 1.94 |

| | | |
|---------------------------------------|------------------|------------|
| Fast & Perfect Tracon Private Limited | 6,000 | 0.39 |
| Total | 15,48,200 | 100 |

Board of directors

| Name | Nature of directorship/designation |
|----------------------------|---|
| Mr. Anjanee Kumar Lakhotia | Non Executive Director |
| Mrs. Uma Devi Lakhotia | Non Executive Director |
| Mr. Venkatesh Lakhotia | Non Executive Director |

Details of Change in Management Control

There has been no change in control or management of the promoter company during preceding three years.

Financial Performance

The brief financial details of SMH Capital Limited extracted from the audited accounts for the past three financial years are as follows:

(Rs. in lacs)

| Particulars | Year ended March 31, | | |
|---|-----------------------------|-------------|-------------|
| | 2007 | 2008 | 2009 |
| Equity capital | 49.82 | 72.42 | 154.82 |
| Reserves & Surplus (excluding revaluation reserves) | 58.55 | 299.3 | 1,094.12 |
| Total Income | 50.49 | 55.24 | 65.96 |
| Profit After Tax | 36.32 | 37.33 | 53.22 |
| EPS (Rs.) | 7.29 | 5.15 | 3.44 |
| NAV per share (Rs.) | 21.75 | 51.33 | 80.67 |

Other details relating to SMH Capital Limited

| | | |
|---|----------------------|---|
| 1 | PAN Number | AAECS4852K |
| 2 | Bank Account Details | State Bank of Mysore: A/c No: 64019503383 |

SMH Capital Limited has not been restrained by SEBI or any other regulatory authority in India from accessing the capital markets for any reason.

SMH Capital Limited is not a sick industrial unit within the meaning of clause (o) of subsection (1) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985 and is not in the process of winding up.

For further details of any outstanding litigation by and against our Corporate Promoter, please refer to the section titled “Outstanding Litigations and Material Developments” beginning page 194 of this Red Herring Prospectus.

We confirm that the details of the address of the Registrars of Companies, registration number, permanent account number and bank account number of our Corporate Promoter shall be submitted to the Stock Exchanges at the time of filing the Red Herring Prospectus with the Stock Exchanges.

Common Pursuits

For, further details on the related party transactions, to the extent of which our Company is involved, see the section titled “Related Party Transactions” beginning on page 125 of this Red Herring Prospectus.

We shall adopt the necessary procedures and practices as permitted by law to address any conflict situations, if at all and as and when they may arise.

Interest of our Promoters

Our Company has been promoted by Mr. Ram Gopal Maheshwari, Mr. Anjanee Kumar Lakhotia, Mr. Maruti Maheshwari and SMH Capital Limited. The Promoters may be deemed to be interested to the extent of the Equity Shares held by them, their friends and their relatives and benefit from holding directorship in our Company.

Except as disclosed above and in the section titled “Related Party Transactions” beginning on page 125 of the Section titled “Financial Information” and in the section titled “Our Management” beginning on page 101 of this Red Herring Prospectus, the promoters of our Company have no interest other than reimbursement of expenses incurred, normal remuneration or benefits, if any.

Interest of our Group Companies

None of our Group Companies are interested in the promotion of our Company. Except as disclosed in the section titled “Financial Statements” on page 129 and to the extent of their shareholding in our Company, our Group Companies do not have any other interest in our Company, including in relation to property or land acquired by our Company. For further details, see the section titled “Financial Statements” on page 129. Further, none of our Group companies have any interest in any transaction for construction of building and/or supply of machinery relating to our Company and do not propose to have commercial business with our Company. None of our Group companies have any interest in any property acquired by us within two years of the date of the Red Herring Prospectus with the SEBI or proposed to be acquired by it. For further details of the Equity Shares held by our Group Companies, see the section titled “Capital Structure – Notes to Capital Structure on page 25.

Interest in any property acquired by our Company within two years of the date of the Red Herring Prospectus or proposed to be acquired by our Company.

The Promoters are not interested in any property that has been acquired by our Company within two years from the date of the Red Herring Prospectus or proposed to be acquired by our Company.

Payments of benefits to our Promoters during the last two years

Except as stated in the section titled “Related Party Transactions” beginning on page 125 of this Red Herring Prospectus, there has been no payment of benefits to our Promoters during the last two years from the date of filing of this Red Herring Prospectus.

Other Confirmations

Other than as stated in the section titled “Related Party Transactions” beginning on page 125 of this Red Herring Prospectus, our Company has neither made any payments in cash or otherwise to the Promoters or to firms or companies in which our Promoters are interested as members, directors or promoters nor have our Promoters been offered any inducements to become directors or otherwise to become interested in any firm or company, in connection with the promotion or formation of our Company. Our Company has advanced loans to the Group Companies as well as received unsecured loans from the Group Companies. No interest has been charged by our Company and the members of the Promoter Group Companies.

Our Promoters and Promoter Group, including relatives of the Promoters have not been detained as willful defaulters by the RBI or any other governmental authority. Further, there are no violations of securities laws committed by our Promoters and Promoter Group in the past or are pending against them.

Companies of the promoter group/subsidiaries referred to the BIFR/ under winding up / having negative net worth

There are no companies of the promoter group and subsidiaries which are either referred to BIFR or under winding up or have negative net worth.

Sales or Purchase between companies in the Promoter Group

There have been no sales or purchases between the Group companies except as stated in the section titled “Related Party Transactions” beginning on page 125 of this Red Herring Prospectus.

Relationship amongst Board of Directors and Key Managerial Personnel

Mr. Aditya Maheshwari (Vice-President, Operations) and Mr. Anuj Maheshwari (Vice-President, Operations) are the sons of Mr. Ram Gopal Maheshwari and the brothers of Mr. Maruti Maheshwari.

Disassociation of the Promoters from other companies in the last three years:

Our Promoters have disassociated themselves from MB Magnets Private Limited.

MB Magnets Private Limited, was into manufacturing and repair of magnets with a low business profile. Mr. Ram Gopal Maheshwari, our Promoter who held 11.30% of the share capital of MB Magnets Private Limited, transferred his shareholding on August 20, 2008 to Mr. Manish Kumar Lakhotia. Mr. Maruti Maheshwari, who held 14.13% of the share capital of MB Magnets Private Limited, transferred his shareholding on December 22, 2007 to Mr. Pawan Kumar Lakhotia. The transfer of shares was done due to small size of business operations.

As on date of this Red Herring Prospectus, none of our Promoters or members of the Promoter Group hold any shares in MB Magnets Private Limited and also do not hold any managerial position or is part of the board of MB Magnets Private Limited.

Promoter Group:

Given below is the list of entities promoted which form part of our Promoter Group. The Promoter Group consists of natural persons, HUF's, private companies and partnership firms. None of them has become a sick company under the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) and are not under winding up.

Promoter Group Entities:

a. The natural persons who are part of our Promoter Group (due to the relationship with our promoters), other than the Promoters named above are as follows:

Individual Promoters

| | | | |
|--------------|------------------------------|-----------------------------|------------------------------|
| Relationship | Mr. Ram Gopal Maheshwari | Mr. Anjanee Kumar Lakhotia | Mr. Maruti Maheshwari |
| Father | Late Rameshwar Lal Lakhotia | Late Rameshwar Lal Lakhotia | Mr. Ram Gopal Maheshwari |
| Mother | Late Keshar Devi Lakhotia | Late Keshar Devi Lakhotia | Late Gayatri Devi Maheshwari |
| Brother | | Mr. Ram Gopal Maheshwari | Mr. Aditya Maheshwari |
| | | | Mr. Anuj Maheshwari |
| | Mr. Anjanee Kumar Lakhotia | | |
| | | | |
| Sister | Mrs. Kaushalya Devi Biyani | Mrs. Kaushalya Devi Biyani | N.A. |
| | Mrs. Prem Lata Mundra | Mrs. Prem Lata Mundra | |
| Spouse | Late Gayatri Devi Maheshwari | Mrs. Uma Devi Lakhotia | Mrs. Sweta Maheshwari |

| | | | |
|------------------|--------------------------|--------------------------|-------------------------|
| Children | Mr. Maruti Maheshwari | Mr. Venkatesh Lakhotia | Ms. Shristri Maheshwari |
| | Mr. Aditya Maheshwari | Mr. Ankit Lakhotia | Mr. Shubh Maheshwari |
| | Mr. Anuj Maheshwari | Ms. Deepika Lakhotia | |
| Spouse's Father | Late Satya Narayan Dhoot | Mr. Bulaki Das Karnani | Mr. Om Prakash Mohta |
| Spouse's Mother | Late Rama Devi Dhoot | Mrs. Sodhra Devi Karnani | Mrs. Prem Lata Mohta |
| Spouse's Brother | Mr. Gyan Prakash | Mr. Om Prakash Karnani | N.A. |
| | Mr. Shree Prakash | Mr. Raj Kumar Karnani | |
| | Mr. Gaya Prakash | | |
| | Mr. Daya Prakash | | |
| | Mr. Vijay Prakash | | |
| Spouse's Sister | Late Vidya Devi Kabra | Mrs. Usha Chandak | Mrs. Ekta Karnani |
| | Late Durga Devi Saboo | Mrs. Urmila Bagri | |
| | Mrs. Savitri Devi Somani | | |

Note: Mr. Pawan Kumar Lakhotia is the brother of Mr. Ram Gopal Maheshwari and Mr. Anjanee Kumar Lakhotia, however he does not form a part of the Promoter Group as he has disassociated himself from the Company since September 02, 2006 and has made a declaration to that effect dated February 13, 2008.

Mr. Shree Kumar Lakhotia is the brother of Mr. Ram Gopal Maheshwari and Mr. Anjanee Kumar Lakhotia, however he does not form a part of the Promoter Group as he has disassociated himself from the Company since July 30, 2005 and has made a declaration to that effect dated February 13, 2008.

Mr. Mahabir Prasad Lakhotia is the brother of Mr. Ram Gopal Maheshwari and Mr. Anjanee Kumar Lakhotia, however he does not form a part of the Promoter Group as he has disassociated himself from the Company since December 27, 2003 and has made a declaration to that effect dated September 26, 2006.

b. Companies, firms and HUFs which form part of our Promoter Group are as follows:

Individual Promoter:

| | Relationship | Mr. Ram Gopal Maheshwari | Mr. Anjanee Kumar Lakhotia | Mr. Maruti Maheshwari |
|---|---|--|--|--|
| 1 | Any company in which 10% or more of the share capital is held by the Promoter or an immediate relative of the Promoter or a firm or HUF in which the Promoter or any one or more of his immediate relatives is a member | 1. Prabhu International Vyapar Private Limited 2. Sahaj Promoters Private Limited. 3. SMH Capital Limited 4. SMH Infrastructure Private Limited 5. MSP Infrastructures Limited | 1. Prabhu International Vyapar Private Limited 2. Sahaj Promoters Private Limited. 3. SMH Capital Limited 4. SMH Infrastructure Private Limited 5. MSP Infrastructures Limited | 1. Prabhu International Vyapar Private Limited 2. Sahaj Promoters Private Limited. 3. SMH Capital Limited 4. SMH Infrastructure Private Limited 5. MSP Infrastructures Limited |
| 2 | Any company in which a company mentioned in (1) above, holds 10% of the total | - | - | - |

| | | | | |
|---|--|--|----------------------|---|
| 3 | Any HUF or firm in which the aggregate share of the Promoter and his immediate relatives is equal to or more than 10% of the total | Prabhu International Maruti Maheshwari (HUF) | Prabhu International | 1. Prabhu International 2. Maruti Maheshwari (HUF) |
|---|--|--|----------------------|---|

Corporate Promoter

| | Relationship | SMH Capital Limited |
|---|--|-------------------------------------|
| 1 | A subsidiary or holding company of that company | N.A. |
| 2 | Any company in which the Promoter holds 10% or more of the equity capital, or which holds 10% or more of the equity capital of the Promoter | Surprise Commercial Private Limited |
| 3 | Any company in which a group of individuals or companies or combinations thereof who hold 20% or more of the equity capital in that company, also hold 20% or more of the equity capital of the issuer company | N.A. |

Charitable Trust

The following charitable trust forms a part of our Promoter Group:

Ganpatrai Ramnarsingh Lakhota Charitable Trust

Other than those stated above, there are no partnership firms, trusts, HUFs, proprietorships or other entities that are part of the Promoter Group.

Details of our Group Companies:

1. Prabhu International Vyapar Private Limited

Prabhu International Vyapar Private Limited was incorporated on January 02, 2004. The registered office of the Company is located at 8/10, Prasad Residency, Alipore Park Road, Kolkata 700 027. They are currently carrying on the business of trading and contracting of iron and steel.

Equity Shareholding Pattern

| Name of the Shareholders | No. of equity shares of the face value of Rs. 10 each | Percentage holding (%) |
|------------------------------------|---|------------------------|
| Swapanloke Vyapaar Private Limited | 6,00,000 | 43.37 |
| Mr. Ram Gopal Maheshwari | 5,11,750 | 36.99 |
| Mr. Anuj Maheshwari | 28,000 | 2.02 |
| Mr. Maruti Maheshwari | 2,33,600 | 16.89 |
| Mr. Aditya Maheshwari | 10,100 | 0.73 |
| Total | 13,83,450 | 100 |

Board of directors

| Name | Nature of directorship/designation |
|--------------------------|------------------------------------|
| Mr. Ram Gopal Maheshwari | Chairman and Executive Director |
| Mr. Maruti Maheshwari | Non-Executive Director |

| | |
|-----------------------|------------------------|
| Mr. Aditya Maheshwari | Non-Executive Director |
| Mr. Anuj Maheshwari | Non-Executive Director |

Financial Performance

The brief financial details of the company extracted from the audited accounts for the past three financial years are as follows:

(Rs. in lacs)

| Particulars | Year ended March 31, | | |
|---|----------------------|--------|--------|
| | 2007 | 2008 | 2009 |
| Equity capital | 78.34 | 78.34 | 138.34 |
| Reserves & Surplus (excluding revaluation reserves) | 222.49 | 249.47 | 829.64 |
| Total Income | 27.48 | 101.49 | 150.07 |
| Profit After Tax | 24.3 | 26.98 | 40.17 |
| EPS (Rs.) | 3.1 | 3.44 | 2.90 |
| NAV per share (Rs.) | 38.35 | 41.84 | 69.97 |

2. MSP Infrastructures Limited

MSP Infrastructures Limited was incorporated on April 04, 2002. The registered office of the Company is located at 23A, Netaji Subhas Road, 3rd Floor, Room No. 14, Kolkata 700 001. This company was incorporated for the purposes of executing a BOT project awarded by the MPRDC. The agreement for such execution was terminated subsequently and consequently this company is not currently carrying on any business.

Equity Shareholding Pattern

| Name of the Shareholders | No. of equity shares of the face value of Rs. 10 each | Percentage holding |
|--------------------------|---|--------------------|
| Aditya Maheshwari | 100 | 0.2 |
| Maruti Maheshwari | 100 | 0.2 |
| Sweta Maheshwari | 10,100 | 20 |
| Sangita Maheshwari | 20,000 | 39.6 |
| Anuj Maheshwari | 20,000 | 39.6 |
| Darban Singh Nayal | 100 | 0.2 |
| Ram Gopal Maheashwari | 100 | 0.2 |
| Total | 50,500 | 100 |

Board of directors

| Name | Nature of directorship/designation |
|-------------------------|------------------------------------|
| Mr. Maruti Maheshwari | Non Executive Director |
| Mr. Darban Singh Nayal | Non Executive Director |
| Mr. Dinesh Singh Patwal | Non Executive Director |

Financial Performance

The brief financial details of the company extracted from the audited accounts for the past three financial years are as follows:

(Rs. in lacs)

| Particulars | Year ended March 31, | | |
|---|----------------------|------|------|
| | 2007 | 2008 | 2009 |
| Equity capital | 5.05 | 5.05 | 5.05 |
| Reserves & Surplus (excluding revaluation reserves) | - | - | - |
| Total Income | - | - | - |
| Profit After Tax | - | - | - |
| EPS (Rs.) | - | - | - |
| NAV per share (Rs.) | 8.63 | 9.04 | 9.46 |

3. Sahaj Promoters Private Limited

Sahaj Promoters Private Limited was incorporated on July 16, 2007. The registered office of the Company is located at 23A, Netaji Subhas Road, 3rd Floor, Room No. 14, Kolkata 700 001. They are currently carrying on the business of real estate development.

Equity Shareholding Pattern

| Name of the Shareholders | No. of equity shares of the face value of Rs. 10 each | Percentage holding |
|----------------------------|---|--------------------|
| Mr. Ram Gopal Maheshwari | 10,000 | 33.33 |
| Mr. Anjanee Kumar Lakhotia | 10,000 | 33.33 |
| Mr. Maruti Maheshwari | 10,000 | 33.34 |
| Total | 30,000 | 100 |

Board of directors

| Name | Nature of directorship/designation |
|----------------------------|------------------------------------|
| Mr. Ram Gopal Maheshwari | Non Executive Director |
| Mr. Anjanee Kumar Lakhotia | Non Executive Director |
| Mr. Maruti Maheshwari | Non Executive Director |

Financial Performance

The brief financial details of the company extracted from the audited accounts for since incorporation are as follows:
(Rs. in lacs)

| Particulars | Year ended March 31, | | |
|---|----------------------|-------|------|
| | 2007* | 2008 | 2009 |
| Equity capital | N.A. | 3 | 3 |
| Reserves & Surplus (excluding revaluation reserves) | N.A. | - | 0.02 |
| Total Income | N.A. | - | 0.26 |
| Profit After Tax | N.A. | -0.12 | 0.13 |
| EPS (Rs.) | N.A. | - | 0.45 |
| NAV per share (Rs.) | N.A. | 8.83 | 9.48 |

* The company was incorporated on July 16, 2007 and hence the figures for 2007 are not available.

4. Prabhu International, a sole proprietorship firm

Prabhu International was constituted on June 19, 1998 as a sole proprietorship. The firm is currently carrying on the business of trading in steel rods and other items.

Mr. Ram Gopal Maheshwari is the proprietor of Prabhu International.

Financial Performance

The brief financial details of the firm extracted from the audited accounts for the past three financial years are as follows:

(Rs. in lacs)

| Particulars | Year ended March 31, | | |
|------------------------------|----------------------|--------|--------|
| | 2007 | 2008 | 2009 |
| Proprietor's capital account | 23.14 | 23.14 | 17.85 |
| Total Income | 2,726.97 | 521.74 | 193.45 |
| Profit After Tax | 8.7 | 7.97 | 7.22 |

5. Ganpatrai Ramnarsingh Lakhota Charitable Trust

Ganpatrai Ramnarsingh Lakhota Charitable Trust (the "Trust") was formed on June 8, 1989 with its office in Kolkata.

Objects of the Trust:

The objects of the Trust shall be relief of the poor, education, medical relief and the advancement of any other object of general public utility not involving the carrying on of any activity of profit.

Trustees:

Mr. Ram Gopal Maheshwari
Mr. Mahabir Prasad Lakhota
Mr. Pawan Kumar Lakhota
Mr. Anjanee Kumar Lakhota
Mr. Shree Kumar Lakhota

Financial Performance

(Rs. In Lacs)

| Particulars | Year ended March 31, | | |
|-------------------------------------|----------------------|------|------|
| | 2007 | 2008 | 2009 |
| Trust fund | 0.64 | 0.65 | 0.65 |
| Total Income | 0.1 | 0.1 | 0.10 |
| Surplus transferred to capital fund | 0.01 | 0.01 | 0.00 |

6. Maruti Maheshwari (HUFs) which form a part of our Promoter Group

Maruti Maheshwari (H.U.F.) was formed on March 21, 2006. It derives its income from securities and commodity speculation business. Mr. Maruti Maheshwari is the Karta of the Maruti Maheshwari (H.U.F.).

Members as at the date of filing of this Red Herring Prospectus:

Mr. Maruti Maheshwari

Mrs. Sweta Maheshwari
Ms. Shristi Maheshwari
Master Shubh Maheshwari

Financial Performance

The capital of Maruti Maheshwari (H.U.F.) as at March 31, 2009 is Rs.2.37 lakhs, which is invested as under:

| Sr No. | Details | Investment (Rs in Lacs) |
|--------|--|-------------------------|
| 1 | Land | Nil |
| 2 | Investment in equity shares in Group Companies | Nil |
| 3 | Investment of equity shares of other companies | Nil |
| 4 | Loans and Advances (Net) | Nil |
| 5 | Sundry Debtors | 0.99 |
| 6 | Cash and Bank Balance | 1.38 |
| | Total | 2.37 |

The income for the year ended March 31, 2009 is Rs. 1.34 Lacs of Maruti Maheshwari (H.U.F.)

Sick companies

None of the Promoter Group Companies/ partnership firms listed above has been declared as sick industrial unit within the meaning of clause (o) of subsection (1) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985 or have been restrained by SEBI or any other regulatory authority in India from accessing the capital markets for any reason.

None of the Promoter Group Companies/ partnership firms listed above are in the process of winding up.

None of the Promoter Group Companies/ partnership firms listed above have made a public/ rights issue of their equity shares since inception.

Except as disclosed in this section, none of the Promoter Group companies have negative net worth. Further, no application has been made by any of them to RoC to strike off their names.

RELATED PARTY TRANSACTIONS

I) List of Related Parties

| Name of the Related Party | Relationship |
|--|----------------------|
| Promoters/ Directors | |
| Mr. Ram Gopal Maheshwari | Promoter Director |
| Mr. Anjaneer Kumar Lakhotia | Promoter Director |
| Mr. Maruti Maheshwari | Promoter Director |
| Mr. Bhanu Prakash Agarwal | Independent Director |
| Mr. Ashwini Kumar Singh | Independent Director |
| Mr. Kumar Singh Baghel | Independent Director |
| | |
| Subsidiary Company | |
| AAP Infrastructure Limited | Subsidiary Company |
| | |
| Joint Ventures | |
| MBL –Supreme Infrastructure India Limited JV | Joint Venture |
| MBL-Telecommunications Consultants India Limited. JV | Joint Venture |
| MBL - Calcutta Industrial Supply Corporation | Joint Venture |
| MBL - Laksheshwari Builders Private Limited | Joint Venture |
| | |
| Companies /Firms in which Promoters/Directors or their Relatives having significant influence | |
| Prabhu International Vyapar Private Limited | Group Company |
| SMH Capital Limited | Group Company |
| SMH Infrastructure Private Limited | Group Company |
| MSP Infrastructures Limited | Group Company |
| Prabhu International | Group Venture |
| Maheshwari Steel Processor | Group Venture |
| Ganpatrai Ramnarsingh Lakhotia Charitable Trust | Trust |
| | |
| Key Managerial Personnel | |
| A. Relatives of Promoters/ Directors | |

| Name of the Related Party | Relationship |
|---|--|
| Aditya Maheshwari | Son of Mr. Ram Gopal Maheshwari, Promoter of the Company |
| Anuj Maheshwari | Son of Mr. Ram Gopal Maheshwari, Promoter of the Company |
| B. Ex Promoters/ Directors | |
| Mr. Pawan Kumar Lakhotia | |
| Mr. Shree Kumar Lakhotia | |
| Mr. Mahabir Prasad Lakhotia | |
| Late Gayatri Devi Maheshwari | |
| * Note : Relatives mean only the spouse | |

II) Transaction with Related Parties

Rs in Lacs

| Name of related party | Nature of Transaction | For the year ended March 31, | | | | | Quarter ended June 30, 2009 |
|--|-----------------------------|------------------------------|----------|----------|----------|----------|-----------------------------|
| | | 2005 | 2006 | 2007 | 2008 | 2009 | |
| Promoters/ Directors | | | | | | | |
| Mr. Ram Gopal Maheshwari | Salary | 2.4 | 2.4 | - | - | - | - |
| Mr. Anjanee Kumar Lakhotia | Salary | 7.2 | 7.2 | 12 | 12 | 18 | 4.5 |
| Mr. Maruti Maheshwari | Salary | - | - | 6.75 | 9 | 15 | 3.75 |
| | | | | | | | |
| Subsidiary Company | | | | | | | |
| AAP Infrastructures Limited | Contract Receipts | 2,624.69 | 3,665.50 | 2,218.58 | 738.80 | - | |
| | Receivables at the year end | 721.01 | 1,365.91 | 2,993.98 | 1,903.85 | 2,104.85 | 2,009.01 |
| | Payables at the year end | 319.85 | - | - | - | - | |
| | Loan Given | - | - | - | 2,045.00 | 1,604.65 | 1,604.65 |
| | | | | | | | |
| Joint Ventures | | | | | | | |
| MBL –Supreme Infrastructures India Limited JV | Contract Receipts | 247.63 | 773.45 | - | 589.13 | 1,240.57 | 304.93 |
| | Receivables at the year end | 9.89 | 21.62 | - | 339 | 170.77 | 197.45 |
| MBL-Telecommunications Consultants India Limited. JV | Contract Receipts | - | - | 651.26 | 1,232.03 | 1,967.03 | 793.77 |
| | Receivables at the year end | - | - | - | 148.78 | 140.81 | 183.37 |
| MBL - Calcutta Industrial Supply Corporation | Contract Receipts | - | - | - | 1,004.90 | 2,735.39 | 1,027.34 |
| | Receivables at the year end | - | - | - | - | - | |
| MBL - Laksheshwari | Contract Receipts | - | - | - | 435.44 | 1,056.86 | 168.67 |

| Name of related party | Nature of Transaction | For the year ended March 31, | | | | | Quarter ended June 30, 2009 |
|--|------------------------------------|------------------------------|----------|----------|--------|--------|-----------------------------|
| | | 2005 | 2006 | 2007 | 2008 | 2009 | |
| Builders Private Limited | Receivables at the year end | - | - | - | 190.41 | 332.95 | 245.75 |
| Companies /Firms in which Promoters/Directors or their Relatives having significant influence | | | | | | | |
| SMH Capital Limited | Sale / (Purchase) of AAP Shares | (778.50) | - | - | - | - | - |
| | Share Application Money | - | - | - | 675.00 | - | - |
| | Receivables at the year end | - | - | - | - | - | - |
| MSP Infrastructures Limited | Equipment Hire Charges Received | - | - | - | - | - | |
| | Receivables at the year end | 436.93 | 440.58 | - | - | 2.76 | 2.76 |
| | Loan Given | | - | - | 832.50 | 658.25 | 613.25 |
| SMH Infrastructure Private Limited | Service Charges Paid | - | - | - | - | - | - |
| | Payables at the year end | - | - | - | - | - | - |
| M/s Prabhu International | Trading Purchase | - | - | - | - | - | - |
| | Purchase of Fixed Assets | - | - | - | - | 43.60 | - |
| | Trading Sales | 1,173.35 | 3,162.49 | 2,891.22 | 5.02 | - | - |
| | Receivables at the year end | 326.21 | - | - | - | - | - |
| M/s Maheshwari Steel Processor | Service Charges Paid | - | - | - | - | - | - |
| | Payables at the year end | - | - | - | - | - | - |
| M/s Prabhu International Vyapaar Private Limited | Receipt of Share Application Money | - | - | - | 825 | - | - |
| | Other Receipt | - | - | - | 11.77 | 19.37 | - |
| Key Managerial Personnel | | | | | | | |
| A. Relatives of Promoters/ Directors | | | | | | | |
| Aditya Maheshwari | Salary | - | - | 1.56 | 2.45 | 5.05 | 1.50 |
| Anuj Maheshwari | Salary | - | - | 1.52 | 2.39 | 5.04 | 1.50 |
| Ex Promoters/ Directors | | | | | | | |
| Mr. Pawan Kumar Lakhotia | Salary | 2.4 | 2.4 | - | - | - | - |
| Mr. Mahabir Prasad Lakhotia | Salary | - | - | - | - | - | - |

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board of Directors and approved by our shareholders, in their discretion, and will depend on a number of factors, including but not limited to our earnings, capital requirements and overall financial position. Our Company has no stated dividend policy.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements we may enter into to finance our projects and also the fund requirements for our projects.

For details of dividends declared by our Company, please refer to the section titled “Financial Statements” beginning on page 129 of this Red Herring Prospectus.

SECTION VI: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

AUDITORS' REPORT

The Board of Directors,
MBL Infrastructures Limited
23 A Netaji Subhas Road,
3rd Floor,
Kolkata 700 001

Reg. Public Offer of MBL Infrastructures Limited- Auditors' Report as required by Part II of Schedule II of the Companies Act, 1956.

Dear Sirs,

1. We have examined the following consolidated financial information of MBL Infrastructures Limited ("the Company") and its subsidiary AAP Infrastructure Limited ("the Subsidiary") as attached to this report stamped and initialed by us for identification and as approved by the Board of Directors which has been prepared in accordance with Paragraph B-1 Part-II of Schedule II of the Companies Act, 1956 ("the Act") and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the Regulations") issued by the Securities and Exchange Board of India (SEBI).
2. We have examined the attached restated consolidated summary statement of Assets and Liabilities of the Company and the subsidiary as at 31st March 2005, 2006, 2007, 2008, 2009 and as at June 30, 2009 (Three months) and the attached restated consolidated summary statement of Profit and Loss for each of the years ended on those dates (Except otherwise stated) ("consolidated summary statements") (see Annexure I and II) 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 appropriate and more fully described in the notes appearing in Annexure IV to this report. These consolidated summary statements have been prepared from the audited financial statements of the company and the subsidiary for the year ended 31st March, 2005, 2006, 2007, 2008 and 2009 and adopted by the members of the respective companies in the respective years in their respective shareholders' meetings and also for the quarter ended June 30, 2009 as approved by the Board of Directors. Based on our examination of these consolidated summary statements we confirm that::
 - i. The impact of changes in accounting policies adopted by the Company as and for the year ended 31st March, 2009 and for the quarter ended June 30, 2009 have been adjusted with retrospective effect in the attached consolidated summary statements:
 - ii. There are no prior period items which are required to be adjusted in the consolidated summary statements in the years to which they relate:
 - iii. There are no qualifications in the auditor's reports, which require any adjustments in the consolidated summary statements.
3. Significant Accounting Policies and the relevant notes pertaining to the consolidated audited financial statements are enclosed as Annexure IV and V respectively..
4. We have examined the following other consolidated financial information proposed to be included in the Red Herring Prospectus/ Red Herring Prospectus/Prospectus as approved by you and annexed to this report.
 - i. Summary of consolidated Cash Flows as restated in Annexure III
 - ii. Statement of consolidated rate of Dividend in Annexure VI
 - iii. Statement of consolidated Accounting Ratios in Annexure VII
 - iv. Statement of consolidated Loans and Advances in Annexure VIII
 - v. Statement of consolidated Secured Loans in Annexure IX
 - vi. Statement of consolidated Unsecured Loans in Annexure X
 - vii. Statement of consolidated Sundry Debtors in Annexure – XI
 - viii. Statement of consolidated other Current Assets in Annexure-XII

- ix. Statement of consolidated Contingent Liabilities not provided for in Annexure-XIII
 - x. Statement of consolidated Related Party Transactions in Annexure – XIV
 - xi. Statement of consolidated Other Operating Expenses in Annexure – XV
 - xii. Statement of consolidated Current Liabilities and Provisions in Annexure - XVI
5. In our opinion, the consolidated financial information of the Company as attached to this report, read with the significant accounting policies and notes on accounts and other notes contained in the aforesaid Annexures, has been prepared in accordance with Part II of Schedule II of the Act and the Regulations issued by SEBI.
6. This report is intended solely for your information for inclusion in the Red Herring Prospectus/ Red Herring Prospectus and Prospectus for the proposed Public Issue of Equity Shares by the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Yours faithfully,
For Agrawal S. Kumar & Associates
Chartered Accountants

(Mukesh Kumar Jhawar)
Partner
M.No. 061308

Date: October 15, 2009
Place: Kolkata

ANNEXURE - I
CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(Rupees In Lacs)

| Particulars | | As at 31st March | | | | | As at June 30, 2009 |
|-------------|--|------------------|-----------------|------------------|------------------|------------------|---------------------|
| | | 2005 | 2006 | 2007 | 2008 | 2009 | |
| A. | Fixed Assets: | | | | | | |
| 1 | Gross Block | 3,662.60 | 4,145.63 | 7,093.78 | 14,080.44 | 16,047.39 | 16,236.62 |
| | Less:- Depreciation | (1,358.92) | (1,662.23) | (2,134.23) | (2,661.27) | (3,600.99) | (3,821.28) |
| | Net Block | 2,303.68 | 2,483.40 | 4,959.55 | 11,419.17 | 12,446.40 | 12,415.34 |
| | Less:- Revaluation Reserve | (425.86) | (322.41) | (218.96) | (115.51) | - | - |
| | Net Block after adjustment for Revaluation Reserve | 1,877.82 | 2,160.99 | 4,740.59 | 11,303.66 | 12,446.40 | 12,415.34 |
| | Capital Work In Progress | 2,269.52 | 4,258.41 | 7,621.42 | 14.62 | - | 25.69 |
| | Total (A) | 4,147.34 | 6,419.40 | 12,362.01 | 11,318.28 | 12,446.40 | 12,441.03 |
| B | Current Assets, Loans and Advances | | | | | | |
| 3 | Inventories | 717.12 | 1,306.58 | 1,262.10 | 2,257.23 | 4,018.54 | 3,256.89 |
| 4 | Sundry Debtors | 1,950.34 | 1,896.60 | 3,085.07 | 8,652.45 | 11,999.57 | 15,201.54 |
| 5 | Cash & Bank Balances | 1,697.19 | 2,025.33 | 2,311.85 | 2,723.06 | 4,504.96 | 3,676.23 |
| 6 | Loans & Advances | 813.66 | 931.48 | 1,860.98 | 1,828.80 | 3,450.45 | 4,322.78 |
| 7 | Other Current Assets | 32.20 | 141.33 | 870.38 | 1,777.64 | 2,980.39 | 2,956.20 |
| | | 5,210.51 | 6,301.32 | 9,390.38 | 17,239.18 | 26,953.91 | 29,413.64 |
| C | Liabilities and Provisions: | | | | | | |
| 8 | Secured Loans | 2,293.77 | 3,646.36 | 5,329.48 | 7,262.61 | 12,682.70 | 13,055.21 |
| 9 | Unsecured Loans | 1,795.61 | 1,343.72 | 2,402.80 | 3,199.33 | 6,737.04 | 7,063.87 |
| 10 | Deferred Tax Liability | 385.25 | 336.02 | 338.70 | 528.52 | 865.16 | 979.11 |
| 11 | Current Liabilities & Provisions | 2,129.73 | 3,941.46 | 6,571.80 | 11,717.35 | 9,294.37 | 10,075.20 |
| | | 6,604.36 | 9,267.56 | 14,642.78 | 22,707.81 | 29,579.27 | 31,173.39 |
| D | Minority Interest | 7.00 | - | - | - | - | - |
| E | Net Worth | 2,746.50 | 3,453.16 | 7,109.61 | 5,849.65 | 9,821.04 | 10,681.27 |
| F | Represented by | | | | | | |
| 12 | Share Capital | 724.25 | 1,086.37 | 1,106.37 | 1,106.37 | 1,181.37 | 1,181.37 |
| 13 | Reserves | 2,448.97 | 2,689.72 | 6,222.46 | 4,858.79 | 8,639.67 | 9,499.90 |
| | Less: Revaluation Reserve | (425.86) | (322.41) | (218.96) | (115.51) | - | - |
| | Reserve (Net of Revaluation Reserve) | 2,023.11 | 2,367.31 | 6,003.50 | 4,743.28 | 8,639.67 | 9,499.90 |
| | | 2,747.36 | 3,453.68 | 7,109.87 | 5,849.65 | 9,821.04 | 10,681.27 |
| 14 | Less: Miscellaneous Expenditure | 0.86 | 0.52 | 0.26 | - | - | - |
| | Net Worth | 2,746.50 | 3,453.16 | 7,109.61 | 5,849.65 | 9,821.04 | 10,681.27 |

ANNEXURE - II
CONSOLIDATED STATEMENT OF PROFIT AND LOSSES

(Rupees In Lacs)

| Particulars | Year Ended March 31, | | | | | For the quarter ended June 30, 2009 |
|---|----------------------|------------------|------------------|------------------|------------------|-------------------------------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | |
| INCOME | | | | | | |
| A Income from Operation | | | | | | |
| 1 Income from Construction and Project Related Activities | 9,890.89 | 11,673.20 | 12,285.76 | 19,673.60 | 36,474.27 | 11,319.81 |
| 2 Income from Waste Management and Trading Activities | 4,395.99 | 4,142.62 | 4,778.37 | 9,723.52 | 14890.07 | 3,771.29 |
| Total | 14,286.88 | 15,815.82 | 17,064.13 | 29,397.12 | 51,364.34 | 15,091.10 |
| 3 Other Income | 12.44 | 6.50 | 6.02 | 53.10 | 63.34 | 17.99 |
| 4 Increase/(Decrease) in Waste & Trading Inventories | (94.70) | 223.84 | (219.71) | 235.90 | 18.37 | 79.07 |
| | 14,204.62 | 16,046.16 | 16,850.44 | 29,686.12 | 51,446.05 | 15,188.16 |
| B EXPENDITURE | | | | | | |
| 5 Raw materials Consumed | 4275.95 | 2601.66 | 3218.15 | 3570.05 | 10,733.67 | 4,724.52 |
| 6 Purchases of Waste and Trading Goods | 4238.51 | 4234.40 | 4443.67 | 9707.87 | 14,693.59 | 3,771.71 |
| 7 Staff Costs | 67.02 | 128.60 | 305.19 | 528.84 | 682.11 | 212.49 |
| 8 Other Operating Expenses | 4,224.17 | 7,251.24 | 6,091.41 | 11,451.12 | 17,227.47 | 3,972.71 |
| 9 Administration, Selling & Distribution Expenses | 186.28 | 236.49 | 322.56 | 332.14 | 652.58 | 158.58 |
| 10 Loss on sale of Fixed Assets | - | 0.71 | 2.82 | 2.96 | 2.53 | - |
| | 12,991.93 | 14,453.09 | 14,383.80 | 25,592.98 | 43,991.95 | 12,840.01 |
| Earning Before Interest, Depreciation, Tax & Amortization (EBIDTA) | 1,212.69 | 1,593.07 | 2,466.65 | 4,093.14 | 7,454.10 | 2,348.15 |
| Interest | 279.92 | 518.23 | 906.46 | 1,440.37 | 2,802.20 | 864.29 |
| Depreciation | 197.56 | 200.78 | 380.65 | 513.41 | 833.20 | 220.28 |
| Profit Before Tax (PBT) | 735.20 | 874.06 | 1,179.54 | 2,139.36 | 3,818.70 | 1,263.58 |
| Provision for Taxation | | | | | | |
| - Current Tax | 55.00 | 72.52 | 140.00 | 250.00 | 735.36 | 289.40 |
| - Deferred Tax | 22.22 | (49.23) | 2.68 | 189.82 | 336.64 | 113.95 |
| - Fringe Benefit Tax | - | 4.42 | 5.21 | 7.24 | 6.38 | - |
| Profit After Tax (PAT) | 657.98 | 846.35 | 1,031.65 | 1,692.30 | 2,740.32 | 860.23 |
| (Short)/ Excess Provision in respect of Income Tax for | 4.46 | (16.15) | (17.68) | (136.70) | - | - |

| | | | | | | | |
|--|--|---------------|---------------|-----------------|-----------------|-----------------|---------------|
| | Earlier years | | | | | | |
| | Net Profit as per Audited Financial Statements (A) | 662.44 | 830.20 | 1,013.97 | 1,555.60 | 2,740.32 | 860.23 |
| | Adjustments on account of restatements (B) | | | | | - | - |
| | Net Profit as restated (A) - (B) | 662.44 | 830.20 | 1,013.97 | 1,555.60 | 2,740.32 | 860.23 |
| | Balance brought forward from the previous year as restated | 338.28 | 343.55 | 617.31 | 1,251.84 | 1,142.27 | 1,693.66 |
| | Profit available for appropriation as restated | | | | | | |
| | - Proposed Dividend | 36.21 | 108.64 | 110.64 | 165.96 | 229.86 | - |
| | - Corporate Tax on Dividend | 4.73 | 15.24 | 18.80 | 28.20 | 39.07 | - |
| | - Transfer to General Reserve | 616.22 | 432.56 | 250.00 | 80.00 | 1,920.00 | - |
| | - Transfer to Capital Redemption Reserve | - | - | - | 1,391.01 | - | - |
| | Balance carried forward as restated | 343.55 | 617.31 | 1,251.84 | 1,142.27 | 1,693.66 | 2,553.89 |

ANNEXURE – III
RESTATED CASH FLOW STATEMENT

(Rupees In Lacs)

| | Particulars | year ended March 31, | | | | | Quarter ended June 30, 2009 |
|-----------|---|----------------------|-------------------|-------------------|-------------------|-------------------|-----------------------------|
| | | 2005 | 2006 | 2007 | 2008 | 2009 | |
| A. | Cash flows from Operating Activities | | | | | | |
| | Net Profit / (Loss) before Tax & Extraordinary Items | 735.20 | 874.06 | 1,179.54 | 2,139.36 | 3,818.68 | 1,263.58 |
| | Adjustments for : | | | | | | |
| | (Profit)/Loss on Sale of Fixed Assets | (1.43) | 0.71 | 2.82 | 2.96 | 2.53 | - |
| | Depreciation | 197.56 | 200.79 | 380.65 | 513.41 | 833.20 | 220.28 |
| | Preliminary Expenses Written Off | 0.14 | 0.09 | - | - | - | - |
| | Interest and Finance Charges | 279.92 | 518.24 | 906.47 | 1,440.37 | 2,802.20 | 864.29 |
| | Operating Profit before Working Capital Changes | 1,211.39 | 1,593.89 | 2,469.48 | 4,096.10 | 7,456.61 | 2,348.15 |
| | (Increase) / Decrease in Inventories | (283.96) | (589.46) | 44.48 | (995.13) | (1,761.31) | 761.65 |
| | (Increase) / Decrease in Trade and other receivable | 97.39 | (184.82) | (1,506.38) | (3,423.03) | (6,083.02) | (3,954.23) |
| | Increase / (Decrease) in Trade Payables and other Liabilities | 559.21 | 1,736.46 | 1,288.33 | 1,646.81 | (841.29) | 586.43 |
| | Cash Generated from Operations | 1,584.03 | 2,556.07 | 2,295.91 | 1,324.75 | (1,229.01) | (258.01) |
| | Direct Taxes | (50.54) | (93.10) | (162.54) | (393.94) | (527.21) | (190.85) |
| | Net Cash from Operating Activities | 1,533.49 | 2,462.97 | 2,133.37 | 930.81 | (1,756.22) | (448.85) |
| B. | Cash Flow from Investing Activities | | | | | | |
| | Additions in Fixed Assets | (2,501.79) | (4,218.48) | (4,057.04) | (3,259.99) | (1,969.08) | (214.92) |
| | Sale of Fixed Assets | 26.28 | 6.00 | 4.90 | 61.74 | 5.25 | - |
| | (Additions) / Disposals of Investments | (778.50) | (7.00) | - | - | - | - |
| | Net cash used in Investing Activities | (3,254.01) | (4,219.48) | (4,052.14) | (3,198.25) | (1,963.83) | (214.92) |
| C. | Cash Flow from Financing Activities | | | | | | |
| | Increase in Share capital (Including Share Application Money) | 120.24 | (1.60) | 20.00 | 1,500.00 | (1,425.00) | - |
| | Increase in Share Premium | - | - | 130.00 | - | 1,425.00 | - |

| | Particulars | year ended March 31, | | | | | Quarter ended June 30, 2009 |
|--|---|----------------------|-----------------|-----------------|-----------------|-----------------|-----------------------------|
| | | 2005 | 2006 | 2007 | 2008 | 2009 | |
| | Proceeds from Capital Subsidy | 1,044.00 | 1,740.00 | 348.00 | | - | - |
| | (Repayments) / Proceeds of Secured Loan | 1,244.60 | 1,352.59 | 1,702.45 | 1,933.13 | 5,420.09 | 372.50 |
| | (Repayments) / Proceeds of Unsecured Loan | 342.88 | (451.89) | 1,043.75 | 796.53 | 3,097.36 | 326.83 |
| | Dividend & Dividend Tax Paid | (29.96) | (36.21) | (132.45) | (110.64) | (212.96) | - |
| | Interest and Finance Charges | (279.92) | (518.24) | (906.46) | (1,440.37) | (2,802.54) | (864.29) |
| | Net cash from Financing Activities | 2,441.84 | 2,084.65 | 2,205.29 | 2,678.65 | 5,501.95 | (164.96) |
| | Net Increase / (Decrease) in cash and cash equivalents (A+B+C) | 721.32 | 328.14 | 286.52 | 411.21 | 1,781.90 | (828.73) |
| | Cash & Cash Equivalent (Opening Balance) | 975.87 | 1,697.19 | 2,025.33 | 2,311.85 | 2,723.06 | 4,504.96 |
| | Cash & Cash Equivalent (Closing Balance) | 1,697.19 | 2,025.33 | 2,311.85 | 2,723.06 | 4,504.96 | 3,676.23 |

ANNEXURE – IV SIGNIFICANT ACCOUNTING POLICIES

a. Principles of Consolidation

The consolidated financial statements comprise the MBL Infrastructures Limited ("the company") and its subsidiary company, AAP Infrastructure Limited as at March 31, 2009 and for the year ended on that date. The consolidated financial statements have been prepared on the following basis

- The financial statements of the company and its subsidiary are combined on a line -by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-company balances in accordance with Accounting Standard 21 on "Consolidated Financial Statements" of the Companies (Accounting Standards) Rules, 2006.
- The financial Statements of the subsidiary are drawn upto the same reporting date as that of the company, i.e. March 31, 2009.
- The consolidated financial statements are prepared to the extent possible using uniform accounting policies for the like transactions and other events in similar circumstances and are presented in the manner as the company's separate financial statements.

b. Basis of Preparation of Financial Statements

- The financial statements of the company and its subsidiary have been prepared under the historical cost convention (other than certain Fixed Assets which are stated at revalued amount) and in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956.
- The Company follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis..

c. Revenue Recognition

- Sales are recognised on dispatch of goods and net of Value Added Tax (VAT).
- In respect of construction/ project related activity, the company follows Percentage Completion Method. Percentage of Completion is determined by survey of work performed / physical measurement of work

actually completed at the Balance Sheet date taking into account contractual price/ unit rates and revision thereto.

- iii. Revenue in respect of claims is recognised to the extent the Company is reasonably certain of their realisation.
 - iv. Full provision is made for any loss in the period in which it is foreseen.
 - v. Other operational income is recognized on rendering of related services, as per the terms of the contracts.
 - vi. Other items of income are accounted as and when the right to receive arises.
 - vii. Fee collections from users of facilities are accounted for as and when the amount is due and recovery of which is certain. Such collections are taken on revenue account on commencement of commercial operation of the Built- operate - Transfer Road as per the concession agreement.
- d. Each Contract is recognised as a Profit Centre. Payments/ reimbursements under the same are grouped under Direct and Other Expenses.

e. Fixed Assets and Depreciation

- i. Fixed Assets are stated at their original cost adjusted by revaluation of certain Plant and Machinery. Cost includes acquisition price, attributable expenses and pre-operational expenses. Fixed Assets retired from active use are valued at Net Realisable Value.
- ii. Depreciation on fixed assets is provided on straight line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over their remaining useful life.
- iii. Assets acquired on Equipment Finance (hire purchase) are stated at their cash values.
- iv. The difference between depreciation provided based on revalued amount and that on historical cost is transferred from Revaluation Reserve to Profit and Loss Account.
- v. Carriage Ways, being right to operate and maintain highways on BOT basis is capitalized on commencement of commercial operation of homogenous section as per concession agreement. Expenditure incurred during the construction period including borrowing cost attributable to the homogenous section is proportionately allocated and is netted off proportionate capital subsidy.
- vi. Intangible assets are amortised over the period of concessionaire agreement

f. Foreign Currency Transactions

- i. The reporting currency of the company is the Indian Rupee.
- ii. Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- iii. Monetary items denominated in foreign currencies, if any, at the end of the year are restated at year end rates.
- iv. Non monetary foreign currency items are carried at cost.
- v. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss account.

g. Leases

The company's significant leasing arrangements are in respect of operating leases for premises. The aggregate lease rents payable are charged as rent in the Profit and Loss Account.

h. Inventories

Stock of goods is valued at cost or net realisable value whichever is lower. Cost of inventories is ascertained on FIFO basis.

i. Taxes on Income

- i. Provision for current tax is made after taking into consideration benefits admissible under the provision of the Income Tax Act, 1961.
- ii. Deferred Tax resulting from "timing difference" between book and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the asset will be adjusted in future.

In case of unabsorbed depreciation and losses, deferred tax assets are recognised and carried forward only to the extent there is a virtual certainty that the asset will be adjusted in future.

j. Employees' Benefits

- i. All employees benefits payable wholly within twelve months of rendering the service such as salaries, wages, short term compensated absences, etc. and the expected cost of bonus, ex-gratia are recognized in the period in which the employees renders the related service.
- ii. Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit & Loss Account of the year when the contributions to the respective funds are approved. There are no obligations other than the contributions payable to the respective funds.

Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial valuation made at the end of each financial year.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation.

Actuarial Gains / losses are immediately taken to Profit and Loss Account and are not defined.

k. Accounting for Joint Venture Contracts

- i. Contracts executed in joint Venture under work sharing arrangement (consortium) are accounted in accordance with the accounting policy followed by the company as that of an independent contract to the extent work is executed.
- ii. Assets, liabilities and expenditure arising out of contracts executed wholly by the company pursuant to a joint venture contract are recognised under respective heads in the financial statements. Income from the contract is accounted net of joint venturers' share under turnover in the financial Statements.
- iii. Share of turnover attributable to the company in respect of contracts executed by the other joint venture partners pursuant to Joint Venture Agreement, is accounted under turnover in these financial statements.

l. Impairment of Assets

The carrying amount of assets is reviewed at each Balance Sheet date to determine if there is any indication of impairment thereof based on external / internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount, which represents the greater of the net selling price of assets and their "value in use". The estimated future cash flows are discounted to their present value at appropriate rate arrived at after considering the prevailing interest rates and weighted average cost of capital.

m. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes to the accounts. Contingent assets are neither recognised nor disclosed in the financial statements.

ANNEXURE – V

Notes to the Accounts

a. The Subsidiary Company and Joint Venture considered in the Consolidated Financial Statement are:

(Rs. In lacs)

| | Name of Subsidiary/ Joint Ventures | Proportion of Ownership Interests |
|------|---|--|
| (i) | Subsidiary Company | |
| | AAP Infrastructure Limited | 100% |
| (ii) | Joint Ventures: | |
| | MBL-Supreme (JV) | 60% |
| | MBL-Telecommunications Consultants India Limited (JV) | 51% |
| | MBL-Calcutta Industrial Supply Corporation (JV) | 60% |
| | MBL - Lakheshwari Builders Private Limited (JV) | 60% |

b. Disclosure in respect of Joint Ventures :

(Rs. In lacs)

| List of Joint Ventures: | Proportion of Ownership Interests | Assets | Liabilities | Income | Expenses |
|---|-----------------------------------|--------|-------------|----------|----------|
| MBL-Supreme (JV) | 60% | - | - | 1,240.57 | 1,132.02 |
| MBL-Telecommunications Consultants India Limited (JV) | 51% | - | - | 1,967.03 | 1,596.09 |
| MBL-Calcutta Industrial Supply Corporation (JV) | 60% | - | - | 2,735.79 | 2,581.64 |
| MBL - Laksheshwari Builders Private Limited (JV) | 60% | - | - | 1,056.86 | 1,001.41 |

c. Earnings per Share

| | | Quarter ended June 30, 2009 | For the year ended March 31, 2009 | For the year ended March 31, 2008 | For the year ended March 31, 2007 |
|------|---|-----------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| i. | Profit Computation for earning per share of Rs.10/- each | | | | |
| | Net Profit as per Profit & Loss Account before earlier years' tax | 860.23 | 2,740.32 | 1,692.30 | 1,031.65 |
| | Net Profit as per Profit & Loss Account after earlier years' tax | 860.23 | 2,740.32 | 1,555.60 | 1,013.97 |
| ii. | Weighted average number of equity shares for EPS Computation | | | | |
| | For Basic EPS (No.) | 1,18,13,727 | 1,18,13,727 | 1,10,63,727 | 1,10,34,000 |
| | For Diluted EPS (No.) | 1,18,13,727 | 1,18,13,727 | 1,18,13,727 | 1,10,34,000 |
| | | | | | |
| iii. | Basic EPS (weighted average) | | | | |
| | Basic EPS (before earlier years' tax) (Rs.) | 29.13 (Annualized) | 23.20 | 15.30 | 9.35 |
| | Basic EPS (after earlier years' tax) (Rs.) | 29.13 (Annualized) | 23.20 | 14.06 | 9.19 |
| | | | | | |
| iv. | Diluted EPS (Weighted average) | | | | |
| | Diluted EPS (before earlier years' tax) (Rs.) | 29.13 (Annualized) | 23.20 | 14.32 | 9.35 |
| | Diluted EPS (after earlier years' tax) (Rs.) | 29.13 (Annualized) | 23.20 | 13.17 | 9.19 |

d. Employees Benefits

The Disclosure as per Accounting Standard (AS) 15 (revised 2005) of the Companies (Accounting Standards) Rules, 2006 is as under -

(Rs. in lacs)

| | | 2008-09 | 2007-2008 | 2006-2007 |
|-------|--|---------|-----------|-----------|
| (i) | Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation: | | | |
| | Obligation at the beginning of the financial year | 13.88 | 9.29 | 4.39 |
| | Service Cost | 2.50 | 5.71 | 5.64 |
| | Interest on Defined Benefit obligation | 0.96 | 0.74 | 0.35 |
| | Benefits Settled | (0.43) | - | - |
| | Actuarial (Gain)/ Loss | (9.05) | (1.87) | (1.08) |
| | Past Service Cost | - | - | - |
| | Obligation at the end of the financial year | 7.85 | 13.88 | 9.29 |
| | | | | |
| (ii) | Change in Plan assets | | | |
| | Plan assets at the beginning of the financial year, at fair value | - | - | - |
| | Expected return on plan assets | - | - | - |
| | Actuarial gain/ (loss) | - | - | - |
| | Assets distributed on settlements | - | - | - |
| | Contributions (estimated) | 0.43 | - | - |
| | Benefits settled | (0.43) | - | - |
| | Plan assets at the end of the financial year, at fair value | - | - | - |
| | | | | |
| (iii) | Reconciliation of Present Value of the obligation and the fair value of the plan assets: | | | |
| | Closing PBO | 7.85 | 13.88 | 9.29 |
| | Closing Fair Value of plan assets | - | - | - |
| | Closing Funded status | (7.85) | (13.88) | (9.29) |
| | Unrecognised actuarial (gains)/ losses | - | - | - |
| | | | | |
| (iv) | Unfunded net asset/ (liability) recognised in the balance sheet | (7.85) | (13.88) | (9.29) |
| | | | | |
| (v) | Expenses recognised in the Profit & Loss Account | | | |
| | Service Cost | 2.50 | 5.71 | 5.63 |
| | Interest Cost | 0.96 | 0.74 | 0.35 |

| | | 2008-09 | 2007-2008 | 2006-2007 |
|--------|---|---------|-----------|-----------|
| | Expected return on plan assets | - | - | - |
| | Actuarial (gains)/ loss | (9.05) | (1.87) | (1.08) |
| | Net Gratuity Cost | (5.59) | 4.58 | 4.91 |
| | | | | |
| (vi) | The basis used to determine the overall expected rate of return on assets including major categories of plan assets is as follows: - NA | | | |
| (vii) | Assumptions | | | |
| a. | Interest Rate | 7% | 8% | 8% |
| b. | Discounting Factor | 7% | 8% | 8% |
| c. | Estimated Rate of Return on Plan Assets | 0% | 8% | 8% |
| d. | Salary Increase | 6% | 6% | 6% |
| e. | Attrition rate | 5% | 5% | 5% |
| f. | Retirement Age (Years) | 58 | 58 | 58 |
| | | | | |
| (viii) | The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. | | | |

e. Segment Reporting

In terms of Accounting Standard 17 of The Companies (Accounting Standards) Rules, 2006 information about Primary Business Segment is as under:

| | | | | (Rs.in Lacs) |
|---|-------------------------|-----------|-------------|--------------|
| Particulars | Business Segments | | | Total |
| | Infrastructure Activity | Others | Unallocable | |
| Segment Revenue | 36,474.27 | 14,890.07 | 63.34 | 51,427.68 |
| | 19,673.60 | 9,723.52 | 53.10 | 29,450.22 |
| Segment Result before Interest & Taxes (PBIT) | 6,392.52 | 195.12 | 33.26 | 6,620.90 |
| | 3,366.92 | 166.93 | 45.88 | 3,579.73 |
| Interest & Finance Charges | | | | 2,802.20 |
| | | | | 1,440.37 |
| Profit before Tax (PBT) | | | | 3,818.70 |
| | | | | 2,139.36 |
| Taxes | | | | 1,078.38 |
| | | | | 583.76 |
| Profit after Tax (PAT) | | | | 2,740.32 |
| | | | | 1,555.60 |
| Segment Assets | 35,972.65 | 2,083.93 | 1,343.73 | 39,400.31 |
| | 25,321.12 | 1,559.18 | 1,792.67 | 28,672.97 |
| Segments Liabilities | 24,480.77 | 3,839.46 | 393.87 | 28,714.10 |
| | 16,194.09 | 2,314.73 | 2,170.47 | 20,679.29 |
| Segment Capital Expenditure | 1,947.26 | - | 36.44 | 1,983.70 |

| | Business Segments | | | Total |
|----------------------|-------------------------|--------|-------------|----------|
| Particulars | Infrastructure Activity | Others | Unallocable | |
| | 7,035.46 | 3.77 | 101.95 | 7,141.18 |
| Segment Depreciation | 786.49 | 16.60 | 30.11 | 833.20 |
| | 491.78 | 16.45 | 5.18 | 513.41 |

Previous years figures are in italic

Notes:

- i. The company has disclosed Business Segment as the primary segment. Segments have been identified taking into account the business activity, organisational structure and internal reporting system. The company's operations predominantly relate to Infrastructure, Construction and maintenance.
- ii. Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis.
- iii. There are no reportable geographical segment.

f. Disclosure of related parties / related party transactions:

As per Accounting Standard (AS) - 18 of The Companies (Accounting Standards) Rule, 2006, the Company's related party disclosure is as under:

| | | |
|-----------|--|--|
| A. | List of Related Parties: | |
| i | Key Management Personnel: | a) Mr. Ram Gopal Maheshwari |
| | | b) Mr. Anjanee Kumar Lakhotia |
| | | c) Mr. Maruti Maheshwari |
| | | d) Mr. Aditya Maheshwari |
| | | e) Mr. Anuj Maheshwari |
| ii | Joint Ventures: | a) MBL - Telecommunications Consultants India Limited (JV) |
| | | b) MBL - Supreme (JV) |
| | | c) MBL - Calcutta Industrial Supply Corporation (JV) |
| | | d) MBL - Lakheshwari Builders Private Limited (JV) |
| iii | Director having significant influence: | a) Prabhu International, Proprietary Concern of a Director |
| | | b) Prabhu International Vyapaar Private Limited |
| | | c) SMH Capital Limited |
| | | d) MSP Infrastructures Limited |
| | | e) Sahaj Promoters Private Limited |
| B. | Names of the related parties with whom transactions were carried out during the year and description of relationship: | |
| a. | Key Management Personnel: | a) Mr. Ram Gopal Maheshwari |
| | | b) Mr. Anjanee Kumar Lakhotia |
| | | c) Mr. Maruti Maheshwari |
| | | d) Mr. Aditya Maheshwari |
| | | e) Mr. Anuj Maheshwari |

b. Transactions with related parties

(Rs. In Lacs)

| | Subsidiary Company/ proprietary concern | Joint Ventures | Key Management Personnel | Enterprises owned/ significantly influenced by Key Management Personnel |
|---|--|-------------------|--------------------------------|---|
| Payments: | | | | |
| Salary | | | | |
| Anjanee Kumar Lakhotia | - | - | 18.00 | - |
| | - | - | 12.00 | - |
| Maruti Maheshwari | - | - | 15.00 | - |
| | - | - | 9.00 | - |
| Aditya Maheshwari | - | - | 5.05 | - |
| | - | - | 2.45 | - |
| Anuj Maheshwari | - | - | 5.04 | - |
| | - | - | 2.39 | - |
| Purchase of Fixed Assets | | | | |
| Prabhu International | 43.60 | | | |
| | | | | |
| Loan | | | | |
| MSP Infrastructures Limited | 658.25 | | | |
| | 832.50 | - | - | - |
| Receipts: | | | | |
| Sale to Prabhu International | - | - | - | - |
| | 5.02 | - | - | - |
| Prabhu International Vyapaar Private Limited | 19.37 | | | |
| | 11.77 | | | |
| MBL- Supreme (JV) | - | 1,240.57 | - | - |
| | - | 589.13 | - | - |
| MBL-Telecommunications Consultants India Ltd. JV. | - | 1967.03 | - | - |
| | - | 1,232.03 | - | - |
| MBL-Calcutta Industrial Supply Corporation (JV) | - | 2735.79 | - | - |
| | - | 1,004.90 | - | - |
| MBL - Lakheshwari Builders Pvt.Ltd. (JV) | | 1056.86 | | |
| | - | 435.44 | - | - |

| | Subsidiary Company/ proprietary concern | Joint Ventures | Key Management Personnel | Enterprises owned/ significantly influenced by Key Management Personnel |
|--|--|----------------|--------------------------|---|
| Share Application Money Pending Allotment: | | | | |
| Prabhu International Vyapaar Pvt. Ltd. | - | - | - | 825.00 |
| | - | - | - | - |
| SMH Capital Limited | - | - | - | 675.00 |
| | - | - | - | - |
| Amount Receivable at year end: | | | | |
| MBL- Supreme (JV) | - | 170.77 | - | - |
| | - | 339.00 | - | - |
| MBL-Telecommunications Consultants India Limited JV. | - | 140.81 | - | - |
| | - | 148.78 | - | - |
| MBL - Lakshewari Builders Private Limited (JV) | | 332.95 | | |
| | - | 190.41 | - | - |
| MSP Infrastructures Limited | 2.76 | - | - | - |
| | - | - | - | - |

g. Deferred Tax Liability (Net)

(Rs. In Lacs)

| | | | Deferred Tax Liability / (Assets) as at 01.04.2008 | Current year Charge/ (Credit) | Deferred Tax Liability/(Assets) as at 31.03.2009 |
|---------------------------------------|---------------------------------------|--------------|---|----------------------------------|---|
| Deferred Tax Liabilities | | | | | |
| i) | Difference between book and | | | | |
| | Tax depreciation | | 369.60 | 172.00 | 541.60 |
| iii) | Others | | 209.24 | 163.46 | 372.70 |
| | | (A) | 578.84 | 335.46 | 914.30 |
| Deferred Tax Assets | | | | | |
| | Arising on account of Business Losses | | 50.32 | (1.18) | 49.14 |
| | | (B) | 50.32 | (1.18) | 49.14 |
| Deferred Tax Liabilities (Net) | | (A-B) | 528.52 | 336.64 | 865.16 |

- h. There are no Micro, Small and Medium Enterprises, to whom the company owes dues, which are outstanding for more than 30 days as at 31st March, 2009. This information as required to be disclosed under Micro, Small, Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.
- i. Interest income on Fixed Deposits of Rs. 180.11 lacs (Tax Deducted at Source Rs. 55.51 lacs) (previous year Rs. 158.65 lacs, Tax Deducted at Source Rs. 15.32 lacs) is adjusted against Interest and Finance Charges.

j. Contingent Liabilities

(Rs. In Lacs)

| | As at June 30, 2009 | As at 31.03.2009 | As at 31.03.2008 |
|---|--------------------------------|-----------------------------|-----------------------------|
| i) Claims against the Company / disputed Liabilities not acknowledged as Debts (to the extent ascertained) | 863.93 | 863.93 | 865.93 |
| ii) Disputed Income Tax demand for the assessment year 2004-05 and 2005-2006 against which appeal has been preferred by the company * | 343.33 | 343.33 | 578.37 |
| iii) Stamp Duty demand under BOT Agreement | 120.00 | 120.00 | 120.00 |

* The Company had preferred an appeal against disputed Income Tax Demand for the Assessment year 2004-05 and 2005-06 which was allowed by CIT (Appeals). Income Tax Department has preferred appeal before the Income Tax Appellate Tribunal in respect of the same.

- k. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 25.76 lacs (Previous year Rs. 438.49 lacs).
- l. Outstanding Bank Guarantees as on 31st March 2009 amounts to Rs. 13,570.89 lacs (Previous year Rs. 13,186.21 lacs).
- m. Equipment by vehicle finance availed from Banks and others are secured by Hypothecation of Specific assets; comprising plant and machinery, construction equipment and vehicles acquired out of the said loans and personal guarantee of certain directors
- n. Working Capital facilities : Cash credit facilities and working capital demand loans from consortium of banks are secured by :
- Hypothecation against first charge on book debts and other current assets of the Company, both present and future, ranking pari-passu with consortium banks.
 - Hypothecation against First charge on all unencumbered fixed assets of the company both present and future, ranking pari-passu with consortium banks
 - Equitable mortgage of certain properties (land and buildings).
 - Personal Guarantees of certain Directors
- o. Term Loan from Bank is secured by
- Road on BOT Basis
 - Personal Guarantees of certain directors
 - Corporate Guarantee of the holding company and pledge of equity shares of the company held by the holding company.
- p. Information in accordance with the requirements of the Accounting Standard (AS-7) as per Companies (Accounting Standards) Rule, 2006 :

(Rs. In Lacs)

| | 2008-2009 | June 30, 2009 |
|---|------------------|--------------------------|
| Contract revenue recognized for the year ended 31st March, 2009 and for the period ended June 30, 2009 | 35,694.08 | 11,116.27 |
| Aggregate amount of contract costs incurred and Recognized profits (Less recognized losses) up to 31st March, 2009 and upto June 30, 2009 for all the contracts in progress | 57,470.80 | 46,281.42 |
| The amount of customer advances outstanding for Contracts in progress as at 31st March, 2009 and as at June 30, 2009 | 5,697.32 | 3,597.32 |

| | 2008-2009 | June 30, 2009 |
|---|-----------|---------------|
| The amount of retention due from customers for contracts in progress as at 31st March, 2009 and as at June 30, 2009 | 956.81 | 956.81 |
| Gross amount due from customers for contracts in progress | 12,475.82 | 12,475.82 |

q. Additional Information under Part II of Schedule VI to the Companies Act, 1956

A. Turnover, Purchases, Closing and Opening Stocks:

Class of Goods:

a) Iron & Steel

(Rs. In Lacs)

| | 2008-2009 | | June 30, 2009 | |
|---------------------------------------|------------|-----------|---------------|----------|
| | Qty(MT) | Value | Qty(MT) | Value |
| Opening Stock | 11,68.014 | 367.76 | 1,101.474 | 386.13 |
| Purchase (Net of Wastage / Excess) | 63,245.675 | 14,693.59 | 11,532.204 | 3,771.71 |
| | | | | |
| Sales | 63,312.215 | 14,890.07 | 11,352.920 | 3,771.29 |
| Closing Stock | 1,101.474 | 386.13 | 1,280.758 | 465.25 |

b) Construction Material

The company is mainly engaged in the business of infrastructure construction. Keeping in view of the job difficulties in different sites and projects, no quantitative detail of stock, production, turnover and consumption of raw materials are furnished..

r. i) Expenditure in foreign exchange – Nil (Previous year Nil)

ii) Earnings in foreign exchange – Nil (Previous year Nil)

s. Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary

ANNEXURE – VI

STATEMENT OF RATE OF DIVIDEND

| Particulars | Year ended March 31, | | | | |
|---------------------------------------|----------------------|------------|------------|------------|------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 |
| Equity Shares | | | | | |
| Paid-up Share Capital (Rs. In Lacs) | 724.25 | 1,086.37 | 1,106.37 | 1,106.37 | 1,181.37 |
| Face Value (Rs.) | 10 | 10 | 10 | 10 | 10 |
| Rate of Dividend | 5.00% | 10.00% | 10.00% | 15.00% | 20.00% |
| Dividend Amount (Rs. In Lacs) | 36.21 | 108.64 | 110.64 | 165.96 | 229.86 |
| Corporate Dividend Tax (Rs. In Lacs) | 4.73 | 15.24 | 18.80 | 28.20 | 39.07 |
| No of Equity Shares of Rs. 10 Each | 7,242,485 | 10,863,727 | 11,063,727 | 11,063,727 | 11,813,727 |

ANNEXURE-VII
SUMMARY OF ACCOUNTING RATIOS

| Particulars | Year ended March 31, | | | | | Quarter ended June 30, 2009 |
|---|----------------------|------------|------------|------------|------------|-----------------------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | |
| Earning Per Shares (EPS) | 6.10 | 7.64 | 9.19 | 14.06 | 23.20 | 29.13 (Annulaized) |
| RETURN ON NETWORTH-% | 24.12% | 24.04% | 14.26% | 26.59% | 27.90% | 32.21% (Annulaized) |
| Net Assets Value Per Share (Rs.) | 25.28 | 31.79 | 64.43 | 52.87 | 83.13 | 90.41 |
| Profit after Tax (Rs. In Lac) | 662.44 | 830.20 | 1,013.97 | 1,555.60 | 2,740.32 | 860.23 |
| Net Worth (Rs. In Lacs) | 2,746.50 | 3,453.16 | 7,109.61 | 5,849.65 | 9,821.04 | 10,681.27 |
| Weighted Average No of Shares outstanding | 10,863,727 | 10,863,727 | 11,034,000 | 11,063,727 | 11,813,727 | 11,813,727 |
| No of Shares outstanding | 7,242,485 | 10,863,727 | 11,063,727 | 11,063,727 | 11,813,727 | 11,813,727 |

Notes:

The above ratios have been computed as below:

| | |
|---------------------------------|---|
| Earning Per Share | Profit after tax |
| | Weighted average number of Equity Shares outstanding during the year |
| | |
| Return on Net Worth (%) | Profit after tax |
| | Net Worth at the end of the year |
| | |
| Net Asset Value per Share (Rs.) | Net Worth at the end of the year |
| | Weighted average number of Equity Shares outstanding at the end of the year |

1. Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year, adjusted by the number of Equity Shares issued during the year multiplied by the time-weighting factor. The time-weighting factor is the number of days for which the specific shares are outstanding as a proportion of the total number of days during the year.

2. Profit after Tax, as appearing in the Statement of Profit & Loss of the respective years as restated has been considered for the purpose of computing the above ratios. These ratios are computed on the basis of Unconsolidated Financial Statements of the company.

3. Earnings per Share calculation are done in accordance with Accounting Standard 20 "Earning Per Share" issued by the Institute of Chartered Accountants of India..

4. During the year ended March 31st 2006, the company has made allotment of 3,621,242 Equity Shares as bonus shares on 31.03.2006.

5. Net Worth means Equity Share Capital + Reserves & Surplus (excluding asset revaluation reserve) - Misc. Expenditure not written off or adjusted.

ANNEXURE-VIII
STATEMENT OF LOANS & ADVANCES

(Rs. in Lacs)

| Particulars | As at March 31, | | | | | As at June 30, 2009 |
|--|-----------------|---------------|-----------------|-----------------|-----------------|---------------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | |
| Advances in cash or kind or for value to be received | 813.66 | 836.56 | 1,760.13 | 1,699.28 | 3,450.45 | 4,322.78 |
| Advance Payment of Taxes net of Provisions | - | 94.92 | 100.85 | 129.52 | - | - |
| Total | 813.66 | 931.48 | 1,860.98 | 1,828.80 | 3,450.45 | 4,322.78 |

ANNEXURE- IX
STATEMENT OF SECURED LOANS

| Particulars | As at March 31, | | | | | As at June 30, 2009 |
|---|-----------------|-----------------|-----------------|-----------------|------------------|---------------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | |
| LONG TERM LOANS | | | | | | |
| Schedule Bank | 899.07 | 1,998.26 | 2,214.43 | 2,012.04 | 1,765.96 | 1,716.18 |
| SHORT TERM LOANS: | | | | | | |
| Scheduled Bank | 709.00 | 935.31 | 1,566.42 | 4,063.52 | 9,135.17 | 9,672.00 |
| Equipment Finance (Secured by the hypothecation of the equipments acquired under finance) | 685.70 | 712.79 | 1,548.63 | 1,187.05 | 1,781.57 | 1,667.03 |
| Total Secured Loans | 2,293.77 | 3,646.36 | 5,329.48 | 7,262.61 | 12,682.70 | 13,055.21 |

LONG TERM LOANS

| Institution/ Bank | Amount outstanding as on March 31, 2009 | Rate of Interest p.a. % | Repayment Terms | Securities Offered |
|----------------------|---|-------------------------|-----------------|---|
| Punjab National Bank | 1,765.96 | 12.00% | As given below | Secured by the Road on BOT basis, Personal guarantee of directors, corporate guarantees of holding company and pledge of equity shares of the company held by the holding company |
| Total | 1,765.96 | | | |

Repayment terms of the Term Loan
First 4 Qtly Inst of Rs.27.50 Lacs
Next 12 Qtly Inst of Rs.55.00 Lacs
Next 12 Qtly Inst of Rs.82.50 Lacs
Next 4 Qtly Inst of Rs.110.00 Lacs

EQUIPMENT FINANCE LOANS

Rs. in Lacs

| Institution/ Bank | Amount Outstanding as on March 31, 2009 | Rate of Interest p.a. (%) | Repayment Terms | Securities Offered |
|--|---|---------------------------|-----------------|--------------------------------------|
| ICICI Bank Limited | 35.46 | 8.25%-16.0% | 23 -47 Months | Hypothecation of Equipments Financed |
| Reliance Capital Limited | 6.43 | 12.00% | | |
| HDFC Bank Limited | 59.82 | 6.51%- 13.65% | | |
| L & T Finance Limited | 117.01 | 10.03% - 13.75% | | |
| SREI International Finance Limited | 710.26 | 9.10% - 16.00% | | |
| Sundaram Finance Limited | 0.88 | 7.91% - 10.31% | | |
| Standard Chartered Bank | 821.81 | 10.05% - 14.0% | | |
| Magma Fincorp Limited | 7.15 | 12.25% | | |
| Tata Finance Limited | 2.99 | 13.51% | | |
| Telecommunication Consultant India Limited | 7.26 | 10.00% | | |
| | 1,769.07 | | | |

Refer to Note No. 5 of Annexure IV pertaining to Secured Loans.

CREDIT FACILITIES FROM BANKS AS ON 31ST MARCH 2009

Rs in Lacs

| Name of Bank | Fund Based | Non Fund based | Total Limits |
|--------------------------------|--------------|----------------|---------------|
| State Bank of Mysore | 1,200 | 6,800 | 8,000 |
| State Bank of Patiala | 900 | 5,500 | 6,400 |
| State Bank of Hyderabad | 1,000 | 3,500 | 4,500 |
| State Bank of Bikaner & Jaipur | 530 | 5,120 | 5,650 |
| Bank of India | 720 | 2,925 | 3,645 |
| HSBC Limited | 500 | 1,500 | 2,000 |
| State Bank of Travencore | 1,000 | 2,000 | 3,000 |
| Standard Chartered Bank | 1,000 | 2,500 | 3,500 |
| Yes Bank Limited | 750 | 1,250 | 2,000 |
| Oriental Bank of Commerce | 500 | 2,000 | 2,500 |
| Barclays Bank PLC | 900 | 1,905 | 2,805 |
| Total | 9,000 | 35,000 | 44,000 |

DETAILS OF CASH CREDIT OUSTANDING AS ON 31ST MARCH 2009

| Institution / Bank | Amount Outstanding AS per Books | Rate of Interest p.a. (%) | Securities Offered |
|-----------------------|---------------------------------|---------------------------|--|
| State Bank of Mysore | 960.98 | 12.00% | The loans are secured by way of First Charge against movable & immovable |
| State Bank of Patiala | 889.64 | 12.00% | |

| | | | |
|--------------------------------|-----------------|--------|---|
| State Bank of Hyderabad | 929.21 | 12.25% | properties including raw materials, Work-in-progress, Work Completed and Book Debts and Personal Guarantee of Certain Directors |
| State Bank of Bikaner & Jaipur | 529.15 | 13.00% | |
| Bank of India | 718.90 | 11.75% | |
| State Bank of Travancore | 971.45 | 12.25% | |
| Standard Chartered Bank | 998.02 | 12.00% | |
| Yes Bank Limited | 745.80 | 12.00% | |
| Oriental Bank of Commerce | 499.65 | 11.75% | |
| Barclays Bank PLC | 900.00 | 12.00% | |
| HSBC Limited | 500.00 | 12.00% | |
| IndusInd Bank | 492.37 | 13.00% | |
| | 9,135.17 | | |

ANNEXURE-X
STATEMENT OF UNSECURED LOANS

| Particulars | As at March 31, | | | | | Rs. in Lacs |
|--------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | As at June 30, 2009 |
| Deposits From Bodies Corporate | - | - | - | - | 21.01 | 13.26 |
| Advances against contracts | 1,795.61 | 1,343.72 | 1,081.91 | 3,199.33 | 3,716.03 | 4,050.61 |
| Loan from Bank | | | | | 3,000.00 | 3,000.00 |
| 8% Convertible Debenture | - | - | 1,320.89 | - | - | - |
| Total Unsecured Loans | 1,795.61 | 1,343.72 | 2,402.80 | 3,199.33 | 6,737.04 | 7,063.87 |

ANNEXURE- XI
STATEMENT OF SUNDRY DEBTORS

| Particulars as at | As at March 31, | | | | | Rs. in lacs |
|--|-----------------|-----------------|-----------------|-----------------|------------------|---------------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | As at June 30, 2009 |
| Debt outstanding for a period exceeding Six months | 163.10 | 256.37 | 180.77 | 71.17 | 41.36 | 49.63 |
| Debt outstanding for a period not exceeding six months | 1,787.24 | 1,640.23 | 2,904.30 | 8,581.28 | 11,958.21 | 15,151.91 |
| Total Sundry Debtors | 1,950.34 | 1,896.60 | 3,085.07 | 8,652.45 | 11,999.57 | 15,201.54 |

ANNEXURE- XII
STATEMENT OF OTHER CURRENT ASSETS

Rs. in Lacs

| Particulars | As at March 31, | | | | | As at June 30, 2009 |
|-----------------------------|-----------------|---------------|---------------|-----------------|-----------------|---------------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | |
| Security and other deposits | 20.34 | 100.40 | 851.88 | 1,722.30 | 2,895.45 | 2,862.93 |
| Accrued interest | 11.86 | 40.93 | 18.50 | 55.34 | 84.94 | 93.27 |
| Others | - | - | - | - | - | - |
| Total | 32.20 | 141.33 | 870.38 | 1,777.64 | 2,980.39 | 2,956.20 |

ANNEXURE-XIII
STATEMENT OF CONTINGENT LIABILITIES NOT PROVIDED FOR

Rs. in Lacs

| Particulars | As at March 31, | | | | | As at June 30, 2009 |
|---|-----------------|---------------|---------------|-----------------|-----------------|---------------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | |
| Claim against the Company/Disputed Liabilities not acknowledged as Debts | 88.36 | 200.25 | 341.31 | 863.93 | 863.93 | 863.93 |
| Disputed IT demand for the A.Y.2004-05 and 2005-06 against which appeal * | - | - | - | 578.37 | 343.33 | 343.33 |
| Bank Guarantees/Letter of Credit Issued by banks on behalf of the company (Net of Margin) | 0.00 | 0.00 | 120.00 | 120.00 | 120.00 | 120.00 |
| Total | 88.36 | 200.25 | 461.31 | 1,562.30 | 1,327.26 | 1,327.26 |

* The Company had preferred an appeal against disputed Income Tax Demand for the Assessment year 2004-05 and 2005-06 which was allowed by CIT (Appeals). Income Tax Department has preferred appeal before the Income Tax Appellate Tribunal in respect of the same.

ANNEXURE-XIV
STATEMENT OF RELATED PARTY TRANSACTIONS AS RESTATED

| | |
|------------------------------------|----------------------|
| Related Party Transactions: | |
| I) List of Related Parties | |
| Name of the Related Party | Relationship |
| Promoters/ Directors | |
| Mr. Ram Gopal Maheshwari | Promoter Director |
| Mr. Anjanee Kumar Lakhotia | Promoter Director |
| Mr. Maruti Maheshwari | Promoter Director |
| Mr. Bhanu Prasad Agarwal | Independent Director |
| Mr. Ashwini Kumar Singh | Independent Director |
| Mr. Shiba Prosad Mukherjee | Independent Director |
| Mr. Kumar Singh Baghel | Independent Director |
| | |
| Subsidiary Company | |
| AAP Infrastructure Limited | Subsidiary Company |

| | |
|--|--|
| Joint Ventures | |
| MBL –Supreme Infrastructures India Limited JV | Joint Venture |
| MBL-Telecommunications Consultants India Limited. JV | Joint Venture |
| MBL - Calcutta Industrial Supply Corporation | Joint Venture |
| MBL - Lakheshwari Builders Private Limited | Joint Venture |
| Companies /Firms in which Promoters/Directors or their Relatives having significant influence | |
| Prabhu International Vyapar Private Limited | Group Company |
| SMH Capital Limited | Group Company |
| MB Magnets Private Limited | Group Company |
| SMH Infrastructure Private Limited | Group Company |
| MSP Infrastructures Limited | Group Company |
| Shree International Vyapar Private Limited | Group Company |
| Sahaj Promoters Private Limited | Group Company |
| Prabhu International | Group Venture |
| Maheshwari Steel Processor | Group Venture |
| Ganpatrai Ramnarsingh Lakhoria Charitable Trust | Trust |
| Key Managerial Personnel | |
| A. Relatives of Promoters/ Directors | |
| Aditya Maheshwari | Son of Mr. Ram Gopal Maheshwari, Promoter of the Company |
| Anuj Maheshwari | Son of Mr. Ram Gopal Maheshwari, Promoter of the Company |

| |
|--|
| B. Ex Promoters/ Directors |
| Mr. Pawan Kumar Lakhoria |
| Mr. Shree Kumar Lakhoria |
| Mr. Mahabir Prasad Lakhoria |
| Late Gayatri Devi Maheshwari |
| <i>* Note : Relatives mean only the spouse</i> |

II) Transaction with Related Parties

Rs in Lacs

| Name of related party | Nature of Transaction | Year ended March 31, | | | | | Quarter ended June 30, 2009 |
|-----------------------------|-----------------------|----------------------|--------|------|--------|----------|-----------------------------|
| | | 2005 | 2006 | 2007 | 2008 | 2009 | |
| Promoters/ Directors | | | | | | | |
| Mr. Ram Gopal Maheshwari | Salary | 2.4 | 2.4 | - | - | - | - |
| Mr. Anjanee Kumar Lakhoria | Salary | 7.2 | 7.2 | 12 | 12 | 18 | 4.50 |
| Mr. Maruti Maheshwari | Salary | - | - | 6.75 | 9 | 15 | 3.75 |
| Joint Ventures | | | | | | | |
| MBL –Supreme | Contract Receipts | 247.63 | 773.45 | - | 589.13 | 1,240.57 | 304.93 |

| Name of related party | Nature of Transaction | Year ended March 31, | | | | | Quarter ended June 30, 2009 |
|--|------------------------------------|----------------------|----------|----------|----------|----------|-----------------------------|
| | | 2005 | 2006 | 2007 | 2008 | 2009 | |
| Infrastructures India Limited JV | Receivables at the year end | 9.89 | 21.62 | - | 339.00 | 170.77 | 197.45 |
| MBL-Telecommunications Consultants India Limited. JV | Contract Receipts | - | - | 651.26 | 1,232.03 | 1,967.03 | 793.77 |
| | Receivables at the year end | - | - | - | 148.78 | 140.81 | 183.37 |
| MBL - Calcutta Industrial Supply Corporation | Contract Receipts | - | - | - | 1,004.90 | 2,735.79 | 1,027.34 |
| | Receivables at the year end | - | - | - | - | - | - |
| MBL - Lakheshwari Builders Private Limited | Contract Receipts | - | - | - | 435.44 | 1,056.86 | 168.67 |
| | Receivables at the year end | - | - | - | 190.41 | 332.95 | 245.75 |
| Companies /Firms in which Promoters/Directors or their Relatives having significant influence | | | | | | | |
| SMH Capital Limited | Sale / (Purchase) of AAP Shares | (778.50) | - | - | - | - | - |
| | Share Application Money | - | - | - | 675.00 | - | - |
| | Receivables at the year end | - | - | - | - | - | - |
| | | | | | | - | - |
| MSP Infrastructures Limited | Equipment Hire Charges Received | - | - | - | - | - | - |
| | Receivables at the year end | 436.93 | 440.58 | - | - | 2.76 | 2.76 |
| | Loan Given | | - | - | 832.50 | 658.25 | 613.25 |
| SMH Infrastructure Private Limited | Service Charges Paid | - | - | - | - | - | - |
| | Payables at the year end | - | - | - | - | - | - |
| M/s Prabhu International | Purchase of Fixed Asset | - | - | - | - | 43.60 | - |
| | Trading Sales | 1,173.35 | 3,162.49 | 2,891.22 | 5.02 | - | - |
| | Receivables at the year end | 326.21 | - | - | - | - | - |
| M/s Prabhu International Vyapaar Pvt. Ltd. | Receipt of Share Application Money | - | - | - | 825 | - | - |
| | Other Receipt | - | - | - | 11.77 | 19.37 | - |
| Key Managerial Personnel | | | | | | | |
| A. Relatives of | | | | | | | |

| Name of related party | Nature of Transaction | Year ended March 31, | | | | | Quarter ended June 30, 2009 |
|--------------------------------|-----------------------|----------------------|------|------|------|------|-----------------------------|
| | | 2005 | 2006 | 2007 | 2008 | 2009 | |
| Promoters/ Directors | | | | | | | |
| Aditya Maheshwari | Salary | - | - | 1.56 | 2.45 | 5.05 | 1.50 |
| Anuj Maheshwari | Salary | - | - | 1.52 | 2.39 | 5.04 | 1.50 |
| Ex Promoters/ Directors | | | | | | | |
| Mr. Pawan Kumar Lakhota | Salary | 2.4 | 2.4 | - | - | - | - |
| Mr. Mahabir Prasad Lakhota | Salary | - | - | - | - | - | - |

ANNEXURE-XV
STATEMENT OF CONSOLIDATED OTHER OPERATING EXPENSES

Rs. in Lacs

| Particulars | Year ended March 31, | | | | | Quarter ended June 30, 2009 |
|-----------------------------|----------------------|-----------------|-----------------|------------------|------------------|-----------------------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | |
| Stores & Spares consumed | 249.97 | 120.02 | 173.81 | 263.85 | 548.37 | 174.17 |
| Sub-contracting Charges | 3,215.30 | 6,210.55 | 5,128.03 | 9,519.18 | 14837.08 | 3,159.37 |
| Power, fuel & lube | 527.45 | 557.18 | 372.71 | 971.12 | 1017.00 | 455.12 |
| Equipment hire Charges | 135.22 | 102.49 | 143.81 | 288.88 | 86.98 | 41.64 |
| Insurance | 6.61 | 4.86 | 28.21 | 47.39 | 48.09 | 21.07 |
| Repairs & maintenance - P&M | 28.18 | 37.15 | 38.16 | 55.21 | 41.04 | 11.02 |
| Rates & Taxes | 55.26 | 201.50 | 198.65 | 246.45 | 539.59 | 88.22 |
| Rent (Sites) | 6.20 | 17.49 | 8.03 | 41.35 | 53.31 | 19.48 |
| Site Development Expenses | 0.00 | 0.00 | 0.00 | 17.70 | 56.02 | 2.62 |
| | 4,224.17 | 7,251.24 | 6,091.41 | 11,451.12 | 17,227.47 | 3,972.71 |

ANNEXURE-XV

STATEMENT OF CONSOLIDATED CURRENT LIABILITIES AND PROVISIONS

Rs. in Lacs

| Particulars | As at March 31, | | | | | As at June 30, 2009 |
|---|-----------------|-----------------|-----------------|------------------|-----------------|---------------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | |
| | | | | | | |
| Current Liabilities | | | | | | |
| Acceptances | 433.36 | 1,004.87 | 1,343.73 | 2,284.63 | 3,701.79 | 3,999.55 |
| Sundry Creditors for Goods & Expenses | 1,583.59 | 850.29 | 1,552.15 | 3,023.49 | 2,255.25 | 2247.67 |
| Other Liabilities | 38.29 | 35.82 | 226 | 1,943.63 | 628.55 | 776.34 |
| Advances from Contractees | 18.23 | 1,912.07 | 3,230.97 | 2,738.67 | 2,340.97 | 2,585.27 |
| Share Application Money pending allotment | 3.12 | 0 | 23.85 | 1500 | 0 | 0 |
| Interest on Debenture accrued but not due | 0 | 0 | 15.34 | 0 | 0 | 0 |
| | 2,076.59 | 3,803.05 | 6,392.04 | 11,490.42 | 8,926.56 | 9,608.83 |
| Provisions | | | | | | |
| Provision net of advance payment of taxes | 8.36 | 0.81 | 41.03 | 0.1 | 91.03 | 189.59 |
| Provision for Employees Retirement Benefits | 0 | 5.15 | 9.29 | 13.87 | 7.85 | 7.85 |
| Proposed Dividend | 36.21 | 108.64 | 110.64 | 165.95 | 229.86 | 229.86 |
| Provision for Corporate Tax on Dividend | 8.57 | 23.81 | 18.8 | 47.01 | 39.07 | 39.07 |
| | 53.14 | 138.41 | 179.76 | 226.93 | 367.81 | 466.37 |

AUDITOR REPORT

The Board of Directors,
MBL Infrastructures Limited
23 A Netaji Subhas Road,
3rd Floor,
Kolkata 700 001

Reg. Public Offer of MBL Infrastructures Limited Auditors' Report as required by Part II of Schedule II of the Companies Act, 1956.

Dear Sirs,

7. We have examined the following financial information of MBL Infrastructures Limited ("the Company") as attached to this report stamped and initialed by us for identification and as approved by the Board of Directors which has been prepared in accordance with Paragraph B-1 Part-II of Schedule II of the Companies Act, 1956 ("the Act") and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI Regulations") issued by the Securities and Exchange Board of India (SEBI).
8. We have examined the attached restated summary statement of Assets and Liabilities of the Company as at 31st March 2004, 2005, 2006, 2007, 2008, 2009 and 30th June 2009 (three months) and the attached restated summary statement of Profit and Loss for each of the years ended on those dates (Except otherwise stated) ("summary statements") ("Summary statements") (see Annexure I and II) 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 appropriate and more fully described in the notes appearing in Annexure IV to this report. These summary statements have been extracted from the audited financial statements for the year ended 31st March, 2004, 2005, 2006, 2007, 2008 and 2009 and adopted by the members for the respective years in Shareholder's Meetings and also for quarter ended 30th June 2009 approved by the Board of Directors. Based on our examination of these summary statements we confirm that:
 - i. The impact of changes in accounting policies adopted by the Company as and for the year ended 31st March, 2009 and for the quarter ended June 30, 2009 have been adjusted with retrospective effect in the attached summary statements:
 - ii. There are no prior period items which are required to be adjusted in the summary statements in the years to which they relate:
 - iii. There are no qualifications in the auditor's reports, which require any adjustments in the summary statements.
9. Significant Accounting Policies adopted by the Company and the relevant notes pertaining to the audited financial statements are enclosed as Annexure III and IV respectively.
10. We have examined the following other financial information of the Company proposed to be included in the Red Herring Prospectus/ Red Herring Prospectus/Prospectus as approved by you and annexed to this report.
 - i. Summary of Cash Flows as restated in Annexure III
 - ii. Statement of rate of Dividend in Annexure VI
 - iii. Statement of Accounting Ratios in Annexure VII
 - iv. Statement of Investments in Capitalization statement as at March 31st 2009 as Annexure VIII
 - v. Statement of Tax Shelter in Annexure IX
 - vi. Statement of Loans and Advances in Annexure X
 - vii. Statement of Secured Loans in Annexure XI
 - viii. Statement of Un Secured Loans in Annexure XII
 - ix. Statement of Investments in Annexure-XIII
 - x. Statement of Sundry Debtors in Annexure – XIV
 - xi. Statement of other Current Assets in Annexure-XV
 - xii. Statement of Contingent Liabilities not provided for in Annexure-XVI
 - xiii. Statement of Related Party Transactions in Annexure – XVII
 - xiv. Statement of Other Operating Expenses in Annexure – XVIII

xv. Statement of Current Liabilities and Provisions in Annexure - XIX

11. We have issued a report of even date on our examination of the Statement of stand alone Statement of Profit and Losses, as restated of the Company for the years ended March 31, 2005, March 31, 2006, March 31, 2007, March 31, 2008, March 31, 2009 and for the quarter ended June 30, 2009, the stand alone Statement of Assets and Liabilities, as restated of the Company as at March 31, 2005, March 31, 2006, March 31, 2007, March 31, 2008, March 31, 2009 and as at June 30, 2009 and the Statement of stand alone Cash flows, as restated for the years ended March 31, 2005, March 31, 2006, March 31, 2007, March 31, 2008, March 31, 2009 and for the quarter ended June 30, 2009 together with the significant accounting policies and notes on accounts, other schedules and notes thereon.
12. In our opinion, the financial information of the Company as attached to this report, read with the significant accounting policies and notes on accounts and other notes contained in the aforesaid Annexures, has been prepared in accordance with Part II of Schedule II of the Act and the Regulations issued by SEBI.
13. This report is intended solely for your information for inclusion in the Red Herring Prospectus/ Red Herring Prospectus and Prospectus for the proposed Public Issue of Equity Shares of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Yours faithfully,
For Agrawal S. Kumar & Associates
Chartered Accountants

(Mukesh Kumar Jhawar)
Partner
M.No. 061308

Date: October 15, 2009
Place: Kolkata

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

(Rupees in Lacs)

| | Particulars | For the year ended March 31, | | | | | For the quarter ended June 30, 2009 |
|-----------|--|------------------------------|-----------------|-----------------|-----------------|-----------------|-------------------------------------|
| | | 2005 | 2006 | 2007 | 2008 | 2009 | |
| A. | Fixed Assets: | | | | | | |
| 1 | Gross Block | 3,662.60 | 4,145.63 | 5,499.91 | 6,782.57 | 8,749.52 | 8,938.75 |
| | Less:- Depreciation | (1,358.92) | (1,662.23) | (1,999.90) | (2,333.05) | (2,783.13) | (2,881.01) |
| | Net Block | 2,303.68 | 2,483.40 | 3,500.01 | 4,449.52 | 5,966.39 | 6,057.74 |
| | Less:- Revaluation Reserve | (425.86) | (322.41) | (218.96) | (115.51) | - | - |
| | Net Block after adjustment for Revaluation Reserve | 1,877.82 | 2,160.99 | 3,281.05 | 4,334.01 | 5,966.39 | 6,057.74 |
| | Capital Work In Progress | - | 121.18 | 331.50 | 14.62 | - | 25.69 |
| | Total (A) | 1,877.82 | 2,282.17 | 3,612.55 | 4,348.63 | 5,966.39 | 6,083.43 |
| 2 | Investment | 1,103.50 | 1,110.50 | 1,110.50 | 1,200.00 | 1,200.00 | 1,200.00 |
| B | Current Assets, Loans and Advances | | | | | | |
| 3 | Inventories | 717.12 | 1,306.58 | 1,262.10 | 2,257.23 | 4,018.54 | 3,256.89 |
| 4 | Sundry Debtors | 2,649.26 | 3,252.90 | 6,079.05 | 10,556.30 | 14,104.42 | 17,080.39 |
| 5 | Cash & Bank Balances | 1,212.02 | 1,694.69 | 2,281.59 | 2,711.16 | 4,498.51 | 3,669.35 |
| 6 | Loans & Advances | 799.23 | 932.29 | 1,767.91 | 3,754.90 | 5,054.54 | 6,057.55 |
| 7 | Other Current Assets | 32.20 | 141.33 | 870.31 | 1,777.30 | 2,861.65 | 2,837.41 |
| | | 5,409.83 | 7,327.79 | 12,260.96 | 21,056.89 | 30,537.66 | 32,901.59 |
| C | Liabilities and Provisions: | | | | | | |
| 8 | Secured Loans | 1,394.70 | 1,648.10 | 3,115.05 | 5,250.57 | 10,916.74 | 11,339.03 |
| 9 | Unsecured Loans | 1,795.61 | 1,343.72 | 2,402.80 | 3,199.33 | 6,737.04 | 7,063.87 |
| 10 | Deferred Tax Liability | 385.25 | 336.02 | 338.70 | 578.84 | 914.30 | 1,028.25 |
| 11 | Current Liabilities & Provisions | 2,068.32 | 3,938.94 | 6,565.00 | 11,629.05 | 9,218.78 | 9,995.58 |
| | | 5,643.88 | 7,266.78 | 12,421.55 | 20,657.79 | 27,786.86 | 29,426.73 |
| D | Net Worth | 2,747.27 | 3,453.68 | 4,562.46 | 5,947.73 | 9,917.19 | 10,758.29 |
| E. | Represented by | | | | | | |
| 12 | Share Capital | 724.25 | 1,086.37 | 1,106.37 | 1,106.37 | 1,181.37 | 1,181.37 |
| 13 | Reserves | 2,448.97 | 2,689.72 | 3,675.05 | 4,956.87 | 8,735.82 | 9,576.92 |
| | Less: Revaluation Reserve | (425.86) | (322.41) | (218.96) | (115.51) | - | - |
| | Reserve (Net of Revaluation Reserve) | 2,023.11 | 2,367.31 | 3,456.09 | 4,841.36 | 8,735.82 | 9,576.92 |
| | | 2,747.36 | 3,453.68 | 4,562.46 | 5,947.73 | 9,917.19 | 10,758.29 |
| 14 | Less: Miscellaneous Expenditure | 0.09 | - | - | - | - | - |
| | Net Worth | 2,747.27 | 3,453.68 | 4,562.46 | 5,947.73 | 9,917.19 | 10,758.29 |

ANNEXURE - II
SUMMARY STAND-ALONE STATEMENT OF PROFIT AND LOSSES, AS RESTATED

(Rupees in Lacs)

| | Particulars | For the Year Ended March 31, | | | | | For the Quarter ended 30.06.09 |
|----------|---|------------------------------|------------------|------------------|------------------|------------------|--------------------------------|
| | | 2005 | 2006 | 2007 | 2008 | 2009 | |
| | INCOME | | | | | | |
| A | Income from Operation | | | | | | |
| 1 | Income from Construction and Project Related Activities | 9,890.89 | 11,673.20 | 12,153.15 | 19,457.05 | 35,694.08 | 11,116.27 |
| 2 | Income from Waste Management and Trading Activities | 4,395.99 | 4,142.62 | 4,778.37 | 9,723.52 | 14,890.07 | 3,771.29 |
| | Total | 14,286.89 | 15,815.83 | 16,931.52 | 29,180.57 | 50,584.15 | 14,887.56 |
| 3 | Other Income | 12.44 | 6.50 | 6.02 | 53.10 | 63.34 | 17.99 |
| 4 | Increase/(Decrease) in Waste & Trading Inventories | (94.70) | 223.84 | (223.62) | 235.90 | 18.37 | 79.07 |
| | | 14,204.62 | 16,046.16 | 16,713.92 | 29,469.56 | 50,665.86 | 14,984.62 |
| B | EXPENDITURE | | | | | | |
| 5 | Raw materials Consumed | 4275.95 | 2601.66 | 3214.23 | 3570.05 | 10,733.67 | 4,724.52 |
| 6 | Purchases of Waste and Trading Goods | 4238.51 | 4234.40 | 4443.67 | 9707.87 | 14,693.59 | 3,771.71 |
| 7 | Staff Costs | 67.02 | 128.60 | 305.19 | 527.95 | 679.31 | 210.75 |
| 8 | Other Operating Expenses | 4,224.17 | 7,251.24 | 6,091.40 | 11,450.34 | 17,225.09 | 3,972.16 |
| 9 | Administration, Selling & Distribution Expenses | 186.28 | 236.49 | 320.42 | 326.19 | 634.44 | 155.23 |
| 10 | Loss on sale of Fixed Assets | - | 0.71 | 2.82 | 2.96 | 2.53 | - |
| | | 12,991.93 | 14,453.09 | 14,377.73 | 25,585.36 | 43,968.63 | 12,834.37 |
| | Earning Before Interest, Depreciation, Tax & Amortization (EBIDTA) | 1,212.69 | 1,593.07 | 2,336.19 | 3,884.20 | 6697.23 | 2,150.25 |
| | Interest | 279.92 | 518.23 | 836.44 | 1,351.20 | 2,538.47 | 810.33 |
| | Depreciation | 197.56 | 200.78 | 246.32 | 319.51 | 343.55 | 97.87 |
| | Profit Before Tax (PBT) | 735.20 | 874.06 | 1,253.44 | 2,213.49 | 3,815.21 | 1,242.05 |
| | Provision for Taxation | | | | | | |
| | - Current Tax | 55.00 | 72.52 | 140.00 | 250.00 | 735.00 | 287.00 |
| | - Deferred Tax | 22.22 | (49.23) | 2.68 | 240.13 | 335.46 | 113.95 |
| | - Fringe Benefit Tax | - | 4.42 | 4.86 | 7.23 | 6.36 | - |
| | Profit After Tax (PAT) | 657.98 | 846.35 | 1,105.89 | 1,716.13 | 2,738.39 | 841.10 |
| | (Short)/ Excess Provision in respect of Income Tax for Earlier years | 4.46 | (16.15) | (17.68) | (136.70) | - | |
| | Net Profit as per Audited Financial | 662.44 | 830.20 | 1,088.21 | 1,579.43 | 2,738.39 | 841.10 |

| | | | | | | | |
|--|--------|--------|----------|----------|----------|----------|--|
| Statements | | | | | | | |
| Adjustments on account of restatements | | | | | | | |
| Net Profit as restated (A) - (B) | 662.44 | 830.20 | 1,088.21 | 1,579.43 | 2,738.39 | 841.10 | |
| Balance brought forward from the previous year as restated | 338.28 | 343.55 | 617.31 | 1,326.09 | 1,240.35 | 1,789.81 | |
| Profit available for appropriation as restated | | | | | | | |
| - Proposed Dividend | 36.21 | 108.64 | 110.64 | 165.96 | 229.86 | - | |
| - Corporate Tax on Dividend | 4.73 | 15.24 | 18.80 | 28.20 | 39.07 | - | |
| - Transfer to General Reserve | 616.22 | 432.56 | 250.00 | 80.00 | 1,920.00 | - | |
| - Transfer to Capital Redemption Reserve | - | - | - | 1,391.01 | - | - | |
| Balance carried forward as restated | 343.55 | 617.31 | 1,326.09 | 1,240.35 | 1,789.81 | 2,630.91 | |

ANNEXURE – III
RESTATED CASH FLOW STATEMENT

Rs. in Lacs

| | Particulars | Year Ended | | | | | Quarter ended June 30, 2009 |
|-----------|---|---------------|----------------|---------------|-------------------|-------------------|-----------------------------|
| | | 2005 | 2006 | 2007 | 2008 | 2009 | |
| A. | Cash flows from Operating Activities | | | | | | |
| | Net Profit / (Loss) before Tax & Extraordinary Items | 735.20 | 874.06 | 1,253.44 | 2,213.49 | 3,815.22 | 1,242.05 |
| | Adjustments for : | | | | | | |
| | (Profit)/Loss on Sale of Fixed Assets | (1.43) | 0.71 | 2.82 | 2.96 | 2.53 | - |
| | Depreciation | 197.56 | 200.78 | 246.32 | 319.52 | 343.55 | 97.87 |
| | Preliminary Expenses Written Off | 0.14 | 0.09 | - | - | - | |
| | Interest and Finance Charges | 315.19 | 518.23 | 836.43 | 1,351.19 | 2,538.47 | 810.33 |
| | Operating Profit before Working Capital Changes | 1,246.66 | 1,593.87 | 2,339.01 | 3,887.16 | 6,699.77 | 2,150.25 |
| | (Increase) / Decrease in Inventories | (283.96) | (589.46) | 44.48 | (995.13) | (1,761.31) | 761.65 |
| | (Increase) / Decrease in Trade and other receivable | (925.59) | (842.18) | (4,531.06) | (7,371.23) | (6,083.41) | (3,954.74) |
| | Increase / (Decrease) in Trade Payables and other Liabilities | 695.94 | 1,779.33 | 2,690.05 | 3,480.53 | (1,029.18) | 680.64 |
| | Cash Generated from Operations | 733.05 | 1,941.56 | 542.48 | (998.67) | (2,174.13) | (362.18) |
| | Direct Taxes | (13.54) | (93.10) | (162.54) | (393.92) | (527.13) | (190.85) |
| | Net Cash from Operating Activities | 719.51 | 1848.46 | 379.94 | (1,392.59) | (2,701.26) | (553.03) |
| | | | | | | | |
| B. | Cash Flow from Investing Activities | | | | | | |
| | Additions in Fixed Assets | (185.33) | (611.84) | (1,584.42) | (1,120.30) | (1,969.08) | (214.92) |
| | Sale of Fixed Assets | 18.64 | 6.00 | 4.90 | 61.74 | 5.25 | - |
| | (Additions) / Disposals of Investments | (778.50) | (7.00) | - | (89.50) | - | - |
| | Net cash used in Investing Activities | (945.19) | (612.84) | (1,579.52) | (1,148.06) | (1,963.83) | (214.92) |

| | | | | | | | |
|-----------|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | | | | | | |
| C. | Cash Flow from Financing Activities | | | | | | |
| | Increase in Share capital (Incl.Share Application Money) | 120.23 | - | 20.00 | 1,500.00 | (1,425.00) | - |
| | Increase in Share Premium | - | - | 130.00 | - | 1,425.00 | - |
| | (Repayments) / Proceeds of Secured Loan | 345.53 | 253.40 | 1,446.55 | 2,135.52 | 5,666.17 | 422.29 |
| | (Repayments) / Proceeds of Unsecured Loan | 342.88 | (451.89) | 1,043.74 | 796.53 | 3,537.70 | 326.83 |
| | Dividend & Dividend Tax Paid | (29.96) | (36.21) | (132.45) | (110.64) | (212.96) | - |
| | Interest and Finance Charges | (315.19) | (518.23) | (721.37) | (1,351.19) | (2,538.47) | (810.33) |
| | Net cash from Financing Activities | 463.49 | (752.93) | 1,786.47 | 2,970.22 | 6,452.44 | (61.21) |
| | | | | | | | |
| | Net Increase / (Decrease) in cash and cash equivalents (A+B+C) | 237.81 | 482.69 | 586.89 | 429.57 | 1,787.35 | (829.16) |
| | | | | | | | |
| | Cash & Cash Equivalent (Opening Balance) | 974.19 | 1,212.01 | 1,694.70 | 2,281.59 | 2,711.16 | 4,498.51 |
| | Cash & Cash Equivalent (Closing Balance) | 1,212.00 | 1,694.70 | 2,281.59 | 2,711.16 | 4,498.51 | 3,669.35 |

ANNEXURE – IV SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation of Financial Statements

- The financial statements have been prepared under the historical cost convention (other than certain Fixed Assets which are stated at revalued amount) and in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956.
- The Company follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis.

b. Revenue Recognition

- Sale is recognised on dispatch of goods and net of Value Added Tax (VAT).
- In respect of construction/ project related activity, the company follows Percentage of Completion Method. Percentage of Completion is determined by survey of work performed / physical measurement of work actually completed at the Balance Sheet date taking into account Contractual Price/ Unit Rates and revision thereto.
- Revenue in respect of claims is recognised to the extent the Company is reasonably certain of their realisation.
- Full provision is made for any loss in the period in which it is foreseen.
- Other operational income is recognized on rendering of related services, as per the terms of the contracts.
- Other items of income are accounted as and when the right to receive arises.

c. Each Contract a separate Profit Centre

Each Contract is recognised as a Profit Centre. Payments/ reimbursements under the same are grouped under Direct and Other Expenses.

d. Fixed Assets and Depreciation

- i. Fixed Assets are stated at their original. Cost includes acquisition price, attributable expenses and pre-operational expenses. Fixed Assets retired from active use are valued at net realizable value.
- ii. Depreciation on fixed assets is provided on straight line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over their remaining useful life.
- iii. Assets acquired on Equipment Finance (Hire Purchase) are stated at their cash values.
- iv. The difference between depreciation provided based on revalued amount and that on historical cost is transferred from Revaluation Reserve to Profit and Loss Account.

e. Investments

Long term Investments are valued at cost. Provision for diminution in the value of long term investments is made only if such decline is other than temporary.

f. Foreign Currency Transactions

- i. The reporting currency of the company is the Indian Rupee.
- ii. Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- iii. Monetary items denominated in foreign currencies, if any, at the end of the year are restated at year end rates.
- iv. Non monetary foreign currency items are carried at cost.
- v. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss account.

g. Leases

The company's significant leasing arrangements are in respect of operating leases for premises. The aggregate lease rents payable are charged as rent in the Profit and Loss Account.

h. Inventories

Stock of goods is valued at cost or net realisable value whichever is lower. Cost of inventories is ascertained on FIFO basis.

i. Taxes on Income

- i. Provision for current tax is made after taking into consideration benefits admissible under the provision of the Income Tax Act, 1961.
- ii. Deferred Tax resulting from "timing difference" between book and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is reasonable certainty that the assets will be adjusted in future.

In case of unabsorbed depreciation and losses, deferred tax assets are recognised and carried forward only to the extent there is a virtual certainty that the asset will be adjusted in future.

j. Employees' Benefits

- i. All employee benefits payable wholly within twelve months of rendering the service such as salaries, wages, short term compensated absences, etc. and the expected cost of bonus, ex-gratia are recognized in the period in which the employee renders the related services.

- ii. Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss account of the year when the contributions to the respective funds are accrued. There are no obligations other than the contributions payable to the respective funds.

Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial valuation made at the end of each financial year.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation.

Actuarial Gains / losses are immediately taken to Profit and Loss Account and are not defined.

k. Accounting for Joint Venture Contracts

- i. Contracts executed in joint Venture under work sharing arrangement (consortium) are accounted in accordance with the accounting policy followed by the company as that of an independent contract to the extent work is executed.
- ii. Assets, liabilities and expenditure arising out of contracts executed wholly by the company pursuant to a joint venture contract are recognised under respective heads in the financial statements. Income from the contract is accounted net of joint venturer's share under turnover in these financial statements.
- iii. Share of turnover attributable to the company in respect of contracts executed by the other joint venture partners pursuant to Joint Venture Agreement, is accounted under turnover in these financial statements.

l. Impairment of Assets

The carrying amount of assets is reviewed at each Balance Sheet date to determine if there is any indication of impairment thereof based on external / internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount, which represents the greater of the net selling price of assets and their "value in use". The estimated future cash flows are discounted to their present value at appropriate rate arrived at after considering the prevailing interest rates and weighted average cost of capital.

m. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

ANNEXURE – V

Notes to the Accounts

a. Disclosure in respect of Joint Ventures :

(Rs. In lacs)

| List of Joint Ventures: | Proportion of Ownership Interests | Assets | Liabilities | Income | Expenses |
|--|--|---------------|--------------------|---------------|-----------------|
| MBL-Supreme (JV) | 40% | - | - | 1,240.57 | 1,132.02 |
| MBL-Telecommunications Consultants India Ltd. (JV) | 51% | - | - | 1,967.03 | 1,596.09 |
| MBL-Calcutta Industrial Supply Corporation (JV) | 60% | - | - | 2,735.79 | 2,581.64 |
| MBL - Lakheshwari Builders Pvt.Ltd. (JV) | 60% | - | - | 1,056.86 | 1,001.41 |

- b. Investments in equity shares of Wholly Owned Subsidiary AAP Infrastructure Limited have been pledged with Bankers against facilities availed by them.

c. Earnings per Share

| | | Quarter ended 30.06.09 | 2008-2009 | 2007-2008 |
|------|---|-----------------------------------|------------------|------------------|
| i. | Profit Computation for earning per share of Rs.10/- each | | | |
| | Net Profit as per Profit & Loss Account before earlier years' tax | 841.10 | 2,738.39 | 1,716.13 |
| | Net Profit as per Profit & Loss Account after earlier years' tax | 841.10 | 2,738.39 | 1,579.43 |
| | | | | |
| ii. | Weighted average number of equity shares for EPS Computation | | | |
| | For Basic EPS | 1,18,13,727 | 1,18,13,727 | 1,10,63,727 |
| | For Diluted EPS | 1,18,13,727 | 1,18,13,727 | 1,18,13,727 |
| | | | | |
| iii. | Basic EPS (weighted average) | | | |
| | Basic EPS (before earlier years' tax) (Annualized) | 28.48 | 23.18 | 15.51 |
| | Basic EPS (after earlier years' tax) (Annualized) | 28.48 | 23.18 | 14.28 |
| | | | | |
| iv. | Diluted EPS (Weighted average) | | | |
| | Diluted EPS (before earlier years' tax) (Annualized) | 28.48 | 23.18 | 14.53 |
| | Diluted EPS (after earlier years' tax) (Annualized) | 28.48 | 23.18 | 13.37 |

d. Employees Benefits

The Disclosure as per Accounting Standard (AS) 15 of the Companies (Accounting Standards) Rules, 2006 is as under -

| | | (Rs. in lacs) | |
|-------|--|------------------|------------------|
| | | 2008-2009 | 2007-2008 |
| (i) | Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation: | | |
| | Obligation at the beginning of the financial year | 13.88 | 9.29 |
| | Service Cost | 2.50 | 5.71 |
| | Interest on Defined Benefit obligation | 0.96 | 0.74 |
| | Benefits Settled | (0.43) | - |
| | Actuarial (Gain)/ Loss | (9.05) | (1.87) |
| | Past Service Cost | - | - |
| | Obligation at the end of the financial year | 7.85 | 13.88 |
| (ii) | Change in Plan assets | | |
| | Plan assets at the beginning of the financial year, at fair value | - | - |
| | Expected return on plan assets | - | - |
| | Actuarial gain/ (loss) | - | - |
| | Assets distributed on settlements | - | - |
| | Contributions (estimated) | 0.43 | - |
| | Benefits settled | (0.43) | - |
| | Plan assets at the end of the financial year, at fair value | - | - |
| (iii) | Reconciliation of Present Value of the obligation and the fair value of the plan assets: | | |
| | Closing PBO | 7.85 | 13.88 |
| | Closing Fair Value of plan assets | - | - |
| | Closing Funded status | (7.85) | (13.88) |

| | | 2008-2009 | 2007-2008 |
|--------|---|-----------|-----------|
| | Unrecognised actuarial (gains)/ losses | - | - |
| (iv) | Unfunded net asset/ (liability) recognised in the balance sheet | (7.85) | (13.88) |
| (v) | Expenses recognised in the Profit & Loss Account | | |
| | Service Cost | 2.50 | 5.71 |
| | Interest Cost | 0.96 | 0.74 |
| | Expected return on plan assets | - | - |
| | Actuarial (gains)/ loss | (9.05) | (1.87) |
| | Net Gratuity Cost | (5.59) | 4.58 |
| (vi) | The basis used to determine the overall expected rate of return on assets including major categories of plan assets is as follows: - NA | | |
| (vii) | Assumptions | | |
| a. | Interest Rate | 7% | 8% |
| b. | Discounting Factor | 7% | 8% |
| c. | Estimated Rate of Return on Plan Assets | 0% | 8% |
| d. | Salary Increase | 6% | 6% |
| e. | Attrition rate | 5% | 5% |
| f. | Retirement Age (Years) | 58 | 58 |
| (viii) | The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. | | |

e. Segment Reporting

In terms of Companies (Accounting Standards) Rules, 2006, information about primary business Segment is being given hereunder:

(Rs.in Lacs)

| | Business Segments | | | Total |
|---|-------------------------|-----------|-------------|-----------|
| Particulars | Infrastructure Activity | Others | Unallocable | |
| Segment Revenue | 35,694.08 | 14,890.07 | 63.34 | 50,647.49 |
| | 19,457.05 | 9,723.52 | 53.10 | 29,233.67 |
| Segment Result before Interest & Taxes (PBIT) | 6,125.33 | 195.12 | 33.23 | 6,353.68 |
| | 3,351.87 | 166.93 | 45.88 | 3,564.68 |
| Interest & Finance Charges | | | | 2,538.47 |
| | | | | 1,351.19 |
| Profit before Tax (PBT) | | | | 3,815.21 |
| | | | | 2,213.49 |
| Taxes | | | | 1,076.82 |
| | | | | 634.06 |
| Profit after Tax (PAT) | | | | 2,738.39 |
| | | | | 1,579.43 |
| Segment Assets | 34,276.43 | 2,083.93 | 1,343.70 | 37,704.05 |
| | 23,369.18 | 1,559.18 | 1,792.67 | 26,721.03 |
| Segments Liabilities | 22,639.24 | 3,839.46 | 393.87 | 26,872.56 |

| Particulars | Business Segments | | | Total |
|-----------------------------|-------------------------|-----------------|-----------------|------------------|
| | Infrastructure Activity | Others | Unallocable | |
| | <i>14,093.75</i> | <i>2,314.73</i> | <i>2,170.47</i> | <i>18,578.95</i> |
| Segment Capital Expenditure | 1,947.26 | - | 36.44 | 1,983.70 |
| | <i>1,331.47</i> | <i>3.77</i> | <i>101.95</i> | <i>1,437.18</i> |
| Segment Depreciation | 296.84 | 16.60 | 30.11 | 343.55 |
| | <i>297.89</i> | <i>16.45</i> | <i>5.18</i> | <i>319.52</i> |

Previous years figures are in italic

Notes:

- iv. The Company has disclosed Business Segment as the primary segment, Segments have been identified taking into account the business activity, organisational structure and internal reporting system. The Company's operations predominantly relate to Infrastructure, Construction and Maintenance.
- v. Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis.
- vi. There are no reportable geographical segments.

f. Disclosure of related parties / related party transactions:

As per Companies (Accounting Standards) Rules, 2006, the Company's related party disclosure is as under:

| | | |
|-----------|--|--|
| A. | List of Related Parties: | |
| i. | Name of the parties where control exists: | AAP Infrastructure Limited, a subsidiary of the Company |
| ii. | Key Management Personnel: | a) Mr. Ram Gopal Maheshwari b) Mr. Anjanee Kumar Lakhotia c) Mr. Maruti Maheshwari d) Mr. Aditya Maheshwari e) Mr. Anuj Maheshwari |
| iii. | Joint Ventures: | a) MBL - Telecommunications Consultants India Limited (JV) b) MBL - Supreme (JV) c) MBL - Calcutta Industrial Supply Corporation (JV) d) MBL - Laksheshwari Builders Private Limited (JV) |
| iv. | Director having significant influence: | a) Prabhu International, Proprietary Concern of a Director b) Prabhu International Vyapaar Private Limited c) SMH Capital Limited. d) MSP Infrastructures Limited e) Sahaj Promoters (Private) Limited |
| B. | Names of the related parties with whom transactions were carried out during the year and description of relationship: | |
| a. | Subsidiary Company: | AAP Infrastructure Limited |
| b. | Key Management Personnel: | a) Mr. Ram Gopal Maheshwari b) Mr. Anjanee Kumar Lakhotia c) Mr. Maruti Maheshwari d) Mr. Aditya Maheshwari e) Mr. Anuj Maheshwari |

c. Transactions with related parties

(Rs. In Lacs)

| | Subsidiary Company/propri etary concern | Joint Ventures | Key Management Personnel | Enterprises owned/ significantly influenced by Key Management Personnel |
|---|---|-------------------|--------------------------------|--|
| Payments: | | | | |
| Salary | | | | |
| Anjaneer Kumar Lakhotia | - | - | 18.00 | - |
| | - | - | 12.00 | - |
| Maruti Maheshwari | - | - | 15.00 | - |
| | - | - | 9.00 | - |
| Aditya Maheshwari | - | - | 5.05 | - |
| | - | - | 2.45 | - |
| Anuj Maheshwari | - | - | 5.04 | - |
| | - | - | 2.39 | - |
| Loan | | | | |
| AAP Infrastructures Ltd. | 1,604.65 | - | - | - |
| | 2,045.00 | - | - | - |
| MSP Infrastructures Ltd. | 658.25 | - | - | - |
| | 832.50 | - | - | - |
| Receipts: | | | | |
| Toll Operation Receipts – AAP Infrastructures Ltd. | 15.92 | | | |
| | - | | | |
| Sale to Prabhu International | - | - | - | - |
| | 5.02 | - | - | - |
| Development Charges - AAP Infrastructures Ltd. | - | - | - | - |
| | 738.80 | - | - | - |
| Prabhu International Vyapaar Pvt. Ltd. | 19.37 | | | |
| | 11.77 | | | |
| MBL- Supreme (JV) | - | 1,240.57 | - | - |
| | | 589.13 | - | - |
| MBL-Telecommunications Consultants India Ltd. JV. | - | 1,967.03 | - | - |
| | - | 1,232.03 | - | - |
| MBL-Calcutta Industrial Supply Corporation (JV) | - | 2735.79 | - | - |
| | - | 1,004.90 | - | - |
| MBL - Lakheshwari Builders Pvt.Ltd. (JV) | | 1056.86 | | |
| | - | 435.44 | - | - |
| Share Application Money Pending Allotment: | | | | |
| Prabhu International Vyapaar Pvt. Ltd. | - | - | - | 825.00 |
| | - | - | - | - |
| SMH Capital Limited | - | - | - | 675.00 |
| | - | - | - | - |
| Amount Receivable at year end: | | | | |
| AAP Infrastructures Ltd. | 2,104.85 | - | - | - |
| | 25.00 | - | - | - |
| MBL- Supreme (JV) | - | 170.77 | - | - |

| | | Subsidiary Company/propri etary concern | Joint Ventures | Key Management Personnel | Enterprises owned/ significantly influenced by Key Management Personnel |
|--|--|--|---------------------------|---|--|
| | | - | <i>339.00</i> | - | - |
| MBL-Telecommunications Consultants India Ltd. JV. | | - | 140.81 | - | - |
| | | - | <i>148.78</i> | - | - |
| MBL - Lakheshwari Builders Pvt.Ltd. (JV) | | - | 332.95 | | |
| | | - | <i>190.41</i> | - | - |
| MSP Infrastructures Ltd. | | 2.76 | - | | |
| | | - | - | | |

Previous year figures are in italics

g. Deferred Tax Liability (Net)

(Rs. In Lacs)

| | | Deferred Tax Liability / (Assets) as at April 1, 2008 | Current year Charge/ (Credit) | Deferred Tax Liability/(Assets) as at March 31, 2009 |
|---------------------------------|-----------------------------|--|--|---|
| Deferred Tax Liabilities | | | | |
| i) | Difference between book and | | | |
| | Tax depreciation | 369.60 | 172.00 | 541.60 |
| ii) | Others | 209.24 | 163.46 | 372.70 |
| | | 578.84 | 335.46 | 914.30 |

- h. There are no Micro, Small and Medium Enterprises, to whom the company owes dues, which are outstanding for more than 30 days as at 31st March, 2009. This information as required to be disclosed under Micro, Small, Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

- i. Interest income on Fixed Deposits of Rs. 180.11 lacs (Tax Deducted at Source Rs. 55.51 lacs) (previous year Rs. 158.65 lacs, Tax Deducted at Source Rs. 15.32 lacs) is adjusted against Interest and Finance Charges.

j. Contingent Liabilities

(Rs. In Lacs)

| | As at June 30, 2009 | As at March 31, 2009 | As at March 31, 2008 |
|---|------------------------------------|-------------------------------------|-------------------------------------|
| i) Claims against the Company / disputed Liabilities not acknowledged as Debts (to the extent ascertained) | 863.93 | 863.93 | 863.93 |
| ii) Corporate Guarantees given on behalf of Subsidiary Companies | 2,200.00 | 2,200.00 | 2,200.00 |
| iii) Disputed Income Tax demand for the assessment year 2004-05 and 2005-2006 against which appeal has been preferred by the company * | 343.33 | 343.33 | 578.37 |

* The Company had preferred an appeal against disputed Income Tax Demand for the Assessment year 2004-05 and 2005-06 which was allowed by CIT (Appeals). Income Tax Department has preferred appeal before the Income Tax Appellate Tribunal in respect of the same.

- k. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 25.76 lacs (Previous year Rs. 438.49 lacs)

- l. Outstanding Bank Gurantees as on 31st March 2009 amounts to Rs. 13,570.89 lacs (Previous year Rs. 13,186.21 lacs).
- m. Equipment / Vehicle finance availed from Banks and Others are secured by hypothecation of specific assets; comprising plant and machinery, construction equipment and vehicles acquired out of the said loans and personal guarantee of certain directors.
- n. Working Capital facilities : Cash credit facilities and working capital demand loans from consortium of banks are secured by :
- Hypothecation against first charge on book debts and other current assets of the Company, both present and future, ranking pari-passu with consortium banks.
 - Hypothecation against First charge on all unencumbered fixed assets of the company both present and future, ranking pari-passu with consortium banks
 - Equitable mortgage of certain properties (land and buildings).
 - Personal Guarantees of certain Directors
- o. Information in accordance with the requirements of the Accounting Standard (AS-7) as per Companies (Accounting Standards) Rule, 2006 :

(Rs. In Lacs)

| | As at June 30, 2009 | As at March 31, 2009 | As at March 31, 2008 |
|--|---------------------------|----------------------------|----------------------------|
| Contract revenue recognized for the year ended 31st March, 2009 | 11,116.27 | 35,694.08 | 19,457.05 |
| Aggregate amount of contract costs incurred and Recognized profits (Less recognized losses) up to 31st March, 2009 for all the contracts in progress | 46,281.42 | 57,470.80 | 37,241.81 |
| The amount of customer advances outstanding for Contracts in progress as at 31st March 2009 | 3,587.82 | 5,697.32 | 3,691.09 |
| The amount of retention due from customers for contracts in progress as at 31st March 2009 | 1,132.27 | 956.81 | 612.99 |
| Gross amount due from customers for contracts in Progress | 8,317.38 | 12,475.82 | 4,753.35 |

p. Additional Information under Part II of Schedule VI to the Companies Act, 1956

A. Turnover, Purchases, Closing and Opening Stocks:

Class of Goods:

a) Iron & Steel

(Rs. In Lacs)

| | Quarter ended June 30, 2009 | | As at March 31, 2009 | | As at March 31, 2008 | |
|------------------------------------|--------------------------------|---------|-------------------------|-----------|-------------------------|----------|
| | Qty(MT) | Value | Qty(MT) | Value | Qty(MT) | Value |
| Opening Stock | 1101.474 | 386.13 | 1,168.014 | 367.76 | 527.524 | 131.86 |
| Purchase (Net of Wastage / Excess) | 11532.204 | 3771.71 | 63,245.675 | 14,693.59 | 54,401.015 | 9,707.87 |
| Sales | 11352.92 | 3771.29 | 63,312.215 | 14,890.07 | 53,760.525 | 9,723.52 |
| Closing Stock | 1280.758 | 465.25 | 1,101.474 | 386.13 | 1,168.014 | 367.76 |

b) Construction Material

The company is mainly engaged in the business of infrastructure construction. Keeping in view of the job difficulties in different sites and projects, no quantitative detail of stock, production, turnover and consumption of raw materials are furnished.

- q. i) Expenditure in Foreign Exchange – Rs. 72.30 lacs (Previous Year – Nil)
ii) Earnings in Foreign Exchange- Rs. Nil (Previous Year- Nil)

r. Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

ANNEXURE – VI
STATEMENT OF RATE OF DIVIDEND

| Particulars | For the year ended March 31, | | | | |
|---------------------------------------|------------------------------|-------------|-------------|-------------|-------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 |
| Equity Shares | | | | | |
| Paid-up Share Capital (Rs. In Lacs) | 724.25 | 1,086.37 | 1,106.37 | 1,106.37 | 1,181.37 |
| Face Value (Rs.) | 10 | 10 | 10 | 10 | 10 |
| Rate of Dividend | 5.00% | 10.00% | 10.00% | 15.00% | 20.00% |
| Dividend Amount (Rs. In Lacs) | 36.21 | 108.64 | 110.64 | 165.96 | 229.86 |
| Corporate Dividend Tax (Rs. In Lacs) | 4.73 | 15.24 | 18.80 | 28.20 | 39.07 |
| No of Equity Shares of Rs. 10 Each | 72,42,485 | 1,08,63,727 | 1,10,63,727 | 1,10,63,727 | 1,18,13,727 |

ANNEXURE-VII
SUMMARY OF ACCOUNTING RATIOS

| PARTICULARS | Year ended March 31, | | | | | Quarter ended June 30, 2009 |
|---|----------------------|-------------|-------------|-------------|-------------|-----------------------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | |
| Earning Per Shares (EPS) | 6.10 | 7.64 | 9.86 | 14.28 | 23.18 | 28.48 |
| Return On Networth % | 24.11% | 24.04% | 23.85% | 26.56% | 27.61% | 31.27% |
| Net Assets Value Per Share (Rs.) | 25.29 | 31.79 | 41.35 | 53.76 | 83.95 | 91.07 |
| Profit after Tax (Rs. In Lac) | 662.44 | 830.20 | 1,088.21 | 1,579.43 | 2,738.39 | 841.10 |
| Net Worth (Rs. In Lacs) | 2,747.27 | 3,453.68 | 4,562.46 | 5,947.73 | 9,917.19 | 10,758.30 |
| Weighted Average No of Shares outstanding | 1,08,63,727 | 1,08,63,727 | 1,10,34,000 | 1,10,63,727 | 1,18,13,727 | 11,813,727 |
| No of Shares outstanding | 72,42,485 | 1,08,63,727 | 1,10,63,727 | 1,10,63,727 | 1,18,13,727 | 11,813,727 |

Notes:

The above ratios have been computed as below:

| | |
|---------------------------------|---|
| Earning Per Share | Profit after tax |
| | Weighted average number of Equity Shares outstanding during the year |
| Return on Net Worth (%) | Profit after tax |
| | Net Worth at the end of the year |
| Net Asset Value per Share (Rs.) | Net Worth at the end of the year |
| | Weighted average number of Equity Shares outstanding at the end of the year |

1. Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year, adjusted by the number of Equity Shares issued during the year multiplied by the time-weighting factor. The time-weighting factor is the number of days for which the specific shares are outstanding as a proportion of the total number of days during the year.

2. Profit after Tax, as appearing in the Statement of Profit & Loss of the respective years as restated has been considered for the purpose of computing the above ratios. These ratios are computed on the basis of Unconsolidated Financial Statements of the company.

3. Earnings per Share calculation are done in accordance with Accounting Standard 20 "Earning Per Share" issued by the Institute of Chartered Accountants of India.

4. During the year ended March 31st 2006, the company has made allotment of 36,21,242 Equity Shares as bonus shares on 31.03.2006.

5. Net Worth means Equity Share Capital + Reserves & Surplus (excluding asset revaluation reserve) - Misc. Expenditure not written off or adjusted. Net worth inclusive of Deferred Tax Liability for Fiscal 2009 is Rs. 10,831.49 lacs, Book value based on that is Rs. 91.68 and RONW is 25.28%

ANNEXURE – VIII CAPITALISATION STATEMENT

| Rs. in Lacs | | | |
|--|-----------------------------------|----------------------------------|------------|
| Particulars | Pre Issue as on March 31, 2009 | Pre Issue as on June 30, 2009 | Post Issue |
| Loans – Secured and Unsecured | | | |
| Short Term Debt | 12,855.41 | 13,428.53 | [●] |
| Long Term Debt | 4,798.37 | 4,974.37 | [●] |
| Total Debt | 17,653.78 | 18,402.90 | [●] |
| Shareholders' Fund | | | |
| Share Capital | 1,181.37 | 1,181.37 | |
| Reserves & Surplus | 8,735.82 | 9,576.92 | [●] |
| Sub-Total | 9,917.19 | 10,758.29 | [●] |
| Less: Preliminary Expenses not written off | - | - | |
| Total shareholders Fund | 9,917.19 | 10,758.29 | [●] |
| Long Term Debt/Equity | 0.48 | 0.46 | [●] |

Notes:

1. The above has been computed on the basis of restated statement of accounts.
2. Short-term Debts are debts maturing within next one year.
3. Security Premium under the head Reserves & Surplus for post issue capitalization can not be determined till fixation of the issue price.

ANNEXURE-IX TAX SHELTER STATEMENT

| Rs. in Lacs | | | | | | |
|--|----------------------|--------|----------|----------|---------|--------------------------------------|
| Particulars | Year ended March 31, | | | | | Quarter ended June 30, 2009 |
| | 2005 | 2006 | 2007 | 2008 | 2009 | |
| Profit as per Books of Account- Before Tax | 735.20 | 874.06 | 1,253.44 | 2,213.49 | 3815.21 | 1242.05 |
| Tax Rate (Including Surcharge)% | 36.66% | 33.66% | 33.66% | 33.99% | 33.99% | 33.99% |
| Notional Tax Payable- (A) | 269.52 | 294.21 | 421.91 | 752.37 | 1296.79 | 422.17 |
| (B) Adjustments | | | | | | |
| 1- Impact in respect of profit from industrial Undertaking engaged in | 651.46 | 971.33 | 964.66 | 604.25 | | |

| Particulars | Year ended March 31, | | | | | Quarter ended June 30, 2009 |
|--|----------------------|----------|----------|----------|----------|-----------------------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | |
| Infrastructure Development u/s 80-IA | | | | | - | - |
| 2- Impact in respect of Depreciation on Fixed Assets | 78.53 | (23.65) | 79.36 | 178.33 | 353.30 | 74.97 |
| 3- (Profit) /Loss on Sale of Assets | 1.43 | (0.71) | 0.41 | (2.96) | (2.53) | - |
| 4- Other Adjustments | 43.19 | (39.54) | 193.36 | 353.06 | 913.45 | 324.07 |
| Total –B | 774.61 | 907.43 | 1,237.79 | 1,132.68 | 1264.22 | 399.04 |
| Tax Burden / (Savings) thereon | (269.52) | (294.21) | (421.91) | (752.37) | (429.71) | (135.63) |
| Total Tax | - | - | - | - | 867.08 | 286.54 |
| Taxable Income as per MAT | 735.20 | 874.06 | 1,248.57 | 2,206.26 | 3815.22 | 1242.05 |
| Tax as per MAT | 57.65 | 73.56 | 140.09 | 249.97 | 381.52 | 124.21 |
| MAT Credit | - | - | - | - | (131.70) | - |
| Tax Payable | - | - | - | - | 735.38 | 286.54 |
| Tax as per Profit & Loss Account | 55.00 | 72.52 | 140.00 | 250.00 | 735.00 | 287.00 |

ANNEXURE-X
STATEMENT OF LOANS & ADVANCES

| Particulars | Year ended 31st March | | | | | Quarter ended June 30, 2009 |
|--|-----------------------|---------------|-----------------|-----------------|-----------------|-----------------------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | |
| Advances in cash or kind or for value to be received | 799.23 | 836.56 | 1,665.89 | 3,625.30 | 5,054.54 | 6057.55 |
| Advance Payment of Taxes net of Provisions | - | 95.73 | 102.02 | 129.60 | - | - |
| Total | 799.23 | 932.29 | 1,767.91 | 3,754.90 | 5,054.54 | 6,057.55 |

ANNEXURE-XI
STATEMENT OF SECURED LOANS

| Particulars | Year ended 31st March | | | | | Quarter ended June 30, 2009 |
|--|-----------------------|-----------------|-----------------|-----------------|------------------|-----------------------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | |
| TERM LOANS | | | | | | |
| Schedule Bank | | | | | | |
| SHORT TERM LOANS: | | | | | | |
| Scheduled Bank | 709.00 | 935.31 | 1,566.42 | 4,063.52 | 9,135.17 | 9,672.00 |
| Equipment Finance (Secured by the hypothecation of the equipments acquirewd under finance) | 685.70 | 712.79 | 1,548.63 | 1,187.05 | 1,781.57 | 1,667.03 |
| Total Secured Loans | 1,394.70 | 1,648.10 | 3,115.05 | 5,250.57 | 10,916.74 | 11,339.03 |

EQUIPMENT FINANCE LOANS

| Institution/ Bank | Amount Outstanding as on March 31, 2009 (Rs. in Lacs) | Rate of Interest p.a. (%) | Repayment Terms | Securities Offered |
|--|---|---------------------------|-----------------|--------------------------------------|
| ICICI Bank Limited | 35.46 | 8.25%-16.0% | 23 -47 Months | Hypothecation of Equipments Financed |
| Reliance Capital Limited | 6.43 | 12.00% | | |
| HDFC Bank Limited | 59.82 | 6.51%- 13.65% | | |
| L & T Finance Limited | 117.01 | 10.03% - 13.75% | | |
| SREI International Finance Limited | 710.26 | 9.10% - 16.00% | | |
| Sundaram Finance Limited | 0.88 | 7.91% - 10.31% | | |
| Standard Chartered Bank | 821.81 | 10.05% - 14.0% | | |
| Magma Fincorp Limited | 7.15 | 12.25% | | |
| Tata Finance Limited | 2.99 | 13.51% | | |
| Telecommunication Consultant India Limited | 7.26 | 10.00% | | |
| | 1,769.07 | | | |

Refer to Note No. 5 of Annexure IV pertaining to Secured Loans.

CREDIT FACILITIES FROM BANKS AS ON 31ST MARCH 2009

Rs in Lacs

| Name of Bank | Fund Based | Non Fund based | Total Limits |
|--------------------------------|--------------|----------------|---------------|
| State Bank of Mysore | 1,200 | 6,800 | 8,000 |
| State Bank of Patiala | 900 | 5,500 | 6,400 |
| State Bank of Hyderabad | 1,000 | 3,500 | 4,500 |
| State Bank of Bikaner & Jaipur | 530 | 5,120 | 5,650 |
| Bank of India | 720 | 2,925 | 3,645 |
| HSBC Limited | 500 | 1,500 | 2,000 |
| State Bank of Travencore | 1,000 | 2,000 | 3,000 |
| Standard Chartered Bank | 1,000 | 2,500 | 3,500 |
| Yes Bank Limited | 750 | 1,250 | 2,000 |
| Oriental Bank of Commerce | 500 | 2,000 | 2,500 |
| Barclays Bank PLC | 900 | 1,905 | 2,805 |
| Total | 9,000 | 35,000 | 44,000 |

DETAILS OF CASH CREDIT OUSTANDING AS ON 31ST MARCH 2009

| Institution / Bank | Amount Outstanding AS per Books | Rate of Interest p.a. (%) | Securities Offered |
|-----------------------|---------------------------------|---------------------------|--|
| State Bank of Mysore | 960.98 | 12.00% | The loans are secured by way of First Charge against movable & immovable |
| State Bank of Patiala | 889.64 | 12.00% | |

| | | | |
|--------------------------------|-----------------|--------|--|
| State Bank of Hyderabad | 929.21 | 12.00% | properties including raw materials, Work-in-progress, Work Completed and Book Debts and Personal Guarantee of Certain Directors. |
| State Bank of Bikaner & Jaipur | 529.15 | 13.00% | |
| Bank of India | 718.90 | 11.75% | |
| State Bank of Travancore | 971.45 | 12.00% | |
| Standard Chartered Bank | 998.02 | 12.00% | |
| Yes Bank Limited | 745.80 | 12.00% | |
| Oriental Bank of Commerce | 499.65 | 11.75% | |
| Barclays Bank PLC | 900.00 | 12.00% | |
| HSBC Limited | 500.00 | 12.00% | |
| IndusInd Bank | 492.37 | 13.00% | |
| | 9,135.17 | | |

ANNEXURE-XII
STATEMENT OF UNSECURED LOANS

| Particulars | As at year ended March 31, | | | | | Rs. in Lacs |
|--|----------------------------|-----------------|-----------------|-----------------|-----------------|---------------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | As at June 30, 2009 |
| Deposits From Bodies Corporate | - | - | - | - | 21.01 | 13.26 |
| Advanced against contracts (fully interest free) | 1,795.61 | 1,343.72 | 1,081.91 | 3,199.33 | 3,716.03 | 4,050.61 |
| 8% Convertible Debenture | - | - | 1,320.89 | - | 3,000.00 | 3,000.00 |
| Total Unsecured Loans | 1,795.61 | 1,343.72 | 2,402.80 | 3,199.33 | 6,737.04 | 7,063.87 |

ANNEXURE- XIII
STATEMENT OF INVESTMENTS

| Particulars | As at year ended March 31, | | | | | Rs in Lacs |
|---|----------------------------|-----------------|-----------------|-----------------|-----------------|---------------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | As at June 30, 2009 |
| Equity Share | 1,103.50 | 1,110.50 | 1,110.50 | 1,200.00 | 1,200.00 | 1,200.00 |
| Total | 1,103.50 | 1,110.50 | 1,110.50 | 1,200.00 | 1,200.00 | 1,200.00 |
| Aggregate Market Value of quoted Investment | - | - | - | - | - | - |
| Aggregate Book Value of unquoted Investment | 1,103.50 | 1,110.50 | 1,110.50 | 1,200.00 | 1,200.00 | 1,200.00 |

ANNEXURE- XIV
STATEMENT OF SUNDRY DEBTORS

Rs. in lacs

| Particulars | As at year ended March 31, | | | | | As at June 30, 2009 |
|--|----------------------------|-----------------|-----------------|------------------|------------------|---------------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | |
| Debt outstanding for a period exceeding six months | 163.10 | 256.37 | 180.77 | 71.17 | 41.36 | 49.63 |
| Debt outstanding for a period not exceeding six months | 2,486.16 | 2,996.53 | 5,898.28 | 10,485.13 | 14,063.06 | 17,030.76 |
| Total Sundry Debtors | 2,649.26 | 3,252.90 | 6,079.05 | 10,556.30 | 14,104.42 | 17,080.39 |

ANNEXURE- XV
STATEMENT OF OTHER CURRENT ASSETS

| Particulars | As at year ended March 31, | | | | | As at June 30, 2009 |
|-----------------------------|----------------------------|---------------|---------------|-----------------|-----------------|---------------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | |
| Security and other deposits | 20.34 | 100.40 | 851.88 | 1,722.30 | 2,777.35 | 2744.83 |
| Accrued interest | 11.86 | 40.93 | 18.43 | 55.00 | 84.30 | 92.58 |
| Others | - | - | - | - | - | - |
| Total | 32.20 | 141.33 | 870.31 | 1,777.30 | 2,861.65 | 2,837.41 |

ANNEXURE-XVI
STATEMENT OF CONTINGENT LIABILITIES NOT PROVIDED FOR

Rs. in Lacs

| Particulars | Year ended March 31, | | | | | Quarter ended June 30, 2009 |
|---|----------------------|-----------------|------------------|------------------|------------------|-----------------------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | |
| Claim against the Company/Disputed Liabilities not acknowledged as Debts | 88.36 | 200.25 | 339.31 | 863.93 | 863.93 | 863.93 |
| Disputed IT demand for the A.Y.2004-05 and 2005-06 against which appeal * | - | - | - | 578.37 | 343.33 | 343.33 |
| Bank Guarantees/Letter of Credit Issued by banks on behalf of the company (Net of Margin) | 4,034.16 | 5,931.28 | 12,477.85 | 13,186.21 | 13,570.89 | 13,901.07 |
| Corporate Guarantees given on behalf of Subsidiary Companies | 2,200.00 | 2,200.00 | 2,200.00 | 2,200.00 | 2,200.00 | 2,200.00 |
| Total | 6,322.52 | 8,331.53 | 15,017.16 | 16,828.51 | 16,978.15 | 17,308.33 |

* The Company had preferred an appeal against disputed Income Tax Demand for the Assessment year 2004-05 and 2005-06 which was allowed by CIT (Appeals). Income Tax Department has preferred appeal before the Income Tax Appellate Tribunal in respect of the same.

ANNEXURE-XVII
STATEMENT OF RELATED PARTY TRANSACTIONS AS RESTATED

| | |
|--|--|
| Related Party Transactions: | |
| I) List of Related Parties | |
| Name of the Related Party | Relationship |
| Promoters/ Directors | |
| Mr. Ram Gopal Maheshwari | Promoter Director |
| Mr. Anjaneer Kumar Lakhotia | Promoter Director |
| Mr. Maruti Maheshwari | Promoter Director |
| Mr. Bhanu Prakash Agarwal | Independent Director |
| Mr. Ashwini Kumar Singh | Independent Director |
| Mr. Shiba Prosad Mukherjee | Independent Director |
| Mr. Kumar Singh Baghel | Independent Director |
| Subsidiary Company | |
| AAP Infrastructure Limited | Subsidiary Company |
| Joint Ventures | |
| MBL –Supreme Infrastructures India Limited JV | Joint Venture |
| MBL-Telecommunications Consultants India Limited. JV | Joint Venture |
| MBL - Calcutta Industrial Supply Corporation | Joint Venture |
| MBL - Lakheshwari Builders Private Limited | Joint Venture |
| Companies /Firms in which Promoters/Directors or their Relatives having significant influence | |
| Prabhu International Vyapar Private Limited | Group Company |
| SMH Capital Limited | Group Company |
| MB Magnets Private Limited | Group Company |
| SMH Infrastructure Private Limited | Group Company |
| MSP Infrastructures Limited | Group Company |
| Shree International Vyapar Private Limited | Group Company |
| Sahaj Promoters Private Limited | Group Company |
| Surprise Commercial Private Limited | Group Company |
| Prabhu International | Group Venture |
| Maheshwari Steel Processor | Group Venture |
| Ganpatrai Ramnarsingh Lakhotia Charitable Trust | Trust |
| Key Managerial Personnel | |
| A. Relatives of Promoters/ Directors | |
| Aditya Maheshwari | Son of Mr. Ram Gopal Maheshwari, Promoter of the Company |
| Anuj Maheshwari | Son of Mr. Ram Gopal Maheshwari, Promoter of the Company |

| |
|--|
| B. Ex Promoters/ Directors |
| Mr. Pawan Kumar Lakhotia |
| Mr. Shree Kumar Lakhotia |
| Mr. Mahabir Prasad Lakhotia |
| Late Gayatri Devi Maheshwari |
| <i>* Note : Relatives mean only the spouse</i> |

II) Transaction with Related Parties

Rs in Lacs

| Name of related party | Nature of Transaction | For the year ended | | | | | Quarter ended June 30, 2009 |
|--|---------------------------------|--------------------|----------|----------|----------|----------|-----------------------------|
| | | 2005 | 2006 | 2007 | 2008 | 2009 | |
| Promoters/ Directors | | | | | | | |
| Mr. Ram Gopal Maheshwari | Salary | 2.4 | 2.4 | - | - | - | - |
| Mr. Anjaneer Kumar Lakhotia | Salary | 7.2 | 7.2 | 12 | 12 | 18 | 4.5 |
| Mr. Maruti Maheshwari | Salary | - | - | 6.75 | 9 | 15 | 3.75 |
| | | | | | | | |
| Subsidiary Company | | | | | | | |
| AAP Infrastructures Limited | Contract Receipts | 2,624.69 | 3,665.50 | 2,218.58 | 738.80 | - | |
| | Receivables at the year end | 721.01 | 1,365.91 | 2,993.98 | 1,903.85 | 2,104.85 | 2,009.01 |
| | Payables at the year end | 319.85 | - | - | - | - | |
| | Loan Given | - | - | - | 2,045.00 | 1,604.65 | 1,604.65 |
| | | | | | | | |
| Joint Ventures | | | | | | | |
| MBL –Supreme Infrastructures India Limited JV | Contract Receipts | 247.63 | 773.45 | - | 589.13 | 1,240.57 | 304.93 |
| | Receivables at the year end | 9.89 | 21.62 | - | 339 | 170.77 | 197.45 |
| MBL-Telecommunications Consultants India Limited. JV | Contract Receipts | - | - | 651.26 | 1,232.03 | 1,967.03 | 793.77 |
| | Receivables at the year end | - | - | - | 148.78 | 140.81 | 183.37 |
| MBL - Calcutta Industrial Supply Corporation | Contract Receipts | - | - | - | 1,004.90 | 2,735.39 | 1,027.34 |
| | Receivables at the year end | - | - | - | - | - | |
| MBL - Lakheshwari Builders Private Limited | Contract Receipts | - | - | - | 435.44 | 1,056.86 | 168.67 |
| | Receivables at the year end | - | - | - | 190.41 | 332.95 | 245.75 |
| Companies /Firms in which Promoters/Directors or their Relatives having significant influence | | | | | | | |
| SMH Capital Limited | Sale / (Purchase) of AAP Shares | (778.50) | - | - | - | - | - |
| | Share Application | - | - | - | 675.00 | - | - |

| Name of related party | Nature of Transaction | For the year ended | | | | | Quarter ended June 30, 2009 |
|--|------------------------------------|--------------------|----------|----------|--------|--------|-----------------------------|
| | | 2005 | 2006 | 2007 | 2008 | 2009 | |
| | Money | | | | | | |
| | Receivables at the year end | - | - | - | - | - | - |
| | | | | | | | |
| MSP Infrastructures Limited | Equipment Hire Charges Received | - | - | - | - | - | |
| | Receivables at the year end | 436.93 | 440.58 | - | - | 2.76 | 2.76 |
| | Loan Given | | - | - | 832.50 | 658.25 | 613.25 |
| | | | | | | | |
| SMH Infrastructure Private Limited | Service Charges Paid | - | - | - | - | - | - |
| | Payables at the year end | - | - | - | - | - | - |
| | | | | | | | |
| M/s Prabhu International | Trading Purchase | - | - | - | - | - | - |
| | Purchase of Fixed Assets | - | - | - | - | 43.60 | - |
| | Trading Sales | 1,173.35 | 3,162.49 | 2,891.22 | 5.02 | - | - |
| | Receivables at the year end | 326.21 | - | - | - | - | - |
| | | | | | | | |
| M/s Maheshwari Steel Processor | Service Charges Paid | - | - | - | - | - | - |
| | Payables at the year end | - | - | - | - | - | - |
| | | | | | | | |
| M/s Prabhu International Vyapaar Private Limited | Receipt of Share Application Money | - | - | - | 825 | - | - |
| | Other Receipt | - | - | - | 11.77 | 19.37 | - |
| | | | | | | | |
| Key Managerial Personnel | | | | | | | |
| A. Relatives of Promoters/ Directors | | | | | | | |
| Aditya Maheshwari | Salary | - | - | 1.56 | 2.45 | 5.05 | 1.50 |
| Anuj Maheshwari | Salary | - | - | 1.52 | 2.39 | 5.04 | 1.50 |
| | | | | | | | |
| Ex Promoters/ Directors | | | | | | | |
| Mr. Pawan Kumar Lakhota | Salary | 2.4 | 2.4 | - | - | - | - |
| Mr. Mahabir Prasad Lakhota | Salary | - | - | - | - | - | - |

ANNEXURE-XVIII
STATEMENT OF OTHER OPERATING EXPENSES

Rs. in Lacs

| Particulars | For the year ended March 31, | | | | | For the quarter ended June 30, 2009 |
|---------------------------------|------------------------------|-----------------|-----------------|------------------|------------------|-------------------------------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | |
| Other Operating Expenses | | | | | | |
| Stores & Spares consumed | 249.97 | 120.02 | 173.81 | 263.85 | 548.37 | 174.17 |
| Sub-contracting Charges | 3,215.30 | 6,210.56 | 5,128.03 | 9,519.18 | 14,837.08 | 3,159.37 |
| Power, fuel & lube | 527.45 | 557.18 | 372.71 | 971.12 | 1,017.00 | 455.12 |
| Equipment hire Charges | 135.21 | 102.48 | 143.81 | 288.88 | 86.98 | 41.64 |
| Insurance | 6.61 | 4.86 | 28.20 | 46.61 | 45.70 | 20.52 |
| Repairs & maintenance - P&M | 28.17 | 37.15 | 38.16 | 55.21 | 41.04 | 11.02 |
| Rates & Taxes | 55.26 | 201.50 | 198.65 | 246.45 | 539.59 | 88.22 |
| Rent (Sites) | 6.20 | 17.49 | 8.03 | 41.35 | 53.31 | 19.48 |
| Site Development Expenses | - | - | - | 17.70 | 56.02 | 2.62 |
| | 4,224.17 | 7,251.24 | 6,091.40 | 11,450.35 | 17,225.09 | 3,972.16 |

ANNEXURE-XIX
STATEMENT OF CURRENT LIABILITIES AND PROVISIONS

Rs. in Lacs

| Particulars | As at March 31, | | | | | As at June 30, 2009 |
|---|-----------------|-----------------|-----------------|------------------|-----------------|---------------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | |
| Current Liabilities | | | | | | |
| Acceptances | 433.36 | 1,004.87 | 1,343.73 | 2,284.63 | 3,701.79 | 3,999.55 |
| Sundry Creditors for Goods & Expenses | 1523.78 | 848.58 | 1,552.15 | 2,935.29 | 2,180.04 | 2,170.83 |
| Other Liabilities | 38.29 | 35.82 | 226.00 | 1,943.63 | 628.55 | 776.34 |
| Advances from Contractees | 18.23 | 1,912.07 | 3,230.97 | 2,738.67 | 2,340.97 | 2,585.27 |
| Share Application Money pending allotment | 1.52 | | 0 | 1500 | 0 | 0 |
| Interest on Debenture accrued but not due | | | 15.34 | | | |
| | 2,015.18 | 3,801.34 | 6,368.19 | 11,402.22 | 8,851.35 | 9,531.99 |
| Provisions | | | | | | |
| Provision net of advance payment of taxes | 8.36 | | 39.86 | 0 | 90.65 | 186.81 |
| Provision for Employees Retirement Benefits | - | 5.15 | 9.29 | 13.87 | 7.85 | 7.85 |
| Proposed Dividend | 36.21 | 108.64 | 110.64 | 165.95 | 229.86 | 229.86 |
| Provision for Corporate Tax on Dividend | 8.57 | 23.81 | 18.8 | 47.01 | 39.07 | 39.07 |
| | 53.14 | 137.6 | 178.59 | 226.83 | 367.43 | 463.59 |
| Current Liabilities and Provisions | 2,068.32 | 3,938.94 | 6,546.78 | 11,629.05 | 9,218.78 | 9,995.58 |

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our standalone financial statements, restated in accordance with SEBI Regulations, including the notes thereto, in this Red Herring Prospectus. Our standalone restated financial statements were prepared in accordance with paragraph B(1) of Part II of Schedule II to the Companies Act and Indian Accounting Policies. Unless otherwise indicated, references in this discussion and analysis to our results of operations or financial condition for a specified year are to our Fiscal ended March 31 of such year and for a specific Quarter to our Quarter ended 30.06.2009.

Overview

We are engaged in the construction and maintenance of Roads and Highways, industrial infrastructure projects and other civil engineering projects for various government bodies and other clients. We have a fast growing business that provides integrated engineering, procurement and construction services for civil construction and infrastructure sector projects.

We have a pan India presence and our Company has executed and commenced upon a number of projects in the states of West Bengal, Madhya Pradesh, Uttarakhand, Maharashtra, Orissa, Rajasthan, Assam, Uttar Pradesh, Bihar, Delhi, Andhra Pradesh, Chattisgarh, Jharkhand, Haryana and Karnataka.

We are focused on the following sectors

1. Highway Construction
2. Road Maintenance
3. Industrial Infrastructure Projects
4. Other Civil Engineering Projects
5. BOT Projects

We are also engaged in steel trading and waste management (ferrous scrap and slag recycling) at major steel plants.

We have ready mix concrete ("RMC") and bitumen divisions to ensure adequate and timely supply of high quality of RMC and bitumen mixes. Our RMC division also sells RMC to third parties.

We have quarrying / mining division to ensure adequate and timely supply of our bulk raw material of stone aggregates. Our quarrying division also sells surplus stone aggregates to third parties.

Significant developments subsequent to last financial year

The joint venture agreement dated January 8, 2007 was entered into between the Company and Dulevo International SPA ("Agreement") in connection with the expression of interest invited by Public Works Department ("PWD") for the PWD roads for National Capital territory of Delhi. Since the expression of interest invited by PWD was withdrawn the parties decided to cancel this agreement by mutual consent on July 3, 2009.

The Memorandum of Undertaking dated June 16, 2007, was entered into between the Company and Madhucon Projects Limited and Skyparks Projects Limited ("MoU") in connection with the development of integrated parking and commercial complexes at various locations in Delhi. The parties decided to cancel this MoU by mutual consent on July 06, 2009.

Factors affecting our Results of Operations

1. A significant part of our business transactions are with government or government-funded /controlled entities or agencies

Our business is dependent on infrastructure projects undertaken by governmental authorities and other entities funded by governments or international and multilateral development finance institutions. As of March 31, 2009 most of our contracts were awarded by the central, state and local governmental authorities and organizations/corporations controlled by them. The government's focus on and sustained increase in budgetary allocation for infrastructure 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, and are expected to result in several further, 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.

2. Variation in price of Raw Materials

A significant portion of revenue from the construction business is derived from contracts having escalation clauses to cover the variation in the prices of raw materials. In the event of an increase in prices of raw materials such as cement, bitumen and steel, the escalation clause in the contract may not cover the entire increase in prices and hence the operations of the Company may be adversely affected to the extent of the increase in costs not covered by the escalation clause.

3. Our bidding and execution capability

Contracts in the infrastructure sector are awarded on the basis of pre-qualification criteria and competitive bidding processes. We are currently qualified to bid for projects up to certain contract values depending on the project sponsor. To bid for some higher value contracts and for execution of certain contracts, we sometimes seek to form strategic alliances or joint ventures with other experienced and qualified companies. If we do not pre-qualify for any of the projects or are unable to form a joint venture with other qualified company or are unable to execute in a timely manner, our revenues will be affected adversely.

4. Interest rate and exchange rate fluctuations

As our infrastructure development and construction business are capital intensive, we are exposed to interest rate risks. Our infrastructure development and construction projects are funded to a large extent by debt and any increase in interest expense may have an adverse effect on our results of operations and financial condition. Our current debt facilities carry interest at variable rates as well as fixed rates with the provision for periodic reset of interest rates. As of September 30, 2009, almost all our indebtedness was subject to variable interest rates. In view of the high debt to equity ratios for our infrastructure development projects, an increase in interest expense is likely to have a significant adverse effect on our financial results.

5. Changes in tax laws and regime

The Indian Income Tax Act provides certain tax benefits to companies engaged in infrastructure development and construction, including a deduction of 100% of the profits (for a period of 10 consecutive assessment years) derived from the business of developing an infrastructure facility; We have claimed certain tax credits under Section 80 IA of the I.T. Act, relating to infrastructure development projects which decrease the effective tax rates compared to the statutory tax rates. Some of these benefits are available only for a specified period of time and others are available only in respect of specific projects. Any amendments to these provisions to our detriment or a non-extension of these tax benefits may also affect our tax liabilities and profits.

Overview of Results of Operations of the Company on a Restated Standalone Basis

The following table sets forth certain information with respect to our revenues, expenditures and profits for the periods indicated.

Rs. in lacs

| Particulars | For the year ended March 31, | | | | | For the quarter ended June 30, 2009 |
|---|------------------------------|------------------|------------------|------------------|------------------|-------------------------------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | |
| Income from Operation | | | | | | |
| Income from Construction and Project Related Activities | 9,890.89 | 11,673.20 | 12,153.15 | 19,457.05 | 35,684.08 | 11,116.27 |
| <i>Growth (%)</i> | <i>30.01%</i> | <i>18.02%</i> | <i>4.11%</i> | <i>60.10%</i> | <i>83.45%</i> | |
| Income from Waste Management and Trading Activities | 4,395.99 | 4,142.62 | 4,778.37 | 9,723.52 | 14,890.07 | 3,771.29 |
| <i>Growth (%)</i> | <i>18.03%</i> | <i>-5.76%</i> | <i>15.35%</i> | <i>103.49%</i> | <i>53.13%</i> | |
| Total Operating Income | 14,286.89 | 15,815.83 | 16,931.52 | 29,180.57 | 50,584.15 | 14,887.56 |
| <i>Growth (%)</i> | <i>26.07%</i> | <i>10.70%</i> | <i>7.05%</i> | <i>72.34%</i> | <i>73.35%</i> | |
| Other Income | 12.44 | 6.50 | 6.02 | 53.10 | 63.34 | 17.99 |
| Total Income | 14,299.33 | 15,822.32 | 16,937.54 | 29,233.67 | 50,665.86 | 14,905.55 |
| <i>Growth (%)</i> | <i>26.12%</i> | <i>10.65%</i> | <i>7.05%</i> | <i>72.60%</i> | <i>73.31%</i> | |
| Increase/(Decrease) in Waste & Trading Inventories | (94.70) | 223.84 | (223.62) | 235.90 | 18.37 | 79.07 |
| Expenditure | | | | | | |
| Raw materials Consumed | 4,275.95 | 2,601.66 | 3,214.23 | 3,570.05 | 10,733.67 | 4,724.52 |
| Purchases of Waste and Trading Goods | 4,238.51 | 4,234.40 | 4,443.67 | 9,707.87 | 14,693.59 | 3,771.71 |
| Staff Costs | 67.02 | 128.60 | 305.19 | 527.95 | 679.01 | 210.75 |
| Other Operating Expenses | 4,224.17 | 7,251.24 | 6,091.40 | 11,450.34 | 17,225.09 | 3,972.16 |
| Total Operating Expenses | 12,805.65 | 14,215.89 | 14,054.49 | 25,256.22 | 43,331.66 | 12,679.14 |
| <i>Growth (%)</i> | <i>25.41%</i> | <i>11.01%</i> | <i>-1.14%</i> | <i>79.70%</i> | <i>71.57%</i> | |
| <i>Total Operating Expense as % to Total Income</i> | <i>89.55%</i> | <i>89.85%</i> | <i>82.98%</i> | <i>86.39%</i> | <i>85.56%</i> | <i>85.06%</i> |
| Administration, Selling & Distribution Expenses | 186.28 | 236.49 | 320.42 | 326.19 | 634.44 | 155.23 |
| <i>Administration, Selling & Distribution Expenses as a % to Total Income</i> | <i>1.30%</i> | <i>1.49%</i> | <i>1.89%</i> | <i>1.12%</i> | <i>1.25%</i> | <i>1.04%</i> |
| Loss on sale of Fixed Assets | - | 0.71 | 2.82 | 2.96 | 2.53 | - |
| | 12,991.93 | 14,453.09 | 14,377.73 | 25,585.36 | 43,968.63 | 12,834.37 |
| Earning Before Interest, Depreciation, Tax & Amortization (EBIDTA) | 1,212.69 | 1,593.07 | 2,336.19 | 3,884.20 | 6,678.86 | 2,150.25 |
| EBIDTA as a % to Total Income | 8.48% | 10.07% | 13.79% | 13.29% | 13.19% | 14.43% |
| Interest | 279.92 | 518.23 | 836.44 | 1,351.20 | 2,538.47 | 810.33 |

| Particulars | For the year ended March 31, | | | | | For the quarter ended June 30, 2009 |
|--|------------------------------|---------------|-----------------|-----------------|-----------------|-------------------------------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | |
| Depreciation | 197.56 | 200.78 | 246.32 | 319.51 | 343.55 | 97.87 |
| Profit Before Tax (PBT) | 735.20 | 874.06 | 1,253.44 | 2,213.49 | 3,815.21 | 1,242.05 |
| <i>Growth (%)</i> | <i>25.10%</i> | <i>18.89%</i> | <i>43.40%</i> | <i>76.59%</i> | <i>72.36%</i> | |
| Provision for Taxation | | | | | | |
| - Current Tax | 55.00 | 72.52 | 140.00 | 250.00 | 735.00 | 287.00 |
| - Deferred Tax | 22.22 | (49.23) | 2.68 | 240.13 | 335.46 | 113.95 |
| - Fringe Benefit Tax | - | 4.42 | 4.86 | 7.23 | 6.36 | - |
| Total Tax as a % of PBT | 10.50% | 3.17% | 11.77% | 22.47% | 28.22% | |
| Profit After Tax (PAT) | 657.98 | 846.35 | 1,105.89 | 1,716.13 | 2,738.39 | 841.10 |
| (Short)/ Excess Provision in respect of Income Tax for Earlier years | 4.46 | (16.15) | (17.68) | (136.70) | - | - |
| Net Profit as per Audited Financial Statements | 662.44 | 830.20 | 1,088.21 | 1,579.43 | 2,738.39 | 841.10 |
| Adjustments on account of restatements | | | | | | |
| Net Profit as restated (A) - (B) | 662.44 | 830.20 | 1,088.21 | 1,579.43 | 2,738.39 | 841.10 |
| <i>Growth (%)</i> | <i>30.77%</i> | <i>25.32%</i> | <i>31.08%</i> | <i>45.14%</i> | <i>73.38%</i> | |
| <i>Net Profit as a % to Total Income</i> | <i>4.63%</i> | <i>5.25%</i> | <i>6.42%</i> | <i>5.40%</i> | <i>5.41%</i> | <i>5.64%</i> |

Discussion on Results of Operations

Income from Operations

Our income from operations includes income from two segments i) construction and project related activities and ii) waste management and trading activities. Construction and project related activities include construction, maintenance and operations of roads and highways, industrial infrastructure development and civil construction activities. During fiscal 2009, out of our total income from operation, 70.55% constituted income from construction and project related activities. During fiscal 2005-2009, our Company's income from construction and project related activities grew at CAGR of 38% from Rs.9,890.89 lacs in fiscal 2005 to Rs.35,684.08 lacs in fiscal 2009.

Waste management and trading activities include recycling of ferrous scrap and steel trading. Out of our total income from operation, 28.45% constitutes income from waste management and trading activities. During fiscal 2005-2009, our Company's income from waste management and trading activities grew at CAGR of 36% from Rs.4,395.99 lacs in fiscal 2005 to Rs.14,890.07 lacs in fiscal 2009.

Discussion on three month period ended June 30, 2009

Total Income: The Company's income from operation comprises Rs 11, 116.27 lacs from construction and project related activities and Rs.3,771.29 Lacs from waste management and trading related activities. The Company's income from operations was Rs 14,887.56 lacs and other income was Rs. 17.99 lacs for the three months ended June 30, 2009. The Company's total income for the three months ended June 30, 2009 was Rs. 14,905.55 lacs.

Total expenditure: The Company's total operating expenditure was Rs. 12,679.14 lacs for the three months ended June 30, 2009 which constitute 85.06% of the total income for the three months ended June 30, 2009. The administrative and selling expenses were Rs 155.23 lacs or 1.04% of the total income derived during the three months ended June 30, 2009.

Net profit / (loss), as restated. The Company's net profit, as restated was Rs. 841.10 lacs for the three months ended June 30, 2009.

Fiscal 2009

Income

Our income from operations includes income from two segments i) Construction and Project related activities and ii) Waste management and trading activities. Construction and Project related activities include construction, maintenance and operations of roads and highways, industrial infrastructure development and civil construction activities. Waste management and trading activities include recycling of ferrous scrap and steel trading.

Our income from operations has increased from Rs. 14286.89 lacs in Fiscal 2005 to Rs. 50,584.15 lacs in Fiscal 2009 growing at a CAGR of 37%.

Our other income includes insurance claims, miscellaneous receipts and foreign currency fluctuations.

Expenditure

Our operating cost which constitutes approximately 85- 90% of our total income consists of the cost of raw materials, purchase of waste and trading goods, staff cost etc. The administrative and selling expenses constitutes about 1-2% of our total income.

Comparison of financials of Fiscal 2009 with Fiscal 2008

Income

Our total income was Rs. 50,665.86 lacs in Fiscal 2009 as against Rs. 29,233.67 lacs in Fiscal 2008 registering a growth of 73.31% y-o-y.

Our operating income increased by 73.35% to Rs. 50,584.15 lacs in Fiscal 2009 over that of Fiscal 2008. The increase in the construction and project related activities was due to new contracts won by the Company and also due to increase in the size of the contracts. The income from waste management and trading activities increased by 53.13% to Rs. 14,890.07 lacs in Fiscal 2009.

Other Income

Other Income has increased to Rs. 63.34 lacs in Fiscal 2009 from Rs. 53.10 lacs in Fiscal 2008. This increase was mainly due to insurance claims and other miscellaneous income.

Operating Cost

Raw materials consumed

Our raw material consumption cost increased to Rs. 10,733.67 lacs in Fiscal 2009 from Rs. 3,570.05 lacs in Fiscal 2008.

Purchases of Waste and Trading Goods

In Fiscal 2009 purchase of waste and trading of goods cost has decreased to 29.01% as a percentage to total income as compared to 33.21% in Fiscal 2008. This is due to better margins is derived from waste management and trading goods. This is due to higher concentration of the Management on the Infrastructure Business.

Staff cost

Our staff cost has increased by 28.67% to Rs. 679.31 lacs in Fiscal 2009 from Rs. 527.95 lacs in Fiscal 2008. However, as a percentage to total income staff cost has remained the same at approximately 1-2% for the years under review.

Other Operating Expenses

Other operating expenses includes expenses like sub contracts, stores and spares consumption, rents and taxes, equipment hire charges, power, fuel and lube etc.

Other operating expenses have increased by 52.33% in Fiscal 2009 over that in Fiscal 2008. However, as a percentage to total income it has decreased to 34.01% in Fiscal 2009 from 38.68% in Fiscal 2008. This decrease in other operating cost was mainly on account of decrease in work sub contracted by the Company as compared to Fiscal 2008, which form a major part of other operating expenses, being 29.29% of total income in Fiscal 2009 as compared to 32.57% of Total income in Fiscal 2008.

Administration and Selling Expenses

Administration and selling expenses include office rent, Auditor's remuneration, repairs and other non- operating expenses. In Fiscal 2009 we incurred administration and selling expenses of Rs. 634.44 lacs as compared to Rs. 326.19 lacs incurred in Fiscal 2008.

As a percentage of total income administration and selling expenses have increased to 1.26% in Fiscal 2009 from 1.12% in Fiscal 2008 this was mainly on account of increase in general price levels for expenses.

Interest

Interest expense of Rs. 2538.47 lacs in Fiscal 2009 is an increase of 87.87% over Fiscal 2008. The increase was mainly due to increase in the working capital borrowings. However, as a percentage of total income, interest cost increased to 5.01% in Fiscal 2009 from 4.62% in Fiscal 2008.

Depreciation

Depreciation has increased by 7.52% to Rs. 343.55 lacs in Fiscal 2009 from Rs. 319.52 lacs in Fiscal 2008. The increase was due to increase in plant and machinery. However, depreciation as a percentage to total income has reduced to 0.68% in Fiscal 2009 from 1.09% in Fiscal 2008.

Provision for Tax

Provision for tax increased by 116.50% to Rs. 1076.82 lacs in Fiscal 2009 from Rs. 497.37 lacs in Fiscal 2008. The increase in tax was due to increase in the income tax by Rs. 485 lacs and deferred tax by Rs. 95.33 lacs.

Net Profit after Tax

Net profit after tax increased by 73.38% to Rs. 2738.39 lacs in Fiscal 2009 from Rs. 1,579.43 lacs in Fiscal 2008. The increase was mainly due to increase in income from operations. Net profit as a percentage of total income has marginally increased to 5.41% in Fiscal 2009 from 5.40 % in Fiscal 2008.

Comparison of financials of Fiscal 2008 with Fiscal 2007

Income

Our total income was Rs. 29,233.67 lacs in Fiscal 2008 as against Rs. 16,937.54 lacs in Fiscal 2007 registering a growth of 72.60% y-o-y.

Our operating income increased by 72.34% to Rs. 29,180.57 lacs in Fiscal 2008 over that of Fiscal 2007. The increase in the construction and project related activities was due to new contracts won by the Company and also due to increase in the size of the contracts. . The income from waste management and trading activities increased by 103.49% to Rs. 9,723.52 lacs in Fiscal 2008 mainly because of new contract of Rs. 5,971.20 lacs for waste management with SAIL and due to increase in volume of trading activities.

Other Income

Other Income has increased to Rs. 53.10 lacs in Fiscal 2008 from Rs. 6.02 lacs in Fiscal 2007. This increase was mainly due to insurance claims and other miscellaneous income.

Operating Cost

Raw materials consumed

Our raw material consumption cost increased to Rs. 3,570.05 lacs in Fiscal 2008 from Rs.3,214.23 lacs in Fiscal 2007. However, as a percentage to total income it decreased to 12.21% in Fiscal 2008 from 18.98% in Fiscal 2007. This decrease was on account of the Company having sub contracted work to its joint venture partners and others. In spite of general increase in prices of raw materials we were able to absorb the increased price as most of our contracts include price escalation clause.

Purchases of Waste and Trading Goods

In Fiscal 2008 purchase of waste and trading of goods cost has increased to 33.21% as a percentage to total income as compared to 26.24% in Fiscal 2007. This is due to more business from waste management and trading activities in Fiscal 2008 as compared to that in Fiscal 2007.

Staff cost

Our staff cost has increased by 72.99% to Rs. 527.95 lacs in Fiscal 2008 from Rs. 305.19 lacs in Fiscal 2007. However, as a percentage to total income staff cost has remained the same at approximately 2% for the years under review.

Other Operating Expenses

Other operating expenses includes expenses like sub contracts, stores and spares consumption, rents and taxes, equipment hire charges, power, fuel and lube etc.

Other operating expenses have increased by 87.98% in Fiscal 2008 over that in Fiscal 2007. As a percentage to total income it has increased to 39.17% in Fiscal 2008 from 35.96% in Fiscal 2007. This increase in other operating cost was mainly on account of increase in sub contracts which form a major part of other operating expenses, amounting to Rs. 9,519.18 lacs in Fiscal 2008 as compared to Rs. 5,128.03 lacs in Fiscal 2007.

The total operating cost has increased by 79.70% in Fiscal 2008 over that of Fiscal 2007. However, as a percentage to total income the total operating cost was 86.39% in Fiscal 2008 and 82.98% in Fiscal 2007.

Administration and Selling Expenses

Administration and selling expenses include office rent, Auditor's remuneration, repairs and other non- operating expenses. In Fiscal 2008 we incurred administration and selling expenses of Rs. 326.19 lacs as compared to Rs. 320.42 lacs incurred in Fiscal 2007.

As a percentage of total income administration and selling expenses have reduced to 1.12% in Fiscal 2008 from 1.89% in Fiscal 2007 this was mainly on account of increase in the total income

Interest

Interest expense of Rs.1,351.20 lacs in Fiscal 2008 is an increase of 61.54% over Fiscal 2007. The increase was mainly due to increase in the working capital borrowings. However, as a percentage of total income, interest cost decreased to 4.62% in Fiscal 2008 from 4.94% in Fiscal 2007.

Depreciation

Depreciation has increased by 29.72% to Rs. 319.51 lacs in Fiscal 2008 from Rs. 246.32 lacs in Fiscal 2007. The increase was due to increase in plant and machinery. However, depreciation as a percentage to total income has reduced to 1.09% in Fiscal 2008 from 1.45% in Fiscal 2007.

Provision for Tax

Provision for tax increased by 237.09% to Rs. 497.37 lacs in Fiscal 2008 from Rs. 147.55 lacs. The increase in tax was due to increase in the deferred tax by Rs. 237.45 lacs.

Net Profit after Tax

Net profit after tax increased by 45.14% to Rs. 1,579.43 lacs in Fiscal 2008 from Rs. 1,088.21 lacs in Fiscal 2007. The increase was mainly due to increase in income from operations. Net profit as a percentage of total income has reduced to 5.40% in Fiscal 2008 from 6.42% in Fiscal 2007 mainly due to increase in the provision of deferred tax.

Comparison of financials of Fiscal 2007 with Fiscal 2006

Income

Total income was Rs. 16,937.54 lacs in Fiscal 2007 as against Rs. 15,822.32 lacs in Fiscal 2006 registering a growth of 7.05% y-o-y.

Though there was a significant growth in the contracts awarded to us, our operating income increased by only 7.05% to Rs. 16,931.52 lacs in Fiscal 2007 over that of Fiscal 2006, due to delay in handing over of encumbrance free site by clients.

Other Income

Other Income was Rs. 6.02 lacs in Fiscal 2007 and Rs. 6.50 lacs in Fiscal 2006.

Operating Cost

Raw materials consumed

Our raw material consumption cost increased to Rs. 3,214.23 lacs in Fiscal 2007 from Rs. 2,601.66 lacs in Fiscal 2006 registering an increase of 23.55%. The increase was on account of decrease in sub contracting. As a percentage to total income it increased to 18.98% in Fiscal 2007 from 16.44% in Fiscal 2006.

Purchases of Waste and Trading Goods

In Fiscal 2007 purchase of waste and trading of goods cost decreased to 26.24% as a percentage to total income as compared to 26.76% in Fiscal 2006.

Staff cost

Our staff cost has increased by 137.32% to Rs. 305.19 lacs in Fiscal 2007 from Rs. 128.60 lacs in Fiscal 2006, which if expressed as a percentage to total income has increased to 1.80% in Fiscal 2007 from 0.81% in Fiscal 2006. The increase was mainly due to increase in the number of employees and increase in their remuneration.

Other Operating Expenses

Other operating expenses decreased by 16% to Rs. 6,091.40 lacs in Fiscal 2007 from Rs. 7,251.24 lacs in Fiscal 2006. This decrease was mainly due to reduction in sub contract charges.

The total operating expenses decreased by 1.14% to Rs. 14,054.49 lacs in Fiscal 2007 against Rs. 14,215.89 lacs.

Administration and Selling Expenses

In Fiscal 2007 we incurred administration and selling expenses of Rs. 320.42 lacs as compared to Rs. 236.49 lacs incurred in Fiscal 2006 registering an increase of 35.49%.

As a percentage of total income administration and selling expenses have increased to 1.89% in Fiscal 2007 from 1.49% in Fiscal 2006.

Interest

Interest expense increased by 61.40% to Rs. 836.44 lacs in Fiscal 2007 from Rs. 518.23 lacs in Fiscal 2006. As a percentage of total income, interest cost increased to 4.94 % in Fiscal 2007 from 3.28% in Fiscal 2006. The increase was mainly due to increase in working capital borrowings.

Depreciation

Depreciation has increased by 22.68% to Rs. 246.32 lacs in Fiscal 2007 from Rs. 200.78 lacs in Fiscal 2006, which when expressed as a percentage to total income was 1.45% and 1.27% for Fiscal 2007 and 2006 respectively. The increase was on account of increase in plant and machinery.

Provision for Tax

Provision for tax increased by 432.41% to Rs. 147.55 lacs in Fiscal 2007 from Rs. 27.71 lacs. The increase in tax was due to increase in provision for deferred tax and also due to increase in effective rate of taxation.

Net Profit after Tax

Net profit after tax increased by 31.08% to Rs. 1,088.21 lacs in Fiscal 2007 from Rs. 830.20 lacs in Fiscal 2006. The increase was mainly due to increase in income from operations and savings in operating cost. Net profit as a percentage of total income increased to 6.42% in Fiscal 2007 from 5.25% in Fiscal 2006 mainly due to improvement in operational efficiency.

Liquidity and Capital Resources

Our primary liquidity requirements are to finance our working capital needs and our capital expenditures. To fund these needs, we have relied on short-term and long-term borrowings, including working capital financing, loans against equipments, advances against work to be done and cash flows from operating activities. As at June 30, 2009, we had cash and cash equivalents of Rs. 4,498.51 lacs.

Cash Flows

The following table summarizes our cash flows for the years ended March 31, 2007, 2008 and 2009 and for the quarter ended June 30, 2009.

| <i>Rs. lacs</i> | | | | |
|---|-------------------|-------------------|-------------------|-------------------|
| Particulars | March 2007 | March 2008 | March 2009 | June, 2009 |
| Net cash flow from Operating activities | 379.94 | -1,392.59 | -2,701.26 | -553.03 |
| Net cash flow from Investing activities | -1,579.52 | -1,148.06 | -1,963.83 | -214.92 |
| Net cash flow from Financing activities | 1,786.47 | 2,970.22 | 6,452.44 | -61.21 |

| | | | | |
|--|--------|--------|----------|---------|
| Net Increase / (Decrease) in cash and cash equivalents | 586.89 | 429.57 | 1,787.35 | -829.16 |
|--|--------|--------|----------|---------|

Financial Analysis of AAP Infrastructure Limited (“AAP”)

AAP is a 100% subsidiary of our Company. AAP has successfully completed the execution of the BOT project of 114 km Seoni- Balaghat- Rajegaon (Maharashtra border) State Highway on SH – 26 and SH -11 which are important constituent of the main trunk route network of Madhya Pradesh. The Project Road falls in two districts of Madhya Pradesh viz. Seoni (about 45 kms) & Balaghat (about 69 kms) and it is a very important link road connecting NH-7 at Seoni (Madhya Pradesh) and NH-6 at Duggipur (near Gondia, Maharashtra). It serves as an important link for transportation of various minerals, agricultural and forest products and various other commodities. It provides shortest link for the traffic coming via NH-7 from North-West part of the state and the country as a whole and moving towards State of Chhatisgarh, Orissa & West Bengal and vice- versa.

The first phase of 28.118 kms between Garra – Balaghat - Rajegaon (Maharashtra border) was completed in October 2005 and commercial operations thereof started in April 2006. The toll collection for Fiscal 2007 was Rs. 132.60 lacs.

The development of the entire road of 114 kms was completed and commercial operations thereof started from February 22, 2008. The toll collection for Fiscal 2008 was Rs. 216.55 lacs. The collection for the month of March 2008 was Rs. 62.04 lacs for the entire road. The collection on the first phase showed a significant growth of approximately 27% in Fiscal 2008 over Fiscal 2007 due to increase in traffic and the annual rate increase of 7% in the toll rates as per the Concession agreement between MPRDC and AAP.

The toll collection in Fiscal 2009 was Rs. 780.19 lacs, registering a significant growth of 260.28%

Following is the toll collection from April 2009 to August 2009:

| | | Amount in Rs. | | | | |
|--------------|--------------------|---------------|--------------|--------------|--------------|--------------|
| Sr. No. | Vehicle Type | April 2009 | May 2009 | June 2009 | July 2009 | August 2009 |
| 1 | Private Car / Jeep | 3.48 | 4.62 | 3.96 | 2.31 | 2.48 |
| 2 | LCV | 6.58 | 6.88 | 6.90 | 5.60 | 5.52 |
| 3 | Bus | 1.83 | 2.06 | 1.59 | 1.31 | 1.21 |
| 4 | Truck | 12.01 | 10.32 | 10.37 | 9.43 | 8.56 |
| 5 | Multi Axle Vehicle | 45.65 | 46.03 | 45.40 | 49.89 | 48.95 |
| Total | | 69.55 | 69.91 | 68.22 | 68.54 | 66.72 |

Unusual or Infrequent Events or Transactions

Except as disclosed in the section titled “History and Certain Corporate Matters” beginning on page 90 of 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

Other than as described in this Red Herring Prospectus, particularly in the sections “Risk Factors” and Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page xiv and 179 respectively, of this Red Herring Prospectus, to our knowledge, there are no trends or uncertainties that have or had or are expected to have a material adverse impact on our income from continuing operations.

Significant economic or regulatory changes

There has been no significant change in the law governing our industry. The risk relating to the changes in the economic or regulatory environment and its impact on our business is discussed separately in the section titled “Risk Factors” on page xiv of this Red Herring Prospectus.

Future Relationship between Costs and Income

Other than as described in the sections “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages xiv and 179 respectively, of this Red Herring Prospectus, to our knowledge, there are no known factors which will have a material adverse impact on our operations and finances.

The extent to which material increases in net sales or revenue are due to increased sale volumes, introduction of new products or services or increased sales prices

Increases in revenue are by and large linked to increase in volume of construction activity carried out by the Company.

Total turnover of each major industry segment in which the Company operates

The Company operates in two segments i) Construction and Project related activities and ii) Waste management and trading activities. However, there are no published data available to the Company for total turnover of the industries in which the Company operates.

Business Segment

The Company operates in two segments i) Construction and Project related activities and ii) Waste management and trading activities

Seasonality of Business

Our operations may be adversely affected by difficult working conditions during the summer months and during monsoon season that restrict our ability to carry on construction activities and fully utilise our resources. During periods of curtailed activity due to adverse weather conditions our revenues from construction and projected related activities may be delayed or reduced.

Significant Dependence on a Single or Few Customers

For details, please refer to the sections “Risk Factors” and “Business Overview” beginning on pages xiv and 67, respectively, of this Red Herring Prospectus.

Competitive Conditions

We expect competition in the construction and infrastructure development industry from existing and potential competitors to intensify. For further details regarding our competitive conditions and our competitors, see the sections “Risk Factors” and “Business Overview” beginning on pages xiv and 67 respectively, of this Red Herring Prospectus.

FINANCIAL INDEBTEDNESS

Set forth below is a brief summary of our aggregate borrowings as on September 30, 2009

Rupees in Lacs

| Lender | Sanctioned | | | Interest Rate Repayment Schedule |
|--|------------|----------------|-------|---|
| | Fund Based | Non Fund Based | Total | |
| Bankers under Consortium | | | | |
| State Bank of Mysore as per sanction letter dated May 23, 2009 | 1,750 | 6,800 | 8,550 | 0.25% below the SBM PLR with monthly rests. Present rate 12 % p.a. To be repaid within 1 year from the date of availing of the loan. |
| State Bank Of Patiala as per sanction letter dated May 30 2009 | 1,750 | 5,500 | 7,250 | 0.75% below Bank PLR with monthly rests. Present rate 12 % p.a To be repaid within 1 year from the date of availing of the loan. |
| State Bank of Bikaner & Jaipur as per sanction letter dated July 5, 2008 | 530 | 3,525 | 4,055 | At 0.25% above the Bank PLR with monthly rests. Present rate 12 % p.a To be repaid within 1 year from the date of availing of the loan. |
| Bank of India as per sanction letter dated September 22, 2009 | 720 | 2,925 | 3,645 | At 0.25% below the Bank PLR with monthly rests. Present rate 11.75% p.a. To be repaid within 1 year from the date of availing of the loan. |
| State Bank of Hyderabad as per sanction letter dated July 1, 2009 | 1,750 | 3,500 | 5,250 | At SBH PLR.with monthly rests. . Present rate 12.25% p.a. To be repaid within 1 year from the date of availing of the loan. |
| State Bank of Travancore as per sanction letter dated July 6, 2009 | 1,750 | 2,000 | 3,750 | At SBT PLR with monthly rests. . Present rate 12.25% p.a. To be repaid within 1 year from the date of availing of the loan. |
| Standard Chartered Bank as per sanction letter dated April 1, 2009 | 1,500 | 2,000 | 3,500 | At SCB PLR, i.e., 11.50% floating. To be repaid within 1 year from the date of availing of the loan. |
| Yes Bank as per sanction letter dated June 9, 2009 | 750 | 1,250 | 2,000 | At 3.50% below Bank PLR, present rate 12.00% To be repaid within 1 year from the date of availing of the loan. |

| Lender | Sanctioned | | | Interest Rate Repayment Schedule |
|--|-------------------|-----------------------|---------------|--|
| Bankers under Consortium | Fund Based | Non Fund Based | Total | |
| Oriental Bank of Commerce as per sanction letter dated June 28 2008 | 500 | 2,000 | 2,500 | At 0.25% below the PLR with monthly rests. . Present rate 11.75% p.a. To be repaid within 1 year from the date of availing of the loan. |
| IDBI Bank Limited as per sanction letter dated June 8, 2009 and as amended from time to time | 1,000 | 2,500 | 3,500 | At 1% below Bank PLR monthly rests . Present rate 11.75% To be repaid within 1 year from the date of availing of the loan. |
| Sub-Total (A) | 12,000 | 32,000 | 44,000 | |
| Other Bank (Not under Consortium) | | | | |
| IndusInd Bank as per sanction letter dated October 12, 2007 | 500 | 1,000 | 1,500 | At 13% p.a. at monthly rests. To be repaid within 1 year. |
| Barclays Bank PLC as per sanction letter dated July 18, 2008 | 900 | - | 900 | At interest rate as mutually agreed at the time of drawdown. To be repaid within 1 year |
| Bank of India as per sanction letter dated October 24, 2008 | 3000 | - | 3000 | At 1% above BPLR at monthly rests, Present rate 13% |
| Sub-Total (B) | 4400 | 1,000 | 5,400 | |
| Grand Total (A+B) | 16,400 | 33,000 | 49400 | |

Set forth below is a brief summary of Finance Amount as on March 31, 2009

| Lender Bank and Financial Institution | Sanctioned | Interest Rate Repayment Schedule |
|--|-------------------|---|
| ICICI Bank Limited | 61.56 | 8.25% - 16% To be repaid in 36 equal monthly installments from the date of sanction of the loan. |
| HDFC Bank Limited | 79.76 | 6.51% - 13.65% To be repaid within maximum of 42 months from the date of sanction of the loan |
| Standard Chartered Bank | 991.98 | 10.05% - 14% To be repaid within maximum of 42 months from the date of sanction of the loan. |
| Telecommunications Consultants India | 377.89 | 10.00% |

| Lender Bank and Financial Institution | Sanctioned | Interest Rate Repayment Schedule |
|--|-------------------|---|
| Limited | | To be repaid in 4 equal half yearly installments from the date of sanction of the loan. |
| SREI International Finance Limited | 1,701.14 | 9.10% - 16.00% To be repaid within April 2012. |
| Sundaram Finance Limited | 13.50 | 7.91% - 10.31% To be repaid within 35 months of the date of sanction of loan. |
| Tata Finance Limited | 4.25 | 13.51% To be repaid within February 21 2011 |
| L & T Finance Limited | 308.65 | 10.03% - 13.75% To be repaid in 34 equal monthly installments from the date of sanction of the loan. |
| Reliance Capital Limited | 7.43 | 12% To be repaid in 36 equal monthly installments from the date of sanction of the loan. |
| Magma Fincorp Limited | 7.15 | 12.25% To be repaid in 36 equal monthly installments from the date of sanction of the loan. |
| Total | 3,553.31 | |

1. As per the Working Capital Loan agreement with the consortium of banks (lenders) with State Bank of Mysore as the lead bank, Dated July 21, 2009, we are required to observe the following covenants:
 - That all the facilities together with interest, additional interest, liquidated damages, costs, charges, expenses and all other moneys payable to the lenders shall be secured by a Pari-Passue charge on the borrower's current assets, Receivable and book debts, excluding all such movables as may be permitted by the lenders. A First Mortgage Charge ranking Pari-Passue is created on the present and future movable and immovable properties in favor of the lenders.
 - As and when required by the lenders, the directors of the company shall be required to furnish guarantee of up to Rs. 440.00 Crores.
 - We shall have to indemnify the lenders against any claims, damages or losses, actions, costs, charges and expenses whatever may be sustained by the lenders or which the lenders may become liable under or in respect of the letters of credit, guarantees and indemnities.
 - Current Asset Ratio should not be less than 1.33:1.
 - That the facility will be used for by the borrower for meeting a part of its working capital requirements and nothing else.
 - To submit Statements under the Quarterly Information System in the prescribed formant.
 - Submit to the lead bank as and when required, such financial and other statements of the company.
 - The amount drawn shall not exceed the value of securities furnished.
 - To bring in additional funds as and when required to meet any shortfall that may arise in Cash Accruals or for meeting overruns.
 - Take insurance cover for the full value of the term loan in the joint names of banks. Cover for rioting, strike and theft to be taken. Along with the above the company shall also take an insurance cover in respect of standing charges and loss of profits in the event of any stoppage of work.
 - If proceeds of any policy of insurance are received it shall be payable to the lenders for satisfaction of the facility.
 - Maintain the net working capital position above the levels furnished in their projections for working capital finance.
 - Regularly submit to the lead bank various financial follow up reports as warranted under the sanction letter dated May 23 2009.

- Not appoint any person on the board of directors who is on the board of a company that has been identified as wilful defaulter.
2. Our company can not, during the currency of the said facility, without prior consent in writing from the lead bank undertake the following actions:
 - Declare any dividend except out of profits relating to that year after meeting all dues and making all the necessary provisions and provided further that no default had occurred in any payment obligations
 - Effect any change in the capital structure of the company
 - Formulate any scheme of amalgamation or reconstruction
 - Implement any scheme of expansion/diversification/modernization other than incurring routine capital expenditure.
 - Undertake guarantee obligation on behalf of any third party or any other company.
 - To avail any credit facility or accommodation from any other bank or financial institution
 - Dismantle or remove any of its assets comprised in the said security.
 - Compound or release any of the book debts nor do any thing by which the recovery of the same shall be impeded, delayed or prevented.
 - Deal with the goods, movables and other assets and documents of title thereto or the goods movables and other assets covered by the documents.
 - Create any further mortgage or charge on the specifically mortgaged properties.
 - Withdrawal of monies brought in by the principal shareholders/ directors of the company.
 - Effect drastic change in the management setup of the company.
 - Open bank accounts with any other bank.
 3. The directors of the company have executed a guarantee in favour of the Lead Bank guaranteeing full payment of the principal sum not exceeding Rs. 440 Crores together with interest costs charges expenses and/ or other money due to the lead bank in respect of or under the credit facilities or any of them enshrined in the Consortium Loan Agreement, on demand by the Lead Bank.
 4. Incase of default/ non-compliance of the covenants the bank(s) can
 - Charge penal interest as mentioned in their sanction letters.
 - Discontinue any/all the credit facilities granted without giving any notice to the company.
 - Have a right to sell, transfer, assign or securitise the security furnished to avail the said credits.
 5. The lenders at their sole discretion have the right to cancel the facilities, if any events of default or Potential events of default has occurred or it becomes unlawful for the lenders to disburse or continue facilities to the borrower.
 6. The total outstanding loans (fund as well as non fund based) as on September 30, 2009 is Rs. 33,362.30 lacs

SECTION VII: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding litigations, suits, criminal or civil prosecutions, proceedings, disputes or tax liabilities against our Company, our Subsidiaries, our Promoter and our Group Companies 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 and its Subsidiary, defaults in creation of full security as per terms of issue/other liabilities, proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) against the Company, its Directors, its Subsidiary, its Group Companies that would have a material adverse effect on its business and no disciplinary action has been taken by SEBI or any stock exchanges against the Company, its Promoters, Promoter Group, Directors, Directors of the Promoter Group.

A. Criminal proceedings against our Company

1. Techno Mechanical Services Private Limited (“the Complainant”) v. our Company and seven others

Criminal Petition Number C/1917 of 2006 before the Court of the Chief Metropolitan Magistrate

The Complainant has filed the above petition in regard to the dishonour of a cheque of Rs. 11.20 lacs dated December 31, 2005 drawn on ICICI Bank Limited issued by our Company. The Complainant has alleged that the said cheque was returned unpaid alongwith the return memo stating “Payment stopped by the Drawer”. This matter is also the subject matter of C.S. No. 120 of 2006, filed by our Company in which our Company has contended that the said cheque was one of the cheque leaf from a lost cheque book of the Company for which the Company had filed a First Information Report. For further details, please refer to “Civil Litigations filed by our Company” beginning on page 196 of this Red Herring Prospectus. The last hearing in this petition was held on June 05, 2009. The matter is pending.

2. Delhi Delta Resources and Services Private Limited (“the Complainant”) v. our Company and two others

Miscellaneous Criminal Case No. 934 of 2007 before the Hon’ble Metropolitan Magistrate, Patiala House, New Delhi

The Complainant has filed the above petition in regard to the dishonour of a cheque of Rs. 5.51 lacs dated December 31, 2005 drawn on ICICI Bank Limited issued by our Company. The Complainant has alleged that the said cheque was returned unpaid alongwith the return memo stating the narration “Payment stopped by the Drawer”. This matter is also the subject matter of C.S. No. 120 of 2006, filed by our Company in which our Company has contended that the said cheque was one of the cheque leaf from a lost cheque book of the Company for which the Company had filed a First Information Report.

Our Company has filed a petition under section 482 of the Code of Criminal Procedure, 1908 challenging the order of the Ld. Metropolitan Magistrate dated August 24, 2006 issuing process in Criminal Complaint No. 561 of 2006. The case was last listed before the Hon’ble Metropolitan Magistrate on August 21, 2009 when the Court was pleased to grant stay of proceedings. The next date of hearing has been set at November 26, 2009. The matter is pending.

B. Proceedings instituted against our Company

1. National Highways Authority of India (“the Petitioner”) v our Company

A.P. No.286 of 2005 before the Hon’ble High Court at Calcutta

Our Company was awarded a contract dated June 25, 2003 for short term improvement and routine maintenance of Barwa Adda - Panagarh Section of National Highway 2 under the Golden Quadrilateral Scheme of the

Government of India by the Petitioner. Our Company had furnished performance securities of Rs.160.50 lacs and Rs. 127.20 lacs to the Petitioner. A dispute arose between the parties due to alleged under performance of the obligations under the contract by our Company. Our Company moved an application under Section 9 of the Arbitration and Conciliation Act, 1996 (A.P. No. 435 of 2004 and A.P. No. 232 of 2004). Thereafter, a Dispute Review Expert was appointed and the Dispute Review Expert passed its decision pursuant an order dated March 30, 2006 in favour of our Company. The Petitioner, being dissatisfied, gave notice to refer the decision of the Dispute Review Expert to arbitration and filed an application (A.P. No. 286 of 2006) under Section 11 of the Arbitration and Conciliation Act, 1996 for the same and the Hon'ble High Court at Calcutta appointed a retired Supreme Court Judge as the sole arbitrator for adjudicating the disputes between the parties. The matter is pending before the Learned Sole Arbitrator.

2. *Jana Kalyan Morcha ("the Petitioner") v State of Jharkhand & Ors.*

W. P. (PIL) No.5186 of 2008 before the Hon'ble High Court of Jharkhand at Ranchi

The public interest litigation was filed by petitioner against State of Jharkhand citing that the Adityapur - Kandra Road has become dilapidated and inspite of regularly raising the issue by petitioner, no action whatsoever towards construction and repair of the said road has been taken by the concerned authorities. It was further alleged that the construction work was not done as per specified standard and it is gross misuse of public fund. The company and various officers were made parties to the writ petition subsequently. Our Company by its affidavit stated that the contract for "Four laning of Km. 0.00 to Km. 15.50 of Adityapur- Kandra Road at Jamshedpur including construction of culverts and drain" was awarded to the Company on January 12, 2004, which was completed on February 28, 2006 and the defect liability period was completed on February 27, 2007. The company also mentioned that the work was executed as per the specification as confirmed from the reports of the concerned officers, and supervision consultants appointed by the Road Construction Department and it is only due to reasons not attributable to the company such as traffic diversion from Chaibassa-Hata road, the flood in 2008, abnormal increase in traffic load not contemplated in the design, plying of over- loaded vehicles, inadequate provision of drainage facilities etc that the road was damaged. The matter is currently pending before the Hon'ble court.

C. Tax Proceedings instituted against our Company

1. *Deputy Commissioner of Income Tax, Central Circle ("Assessing Officer") v. Our Company*

I.T. Appeal No. 1056(k) of 09 before the Income Tax Appellate Tribunal, Kolkata.

The Deputy Commissioner of Income Tax has filed this instant appeal against the order of the Commissioner of Income Tax (Appeals), Central II, Kolkata ("CIT A") in the matter Appeal No. 114 / XIX / CIT (A) C-II / 07-08 for the assessment year 2005-2006. The Assessing Officer had alleged through the assessment a cumulative undisclosed income of Rs 1,206.43 lacs by our Company. Our Company had contended before the CIT (A) that, during the search conducted by the Department of Income Tax under section 132(1) of the Income Tax, 1961 of the premises used for official purposes of our Company, the Assessing Officer had misinterpreted the contents of certain documents recovered from other constituents of the search group and had held that the documents were recovered from the premises of our Company. The said appeal was allowed by the Commissioner of Income Tax (Appeals), Central II, Kolkata vide the order dated March 20, 2009. Aggrieved by the said order the Deputy Commissioner of Income Tax has filed the instant appeal before the ITAT. The matter is currently pending.

2. *Deputy Commissioner of Income Tax, Central Circle ("Assessing Officer") v. Our Company*

I.T. Appeal No. 1057(k) of 09 before the Income Tax Appellate Tribunal, Kolkata.

The Deputy Commissioner of Income Tax has filed this instant appeal against the order of the Commissioner of Income Tax (Appeals), Central II, Kolkata ("CIT A") in the matter Appeal No. 120 / XIX / CIT (A) C-II / 07-08 for the assessment year 2004-2005. The Assessing Officer had alleged a cumulative income of Rs 440.38 lacs as undisclosed by our Company. Our Company had contended before the CIT (A) that, during the search conducted by the Department of Income Tax under section 132(1) of the Income Tax, 1961 of the premises

used for official purposes of our Company, the Assessing Officer had misinterpreted the contents of certain documents recovered from other constituents of the search group and had held that the documents were recovered from the premises of our Company. The said appeal was allowed by the Commissioner of Income Tax (Appeals), Central II, Kolkata vide the order dated March 13, 2009. Aggrieved by the said order the Deputy Commissioner of Income Tax has filed the instant appeal before the ITAT. The matter is currently pending.

3. *Union of India (“Petitioner”) v. Our Company*

Ref No: O.M.P. No. 578 of 2009

A summon was issued by the Commissioner of Service Tax, seeking to impose service tax on the maintenance contracts for maintenance of Ring Road and Outer Ring Road, New Delhi (“Project”), awarded to the Company by the Petitioner. The Company had contended that service tax on maintenance contracts is reimbursable by the Public Works Department, NCT, Delhi (“PWD”). The Company had deposited Rs. 5.00 lacs with the Commissioner of Service Tax and had requested the PWD for reimbursement of the amount. The Chief Engineer, PWD Maintenance Zone (“Chief Engineer”) had appointed a “Dispute Review Expert” for adjudicating the disputes between the parties. Our Company, being dissatisfied with the decision of the Dispute Review Expert, had requested the Chief Engineer to appoint an Arbitrator. Our Company had contended before the sole arbitrator, appointed by the Chief Engineer, which at the time our Company had bid for the Project, that is on April 15, 2005, service tax was not payable on the repair and maintenance of roads. Service tax was made payable on the reparation and maintenance of roads by the Finance Act, 2005 with effect from June 16, 2005. Our Company has contended that while working out the quantum of the bid, a bidder can take into account only the taxes/ levies applicable till the date of tendering of the bid and claimed for reimbursement of the said Rs 5.00 lacs paid as service tax along with Rs 1.50 lacs for cost of arbitration. The Sole arbitrator has vide the award dated June 15, 2009 decided the matter in favour of our Company and has awarded an amount of Rs.5,75,000 plus interest at 8% pa from July 01, 2009 to the date of payment in favour of the Company. On July 8, 2009 the Government of NCT of Delhi has appealed to the High Court of Delhi for setting aside the Arbitral Award. The matter is pending before the High Court of Delhi.

D. Civil Litigations filed by our Company

1. *Our Company v. Ircon International Limited and the State Bank of Mysore (“Respondent”)*

C. S. No.103 of 2003 before the Hon’ble High Court at Calcutta

Our Company and the Respondent had entered into an agreement dated January 10, 2002 for the strengthening of the two lane highway on NH2, Allahabad Khaga Road, Uttar Pradesh. The majority of the responsibilities for such strengthening under the agreement were assigned to a third party by the Respondent and the remaining work was foreclosed. However, when the Respondents refused to accept the foreclosure at a later stage, our Company filed this instant suit before the Hon’ble High Court at Calcutta. Respondent has made an application under section 9 of the Arbitration and Conciliation Act, 1996 vide A.P. No. 120 of 2005 for referring the suit to arbitration. The Hon’ble High Court had directed our Company to deposit a sum of Rs. 73.50 lacs, pending the outcome of Arbitration proceedings between the parties, as the final amount under dispute, with the Registrar of the High Court, which our Company has complied with. Consequently the High Court ordered that an arbitrator be appointed for adjudicating the disputes between the parties. The matter is pending before the Learned Arbitrator.

2. *Our Company v. The Airport Authority of India (“Defendant No.1”) and Mr. S. K. Panigrahi (“Defendant No. 2”), together referred to hereinafter as the “Defendants”*

C. S. No.237 of 2004 before the Hon’ble High Court at Calcutta

Our Company and the Defendants had entered into an agreement pertaining to the strengthening of the runway and the apron, extension of the apron and construction of an isolation bay with the link taxiway for PCN 64 at the Gaya Airport (“**Agreement**”). Our Company has contended that Defendant No. 1 had failed to discharge its obligations under the Agreement and that the Agreement subsequently stood annulled as a result of such breach, subject to our Company’s right to claim compensation and/or damages. Our Company had made a deposit of Rs.

1.00 lacs as earnest money, which has also not been refunded by Defendant no. 1. Our Company has filed this instant suit, inter alia, praying for the refund of Rs. 1.00 lacs on account of earnest money deposit held by the Defendants, a decree for Rs. 100.00 lacs as damages and an order for perpetual injunction against the Defendants for carrying out the project at the risk of our Company. The Defendants had filed an application, G.A. No. 4317 of 2004, ("**Application**") for the dismissal or a permanent stay of this instant suit and to refer the same to arbitration. However, the Hon'ble High Court at Calcutta was pleased to dismiss this Application. The matter is pending.

3. *Our Company v. SENZO Engineering Private Limited (the "Defendant")*

T. S. No.40 of 2003 before the Hon'ble Civil Judge (Senior Division) at Durgapur, West Bengal

Our Company and the Defendant had entered into an agreement for the supply and installation of "Metal Beams Crash Barrier" ("Metal Beams") by the Defendant to our Company. The agreement would have enabled our Company to implement a project for the National Highway Authority of India ("NHAI") and for the same our Company had arranged for a shed measuring 1,750 square feet alongwith an open space of about 3,000 square feet for the process, manufacture and fabrication of the Defendant's products. However, the Defendant failed to supply the requisite quantity of Metal Beams and had repudiated the same. As a result of such repudiation, our Company's project for the NHAI suffered a time loss and coupled with the same, also affected our Company's reputation with the NHAI. Our Company had placed a separate purchase order with the Defendant, which the Defendant also failed to perform and despite extension of time being granted, they failed to meet the revised time schedule. The Plaintiff has therefore filed this instant suit against the Defendant praying, inter alia, for a cumulative compensation of Rs 606.60 lacs. The Hon'ble Civil Judge had passed an interim order dated November 20, 2003 restraining the Defendant from removing any metal beams from the construction sites of our Company. The matter is pending.

4. *Our Company v. Techno Mechanical Services Private Limited ("TMSPL"), Delhi Delta Resources and Services Private Limited, Mr. Subhas Sethi, Mr. Shishir Bhargava and ICICI Bank Limited (together referred to as the "Defendants")*

C. S. No.120 of 2006 before the Hon'ble High Court at Calcutta

Our Company has instituted this instant suit in regard to an alleged issuance of cheques by our Company in favour of TMSCL from a cheque book and the consequent dishonour of such cheques (which is the subject matter of the Criminal Petition Number C/1917 of 2006 and Miscellaneous Criminal Case No. 934 of 2007 by and between the same parties, as disclosed under "Criminal Proceedings against the Company"). Our Company has contended that it has lost the cheque book and had duly lodged a First Information Report and has intimated its bankers. However, the Defendants have alleged that our Company has, pursuant to a "Works Sign off Contract" with TMSCL, issued the cheques in its favour which has been subsequently dishonoured. Our Company has also been served with notices under Section 138 of the Negotiable Instruments Act alleging such dishonour.

Our Company has filed this instant suit praying for, inter alia, (a) a decree for the delivery up of the cheques and their being adjudged void, (b) a decree of Rs. 400.00 lacs against the Defendants along with interest, (c) Remaining cheque leaves of the missing cheque book be adjudged void, (d) a decree for mandatory injunction directing the Defendants to return the purported cheques (e) Decree for specific delivery of the cheques (f) mandatory injunction against ICICI Bank Limited to retain cheques from lost cheque book if presented for encashment (g) perpetual injunction against the Defendants from presenting cheques from lost cheque book and (h) the notices under Section 138 of the Negotiable Instruments Act be adjudged null and void. Our Company has also filed a petition, G.A. No. 1588 of 2006, in this instant suit praying for, inter alia, an injunction against ICICI Bank Limited to retain the cheques from lost cheque book if presented for encashment and to intimate our Company of the same. The Hon'ble High Court at Calcutta has allowed this petition.

TMSCL has filed an application in this instant suit, alleging that our Company had, pursuant to a consultancy agreement, issued post dated cheques and since such consultancy agreement provides for arbitration as the dispute resolution method, it inter alia, has prayed for referring the matter to arbitration and a simultaneous stay of this suit. The Hon'ble High Court at Calcutta has ordered for the filing of affidavits in the above application

and our Company has accordingly filed its affidavit in opposition wherein it has denied the existence and/or execution of the said consultancy agreement and issue of post dated cheques pursuant to the same. The applications and the suit are pending.

5. *Our Company (“the Petitioner”) v National Highways Authority of India*

A.P. No. 42 of 2008 before the Hon’ble High Court at Calcutta

Our Company was awarded a contract dated August 24, 2006 for short term improvement and routine maintenance of Barwa Adda - Panagarh Section of National Highway 2 by the NHAI. Our Company had furnished performance securities of Rs. 210 lacs to NHAI. A dispute arose between the parties due to alleged under performance of the obligations under the contract by our Company and the contract was terminated by NHAI by its letter dated December 28, 2007 with effect from January 01, 2008. Our Company moved an application under Section 9 of the Arbitration and Conciliation Act, 1996 contending that the contract was completed on December 31, 2007 and seeking, inter alia, an order of injunction restraining the Petitioner from taking any step pursuant to the letter of termination dated December 28, 2007. The Hon’ble High Court, pursuant to an order dated February 05, 2008, inter alia has stayed the termination till April 11, 2008. An appeal was preferred by NHAI before the Appellate Bench of the High Court and an order has been passed on February 27, 2008 disposing of the said appeal by modifying the order dated February 05, 2008 and remanding back the matter. The matter is pending before the Hon’ble High Court. As per the terms of the contract, arbitration tribunal has been constituted and our Company has submitted its claim before the arbitration tribunal. The matter is pending before the arbitration tribunal.

6. *Our Company (“the Petitioner”) v National Highways Authority of India*

A.P. No. 239 of 2008 before the Hon’ble High Court at Calcutta

Our Company was awarded the contract for the short term improvement and routine maintenance for National Highway No. 5 from Chilkaluripet to Vijayawada (K.M. 355.000 to K.M. 434.150) and from Vijayawada to Eluru (K.M. 3.400 to K.M. 81.600) by NHAI. Our Company had furnished performance securities of Rs. 314 lacs to NHAI. A dispute arose between the parties due to alleged under performance of the obligations under the contract by our Company and the contract was terminated by NHAI pursuant to their letter dated December 31, 2007. Our Company moved an application under Section 9 of the Arbitration and Conciliation Act, 1996 contending that the contract was completed on December 31, 2007 and seeking, inter alia, an order of injunction restraining the Petitioner from taking any step pursuant to the letter of termination dated December 31, 2007. The Hon’ble Kolkata High Court, pursuant to an order dated May 15, 2008, inter alia has directed the parties to maintain status quo. The matter is pending before the Hon’ble High Court. As per the terms of the contract, arbitration tribunal has been constituted and our Company has submitted its claim before the arbitration tribunal. The matter is pending before the arbitration tribunal.

7. *Our Company v. Collector, Sehore*

Case 3/A-67/R1/2003

Our Company had entered into an agreement for the development of the Sehore-Dewas Road (“Project”) with the Madhya Pradesh Rajya Setu Nirman Nigam Limited (now the Madhya Pradesh Road Development Corporation Limited) in 2002. For the purposes of executing the Project, our Company had applied for a mining lease for the land on which construction of the Project was to take place. Due to short supply of raw materials, such as stones, murram, etc., our Company used the raw materials available on the land for which lease had been applied for. However, there was a delay in the grant of the mining lease. On August 30, 2002, the Collector, Sehore served our Company with a notice stating that the mining officer had seized the stones used by our Company as our Company did not hold a mining lease. Our Company has contended that the excavation of stones was done in anticipation of grant of mining lease and due to the time constraints in completing the Project. On September 26, 2003, our Company was served with a show cause notice under the Madhya Pradesh Land Revenue Code, 1959 by Mining Officer, which alleged that the stones excavated were illegally extracted and proposed to impose a penalty on our Company amounting to Rs. 27.00 lacs. Our Company has appealed

against the show cause notice before the -Divisional Magistrate, Sehore, Madhya Pradesh. The matter is currently pending hearing before the Sub-Divisional Magistrate, Sehore, Madhya Pradesh.

8. *Our Company (“the Petitioner”) vs State of Jharkhand, Road Construction Department(RCD)*

C.S. No. 233 of 2009 before the Hon’ble High Court at Calcutta

Our Company was awarded contract dated January 12, 2004 and July 10, 2004 for “Four laning of Km. 0.00 to Km. 15.50 of Adityapur- Kandra Road at Jamshedpur including construction of culverts and drain” and for the “Widening and Strengthening of 0.00 KM to 23.107 KM of Kandra – Saraikela Raod at Jamshedpur” respectively. The said contracts were completed on February 28, 2006 and October 31, 2007 respectively. Disputes arose between the parties due to non payment of bills and claims and alleged under performance of the obligations. Our company has moved an application before the High Court of Calcutta for recovery of the dues arising out of non payment of bills and has applied for a stay against the alleged under performance. The matter is currently pending before the High Court of Calcutta.

F. Civil Proceedings against our Subsidiary

a. *Arun Jethwea (the “Petitioner”) v. AAP Infrastructure Limited (the “Respondents”)*

Writ Petition No. 6067 before the Hon’ble High Court of Madhya Pradesh at Jabalpur

The Petitioner had filed an application for permanent and temporary injunction to restrict the Respondent from setting up a toll plaza on a road being constructed by the Respondent. The Petitioner has contended that the toll plaza, being situated near the Petitioner’s premises, will impede the access of trucks to the Petitioner’s factory owing to the congestion of traffic which will be caused by the toll plaza. The Respondent, being awarded the contract to construct a road by Madhya Pradesh Rajya Setu Nirman Limited (“MPRS”), now known as Madhya Pradesh Road Development Corporation Limited, has the right to construct the toll plaza. The contract stipulates that the Respondent can install additional toll plazas to curb losses and leakage of revenue in case vehicles follow a short cut route and avoid the toll plaza. The Respondent is constructing the toll plaza to mitigate revenue losses. MPRS has granted permission to the Respondent to construct the toll plaza pursuant to a letter dated December 10, 2006. The trial court had rejected the Petitioner’s application vide an order dated March 23, 2007 and the lower appellate court upheld the trial courts decision in appeal preferred by the Petitioner vide an order dated April 26, 2007.

The writ petition has been instituted to challenge the validity of the order of the trial judge dated March 23, 2007 and the order of the lower appellate court dated April 26, 2007. The petitioner has prayed for a writ of certiorari to quash the said orders.

b. *Private Bus Operator Association, Balaghat, Madhya Pradesh (the “Petitioner”) v. State of Madhya Pradesh (Respondent no. 1), General Manager, Madhya Pradesh Road Development Corporation Limited (Respondent no. 2) and AAP Infrastructure Limited (Respondent no. 3),(together the “Respondents”)*

Writ Petition No. 2951 of 2006

The Government of Madhya Pradesh entered into an Agreement dated November 18, 2002 called “Build Own Transfer” (‘BOT’) for a Concession Agreement with Respondent nos. 3 for reconstruction, strengthening, widening and rehabilitation of Seoni–Balaghat road on State Highway No. 11 approximate length of 114 kms. Such agreement provides reconstruction of roads as per prescribed specifications, issuance of completion certificate and levy of fee chargeable from “individual vehicles”. The Petitioner has challenged the issuance of “Completion Certificate (Provisional)” dated October 25, 2005 issued by the Chief Engineer on the ground that the same could not be issued without successfully testing the safety and reliability of the road to put the same for commercial operation as per the Concession Agreement and the consequent chargeability of fee. The matter is pending before the Hon’ble High Court at Jabalpur.

c. *M/s. Shastri Brothers v. State of Madhya Pradesh (Respondent no. 1), Madhya Pradesh Road Development Corporation (Respondent no. 2), Chief Engineer, Madhya Pradesh Road Development Corporation*

(Respondent no. 3), AAP Infrastructure Limited (Respondent no. 4), the Manager, AAP Infrastructure Limited (Respondent no. 5) and Maheshwari Brothers Limited (Respondent no. 6)

Writ Petition No. 737 of 2006

Smriti Sudhir Shastri v. State of Madhya Pradesh (Respondent no. 1), Madhya Pradesh Road Development Corporation (Respondent no. 2), Chief Engineer, Madhya Pradesh Road Development Corporation (Respondent no. 3), AAP Infrastructure Limited (Respondent no. 4), the Manager, AAP Infrastructure Limited (Respondent no. 5) and Maheshwari Brothers Limited (Respondent no. 6)

Writ Petition No. 2649 of 2006

The Government of Madhya Pradesh entered into an Agreement dated November 18, 2002 called “Build Own Transfer” (‘BOT’) for a Concession Agreement with Respondent nos. 4 to 6 for reconstruction, strengthening, widening and rehabilitation of Seoni–Balaghat-Balaghat road on State Highway No. 11 approximate length of 114 kms. Such agreement provides for reconstruction of roads as per prescribed specifications, issuance of completion certificate and levy of fee chargeable from “individual vehicles”.

The Petitions has been filed against (i) Issuance of Completion Certificate (Provisional) dated October 25, 2005 issued by the Chief Engineer of Madhya Pradesh Road Development Corporation Limited, as the Petitioner has contended that the Seoni-Balaghat Rajegaon Road is yet to be completed (ii) Realisation of “Fee” by enhancing rates at the rate of 7% per year with effect from April 01, 2003, as the Petitioner has contended that charging of such fee is contrary to the terms of the Concession Agreement (iii) Wrong, illegal and arbitrary fixation of “Fee” (iv) Order dated October 22, 2005 fixing toll rates, as the Petitioner has contended that since the Balaghat Rajegaon Road is incomplete, toll cannot be collected (v) refusal by respondents no. 4 to 6 for grant of 50% concession to “Local Commercial Traffic”, as the Petitioner has contended that since the Balaghat Rajegaon Road is incomplete, such concession cannot be granted (vi) Opening of “Toll Plaza” at Village Garra at a distance of 3.5 kms from Balaghat towards Seoni, as the Petitioner has contended that such toll plaza was constructed illegally and the Company is overcharging the quantum of the toll. The Petitioner has claimed that the Provisional Concession Certificate be quashed and the Company be prohibited from recovering any toll. The matter is pending.

F. Civil Proceedings instituted by our Subsidiary

1. AAP Infrastructure Limited (“Plaintiff”) v. State of Madhya Pradesh (“Defendant”)

Writ Petition No. 7754/06 before the Hon’ble Madhya Pradesh High Court

The Company had filed a writ petition challenging the levy of labour cess upto a maximum of 2% of Rs. 6,000 lacs BOT project of the Seoni-Balaghat Road. The above petition has been allowed and the court quashed the recovery notices issued by Labour Officer on ground of lack of jurisdiction of the Labour Officer. The matter was taken up by the Deputy Labour Commissioner, Indore, who has levied Rs. 60 lacs as cess on the Company. The Company has been advised to challenge the levy of the penalty. The Company has made provisions of Rs. 60 lacs in its books of accounts.

2. AAP Infrastructure Limited (“Plaintiff”) v. State of Madhya Pradesh (“Defendant”)

Writ Petition No. 4125 / 2004 before the Hon’ble Madhya Pradesh High Court

A writ petition has been filed by our Company challenging the amendment in the Madhya Pradesh Stamp Act by which stamp duty at the rate upto 2% is leviable on BOT agreement of Rs. 6,000 lacs. The Hon’ble High Court of Madhya Pradesh at Jabalpur, vide an interim order, has granted stay on the levy of the stamp duty. The matter is pending.

G. Proceedings by and against our Group Companies

Civil litigation by MSP Infrastructures Limited

MSP Infrastructures Limited (the “Applicant”) v. Madhya Pradesh Road Development Corporation Limited (the “Respondent”)

Case No. AC/1380 before the 6th Additional District Judge, Bhopal

The Applicant and the Respondent had entered into a concession agreement dated April 04, 2002 (“Concession Agreement”) for the purposes of strengthening, widening, operation and maintenance of 100 kms of the Raisen Rahatgarh Road. The Respondents had alleged that the Applicant had failed to meet its obligations and had terminated the Concession Agreement. The dispute was referred to the Hon’ble High Court of Calcutta (CS No 63 of 2003) who directed the parties to refer the disagreement to an arbitral tribunal. On November 13, 2006, the arbitral tribunal declared their award wherein the Respondents were directed to pay to the Applicants Rs 690.30 lacs alongwith the release of the security deposit (“Award”). The Respondents had challenged the Award before the Additional District Judge, Bhopal. The matter is pending.

H. Proceedings by and against our Directors

As on the date of this Red Herring Prospectus, there are no litigations pending by and against our Directors.

I. Proceedings by and against our Promoters

As on the date of this Red Herring Prospectus, there are no litigations pending by and against our Promoters.

J. Neither was our Company, nor any Director, Promoter or Group Company, was party to any past proceedings by a regulator where any penalty was imposed.

K. There are no small scale undertakings to whom the Issuer owes a sum exceeding Rs. 1, 00,000 which is outstanding for more than thirty days.

MATERIAL DEVELOPMENT SINCE THE LAST BALANCE SHEET DATE

Except as stated in the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 179 in the opinion of our Board, there have not arisen, since the date of the last financial statements disclosed in this Red Herring Prospectus, any circumstances that materially or adversely affect or are likely to affect our profitability taken as a whole or the value of its consolidated assets or our ability to pay material liabilities within the next 12 months.

LICENSES AND APPROVALS

We have received all the necessary consents, licenses, permissions and approvals from the government and various government agencies/ private certification bodies for its present businesses and no further approvals are required for carrying on the present businesses except as stated hereunder.

Approvals granted to our Company for carrying on business:

| S. No | License/ Approval | Registration Number | Issuing authority | Date of issue | Term |
|-------|---|--|---|------------------|------|
| 1. | Certificate of incorporation of our Company | 21-073700 | Registrar of Companies, West Bengal | August 25, 1995 | NA |
| 2. | Fresh certificate of incorporation pursuant to change of name of our Company from Maheshwari Brothers Limited to MBL Infrastructures Limited | 21-073700 | Registrar of Companies, West Bengal | July 05, 2006 | NA |
| 3. | Permanent Account Number | AACCM0564C | Department of Income Tax | August 25, 1995 | NA |
| 4. | Certificate of registration as an “Employer” under the West Bengal State Tax on Profession, Trade, Callings and Employments Act, 1979 | ECN-0589217 | Professional Tax Officer | January 19, 2007 | NA |
| 5. | Service Tax Registration Code, issued under the Finance Act, 1994 | DLIST/M&R/ MBL/2693/06 | The Superintendent of Central Excise | July 26, 2006* | NA |
| 6. | Provident Fund Registration under the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, Employees Pension Scheme 1995, Deposit Linked Insurance Scheme, 1976 | PFRC/98 Coord/ DL/ 33045/ Coverage/ 1870 | The Regional Provident Fund Commissioner | August 05, 2005 | NA |
| 7. | Tax Account Number | CALMO0290D | The Commissioner of Income Tax | May 16, 2008 | NA |
| 8. | Certificate of Importer Exporter Code | 0299019721 | Director General of Foreign Trade | Feb 23, 2000 | NA |
| 9. | License under the West Bengal Shops and Establishment Act, 1963 registering the Registered Office of the Company as a commercial establishment | Kol/Hare/P-II/43700/08 | Registering Authority, Shops and Establishment, Government of West Bengal | July 04, 2008 | NA |

* The service tax registration code was originally issued in the name of Maheshwari Brothers Limited. Pursuant to the change of name of our Company, the service tax registration code was re-issued on July 26, 2006 in the name of MBL Infrastructures Limited.

Approvals granted to our branch offices and projects

1. Assam Branch

| S. No | License/ Approval | Registration Number | Issuing authority | Date of issue | Term |
|-------|---|--------------------------|---|-------------------|-------------------|
| 1. | Certificate of Registration under the Assam Entry Tax Rules, 2001 | GAU/(O)/AET /63 | Superintendent of Taxes, Guwahati | May12, 2005 | NA |
| 2. | Certificate of registration as a dealer in Assam under The Central Sales Tax (Registration and Turnover) Rules, 1957 | GWD/CST/21 94 | Superintendent of Taxes, Guwahati | March 27, 2007 | NA |
| 3. | Certificate of registration under the Assam Value Added Tax Rules, 2005 | GRN 1873 0059447 | Commissioner, Commercial Taxes, Guwahati | January 12, 2007 | NA |
| 4. | Trade License | 051277 | The Guwahati Municipal Corporation | April 23, 2007 | March 31, 2010 |
| 5. | Trade License in the name of MBL – TCIL (JV) | 84834 | The Guwahati Municipal Corporation | August 24, 2009 | March 31, 2010 |
| 6. | Renewal of License granted under section 12(1) of the Contract Labour (Regulations and Abolition) Act, 1970 and Contract Labour (Regulation and Abolition) Central Rules 1971 to Company. | GH.46/11/200 6-L | The Licensing Officer and Assistant Labour Commissioner, Guwahati | January 12, 2006 | January 11, 2010 |
| 7. | Renewal of License granted under section 12(1) of the Contract Labor (Regulations and Abolition) Act, 1970 and Contract Labour (Regulation and Abolition) Central Rules 1971 to TCIL-MBL (JV). | GH.46/24/200 6-L | The Licensing Officer and Assistant Labour Commissioner, Guwahati | February 02, 2006 | February 01, 2010 |
| 8. | No Objection Certificate issued by the Pollution Control Board, Assam for setting up the stone crusher unit at Helagong, Assam | WB/ KAM/ T- 313-06-07/27 | Assam Pollution Control Board | May 07, 2007 | NA |
| 9. | Certificate of registration as a dealer in Assam in the name of TCIL-MBL (JV) under The Central Sales Tax (Registration and Turnover) Rules, 1957 | GWD/CST/32 69 | Superintendent of Taxes, Guwahati | December 28, 2006 | N.A. |
| 10. | License to use and possess explosives required for the construction of the project undertaken by the joint venture between Telecommunications Consultants India Limited and our Company at Helagong, Assam. | E/EC/AS/2214 1(E38171) | Petroleum and Explosives Safety Organisation, Government of India | November 21, 2007 | March 31, 2011 |
| 11. | License to use and possess explosives required for the construction of the project undertaken by the joint venture between Telecommunications Consultants India Limited and our Company at Demoria, Assam. | E/EC/AS/22/1 41(E38172) | Petroleum and Explosives Safety Organisation, Government of India | November 21, 2007 | March 31, 2010 |

| S. No | License/ Approval | Registration Number | Issuing authority | Date of issue | Term |
|-------|---|--------------------------|--|--------------------|-------------------|
| 12. | No Objection Certificate for installing of their machineries for the work of widening of NH-37 from Khanapara to Sonapur in installing of Machineries | TCIL-MBL(JV)/06-07/97 | Khetri Gaon Panchayat | September 07, 2006 | N.A. |
| 13. | Permission for set up and run the stone crushing machine in the name of M/s TCIL-MBL (JV) | KE/SCM/TCI L-MBL (JV) 46 | Government of Assam Divisional Forest officer Kamrup East Divison, Basistha, Guwahati – 29 | September 11, 2008 | December 31, 2009 |
| 14. | Consent to operate under the Air (Prevention and Control of Pollution) Act, 1981 and the Water (Prevention and Control of Pollution) Act, 1974, in the name of TCIL-MBL(JV) | WB/GUW/T-1508/09-10/66 | Polution Control Board, Assam, Bamunimaidam, Guwahati | October 16, 2009 | March 31, 2010 |
| 15. | License under the Assam Shops and Establishment Act, 1971 | SEA/CE/06/63 6 | Inspector of Shops and Establishment, Government of Assam | September 16, 2009 | December 31, 2009 |

2. West Bengal Branch

| S. No | License/ Approval | Registration Number | Issuing authority | Date of issue | Term |
|-------|--|------------------------|--|--|-------------------|
| 1. | Certificate of registration under the West Bengal Value Added Tax Rules, 2005 | 19460359027 | Commissioner, Commercial Taxes, West Bengal | July 20, 2006 with effect from July 05, 2006 | NA |
| 2. | Trade License for our Registered Office | 0035722 | The Kolkata Municipal Corporation | November 05, 2007 | December 31, 2009 |
| 3. | Trade license for our office at 2, Ho Chi Minh Sarani, 2nd Floor, Kolkata 700 071 | 150917 | The Kolkata Municipal Corporation | June 24, 2008 | March 31, 2010 |
| 4. | Certificate of Registration under the Central Sales Tax Act, 1956 | 19460359221 | Commissioner, Commercial Taxes, West Bengal | March 01, 2000 | NA |
| 5. | License under section 12(1) of the Contract Labour (Regulations and Abolition) Act, 1970 | 24/2007/CL/DL C-ASN | Licensing Officer, Asansol, Burdwan | March 08, 2007 | December 31, 2009 |
| 6. | License under section 12(1) of the Contract Labour (Regulations and Abolition) Act, 1970 | BST/CON/L-951/ALC/09 | Licensing Officer, North 24 Parganas | June 11, 2009 | December 31, 2009 |
| 7. | License under West Bengal Shops and Establishments Act, 1963 | KOL/Hare/P-II/43700/08 | Registering Authority, Shops and Establishments, Government of West Bengal | July 4, 2008 | July 3, 2011 |

3. Uttar Pradesh Branch

| S. No | License/ Approval | Registration Number | Issuing authority | Date of issue | Term |
|-------|--|--------------------------------|--|--------------------|------|
| 1. | Tax payer Identification Number | 09752103013 | Officer of Commercial Taxes, Uttar Pradesh | January 30, 2008 | NA |
| 2. | Certificate of Registration as a dealer in Uttar Pradesh under the Central Sales Tax (Registration and Turnover) Rules, 1957 | LW-5105547 | Assistant Commissioner of Sales Tax | September 15, 2007 | NA |
| 3. | Certificate of Registration as a dealer in Uttar Pradesh Sales Tax (Registration and Turnover) Rules, 1948 | VAT Registration No LW-0242533 | Commercial Tax Officer | June 04, 2002 | NA |

4. Madhya Pradesh branch

| S. No | License/ Approval | Registration Number | Issuing authority | Date of issue | Term |
|-------|--|---------------------------|---|---|------------------------------|
| 1. | Tax payer Identification Number | VAT No: 23894502604 | Officer of Commercial Taxes, Madhya Pradesh | October 27, 2006 | NA |
| 2. | Registration under section 7(1)/ 7(2) of the Central Sales Tax Act, 1956 | 1306 | Officer of Commercial Taxes, Madhya Pradesh | October 28, 2006 | NA |
| 3. | Certificate to store petroleum in tanks in connection with the pump outfit for fueling motor purposes for the BOT Road Project, Balaghat, Madhya Pradesh | P/CC/MP/14/41 47(P68748) | Chief Controller of Explosives, Bhopal | February 07, 2005 | December 31, 2009 |
| 4. | License under the Contract Labour (Regulation and Abolition) Act 1970 to employ contract labourers. | 102/BGT/L/2003 | Labour Officer, Balaghat | Original Issued on 2003, Renewed on December 2007 | Valid upto December 31, 2009 |
| 5. | License to store petroleum under the Petroleum Act, 1934 | P/CC/MP/14/50 81(P214003) | Deputy Chief Controller of Explosives, Bhopal Circle | October 03, 2008 | December 31, 2011 |
| 6. | License to store petroleum under the Petroleum Act, 1934 | P/CC/MP/14/50 81(P213999) | Joint Chief Controller of Explosives, Agra Circle | October 22, 2008 | December 31, 2009 |
| 7. | License under Madhya Pradesh Shops and Establishments Regulations, 1958 | 5387/SIN/CE/20 09 | Inspector of Shops and Establishments, Madhya Pradesh | October 10, 2009 | NA |

5. New Delhi branch

| S. No | License/ Approval | Registration Number | Issuing authority | Date of issue | Term |
|-------|---|---------------------|-------------------------|-----------------|------|
| 1. | Certificate for registration under the Delhi Value Added Tax Act, | 07090295739 | Value Added Tax Officer | August 12, 2005 | NA |

| | | | | | |
|----|--|-------------|-------------------|-----------------|----|
| | 2004 | | | | |
| 2. | Certificate of Registration as a dealer in Delhi under the Central Sales Tax (Registration and Turnover) Rules, 1957 | 07080295739 | Sales Tax Officer | August 12, 2005 | NA |

6. Chhattisgarh branch

| S. No | License/ Approval | Registration Number | Issuing authority | Date of issue | Term |
|-------|---|---------------------|---|----------------|------|
| 1. | Certificate for registration under the Central Sales Tax Act, 1957 | 22623203357 | Commercial Tax Officer | March 09, 2009 | NA |
| 2. | Service Tax registration number | STJMLIMBLG TA005 | The Superintendent of Central Service, Chhattisgarh | April 09, 2007 | NA |
| 3. | Registration under Rule 9 of the Central Excise Rules, 2002 | TEMPG4748Q XD001 | Commissioner of Central Excise, Chhattisgarh | March 14, 2007 | NA |
| 4. | License under section 7(2) of the Contract Labour (Regulations and Abolition) Act, 1970 | 298/22/2007 | Assistant Labour Commissioner, Durg (Chattisgarh) | May 07, 2007 | NA |

7. Haryana branch

| S. No | License/ Approval | Registration Number | Issuing authority | Date of issue | Term |
|-------|--|---------------------|---------------------|------------------|------|
| 1. | VAT Certificate of Registration as Dealer in Haryana under section 11 of the Haryana Value Added Tax Act, 2003 | 06771323339 | Assessing Authority | October 12, 2004 | NA |

8. Orissa branch

| S. No | License/ Approval | Registration Number | Issuing authority | Date of issue | Term |
|-------|--|---------------------|--|----------------|------|
| 1. | VAT Certificate of Registration for execution of works contract/ import in Orissa under section 26 of the Orissa Value Added Tax Act, 2004 | 21672600006 | Assessing Authority, Bhubhaneswar Circle | March 17, 2009 | NA |
| 2. | CST certificate of registration for execution of works contract/ import in Orissa under section 26 of the Central Sales Tax Rules, 1957 | 21672600006 | Assistant Commissioner of Sales Tax | March 13, 2009 | NA |
| 3. | Entry Tax under Rule 5 of the Orissa Entry Tax Rules, 1999. | 21672600006 | Assistant Commissioner of Sales Tax | March 18, 2009 | NA |

9. Bihar branch

| S. No | License/ Approval | Registration Number | Issuing authority | Date of issue | Term |
|-------|--|---------------------|---------------------|--------------------|------|
| 1. | VAT Certificate of Registration as Dealer in Haryana under section 11 of the Haryana Value Added Tax Act, 2003 | 1020540809 | Assessing Authority | September 04, 2009 | NA |

Pending Approvals

Earlier the Company was in the process of brand building and had taken a view to apply for registration at a later stage. Since the management believes that the Company has grown in size and the brand has been built-up over a period of time it was considered appropriate to apply for registration to protect the mark. Accordingly we have applied to the Registrar of Trademarks for registration of the logo as trademarks in our name vide our application dated September 21, 2009.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue of Equity Shares has been authorized by the resolution of the Board of Directors at their meeting held on July 19, 2008 subject to a approval of the shareholders through a Special Resolution to be passed pursuant to section 81(1A) of the Companies Act. The shareholders have, at the Extra-Ordinary General Meeting of our Company held on August 16, 2008, approved the Issue.

Prohibition by SEBI

Our Company, our Directors, our Promoters, Promoter Group, Group Entities, the Directors or natural person(s) in control of our Promoter Companies, the group companies, companies promoted by our Promoters and the person(s) in control of companies promoted by our Promoters, and companies or entities with which our Company's Directors are associated as directors or promoters 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. The listing of any securities of our Company has never been refused at anytime by any of the stock exchanges in India.

Our Company, our directors, our Promoters, their relatives, group entities, group companies and associate companies has not been detained as willful defaulters by RBI / government authorities and there are no violations of securities laws committed by them in the past or pending against them.

Our Directors are not in any manner associated with the securities market and there has been no action taken by the SEBI against any of our Directors or any entity our Directors are involved in as promoters or directors.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Regulation 26 (1) of the SEBI Regulations as explained under, with the eligibility criteria calculated in accordance with unconsolidated financial statements under Indian Accounting Standards:

- Our Company has net tangible assets of at least Rs. 3 crores in each of the preceding three full years of which not more than 50% is held in monetary assets and is compliant with Regulation 26 (1) (a) of the SEBI Regulations;
- Our Company has a track record of distributable profits in accordance with Section 205 of Companies Act, for at least three of the immediately preceding five years and is compliant with Regulation 26 (1) (b) of the SEBI Regulations;
- Our Company has a net worth of at least Rs. 1 crore in each of the three preceding full years and is compliant with Regulation 26 (1) (c) of the SEBI Regulations;
- The aggregate of the proposed Issue size and all previous issues made in the same financial year in terms of size (i.e. offer through the offer document + firm allotment + promoter's contribution through the offer document) is not expected to exceed five times the pre-Issue net worth of our Company as per the audited balance sheet of the last financial year and is compliant with Regulation 26 (1) (d) of the SEBI Regulations
- Our Company has not changed its name in the last one year

Further, we undertake that the number of Allottees in the Issue shall be least 1,000. Otherwise the entire application money shall be refunded forthwith. In case of delay, if any, in refund, the Company shall pay interest on the application money at the rate of 15% p.a. for the period of delay.

The Company's net tangible assets, monetary assets, net profit and net worth derived from our Audit Report for the last five years ended FY 2009 are set forth below:

(Rs. in lacs)

| | March 31, 2005 | March 31, 2006 | March 31, 2007 | March 31, 2008 | March 31, 2009 |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Net Tangible Assets ⁽¹⁾ | 5,219.33 | 5,671.02 | 9,308.51 | 15,276.47 | 27,285.27 |
| Monetary Assets ⁽²⁾ | 1,212.02 | 1,694.69 | 2,281.59 | 2,711.16 | 4,498.51 |
| Net Profits, as restated | 662.44 | 830.20 | 1,088.22 | 1,579.43 | 2,738.39 |
| Net Worth, as restated | 2,747.27 | 3,453.68 | 4,562.46 | 5,947.73 | 9,917.19 |

(1) Net tangible assets is defined as the sum of fixed assets (including capital work in progress and excluding revaluation reserves), current assets (excluding deferred tax assets) less current liabilities (excluding deferred tax liabilities and long term liabilities)

(2) Monetary assets include cash in hand and bank. Detailed figures are given in the Auditor's Report dated October 15, 2009 pertaining to the initial public offer of Equity Shares by MBL Infrastructures Limited.

DISCLAIMER CLAUSE OF SEBI

A copy of the Red Herring Prospectus had been filed with the Corporate Finance Department of SEBI at SEBI Bhavan Plot No.C4-A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE RED HERRING PROSPECTUS TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, MOTILAL OSWAL INVESTMENT ADVISORS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 29, 2008 WHICH READS AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION AND OTHER MATERIALS IN CONNECTION WITH THE FINALISATION OF THE RED HERRING PROSPECTUS PERTAINING TO THE ISSUE
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:
 - THE RED HERRING PROSPECTUS FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
 - ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE ISSUE AS ALSO THE REGULATIONS, INSTRUCTIONS, ETC., ISSUED BY SEBI, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
 - THE DISCLOSURES MADE IN THE 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 (AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENT OF THE COMPANIES ACT, 1956, THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 AND OTHER APPLICABLE LEGAL REQUIREMENTS..
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID.
4. WHEN UNDERWRITTEN WE SHALL SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.
5. WE CERTIFY THAT WRITTEN CONSENT FROM SHAREHOLDERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THIS RED HERRING PROSPECTUS.
6. WE CERTIFY THAT REGULATION 33 OF THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES 2000, WHICH RELATES TO SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE CLAUSE HAVE BEEN MADE IN THE RED HERRING PROSPECTUS.
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION AND SUBSCRIPTION FROM ALL FIRM ALLOTTEES WOULD BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE ISSUE.

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE ISSUE FALL WITHIN THE MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**
9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 73(3) OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE FINAL PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION.**
10. **WE CERTIFY THAT NO PAYMENT IN THE NATURE OF DISCOUNT, COMMISSION, ALLOWANCE OR OTHERWISE SHALL BE MADE BY THE COMPANY OR THE PROMOTERS, DIRECTLY OR INDIRECTLY, TO ANY PERSON WHO RECEIVES SECURITIES BY WAY OF FIRM ALLOTMENT IN THE ISSUE.**
11. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.**
12. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.**
13. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO RE-MATERIALISE THE SHARES SO ALLOTTED THROUGH THE RED HERRING PROSPECTUS.**
14. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE RED HERRING PROSPECTUS:**
 - (a) **AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE SHARES OF THE COMPANY, AND**
 - (b) **AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.)**

THE FILING OF THE RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI, FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE RED HERRING PROSPECTUS.

ALL LEGAL REQUIREMENTS PERTAINING TO THE ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE RED HERRING PROSPECTUS WITH THE REGISTRAR OF COMPANIES,

WEST BENGAL IN TERMS OF 60B OF THE COMPANIES ACT. ALL LEGAL REQUIREMENTS PERTAINING TO THE ISSUE WILL BE COMPLIED WITH AT THE TIME OF REGISTRATION OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES, WEST BENGAL IN TERMS OF SECTION 56, SECTION 60 AND SECTION 60B OF THE COMPANIES ACT.

DISCLAIMER STATEMENT FROM OUR COMPANY AND THE BOOK RUNNING LEAD MANAGER:

Our Company, our directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisement or any other material issued by or at the instance of the issuer and that anyone placing reliance on any other source of information, including our website www.mblinfra.com would be doing so at his own risk.

The Book Running Lead Manager accepts no responsibility, save to the limited extent as provided in the BRLM Agreement entered into between the Book Running Lead Manager and us dated October 23, 2009 and the Underwriting Agreement to be entered into between the Underwriters and our Company. All information shall be made available by us and the Book Running Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

Neither us nor the Syndicate is liable for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

We certify that written consent from shareholders has been obtained for inclusion of their securities as part of Promoters' Contribution subject to Lock-in and the securities proposed to form part of Promoters' Contribution subject to lock-in, will not be disposed / sold/ transferred by the Promoters during the period starting from the date of filing the Red Herring Prospectus with the Board till the date of commencement of lock-in period as stated in this Red Herring Prospectus.

GENERAL DISCLAIMER:

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 and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. The Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

Disclaimer in respect of jurisdiction

This Issue is made in India to persons resident in India (including Indian nationals resident in India who are majors, Hindu Undivided Families, Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks and regional rural banks, co-operative banks (subject to RBI permission), Trusts (registered under Societies Registration Act, 1860, or any other Trust law and are authorized under their constitution to hold and invest in shares) and to NRIs and FIIs as defined under the Indian Laws and other eligible foreign investors. This Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to shares issued 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 about and to observe any such restrictions.

Any disputes arising out of this Issue will be subject to the jurisdiction of courts in Kolkata, 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 the Draft Red Herring Prospectus has been submitted to the SEBI for its observations and the SEBI has given its observations and that the final offer document shall be filed with the ROC as per the

provisions of the Companies Act. 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 of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances create any implication that there has been no change in the affairs of the Company 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 U.S. Securities Act of 1933, (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the Securities Act). Accordingly, the Equity Shares will be offered and sold only outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other Jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Disclaimer Clause of the Bombay Stock Exchange Limited (BSE)

As required, a copy of the Red Herring Prospectus has been submitted to BSE. The BSE has given vide its letter dated January 13, 2009, permission to the Issuer to use the Exchange’s name in this Red Herring Prospectus as one of the stock exchange on which this Company’s securities are proposed to be listed. The BSE has scrutinized the Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- i. warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus; or
- ii. warrant that this Company’s securities will be listed or will continue to be listed on the BSE; or
- iii. take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that the Red Herring Prospectus has been cleared or approved by the BSE. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription / acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever”.

Disclaimer Clause of the National Stock Exchange of India Limited (NSE)

As required, a copy of the Red Herring Prospectus has been submitted to NSE. NSE has given vide its letter ref.: NSE/LIST/98506-K dated February 2, 2009 permission to the Issuer to use NSE’s name in this Red Herring Prospectus as one of the stock exchanges on which this Issuer’s securities are proposed to be listed. The NSE has scrutinized the Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Red Herring Prospectus has been cleared or approved by NSE nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of this Issuer, its Promoters, its management or any scheme or project of this Issuer”.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /

acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever

Filing

A copy of this Red Herring Prospectus has 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 the Red Herring Prospectus, along with documents to be filed under Section 60 of the Act, would be delivered for registration to the Registrar of Companies at Nizam Palace, IInd MSO Building, 2nd floor, 234 / 4, A.J.C. Bose Road, Kolkata 700 020.

Listing

The Equity Shares issued through this Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Initial listing applications have been made to the BSE and the NSE for permission to list the Equity Shares and for an official quotation of the Equity Shares of the Company. BSE shall be the Designated Stock Exchange.

In case the permission for listing of the Equity Shares is not granted by any of the above mentioned Stock Exchanges, the Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within 8 days after the day from which the Issuer becomes liable to repay it or within 70 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 expiry of 8 days, be jointly and severally liable to repay that money with interest, at 15% per annum on the application monies as prescribed under Section 73 of the Companies Act.

Our Company with the assistance of the Book Running Lead Manager shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges mentioned above are taken within seven working days of finalisation of basis of Allotment for the Issue.

Consents

The written consents of the Promoters, the Directors, the Company Secretary and Compliance Officer, the Auditor, the Legal Advisor, the Book Running Lead Manager to the Issue, the Syndicate Member, the Registrar to the Issue, the Underwriter to the Issue, the Bankers to the Company and the Bankers to the Issue to act in their respective capacities, have been obtained and will be filed along with a copy of the Red Herring Prospectus with SEBI and have agreed that such consents have not been withdrawn up to the time of delivery of the Red Herring Prospectus for registration, as required under Section 60 and 60B of the Companies Act.

M/s. Agrawal S. Kumar & Associates, Chartered Accountants, our statutory Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Red Herring Prospectus and such consent and report has not been withdrawn up to the time of delivery of this Red Herring Prospectus for registration to the Registrar of Companies.

M/s. Agrawal S. Kumar & Associates, Chartered Accountants have given their written consent to the statement of tax benefits accruing to our Company and its members in the form and context in which it appears in this Red Herring Prospectus and has not withdrawn such consent up to the time of delivery of the Red Herring Prospectus for registration with the Registrar of Companies.

The IPO Grading Agency engaged by us for the purpose of IPO Grading have given their consent as experts, pursuant to their letter dated October 14, 2009 for the inclusion of their report in the form and content in which it will appear in the Red Herring Prospectus.

CRISIL has vide its letter dated November 6, 2009, given its consent for inclusion of its grading of 1/5 assigned to us on the earlier proposed initial public offering of the equity shares. The CRISIL Grading which was valid for sixty days from the date of issue of the grading report has expired.

Expert Opinion

Except as disclosed in the sections titled “General Information”, “Financial Statements” and “Other Regulatory and Statutory Disclosures” beginning on page 15, 129 and 208 respectively of this Red Herring Prospectus, our Company has not obtained any expert opinion.

Expenses of the Issue

The expenses of the Issue payable by our Company inclusive of brokerage, fees payable to the Book Running Lead Manager to the Issue, Registrar to the Issue, Legal Advisor, stamp duty, printing, publication, advertising and distribution expenses, bank charges, listing fees and other miscellaneous expenses are estimated as follows:

Details of fees payable

(Rs. in lacs)

| Particulars | Expenses | As a % of the Issue size | As a % of the total issue expenses |
|--|----------|--------------------------|------------------------------------|
| Management fees, underwriting commission and brokerage | [●] | [●] | [●] |
| Marketing and advertisement expenses | [●] | [●] | [●] |
| Stationery, printing and registrar expenses | [●] | [●] | [●] |
| Others | [●] | [●] | [●] |
| Total | [●] | [●] | [●] |

Will be completed after the finalization of the Issue Price

Fees payable to the Book Running Lead Manager

The total fees payable to the Book Running Lead Manager will be as per the agreement signed between the Company and the Book Running Lead Manager dated October 23, 2009, a copy of which is available for inspection at the Registered Office of our Company.

Fees payable to the Registrar to the Issue

The total fees payable to the Registrar to the Issue will be as per the Memorandum of Understanding signed with between the Company and the Registrar to the Issue, a copy of which is available for inspection at our Registered Office.

The Registrar to the Issue will also be reimbursed with all relevant out-of-pocket expenses such as cost of stationery, postage, stamp duty, communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to make refunds to unsuccessful applicants.

Others

The total fees payable to the Legal Advisor, Auditor and tax auditor will be as per the terms of their respective engagement letters.

Underwriting Commission, Brokerage and Selling Commission

The underwriting commission and selling commission for the Issue is as set out in the Syndicate Agreement entered between our Company, the Book Running Lead Manager and Syndicate Members on October 23, 2009. The underwriting commission shall be paid as set out in the Syndicate Agreement based on the Issue Price and amount underwritten in the manner mentioned in the Red Herring Prospectus.

IPO Grading

This Issue has been graded by ICRA Limited and has been assigned a grade of ICRA IPO Grade 2 indicating average fundamentals, through its letter dated October 14, 2009. We had in our earlier proposed public issue received a grade of CRISIL IPO Grade 1/5 indicating poor fundamentals, through its letter dated February 23, 2007. As per the terms of the CRISIL Grading, it was valid for sixty days from the date of issue of the grading report and has now expired. For details in relation to the Report of ICRA Limited, please refer to “Annexure” beginning on page 289 of this Red Herring Prospectus.

Disclaimer of IPO Grading Agency:

ICRA

Notwithstanding anything to the contrary: An ICRA IPO grade is a statement of current opinion of ICRA and is not a statement of appropriateness of the graded security for any of the investors. Such grade is assigned with due care and caution on the basis of analysis of information and clarifications obtained from the issuer concerned and also other sources considered reliable by ICRA. However, ICRA makes no representation or warranty, express or implied as to the accuracy, authenticity, timeliness, or completeness of such information. An ICRA IPO grade is not (a) a comment on the present or future price of the security concerned (b) a certificate of statutory compliance and/or (c) a credit rating. Further, the ICRA IPO grade is not a recommendation of any kind including but not limited to recommendation to buy, sell, or deal in the securities of such issuer nor can it be considered as an authentication of any of the financial statements of the company, and ICRA shall not be liable for any losses incurred by users from any use of the grade in any manner. It is advisable that the professional assistance be taken by any prospective investor in the securities of the company including in the fields of investment banking, tax or law while making such investment. All services and information provided by ICRA are provided on an “as is” basis, without representations and warranties of any nature.

CRISIL

Notwithstanding anything to the contrary: A CRISIL IPO grading is a one-time exercise and reflects CRISIL’s current opinion on the fundamentals of the graded equity issue in relation to the other listed equity securities in India and does not constitute an audit of the issuer by CRISIL. A CRISIL IPO grading is neither an audit of the issuer nor is it a credit rating. Every CRISIL IPO grading is based on the information provided by the issuer or obtained by CRISIL from sources that it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the grading is based. A CRISIL IPO grading is not a recommendation to buy or sell or hold the graded instrument. It does not comment on the current market price, future market price or availability for a particular investor.

CRISIL is not responsible for any errors and especially states that it has no financial liability to the subscribers/transmitters/distributors of CRISIL IPO gradings.

Previous public or rights issues

Our Company has not made any public or rights issue since its inception. However, our Company had filed a Red herring prospectus with SEBI on October 04, 2006 but had withdrawn the same due to an upward revision in fund requirements.

Previous issue of shares otherwise than for cash

Please refer to the section titled ‘Capital Structure’ and ‘History and Certain Corporate Matters’ beginning on page 24 and 90 of this Red Herring Prospectus for details of shares issued otherwise than for cash.

Commission or brokerage on previous issues

Subject to payments to be made, no sum has been paid or payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

Outstanding debentures or bond issues

As on the date of filing this Red Herring Prospectus, our Company does not have any outstanding debentures or has made any bond issue.

Outstanding Preference Shares

As on the date of filing this Red Herring Prospectus, our Company does not have any outstanding preference shares.

Particulars in regard to the Company and other listed companies under the same management within the meaning of Section 370(1) (b) of the Companies Act which made any capital issue during the last three years

There are no listed companies under the same management within the meaning of Section 370(1)(B) of the Companies Act that made any capital issue during the last three years.

Promises Vs Performance

Our Company has not made any public issue since its inception. None of our group companies have made any public issue since their respective dates of inception.

Option to Subscribe

Equity Shares being offered through this Red Herring Prospectus can be applied for in dematerialized form only.

Stock Market Data

This being the first public issue by our Company, no stock market data is available.

Disclosure on Investor Grievances and Redressal System

The MoU between the Registrar to this Issue and our Company entered on September 19, 2006 will provide for retention of records with the Registrar to this Issue for a period of at least one year from the last date of dispatch of the letters of allotment, demat credit and making refunds as per the modes disclosed to enable the investors to approach the Registrar to this Issue for redressal of their grievances.

All grievances relating to this Issue may be addressed to the Registrar to this Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection center where the application was submitted.

The Company has appointed an Investors' Greivance Committee comprising of Mr. Ashwini Kumar Singh, Mr. Bhanu Prakash Agarwal and Mr. Maruti Maheshwari.

We estimate that the average time required by us or the Registrar to this Issue for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Mr. Nitin Bagaria, Company Secretary as the Compliance Officer and he may be contacted at 23A, Netaji Subhas Road, 3rd Floor, Suite 14, Kolkata 700 001; Tel No: + 91 33 2230 2353; Fax No. + 91 33 2230 8807; Email: cs@mblinfra.com for redressal of any complaints.

Other Disclosures

Except as disclosed in the sections titled "Capital Stucture", "Our Management", "Our Promoter and Promoter Group" and "Related Party Transactions" beginning on page 24, 101, 114 and 125 respectively of this Red Herring Prospectus, the Promoter Company or the Promoter Group Companies or the Directors of the Company, have not purchased or sold any securities of the Company during a period of six months preceding the date of this Red Herring Prospectus.

Our Company will make continuous disclosures on stages of development on the material agreements to Stock Exchange on a continuous basis, for the purpose of public dissemination.

Applications for withdrawal of Bids should be addressed to the Registrar to the Issue at Link Intime India Private Limited, C- 13 Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400 078 and at : mbl.ipo@linkintime.co.in.

Disposal of investor grievance by listed companies under the same management

There is no listed company under the same management as the Company.

Tax Implications

Investors that are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the stock exchanges. For details, please refer to the section titled “Financial Statements” beginning on page 129 of the Red Herring Prospectus.

Changes in the Auditors during last three years and reasons thereof

Changes in our Auditors in the last three years are as follows:

| Name of Auditor | Date of Appointment/ Resignation | Reasons for change |
|-------------------------------------|---|---|
| M/s Agrawal S. Kumar and Associates | February 27, 2007 | Appointment |
| M/s Khandelwal Ravindra and Company | January 20, 2007 | Casual vacancy caused by the merger of the Firm with other firm |

Capitalisation of reserves or profits during the last five Years

On March 31, 2006, 36,21,242 Equity Shares of Rs. 10 each were issued by our Company in the ratio of 1:2 to the existing shareholders as bonus by way of capitalisation of our profits.

Revaluation of assets during the last five years

Our Company has not revalued its assets during the last five years.

SECTION VIII: ISSUE INFORMATION

ISSUE STRUCTURE

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

Public Issue of 57,00,000 Equity Shares for cash at a price of Rs. [●] per Equity Share aggregating Rs. [●] lacs. The Issue comprises of a reservation for Eligible Employees of 1,00,000 Equity Shares and a Net Issue of 56,00,000 Equity Shares.

The Issue will constitute 32.55 % and the Net Issue will comprise of 31.97 % of the total post Issue paid-up share capital of our Company. The Issue is being made through the 100% Book Building Process.

| Particulars | Eligible Employees | QIBs# | Non-Institutional Bidders | Retail Individual Bidders |
|---|---|--|--|--|
| Number of Equity Shares* | Upto 1,00,000 Equity Shares | Not more than 28,00,000 Equity Shares or Net Issue to the public less allocation to Non-Institutional Bidders and Retail Individual Bidders (of which 1,40,000 shall be reserved for Mutual Funds) | Not less than 8,40,000 Equity Shares | Not less than 19,60,000 Equity Shares |
| Percentage of Issue Size available for allocation | Upto 1.75 % of the Issue | Not more than 50% of the Net Issue (of which 5% shall be reserved for Mutual Funds) * | Not less than 15% of Net Issue * | Not less than 35% of the Net Issue * |
| Basis of allocation, if respective category is oversubscribed | Proportionate | Proportionate (a) Upto 1,40,000 Equity Shares shall be Allocated on a proportionate basis to mutual funds; and (b) Upto 26,60,000 Equity Shares shall be Allocated on a proportionate basis to all QIBs including Mutual funds receiving allocation as per (a) above | Proportionate | Proportionate |
| Minimum Bid | 35 Equity Shares and in multiples of 35 | Such number of Equity Shares that the Bid Amount exceeds | Such number of Equity Shares that the Bid Amount exceeds | 35 Equity Shares and in multiples of 35 Equity |

| <u>Particulars</u> | Eligible Employees | QIBs# | Non-Institutional Bidders | Retail Individual Bidders |
|---------------------------|--|--|--|--|
| | Equity Shares thereafter | Rs. 1,00,000 and in multiples of 35 Equity Shares thereafter | Rs. 1,00,000 | Shares |
| Maximum Bid | 20,000 Equity Shares in Employee Reservation Portion. Equity Shares | Not exceeding the size of the Issue subject to regulations as applicable to the Bidder | Not exceeding the size of the Issue | Such number of Equity Shares so as to ensure that the Bid Amount does not exceed Rs. 1,00,000 |
| Mode of Allotment | Compulsorily in dematerialized form | Compulsorily in dematerialized form | Compulsorily in dematerialized form | Compulsorily in dematerialised form |
| Bid Lot | 35 Equity Shares and in multiples of 35 Equity Shares | 35 Equity Shares and in multiples of 35 Equity Shares | 35 Equity Shares and in multiples of 35 Equity Shares | 35 Equity Shares and in multiples of 35 Equity Shares |
| Allotment Lot | 35 Equity Shares and in multiples of 1 Equity Shares thereafter | 35 Equity Shares and in multiples of 1 Equity Shares thereafter | 35 Equity Shares and in multiples of 1 Equity Shares thereafter | 35 Equity Shares and in multiples of 1 Equity Shares thereafter |
| Trading Lot | One Equity Share | One Equity Share | One Equity Share | One Equity Share |
| Who can Apply ** | Eligible Employees means employees of our Company, which includes a permanent and full time employee of our Company, working in India or abroad or is a director of our Company, whether whole time or part time and does not include the Promoters and immediate relatives of the Promoter and includes employees of our Corporate Promoter as on the date of the Red Herring Prospectus. | Public financial institutions as specified in Section 4A of the Companies Act, 1956, scheduled commercial banks, mutual funds registered with SEBI, FIIs and sub-account registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with IRDA, provident fund with minimum corpus of Rs. 25 | Resident Indian individuals, HUF (in the name of Karta), companies, corporate bodies, scientific institutions, NRIs, societies and trusts, sub-accounts of FIIs which is a foreign corporate or foreign individual | Individuals (including NRIs and HUFs in the name of karta) applying for Equity Shares such that the Bid Amount does not exceed Rs. 1,00,000 in value |

| <u>Particulars</u> | Eligible Employees | QIBs# | Non-Institutional Bidders | Retail Individual Bidders |
|---------------------------|---|--|---|--|
| | | crores, National Investment Fund set up by Government of India and national investment fund set up by the Government of India. | | |
| Terms of Payment | Margin Amount applicable to Eligible Employees at the time of submission of Bid cum Application Form to the Member of Syndicate | Margin Amount applicable to QIB Bidder at the time of submission of Bid cum Application Form to the Member of Syndicate | Margin Amount applicable to Non-institutional Bidder at the time of submission of Bid cum Application Form to the Member of Syndicate | Margin Amount applicable to Retail Individual Bidder at the time of submission of Bid cum Application Form to the Member of Syndicate*** |
| Margin Amount | Full Bid Amount on bidding | 10% of the Bid Amount in respect of bids placed by QIB Bidder | Full Bid Amount on bidding | Full Bid Amount on bidding |

The Company may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI Regulation. One-third of the Anchor Investor Portion shall be reserved for domestic mutual funds, subject to valid Bids being received from domestic mutual funds at or above the price at which allocation is being done to Anchor Investors. For further details, please see “Issue Procedure” on page 223 this Red Herring Prospectus.

* Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in QIBs, Non-Institutional and Retail Individual categories would be allowed to be met with spillover inter-se from any other categories, at the sole discretion of our Company, Book Running Lead Manager and subject to applicable provisions of SEBI Regulations.

The unsubscribed portion, if any, in the Employees Reservation Portion will be spilled over to any other category, at the discretion of our Company and the Book Running Lead Manager.

** In case the Bid Cum Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and in the same sequence in which they appear in the Bid Cum Application Form.

*** In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the bank account of the ASBA Bidder that are specified in the ASBA Form.

The number of prospective Allottees of Equity Shares in this Issue shall not be less than 1,000.

Withdrawal of the Issue

The Company, in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue at any time after the bidding. In such an event the Company would issue a public notice in the newspapers, in which the pre-issue advertisements were published, within two days of the closure of the Issue, providing reasons for not proceeding with the Issue. The Company shall also promptly inform the Stock Exchanges on which the Equity Shares were proposed to be listed and SCSBs.

Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which the Company shall apply for after Allotment.

Bid/Issue Program

| | |
|----------------------------|--------------------------|
| BID/ISSUE OPENS ON | November 27, 2009 |
| BID/ISSUE CLOSES ON | December 1, 2009 |

**** Our Company may consider participation by Anchor Investors in terms of the SEBI Regulations. The Anchor Bid/ Issue Period shall be one day prior to the Bid/ Issue Opening Date.**

Bids and any revision in Bids will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Bid/Issue Period as mentioned above at the bidding centers mentioned in the Bid-cum-Application Form except that on the Bid/Issue Closing Date, Bids and any revision in Bids will only be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders and Eligible Employees bidding in the Employees Reservation Portion where the Bid Amount exceeds Rupees One lacs and (ii) 5.00 p.m. or such extended period as may be permitted by the BSE and NSE in case of Bids by Retail Individual Bidders. Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will only be accepted on working days, i.e., Monday to Friday (excluding any public holiday). Bids by ASBA Bidders shall be uploaded by the SCSBs in the Electronic System to be provided by the BSE and the NSE.

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid cum Application Form, for a particular bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment. In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical or electronic Bid cum Application Form submitted through the ASBA process, for a particular ASBA Bidder, the Registrar to the Issue shall ask for rectified data from the SCSB.

The Company, in consultation with the BRLM, reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI Regulations. Provided, that the cap price is less than or equal to 120% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band disclosed in the Red Herring Prospectus.

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

TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, the Memorandum and Articles of Association of the Company, conditions of RBI approval, if any, the terms of this Red Herring Prospectus, Red Herring Prospectus and Prospectus, Bid-cum-Application Form, the Revision Form, the Confirmation of Allocation Note (“CAN”) and other terms and conditions as may be incorporated in the Allotment Advice, and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, Government of India, Stock Exchanges, RBI, ROC and / or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Issue

The Issue of Equity Shares has been authorized by the resolution of the Board of Directors at their meeting held on July 19, 2008 subject to a approval of the shareholders through a Special Resolution to be passed pursuant to section 81(1A) of the Companies Act. The shareholders have, at the Extra-Ordinary General Meeting of our Company held on August 16, 2008, approved the Issue.

The Company has obtained in-principle listing approvals dated January 13, 2009 and February 02, 2009 from the BSE and the NSE, respectively.

The Company has also obtained all necessary contractual approvals required for the Issue.

Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of the Memorandum and Articles of Association and shall rank pari passu in all respects with the other existing shares of the Company including in respect of the rights to receive dividends. The Allottees in receipt of the Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details please see “Main Provisions of the Articles of Association” on page 273 of this Red Herring Prospectus.

Mode of payment of dividend

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

Face Value and Issue Price

The Equity Shares with a face value of Rs.10 each are being offered in terms of this Red Herring Prospectus at a price of Rs. [●] per share. At any given point of time, there shall be only one denomination for the Equity Shares of the Company, subject to applicable laws. The Issue Price is [●] times the face value of the Equity Shares. The Anchor Investor Issue Price is Rs. [●] per Equity Share.

Compliance with SEBI Regulations

The Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholder

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and Articles of Association of the Company.

For a detailed description of the main provisions of the Articles of Association of MBL Infrastructures Limited dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and / or consolidation / splitting, please refer to the section titled 'Main provision of the Articles of Association of our Company' beginning on page 273 of this Red Herring Prospectus.

Market Lot

The Equity Shares of the Company shall be allotted only in dematerialized form. In terms of existing SEBI Regulations, the trading in the Equity Shares of the Company shall only be in dematerialized form for all investors. Since trading of our Equity Shares is in dematerialized mode, the tradable lot is one Equity Share. Allocation and allotment of Equity Shares through this Issue will be done only in electronic form, in multiple of one Equity Share, subject to a minimum allotment of 35 Equity Shares. For details of allocation and allotment, please refer to the section titled 'Issue Procedure' beginning on page 226 of this Red Herring Prospectus.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with competent courts / authorities in Kolkata, India.

Nomination Facility to the Investor

In accordance with Section 109A of the Companies Act, the sole or first bidder, along with other joint bidder, 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/ transfer/ alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered / Corporate Office or to our Registrar and Transfer Agents.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such allotment 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 allot the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialized mode, there is no need to make a separate nomination with us. Nominations registered with respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Minimum Subscription

If we do not receive the minimum subscription of 90% of the Net Issue to public including devolvement of Underwriters within 60 days from the date of closure of the Issue, the Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after the Company becomes liable to pay the amount, the Company shall pay interest as prescribed under Section 73 of the Companies Act.

Arrangement for disposal of odd lot

The Equity Shares will be traded in dematerialized form only and therefore the marketable lot is one (1) Equity Share. Hence, there is no possibility of any odd lots.

Restriction of transfer of Equity Shares:

There are no restrictions on the transfers and/or transmission of Equity Shares except as provided in sections titled “Restriction on Foreign Ownership of Indian Securities” and “Main Provisions of our Articles of Association” beginning on pages 271 and 273 of the Red Herring Prospectus.

ISSUE PROCEDURE

Book Building Procedure

The Issue is being made through the 100% Book Building Process wherein not more than 50% of the Net Issue shall be available for allocation to Qualified Institutional Buyers on a proportionate basis out of which, (excluding Anchor Investor Portion) 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. Further, not less than 15% of the Net Issue would be available for allocation to Non-Institutional Bidders and not less than 35% of the Net Issue would be available for allocation to Retail Individual Bidders on a proportionate basis, subject to valid bids being received from them at or above the Issue Price.

The Issue includes a reservation for Eligible Employees, of upto 1,00,000 Equity Shares.

In addition to the conditions laid down under Regulation 26 (1) of the SEBI Regulations, the number of prospective Allottees of Equity Shares in this Issue shall not be less than 1,000.

Bidders are required to submit their Bids through the Syndicate. Further, QIB Bids can be procured and submitted only through the BRLMs or its affiliate syndicate members. In case of QIB Bidders, the Company in consultation with the BRLMs may reject Bids at the time of acceptance of Bid cum Application Form provided that the reasons for such rejection shall be provided to such Bidder in writing. In case of Employee Reservation Portion, Non-Institutional Bidders and Retail Individual Bidders, our Company would have a right to reject the Bids only on technical grounds.

Investors should note that the Equity Shares will be allotted to all successful Bidders only in Dematerialized form. Bidders will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the Dematerialized segment of the Stock Exchanges.

Bid cum Application Form

Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of the Red Herring Prospectus. The Bidder shall have the option (except ASBA Bidders) 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.

Supplementary process of applying in public issues through Bid cum Applications Supported by Blocked Amount for certain eligible Retail Individual Investors, who qualify as ASBA Investors

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company and the BRLMs are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. ASBA Investors are advised to make their own judgment about investment through this process prior to submitting a Bid-cum-ASBA Form to a SCSB.

In addition to the current process of applying through Bid-cum-Application Forms, wherein a cheque is used as a mode of payment, SEBI, by its circular no. SEBI/CFD/DIL/DIP/31/2008/30/7 dated July 30, 2008 has introduced an optional and supplementary process for applying in public issues by ASBA Investors, by submitting the Application Supported by Blocked Amount (“ASBA”), containing a Dematerialize Bid to the Self Certified Syndicate Bank (“SCSB”) to block the application money in a bank account held with SCSB.

Only those Retail Individual Bidders who qualify as ASBA Investors are eligible to submit their Bids through the ASBA process. **INVESTORS OTHER THAN ASBA INVESTOR ARE REQUIRED TO FOLLOW THE**

PROCESS AS MENTIONED UNDER BID-CUM-APPLICATION FORM BEGINNING ON PAGE 231 OF THIS RED HERRING PROSPECTUS.

The prescribed colour of the Bid-cum-Application Form for various categories, is as follows:

| <i>Category</i> | <i>Colour of Bid-cum-Application Form</i> |
|--|---|
| Indian Public* or NRIs applying on a non-repatriation basis | White |
| Non-residents including Eligible NRIs, FIIs, Foreign Venture Capital Fund applying on repatriation basis | Blue |
| Eligible Employees | Pink |

In accordance with the SEBI Regulations, only Resident Retail Individual Investor can participate by way of ASBA process.

In accordance with SEBI Regulations, only QIBs can participate in the Anchor Investor Portion.

Investors should note that Equity Shares would be allotted to all successful Bidders only in dematerialized form. Bidders will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

*Indian Public qualifying as ASBA Investor may opt for ASBA Process mentioned herein above.

Who can Bid?

1. Persons eligible to invest under all applicable laws, rules, regulations and guidelines;
2. Indian nationals resident in India who are majors or the names of their minor children as natural / legal guardians, in single or joint names (not more than three);
3. Hindu Undivided Family or HUFs, in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids by HUFs would be considered at par with those from individuals;
4. Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in Equity Shares;
5. Mutual Funds registered with SEBI;
6. Indian financial institutions, commercial banks, (excluding foreign banks) regional rural banks, co-operative banks (subject to RBI regulations and SEBI regulations, as applicable);
7. Venture capital funds registered with SEBI;
8. Foreign venture capital investors registered with SEBI;
9. FIIs and sub-accounts (other than a sub-account which is for a foreign corporate or foreign individual) registered with SEBI subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the Issue in the QIB Portion;
10. State Industrial Development Corporations;

11. Insurance companies registered with the Insurance Regulatory and Development Authority;
12. Provident funds with minimum corpus of Rs. 2,500 lacs and who are authorized under their constitution to invest in Equity Shares;
13. Pension funds with minimum corpus of Rs. 2,500 lacs and who are authorized under their constitution to invest in Equity Shares;
14. National Investment Fund set up by resolution no. F. No. 2/3/205-DDII dated November 23, 2005 of the Government of India;
15. Trusts / societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts / societies and who are authorized under their constitution to hold and invest in Equity Shares;
16. Eligible Non-residents including NRIs and FIIs on a repatriation basis or a non-repatriation basis subject to applicable local laws;
17. Scientific and/or industrial research organizations authorized under their constitution to invest in Equity Shares;
18. Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals in the Non-Institutional Portion;
19. Multilateral and bilateral development financial institutions;
20. Eligible Employees of the Company
21. Resident Retail Individual Bidders as ASBA Investor may opt for ASBA Process mentioned hereinbelow.

As per the existing regulations, OCBs cannot participate in this Issue.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Participation by associates of BRLM and Syndicate Member

The BRLM and Syndicate Member shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. Associates and affiliates of the BRLM and Syndicate Members may subscribe for Equity Shares in the Issue where the allocation is on a proportionate basis. Such bidding and subscription may be on their own account or their clients.

Bid by Mutual Funds

Procedure for Application by Mutual Funds

As per the current regulations, the following restrictions are applicable for investments by Mutual Funds:

No mutual fund scheme shall invest more than 10% of its net asset value in 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. These limits would have to be adhered to by the mutual funds for investment in the Equity Shares.

One-third of the Anchor Investor Portion shall be reserved for domestic mutual funds, subject to valid bids being received from domestic mutual funds at or above the price at which allocation is being done to Anchor Investors.

Multiple Applications

In case of a mutual fund, a separate Bid can be made by an asset management company or custodian of mutual funds in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the name of the scheme concerned for which the Bid has been made.

Under the SEBI Regulations 5% of the QIB portion i.e. 1,40,000 Equity Shares has been specifically reserved for Mutual Funds.

Bid by NRIs

Bid cum Application Forms have been made available for NRIs at the registered office of the Company and with members of the Syndicate.

NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and shall not use the forms meant for reserved category.

Bid 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 the post-Issue paid-up capital of the Company. In respect of an FII investing in Equity Shares of the Company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital of the Company or 5% of our total paid up capital of the Company, in case such sub-account is a foreign corporate or an individual account.. As of now, the aggregate FII holding in the Company cannot exceed 24 % of the total paid-up capital of the Company. With the approval of the Board of Directors and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%. However, as of this date no such resolution has been recommended for adoption.

A sub account of a FII which is a foreign corporate or foreign individual shall not be considered to be a Qualified Institutional Buyer, as defined under the SEBI Regulations, for this Issue.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII or its sub-account may issue, deal or hold, offshore derivative instruments such as Participatory Notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities or their investment manager or advisor 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 offshore Derivative instrument referred to hereinabove is made to any person other than a regulated entity.

Application by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors

As per the current regulations, the following restrictions are applicable for SEBI registered Venture Capital Funds and Foreign Venture Capital Investors:

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, the holding by any individual venture capital fund or foreign venture capital investor registered with SEBI should not exceed 25% of the corpus of the venture capital fund/ foreign venture capital investor. However, venture capital funds or foreign venture capital investors may invest not more than 33.33% of their respective investible funds in various prescribed instruments, including in initial public offers of venture capital undertakings.

Bids by Eligible Employees of the Company

1. For the purpose of this reservation, employee shall include all the employees of the Company including the employees of the subsidiaries of the Company.
2. Bids under Employee Reservation Portion by Eligible Employees shall be made only in the prescribed Bid cum Application Form or Revision Form (i.e. Pink Form).
3. Eligible Employees, as defined above, should mention the following at the relevant place in the Bid cum Application Form: Department name.
4. The sole/ first bidder should be an “Eligible Employee” as defined.
5. Only employees, as defined above, would be eligible to apply in this Issue under this Reservation Portion.
6. Bids by employees, as defined above, will have to bid like any other Bidder. Only those bids, which are received at or above the Issue Price, would be considered for allocation under this category.
7. Eligible Employees, as defined, who apply or bid for securities of or for a value of not more than Rs. 1,00,000 in any of the bidding options can apply at Cut-Off. This facility is not available to other employees whose minimum Bid amount exceeds Rs. 1,00,000.
8. If the aggregate demand in this category is less than or equal to 1,00,000 Equity Shares at or above the Issue Price, full allocation shall be made to the employees, as defined above, to the extent of their demand.
9. If the aggregate demand in this category is less than or equal to 1,00,000 Equity Shares at or above the Issue Price, full Allocation shall be made to the employees to the extent of their demand. Under subscription, if any, in the Employees Reservation Portion be met with spill over from any other category at the discretion of the Company, in consultation with the BRLM.
10. If the aggregate demand in this category is greater than 1,00,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of allocation, refer to paragraph titled ‘Basis of Allotment’ beginning on page 258 of this Red Herring Prospectus.

The above information is given for the benefit of the Bidders. The Company, the BRLM 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.

Maximum and Minimum Bid Size

For Retail Individual Bidders: The Bid must be for a minimum of 35 Equity Shares and in multiples of 35 Equity Shares thereafter, subject to maximum Bid amount of Rs. 1,00,000. In case the maximum Bid amount is more than Rs. 1,00,000 then the same would be considered for allocation under the Non-Institutional Bidders category. The Cut-off option is given only to the Retail Individual Bidders indicating their agreement to bid and purchase at the final Issue Price as determined at the end of the Book Building Process. The Retail Individual Bidders shall also have the option of making payment through the ASBA Process. It is clarified that under existing SEBI Regulations a Resident Retail Individual Investors can only Bid at Cut-Off Price.

For Non-Institutional Bidders and QIBs Bidders: The Bid must be for a minimum of such Equity Shares such that the Bid Amount exceeds Rs. 1,00,000 and in multiples of 35 Equity Shares thereafter. A Bid cannot be submitted for more than the size of the Issue. However, the maximum Bid by a QIB should not exceed the investment limits prescribed for them by the regulatory or statutory authorities governing them. **Under existing SEBI Regulations, 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 of bids, the Non Institutional Bidders who are individuals, have to ensure that the Bid Amount is greater than Rs. 1,00,000. In case the Bid Amount reduces to Rs. 1,00,000 or less due to a revision in Bids or revision of the Price Band, the same would be considered for allocation under the Retail portion. Non Institutional Bidders and QIB Bidders are not allowed to Bid at ‘Cut-Off’.

For Bidders in the Employee Reservation Portion: The Bid must be for a minimum of 35 Equity Shares and in multiples of 35 Equity Shares thereafter. Bidders in the Employee Reservation Portion applying for a maximum Bid in any of the Bidding Options not exceeding Rs. 1,00,000 may bid at “Cut-off”.

For Bidders in the Anchor Investor Portion: The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 1000 lac and in multiples of 35 Equity Shares thereafter. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids. A Bid cannot be submitted for more than 30% of the QIB Portion. **Anchor Investor cannot withdraw their Bids after the Anchor Investor / Bid Issue Period.**

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.

Information for Bidders

1. Our Company will file the Red Herring Prospectus with SEBI.
2. Our Company will file the Red Herring Prospectus with the ROC at least three days prior to the Bid/ Issue Opening Date.
3. The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid-cum-Application Form to potential investors.
4. Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and / or the Bid-cum-Application Form can obtain the same from our corporate office or from any of the BRLM / Syndicate Members.
5. The BRLM shall accept Bids from the Bidder during the Bidding Period hereof . Provided that BRLM shall accept the Bids from the Anchor Investors only on the Anchor Investor Bidding Date.
6. Investors who are interested in subscribing for our Company’s Equity Shares should approach any of the BRLM or Syndicate Member or their authorized agent(s) to register their Bid.
7. The Bids should be submitted on the prescribed Bid-cum-Application Form only. Bid-cum-Application Forms should bear the stamp of the members of the Syndicate. Bid-cum-Application Forms, which do not bear the stamp of the members of the Syndicate, will be rejected.

Method and Process of Bidding

- a. Our Company and the BRLM shall declare the Bid/Issue Opening Date, Bid/Issue Closing Date and Price Band at the time of filing the Red Herring Prospectus with ROC, and also publish the same in one English national daily, one Hindi national daily and one regional daily newspaper with wide circulation. This advertisement shall contain the salient features of the Red Herring Prospectus in the nature of the specifications under Form 2A of the Companies Act, the method and process of bidding and the names and addresses of the BRLM, and the Syndicate Members and their bidding centers. This advertisement, subject to the provisions of Section 66 of the Companies Act shall be in the format prescribed in Schedule XIII (Part /) of the SEBI Regulations. The Syndicate Members shall accept Bids from the Bidders during the Issue Period in accordance with the terms of the Syndicate Agreement.
- b. During the Bid / Issue Period, the investors who are interested in subscribing for the Equity Shares should approach any of the members of the Syndicate or their authorized agent(s) to register their Bid.

- c. The Bidding/Issue Period shall be a minimum of three working days and not exceeding seven working days. In case the Price Band is revised, the revised Price Band and Bidding Period will be published in three national newspapers (one each in English, Hindi and Bengali) and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate. The Bidding/Issue Period may be extended, if required, by an additional three days, subject to the total Bidding/Issue Period not exceeding ten working days.
- d. Each Bid-cum-Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph entitled “Bids at Different Price Levels” below) and specify the demand (i.e. the number of Equity Shares bid for) in each option. The price and demand options submitted by the Bidder in the Bid-cum-Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.
- e. The Bidder cannot bid on another Bid-cum-Application Form after his or her Bids on one Bid-cum-Application Form have been submitted to any member of the Syndicate. Submission of a second Bid-cum-Application Form to either the same or to another member of the Syndicate will be treated as multiple bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph titled ‘Build up of the Book and Revision of Bids’ beginning on page 236 of this Red Herring Prospectus.
- f. The Members of the Syndicate will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.
- g. During the Bidding Period, Bidders may approach the Syndicate Member to submit their Bid. Every Syndicate Member 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 this Red Herring Prospectus.
- h. BRLM shall accept Bids from the Anchor Investors during the Anchor Investors during the Anchor Investor Bid / Issue Period i.e. one day prior to the Bid / Issue Opening Date. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple bids.
- i. Along with the Bid-cum-Application Form, all Bidders will make payment in the manner described under the paragraph titled ‘Terms of Payment’ beginning on page 235 of this Red Herring Prospectus.

Bids at Different Price Levels

The Price Band has been fixed at Rs. 165 to Rs. 180 per Equity Share of Rs. 10 each, Rs. 165 being the Floor Price and Rs. 180 being the Cap Price. The Bidders can bid at any price within the Price Band, in multiples of Re 1.

1. In accordance with SEBI Regulations, the Company in consultation with the BRLM reserves the right to revise the Price Band during the Bidding Period in accordance with SEBI Regulations. The cap on the Price Band should not be more than 20% of the Floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band disclosed in the Red Herring Prospectus. The Price Band and the minimum Bid lot size for the Issue will be determined by the BRLM and the Company and advertised in two national newspapers (one each in English and Hindi) and in one Bengali newspaper with wide circulation at least two working days prior to the Bid/Issue Opening Date.
2. In case of revision in the Price Band, the Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bidding Period/Issue Period, if applicable, will be widely disseminated by notification to NSE and

BSE, by issuing a public notice in three national newspapers (one each in English, Hindi and Bengali), and also by indicating the change on the websites of the BRLM and at the bidding terminals of the members of the Syndicate.

3. The Company and the BRLM can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.
4. Bidders can bid for the desired number of Equity Shares at any price within the Price Band. Bidders have to bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders and Bidders in the Employee Reservation Portion applying for a maximum Bid in any of the bidding options not exceeding Rs. 1,00,000 may bid at Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB Bidders and Non-Institutional Bidders and such Bids from QIB Bidders and Non Institutional Bidders shall be rejected.
5. Retail Individual Bidders and Bidders in the Reservation Portion 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 Amount (based on the Payment Method opted for) based on the Cap Price in the respective Escrow Accounts. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders 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 respective Escrow Accounts/refund account(s).
6. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders and Eligible Employees in the Employee Reservation Portion, who had bid at Cut-Off Price could either (i) revise their Bid or (ii) make additional payment based on the cap of the revised Price Band, with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e. original Bid Amount plus additional payment) exceeds Rs. 1,00,000, the Bid will be considered for allocation under the Non Institutional category 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 cap of the Price Band prior to revision, the number of Equity Shares bid for shall be adjusted for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut off.
7. In case of a downward revision in the Price Band Retail Individual Bidders and Bidders in the Reservation Portion, 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 respective Escrow Accounts/refund account(s).
8. In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain 35 Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs. 5,000 to Rs. 7,000.
9. The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid.
10. 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.
11. Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of the Red Herring Prospectus. In case of QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders.

12. 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.
13. 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:

1. Made only in the prescribed Bid cum Application Form or Revision Form, as applicable (White colour for Resident Indians, Blue colour for Non-Residents including NRIs, FIIs and FVCIs applying on repatriation basis, pink colour for the Eligible Employees).
2. 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.
3. For Retail Individual Bidders the Bid must be for a minimum of 35 Equity Shares and in multiples of 35 Equity Shares thereafter subject to a maximum Bid Amount of Rs. 100,000.
4. For Bidders in Employee Reservation Portion, the Bid must be for a minimum of 35 Equity Shares and in multiples of 35 Equity Shares thereafter subject to a maximum Bid of 20,000 Equity Shares.
5. For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid Price exceeds or equal to Rs. 100,000 and in multiples of 35 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.
6. NRIs for a Bid Price of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Price of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation; by other eligible Non Resident Bidders for a minimum of such number of Equity Shares and in multiples of 35 Equity Shares thereafter that the Bid Price exceeds Rs. 100,000.
7. Bids by Non Residents, NRIs, FIIs and Foreign Venture Capital Funds registered with SEBI on a repatriation basis shall be in the names of individuals, or in the names of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.
8. In single name or in joint names (not more than three, and in the same order as their Depository Participant details).
9. 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.

Escrow Mechanism

Escrow Account

Our Company and the BRLM shall open Escrow Accounts with one or more Escrow Collection Banks in whose favor the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the bid. Cheques or demand drafts received for the full Bid amount from Bidders in a certain category would be deposited in the Escrow Account. The Escrow Collection Banks will act in terms of this Red Herring Prospectus and an Escrow Agreement to be entered into amongst the Company, the BRLM, Escrow Bankers and Registrar to the Issue. The monies in the Escrow Account shall be maintained by the Escrow Collection Bank(s) for and on behalf of the Bidders. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the monies from the Escrow Account to the Issue Account with the Bankers to the Issue as per the

terms of the Escrow Agreement. Payments of refunds to the Bidders shall also be made from the Escrow Account as per the terms of the Escrow Agreement and this Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between the Escrow Collection Bank(s), our Company, Registrar to the Issue and BRLM to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Account

Each Bidder 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) (for details see the section titled “Issue Procedure-Payment Instructions” beginning on page 243 of this Red Herring Prospectus) and submit the same to the member of the Syndicate to whom the Bid is being submitted. Bid cum Application Forms accompanied by cash shall not be accepted. The maximum Bid price has to be paid at the time of submission of the Bid cum Application Form based on the highest bidding option of the Bidder. An illustrative table of the Payment Method is provided in the section “Terms of the Issue” beginning on page 223 of this Red Herring Prospectus.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Bidders till the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Accounts, 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.

Each category of Bidders, i.e., QIB Bidders, Non-Institutional Bidders and Retail Individual Bidders would be required to pay their applicable Margin Amount at the time of the submission of the Bid cum Application Form in accordance with the Payment Method chosen. The Margin Amount payable by each category of Bidders is mentioned in the section titled “Issue Structure” beginning on page 219 of this Red Herring Prospectus. Subject to the Payment Method Chosen, where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares allocated at the Issue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date, which shall be a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLM. If the payment is not made favouring the appropriate Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be rejected. However, if the members of the Syndicate, do not waive such payment, the full amount of payment has to be made at the time of submission of the Bid Form.

Electronic Registration of Bids

1. The members of the Syndicate will register the Bids using the on-line facilities of BSE and NSE. There will be at least one on-line connectivity to each city where a stock exchange is located in India and the Bids are being accepted.
2. BSE and NSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the Syndicate Member and their authorized 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 download 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 Syndicate Member shall upload the Bids till such time as may be permitted by the Stock Exchanges. Bidders are cautioned that a high inflow of Bids typically experienced on the last day of 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 be uploaded may not be considered for allocation.
3. Pursuant to Item 12(g) of Part A of Schedule XI to the SEBI (ICDR) Regulations, the bidding terminals shall contain an online graphical display of demand and Bid prices updated at periodic intervals not exceeding 30 minutes. The aggregate demand and price for Bids registered on the electronic facilities of BSE and NSE will be uploaded on a half hourly basis, consolidated and displayed on-line at all bidding centres and the website of BSE and NSE. A graphical 216 representation of consolidated demand and price would be made available

at the bidding centres during the Bidding Period.

4. At the time of registering each Bid, the Syndicate Member shall enter the following details of the investor in the on- line system:
 - Name of the investor Bidders should ensure that the name given in the Bid cum Application Form is exactly the same as the name in which the Depository Account is held. In case the Bid-cum-Application Form is submitted in joint names, Bidders should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid-cum-Application Form;
 - Investor Category such as Individual, Corporate, NRI, FII or Mutual Fund;
 - Numbers of Equity Shares bid for;
 - Bid price;
 - Bid-cum-Application Form number;
 - Whether payment is made upon submission of Bid-cum-Application Form; and
 - Margin Amount paid up on submission of Bid cum Application Form;
 - Depository Participant Identification No. and Client Identification No. of the Demat 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 request and obtain the TRS from the members of the Syndicate. The registration of the Bid by the Syndicate Member does not guarantee that the Equity Shares shall be allocated either by the Syndicate Member or the Company.
6. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
7. In case of QIB Bidders, the members of the Syndicate can reject the Bids at the time of accepting the Bid provided that the reason for such rejection is provided in writing. In case of Bids under the Non- Institutional Portion, Bids under the Retail Individual Portion and Bids under the Reservation Portion would not be rejected except on the technical grounds listed in this Red Herring Prospectus.
8. It is to be distinctly understood that the permission given by NSE and BSE to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by the Company and the BRLM are cleared or approved by NSE and BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of 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.

Build Up of the Book and Revision of Bids

1. Bids registered by various Bidders through the members of the Syndicate shall be electronically transmitted to the BSE or NSE mainframe on a regular basis.
2. The book gets built up at various price levels. This information will be available with the BRLM on a regular basis.
3. During the Bidding Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the price band using the printed Revision Form, which is a part of the Bid-cum-Application Form.
4. Revisions can be made in both the desired number of Equity Shares and the Bid price by using the Revision

Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid-cum-Application Form or earlier Revision Form. For example, if a Bidder has bid for three options in the Bid-cum-Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed, in the Revision Form. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.

5. The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) of the Bid, the Bidders will have to use the services of the same members of the Syndicate through whom he or he had placed the original Bid.
6. **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.**
7. Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Red Herring Prospectus. In case of QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft or electronic transfer of funds through RTGS for the incremental amount in the QIB Margin, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders.
8. When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the Syndicate Member. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**
9. In case of discrepancy of data between BSE or NSE and the Syndicate Member, the decision of the BRLM based on physical records of Bid cum Application Forms shall be final and binding to all concerned.
10. Only Bids that are uploaded on the online IPO system of NSE and BSE shall be considered for allocation/allotment. In case of discrepancy of data between the online IPO system and the physical Bid cum Application Form, the decision of the Company in consultation with the BRLM based on the physical records to the Bid cum Application Forms shall be final and binding on all concerned.
11. Under the SEBI Regulations, the QIBs are not allowed to withdraw their Bid after the closure of the issue.
12. ASBA Bidder shall not revise their Bids.

Obligation of the Issuer

The Issuer shall ensure that adequate arrangements are made by the Registrar to the Issue to obtain information about all Bid-cum-ASBA and to treat these applications similar to other Bid Cum Applications while finalizing the basis of allotment, as per the prescribed procedure.

Price Discovery and Allocation

1. After the Bid/Issue Closing Date, the BRLM will analyze the demand generated at various price levels and discuss pricing strategy with our Company.
2. Our Company and BRLM shall finalise the “Issue Price”, the number of Equity Shares to be allotted and the allocation to successful Bidders. (to be deleted)
3. The allocation for QIBs, Not more than 50% of the Net Issue (including 5% specifically reserved for Mutual Funds) would be on a proportionate basis in consultation with Designated Stock Exchange subject to valid bids being received at or above the Issue Price. The allocation to Non-Institutional Bidders and Retail Individual Bidders of not less than 15% and 35% of the Net Issue, respectively, would be on proportionate basis, in the manner specified in the SEBI Regulations and the Red Herring Prospectus, in consultation with Designated

Stock Exchange, subject to valid Bids being received at or above the Issue Price. The Allocation under the Employee Reservation Portion shall be on a proportionate basis, in the manner specified under the SEBI (ICDR) Regulations and the Red Herring Prospectus, subject to valid Bids being received at or above Issue Price, and is approved by the Designated Stock Exchange.

4. Undersubscription, if any, in any category would be allowed to be met with spill over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange. Undersubscription, if any, in the Employee Reservation Portion will be added back to the Net Issue Portion at the discretion of the BRLM and the Company. However, if the aggregate demand by Mutual Funds (excluding the Anchor Investor Portion) is less than 1,40,000 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders. In the event that the aggregate demand in the QIB Portion has not 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 BRLM.
5. Allocation to Eligible NRIs or FIIs or Foreign Venture Capital Fund registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations guidelines and approvals.
6. The BRLM, in consultation with our Company, shall notify the Syndicate Member of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.
7. Our Company reserves the right to cancel the Issue any time after the Bid/Issue Closing Date but before Allotment without assigning any reasons whatsoever.
8. In terms of SEBI Regulations, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/ Issue Closing Date.
9. The Allotment details shall be put on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and RoC Filing

- (a) The Company, the BRLM and the Syndicate Members shall enter into an Underwriting Agreement on finalization of the Issue Price and allocation(s) to the Bidders.
- (b) After signing the Underwriting Agreement, the Company and the Book Running Lead Manager 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.

Filing of the Prospectus with the ROC

We will file a copy of the Prospectus with the RoC in terms of Section 56, Section 60 and Section 60B of the Companies Act.

Advertisement regarding Issue Price and Prospectus

A statutory advertisement will be issued by our Company after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between this Red Herring Prospectus and the Prospectus will be included in such statutory advertisement.

Issuance of Confirmation of Allocation Note ("CAN")

1. Upon approval of basis of allocation by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated Equity Shares in the Issue. The approval of the basis of allocation by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail and Non-Institutional

Bidders. However, 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.

2. The BRLM or members of the Syndicate would then dispatch the CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid into the Escrow Accounts at the time of bidding shall pay in full the amount payable into the Escrow Accounts by the Pay-in Period specified in the CAN.
3. Bidders who have been allocated Equity Shares and who have already paid into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realization of their 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 all the Equity Shares to be allotted to such Bidder.
4. The Issuance of CAN is “Subject to Allotment/ Transfer Reconciliation” and Revised CANs as set forth below.

Notice to QIBs: Allotment/ Transfer 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 indicating the number of Equity Shares that may be allotted to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the physical book prepared by the Registrar. Subject to SEBI Regulations, 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

1. The Company will ensure that the Allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Accounts to the Public Issue Account on the Designated Date, we would ensure the credit to the successful Bidders depository account within two working days of the date of Allotment.
2. As per SEBI Regulations, 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, in the manner stated in the Depositories Act.
3. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, the Company will allot the Equity Shares to the Allottees.
4. Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated to them pursuant to this Issue.

Letters of Allotment or refund orders

We shall give credit to the beneficiary account with Depository Participants within two working days from the date of the finalisation of basis of allocation. Applicants residing at 68 centres where clearing houses are managed by the

RBI, State Bank of India, Punjab National Bank, State Bank of Indore, Union Bank of India, Andhra Bank, Corporation Bank, Bank of Baroda, State Bank of Travancore, Central Bank of India, Canara Bank, Oriental Bank of Commerce, United Bank of India, State Bank of Hyderabad and State Bank of Bikaner and Jaipur will get refunds through ECS (subject to availability of information for crediting the refund through ECS) except where applicant is otherwise disclosed as eligible to get refunds through Direct Credit, NEFT or RTGS. In case of other applicants, we shall ensure despatch of refund orders, if any, of value up to Rs. 1,500 by .Under Certificate of Posting., and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post only at the sole or First Bidder.s sole risk within 15 days of the Bid Closing Date/Issue Closing Date, and adequate funds for the purpose shall be made available to the Registrar by us.

For detail relating to refund in case of ASBA Bidder, refer to “Unblocking of ASBA Account” on page 252.

In accordance with the requirements of the Stock Exchanges and SEBI Regulations, we undertake that:

- Allotment shall be made only in dematerialised form within 15 days from the Issue Closing Date;
- Despatch of refund orders shall be done within 15 days from the Issue Closing Date; and
- We 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 despatched and/or demat credits are not made to Bidders within the 15-day time prescribed above, provided that the beneficiary particulars relating to such Bidders as given by the Bidders is valid at the time of the upload of the demat credit.

We will provide adequate funds required for despatch of refund orders or Allotment advice to the Registrar to the Issue. Refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Bank(s) and payable at par at places where Bids are received. The bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

General Instructions

Do's:

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the Resident Bid cum Application Form (white in colour), Non-Resident Bid cum Application Form (blue in colour), or Employee Reservation Portion Bid cum Application Form (pink in colour), as the case may be;
- Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Ensure that you have Bid within the Price Band;
- Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate;
- Ensure that you have been given a TRS for all your Bid options;
- Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;
- Ensure that the bid is within the price band;
- Ensure that you mention your Permanent Account Number (PAN) allotted under the I.T. Act with the Bid cum Application Form; and
- Ensure that the Demographic Details (as defined hereinbelow) are updated, true and correct in all respects.

- 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:

- Do not Bid on another Bid-cum-Application Form after you have submitted a Bid to the member of the Syndicate;
- Do not pay the Bid amount in cash;
- Do not provide your GIR number instead of your PAN number.
- Do not send Bid-cum-Application Forms by post; instead submit the same to members of the Syndicate only;
- Do not Bid at cut off price (for QIBs and non-institutional bidders);
- Do not fill up the Bid-cum-Application Form such that the Equity Shares bid for exceeds the Issue size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations; and
- Do not submit Bid accompanied with Stock invest.

Instructions for completing the Bid-cum-Application Form

Bidders can obtain Bid-cum-Application Forms and / or Revision Forms from the BRLM or Syndicate Member.

Bids and Revisions of Bids

Bids and revisions of Bids must be:

1. Made only in the prescribed Bid cum Application Form or Revision Form, as applicable (white colour for Resident Indians and blue colour for NRI or FII or Foreign Venture Capital Fund applying on repatriation basis).
2. 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.
3. The Bids from the Retail Individual Bidders must be for a minimum of 35 Equity Shares and in multiples of 35 thereafter subject to a maximum Bid amount of Rs. 1,00,000
4. For Non-institutional and QIB Bidders, Bids must be for a minimum Bid Amount of Rs. 1,00,000 and in multiples of 35 Equity Shares thereafter. All Individual Bidders whose maximum bid amount exceeds Rs. 1,00,000 would be considered under this category. Bids cannot be made for more than the Issue Size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of Equity Shares that can be held by them under the applicable laws or regulations.
5. In single name or in joint names (not more than three and in the same order as their Depository Participant details).
6. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate

under official seal.

Bidder's Bank Account Details

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the Bidders bank account details. These bank account details would be used for making refunds, if any, as per the modes disclosed. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to Bidders at the Bidders sole risk and neither the BRLM nor the Company shall have any responsibility and undertake any liability for the same.

Bidder's Depository Account 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 BRLM or the Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs/Allocation Advice and making refunds as per the modes disclosed and the Demographic Details given by Bidders in the Bid cum Application Form would not be used for these purposes by the Registrar.

Hence, Bidders are advised to update their Demographic Details as provided to their Depository Participants and ensure that they are true and correct.

By signing the Bid cum Application Form, Bidder would have deemed to authorize the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

In case of Bidders receiving refunds through electronic transfer of funds, delivery of refund orders/allocation advice/CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk and neither the Company, the Registrar, Escrow Collection Bank(s) nor the BRLM shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the

beneficiary's identity, then such Bids are liable to be rejected. The Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice / refunds through electronic transfer of funds, the Demographic Details given on the Bid cum Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar shall use Demographic Details as given in the Bid cum Application Form instead of those obtained from the depositories.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason.

In case of Bids made pursuant to a power of attorney by FIIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason.

In case of Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason. In case of Bids made by provident funds with minimum corpus of Rs. 2,500 lakhs and pension funds with minimum corpus of Rs. 2,500 lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason.

The Company in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that the Company and the BRLM may deem fit.

The Company in our absolute discretion, reserve the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice, 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.

Bids by Non-Residents, NRIs, FIIs and Foreign Venture Capital Funds registered with SEBI on a repatriation basis.

Payment Instructions

The Company shall open Escrow Accounts with the Escrow Collection Bank(s) for the collection of the Bid Amounts payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation in the Issue.

Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation as per the following terms:

Payment into Escrow Account:

- The Bidders for shall with the submission of the Bid cum Application Form draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the members of the Syndicate.

- In case the above Margin Amount paid by the Bidders during the Bidding Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account within the period specified in the CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLM or the Call Notice, as applicable to the category of Bidder based on the Payment Method selected by the Bidder.
- The payment instruments for payment into the Escrow Account should be drawn in favor of:
 - i. In case of QIBs: **"Escrow Account – MBL - Public Issue - QIB - R"**;
 - ii. In case of non-resident QIB Bidders: "Escrow Account - MBL - Public Issue - QIB - NR";
 - iii. In case of Resident Retail and Non Institutional Bidders: "Escrow Account - MBL - Public Issue - R";
 - iv. In case of Non Resident Retail and Non Institutional Bidders: "Escrow Account - MBL - Public Issue - NR";
 - v. In case of Eligible Employees of the Company "Escrow Account - MBL - Public Issue - Employees".

In case of bids by NRIs applying on a repatriation basis, the payments must be made through 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 the NRE Accounts or the Foreign Currency Non-Resident Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of the Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to the NRE Account or the Foreign Currency Non-Resident Account.

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.

- Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Escrow Accounts.
- The monies deposited in the Escrow Account will be held for the benefit of the Bidders till the Designated Date.
- On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Banker to the Issue.
- On the Designated Date and no later than 15 days from the Bid Closing Date/Issue Closing Date, the Escrow Collection Bank(s) shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders

Payments should be made by cheque, or demand draft drawn on any bank (including a Co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the center where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ stock invest/money orders/ postal orders will not be accepted.

Payment by Stock invest

In terms of Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.001/2003-04 dated November 05, 2003, the option to use the stock invest 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.

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid. Each member of the Syndicate may, at its sole discretion, waive the requirement of payment at the time of submission of the Bid cum Application Form and Revision Form provided however that for QIB Bidders the Syndicate Members shall collect the QIB Margin and deposit the same in a specifies escrow account.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection center of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

Other Instructions

Joint Bids in the case of Individuals

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 favor of the Bidder whose name appears first in the Bid-cum-Application Form or Revision Form ('First Bidder'). All communications will be addressed to the First Bidder and will be dispatched to his or her address.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

1. All applications with the same name and age will be accumulated and taken to a separate process file as probable multiple master.
2. In this master, a check will be carried out for the same PAN/GIR numbers. In cases where the PAN/GIR numbers are different, the same will be deleted from this master.
3. The Registrar to the Issue will obtain, from Depositories, details of the applicants. address based on the DP ID and Beneficiary Account Number provided in the Bid-cum-Application Form and create an address master.
4. Then the addresses of all these applications from the address master will be strung. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of address and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the applications processed. A print-out of the addresses will be taken to check for common names.
5. The applications will be scanned for similar DP ID and Client ID numbers. In case applications bear the same numbers, these will be treated as multiple applications.
6. After consolidation of all the masters as described above, a print out of the same will be taken and the applications physically verified to tally signatures as also fathers/husbands names. On completion of this, the applications will be identified as multiple applications.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Funds and such Bids in respect of more than one scheme of the Mutual Funds will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

Permanent Account Number ("PAN")

The Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/her Permanent Account Number (PAN) allotted under the I.T. Act. Applications without this information 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.**

Right to Reject Bids In case of QIB Bidders, the Company in consultation with the BRLM may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-

Institutional Bidders and Retail Individual Bidders who Bid, the Company has a right to reject Bids on technical grounds.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected among others on the following technical grounds:

- 1) Amount paid doesn't tally
- 2) Age of First Bidder not given;
- 3) In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply ;
- 4) Bids by Persons not competent to contract under the Indian Contract Act, 1872, including minors, insane persons;
- 5) PAN number not stated and GIR number given instead of PAN number;
- 6) Bids for lower number of Equity Shares than specified for that category of investors;
- 7) Bids at a price less than lower end of the Price Band;
- 8) Bids at a price more than the higher end of the Price Band;
- 9) Bids at cut-off price by Non-Institutional and QIB Bidders and Eligible Employees where Bid Amount exceeds Rs. 100,000;
- 10) Bids for number of Equity Shares which are not in multiples of 35;
- 11) Category not ticked;
- 12) Multiple Bids as defined in this Red Herring Prospectus;
- 13) In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- 14) Bids accompanied by Stock invest/ money order/postal order/cash;
- 15) Signature of sole and / or joint bidders missing;
- 16) Bid-cum-Application Form does not have the stamp of the BRLM or Syndicate Member;
- 17) Bids by QIBs not submitted through Motilal Oswal Investment Advisors Private Limited;
- 18) Bid-cum-Application Form does not have Bidder's depository account details;
- 19) In case no corresponding record is available with the Depository that matches three parameters: name of Bidder (including sequence of names of joint holders), depository participant identification number and beneficiary account number;
- 20) Bid-cum-Application Forms are not delivered by the Bidders within the time prescribed as per the Bid-cum-Application Form, Bid/Issue Opening Date advertisement and this Red Herring Prospectus and as per the instructions in this Red Herring Prospectus and the Bid-cum-Application Form;
- 21) Bids for amounts greater than the maximum permissible amounts prescribed by the regulations. For further

details, please refer to the paragraph titled 'Issue Procedure - Maximum and Minimum Bid Size' beginning on page 230 and 248 of this Red Herring Prospectus;

- 22) Bids by employees of the Company not eligible to apply in the Employee Reservation Portion;
- 23) Bids by OCBs;
- 24) Non Institutional Bidders where the Bid Amount is not excess of Rs. 100,000;
- 25) Bids where clear funds are not available in the Escrow Account as per the final certificate from the Escrow Collection Bank(s);
- 26) Bids by US persons other than in reliance on Regulation S;
- 27) Bids not duly signed by the sole/ joint Bidders;
- 28) Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- 29) Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- 30) Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- 31) Bids or revisions thereof by QIB Bidders, Non Institutional Bidders where the Bid Amount is in excess of Rs. 100,000, uploaded after 4.00 pm on the Bid/ Issue Closing Date.

ISSUE PROCEDURE FOR ASBA BIDDERS

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company and the BRLM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Form is correctly filled up, as described in this section. The list of banks who have been notified by SEBI to act as SCSB for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the ASBA Form, please refer the above mentioned SEBI link.

ASBA Process

A Resident Retail Individual Investor shall submit his Bid through an ASBA Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Bidder or bank account utilised by the ASBA Bidder ("ASBA Account") is maintained. The SCSB shall block an amount equal to the Bid Amount in the bank account specified in the ASBA Form, physical or electronic, on the basis of an authorisation to this effect given by the account holder at the time of submitting the Bid. The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Bid, as the case may be. The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchanges. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Bidders to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the BRLM.

ASBA Form

ASBA Bidders shall use the ASBA Form bearing the code of the Syndicate Member and/or the Designated Branch of SCSB, as the case may be, for the purpose of making a Bid in terms of the Red Herring Prospectus. ASBA Bidders are required to submit their Bids, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the ASBA Form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Bidder shall submit the ASBA Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA account held with SCSB, and accordingly registering such Bids. The ASBA Bidders can submit only one Bid option in the ASBA Form which shall be at Cut-off Price.

Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the ASBA Form shall be considered as the Application Form. Upon completing and submitting the ASBA Form to the Designated Branch of the SCSB, the ASBA Bidder is deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus 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 ASBA Bidder.

Who can Bid?

In accordance with the SEBI (ICDR) Regulations, only Resident Retail Individual Investor can submit their application through ASBA process to Bid for the Equity Shares of our Company.

Maximum and Minimum Bid Size for ASBA Bidders

The ASBA Bid must be for a minimum of 35 Equity Shares and in multiples of 35 Equity Shares thereafter. The maximum ASBA Bid cannot exceed [●] Equity Shares in order to ensure that the total Bid Amount blocked in respect of the ASBA Bidder does not exceed Rs. 100,000. The ASBA Bidders shall bid only at the Cut-off Price indicating their agreement to Bid and purchase Equity Shares at the final Issue Price as determined at the end of the Book Building Process.

Information for the ASBA Bidders:

- (a) The BRLM shall ensure that adequate arrangements are made to circulate copies of the Red Herring Prospectus and ASBA Form to the SCSBs and the SCSBs will then make available such copies to investors applying under the ASBA process. Additionally, the BRLM shall ensure that the SCSBs are provided with soft copies of the abridged prospectus and the ASBA Form. SCSBs shall make the same available on their websites.
- (b) ASBA Bidders, under the ASBA process, who would like to obtain the Red Herring Prospectus and/or the ASBA Form can obtain the same from the Designated Branches of the SCSBs or the BRLM. ASBA Bidders can also obtain a copy of the abridged prospectus and/or the ASBA Form in electronic form on the websites of the SCSBs.
- (c) The Bids should be submitted on the prescribed ASBA Form if applied in physical mode. SCSBs may provide the electronic mode of Bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors.
- (d) ASBA Forms should bear the code of the Syndicate Member and/or Designated Branch of the SCSB.
- (e) ASBA Bidders shall Bid for Equity Shares only at the Cut-off Price, with a single Bid option as to the number of Equity Shares.
- (f) ASBA Bidders shall correctly mention the bank account number in the ASBA Form and ensure that funds equal to the Bid Amount are available in the bank account maintained with the SCSB before submitting the ASBA Form to the respective Designated Branch.
- (g) If the ASBA Account holder is different from the ASBA Bidder, the ASBA Form should be signed by the account holder as provided in the ASBA Form.

- (h) ASBA Bidders shall correctly mention their DP ID and Client ID in the ASBA Form. For the purpose of evaluating the validity of Bids, the demographic details of ASBA Bidders shall be derived from the DP ID and Client ID mentioned in the ASBA Form.
- (i) ASBA Bidders shall not be allowed to revise their Bid and shall not Bid under any reserved category.

Method and Process of Bidding

- (a) ASBA Bidders are required to submit their Bids, either in physical or electronic mode. ASBA Bidders submitting their Bids in physical mode should approach the Designated Branches of the SCSBs. ASBA Bidders submitting their Bids in electronic form shall submit their Bids either using the internet enabled bidding and banking facility of the SCSBs or such other electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors, and accordingly registering such Bids. Every Designated Branch of the SCSB shall accept Bids from all such investors who hold accounts with them and desire to place Bids through them. Such SCSBs shall have the right to vet the Bids, subject to the terms of the SEBI (ICDR) Regulations and Red Herring Prospectus.
- (b) The Designated Branches of the SCSBs shall give an acknowledgment specifying the application number to the ASBA Bidders as a proof of acceptance of the ASBA Form. Such acknowledgment does not in any manner guarantee that the Equity Shares Bid for shall be Allocated to the ASBA Bidders.
- (c) Each ASBA Form will give the ASBA Bidder only one option to Bid for the Equity Shares at the Cut-off Price i.e. at the cap price of the Price Band and specify the demand (i.e. the number of Equity Shares Bid for) in such option. After determination of the Issue Price, the number of Equity Shares Bid for by the ASBA Bidder at the Cut-off Price will be considered for allocation along with the Non-ASBA Retail Bidders who have Bid for Equity Shares at or above the Issue Price or at Cut-off Price.
- (d) Upon receipt of the ASBA Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Form, prior to uploading such Bids with the Stock Exchanges.
- (e) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges.
- (f) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Form. The Designated Branch shall thereafter enter the Bid details from the prescribed ASBA Form, if submitted in physical mode, or the Bid information submitted through the electronic mode made available by the SCSBs, as the case may be, into the electronic bidding system of the Stock Exchanges and generate a Transaction Registration Slip (“**TRS**”). The TRS shall be furnished to the ASBA Bidder on request.
- (g) An ASBA Bidder cannot Bid, either in physical or electronic mode, on another ASBA Form or a non-ASBA Form after bidding on one ASBA Form, either in physical or electronic mode, has been submitted to the Designated Branches of SCSBs or uploaded by the ASBA Bidder, as the case may be. Submission of a second ASBA Form or a non-ASBA Form to either the same or to another Designated Branch of the SCSB will be treated as multiple Bids and will be 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. **ASBA Bidders are cautioned that Bids for Equity Shares made in the Issue through the ASBA Form cannot be revised.**

Bidding

- (a) The Price Band and the minimum Bid lot size for the Issue will be determined by the BRLM and the Company and advertised in two national newspapers (one each in English and Hindi) and in one Bengali newspaper with wide circulation at least two working days prior to the Bid/Issue Opening Date. The ASBA

Bidders can submit only one Bid in the ASBA Form, that is, at Cut-off Price with single option as to the number of Equity Shares.

- (b) In accordance with the SEBI (ICDR) Regulations, our Company reserves the right to revise the Price Band during the Bidding Period. 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.
- (c) In case of revision in the Price Band, the Bid/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 Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a public notice in two national newspapers (one each in English and Hindi) and a Bengali newspaper and also by indicating the change on the websites of the BRLM, SCSBs and at the terminals of the members of the Syndicate.
- (d) Our Company and the BRLM, can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation to, the ASBA Bidders.
- (e) ASBA Bidders agree that they shall purchase the Equity Shares at any price within the Price Band. In the event the Bid Amount is higher than the subscription amount payable, the ASBA Account shall be unblocked to the extent to such excess of Bid Amount over the subscription amount payable.
- (f) In case of an upward revision in the Price Band, announced as above, the number of Equity Shares Bid for shall be adjusted downwards (to the previous multiple lot) for the purpose of allotment, such that no additional amount is required to be blocked in the ASBA Account and the ASBA Bidder is deemed to have approved such revised Bid at Cut-off Price.

Mode of Payment

Upon submission of an ASBA Form with the SCSB, whether in physical or electronic mode, each ASBA Bidder shall be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount, in the bank account maintained with the SCSB.

Bid Amount paid in cash, by money order or by postal order or by stockinvest, or ASBA Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Form till the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Bidders from the respective ASBA Account, in terms of the SEBI (ICDR) Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Bid in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Bid Amount, as per the ASBA Form submitted by the respective ASBA Bidders, would be required to be blocked in the respective ASBA Accounts until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Electronic registration of Bids by SCSBs

- (a) In case of ASBA Forms, whether in physical or electronic mode, the Designated Branch of the SCSBs will register the Bids using the online facilities of the Stock Exchanges. SCSB shall not upload any ASBA Application Form in the electronic bidding system of the Stock Exchange(s) unless
 - (i) it has received the ASBA Form in a physical or electronic form; and

- (ii) it has blocked the application money in the ASBA Account specified in the ASBA Form or has systems to ensure that Electronic ASBAs are accepted in the system only after blocking of application money in the relevant bank account opened with it.
- (b) The Stock Exchanges offer a screen-based facility for registering Bids for the Issue which will be available on the terminals of Designated Branches during the Bid/Issue Period. The Designated Branches can also set up facilities for offline electronic registration of Bids subject to the condition that they will subsequently upload the offline data file into the online facilities for book building on a regular basis. On the Bid/Issue Closing Date, the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchanges. ASBA Bidders are cautioned that high inflow of Bids typically received 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 are not uploaded may not be considered for allocation.
- (c) The aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges will be displayed online on the websites of the Stock Exchanges. A graphical representation of consolidated demand and price would be made available on the websites of the Stock Exchanges during the Bidding Period.
- (d) At the time of registering each Bid, the Designated Branches of the SCSBs shall enter the information pertaining to the investor into the online system, including the following details:
- Name of the Bidder(s);
 - Application Number;
 - Permanent Account Number;
 - Number of Equity Shares Bid for;
 - Depository Participant identification No.; and
 - Client identification No. of the Bidder's beneficiary account.
- In case of electronic ASBA, the ASBA Bidder shall himself fill in all the above mentioned details, except the application number which shall be system generated. The SCSBs shall thereafter upload all the abovementioned details in the electronic bidding system provided by the Stock Exchange(s).
- (e) A system generated TRS will be given to the ASBA Bidder upon request as proof of the registration of the Bid. **It is the ASBA Bidder's responsibility to obtain the TRS from the Designated Branches of the SCSBs.** The registration of the Bid by the Designated Branch of the SCSB does not guarantee that the Equity Shares Bid for shall be Allocated to the ASBA Bidders.
- (f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- (g) It is to be distinctly understood that the permission given by the Stock Exchanges 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 or the BRLM or the Designated Branches of the SCSBs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements; nor does it take any responsibility for the financial or other soundness of our Company, our management or any scheme of our Company.
- (h) The SCSB may reject the ASBA Bid, if the ASBA Account maintained with the SCSB as mentioned in the ASBA Form does not have sufficient funds equivalent to the Bid Amount. Subsequent to the acceptance of the Bid by the Designated Branch, our Company would have a right to reject the Bids only on technical grounds.
- (i) Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. In case of discrepancy of data between the BSE or NSE and the Designated Branches of the SCSBs, the decision of the Registrar, based on the physical records of the ASBA Forms shall be final and binding on all concerned.

Build up of the book and revision of Bids

- (a) Bids registered through the Designated Branches of the SCSBs shall be electronically transmitted to the BSE or the NSE mainframe on a regular basis.
- (b) The book gets built up at various price levels. This information will be available with the BRLM and the Stock Exchanges on a regular basis.
- (c) ASBA Bidders shall not revise their Bids.
- (d) The SCSBs shall provide aggregate information about the numbers of ASBA Forms uploaded, total number of Equity Shares and total amount blocked against the uploaded ASBA Form and other information pertaining to the ASBA Bidders. The Registrar to the Issue shall reconcile the electronic data received from the Stock Exchanges and the information received from the SCSBs. In the event of any error or discrepancy, the Registrar to the Issue shall inform the SCSB of the same. The SCSB shall be responsible to provide the rectified data within the time stipulated by the Registrar to the Issue.
- (e) Only Bids that are uploaded on the online IPO system of the BSE and NSE shall be considered for allocation/ Allotment.

Price Discovery and Allocation

After the Bid/Issue Closing Date, the Registrar to the Issue shall aggregate the demand generated under the ASBA process and which details are provided to them by the SCSBs with the Retail Individual Investor applied under the non ASBA process to determine the demand generated at different price levels. For further details, refer to the section titled “Issue Procedure” beginning on page no. 226 of this Red Herring Prospectus.

Advertisement regarding Issue Price and Prospectus

After filing of the Prospectus with the RoC, a statutory advertisement will be issued by our Company in a widely circulated English national newspaper, Hindi national newspaper of wide circulation and a Bengali newspaper with wide circulation at the place where the registered office of the issuer is situated. 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 Registrar to the Issue shall send to the Controlling Branches of the SCSBs, a list of the ASBA Bidders who have been allocated Equity Shares in the Issue. Investors should note that our Company shall endeavour to ensure that the demat credit of Equity Shares pursuant to Allotment shall be made on the same date to all investors in this Issue; and
- (b) The ASBA Bidders shall directly receive the CAN from the Registrar. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the ASBA Bidder.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Bidder to the ASBA Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Bid Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalisation of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Bid, as the case may be.

Allotment of Equity Shares

- (a) Our 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 bank account of the ASBA Bidders to the ASBA Public Issue Account on the Designated Date, to the extent applicable, our Company would ensure the credit of the Allotted Equity Shares to the depository accounts of all successful ASBA Bidders' within two working days from the date of Allotment.
- (b) As per the SEBI (ICDR) Regulations, Equity Shares will be issued, transferred and allotted only in the dematerialised form to the Allotees. Allotees will have the option to re-materialise the Equity Shares so Allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

GENERAL INSTRUCTIONS

Do's:

- (a) Check if you are a Resident Retail Individual Investor and eligible to Bid under ASBA process.
- (b) Ensure that you use the ASBA Form specified for the purposes of ASBA process.
- (c) Read all the instructions carefully and complete the ASBA Form.
- (d) Ensure that your Bid is at the Cut-off Price.
- (e) Ensure that you have mentioned only one Bid option with respect to the number of Equity Shares in the ASBA Form.
- (f) Ensure that the details of your Depository Participant and beneficiary account are correct and that your beneficiary account is activated, as Equity Shares will be Allotted in dematerialised form only.
- (g) Ensure that your Bid is submitted at a Designated Branch of an SCSB, with a branch of which the ASBA Bidder or a person whose bank account will be utilized by the ASBA Bidder for bidding has a bank account and not to the Bankers to the Issue/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to the Company or Registrar or BRLM to the Issue.
- (h) Ensure that the ASBA Form is signed by the account holder in case the applicant is not the account holder.
- (i) Ensure that you have mentioned the correct bank account numbers in the ASBA Form.
- (j) Ensure that you have funds equal to the number of Equity Shares Bid for at Cut-off Price available in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the respective Designated Branch of the SCSB.
- (k) Ensure that you have correctly checked the authorisation box in the ASBA Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds equivalent to the Bid Amount mentioned in the ASBA Form in your ASBA Account maintained with a branch of the concerned SCSB.
- (l) Ensure that you receive an acknowledgement from the Designated Branch of the concerned SCSB for the submission of your ASBA Form.
- (m) Ensure that you have mentioned your Permanent Account Number (“**PAN**”) allotted under the I.T. Act.
- (n) Ensure that the name(s) and PAN given in the ASBA Form is exactly the same as the name(s) and PAN in which the beneficiary account is held with the Depository Participant. In case the ASBA Bid 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 ASBA Form.

- (o) Ensure that the Demographic Details are updated, true and correct, in all respects.

Don'ts:

- (a) Do not submit an ASBA Bid if you are not a Resident Retail Individual Investor.
- (b) Do not submit an ASBA Bid if you are applying under any reserved category i.e. the Employee Reservation Portion.
- (c) Do not revise your Bid.
- (d) Do not Bid for lower than the minimum Bid size.
- (e) Do not Bid on another ASBA or Non-ASBA Form after you have submitted a Bid to a Designated Branch of the SCSB.
- (f) Payment of Bid Amounts in any mode other than blocked amounts in the bank accounts maintained by SCSBs, shall not be accepted under the ASBA process.
- (g) Do not send your physical ASBA Form by post; instead submit the same to a Designated Branch of the SCSB only.
- (h) Do not fill up the ASBA Form such that the Bid Amount against the number of Equity Shares Bid for exceeds Rs. 100,000.
- (i) Do not submit the GIR number instead of the PAN Number.
- (j) Do not instruct your respective banks to release the funds blocked in the bank account under the ASBA process.

Bids by ASBA Bidders must be:

- (a) Made only in the prescribed ASBA Form either in physical mode, or electronic mode.
- (b) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- (c) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the ASBA Form.
- (d) The Bids must be for a minimum of 35 Equity Shares and in multiples of 35 Equity Shares thereafter subject to a maximum of such number of Equity Shares that the Bid Amount does not exceed Rs. 100,000.
- (e) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

ASBA Bidder's depository account and bank details

ALL ASBA BIDDERS SHALL RECEIVE THE EQUITY SHARES ALLOTTED TO THEM IN DEMATERIALISED FORM. ALL ASBA BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, BENEFICIARY

ACCOUNT NUMBER AND PAN IN THE ASBA FORM. ASBA BIDDERS MUST ENSURE THAT THE NAME GIVEN IN THE ASBA FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. ADDITIONALLY, PAN IN THE ASBA FORM SHOULD BE EXACTLY THE SAME AS PROVIDED WITH THE DEPOSITORY PARTICIPANT. IN CASE THE ASBA 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 ASBA FORM.

ASBA Bidders should note that on the basis of name of the ASBA Bidders, PAN, Depository Participant's name and identification number and beneficiary account number provided by them in the ASBA Form, the Registrar to the Issue will obtain from the Depository, demographic details of the ASBA Bidders including address, ("Demographic Details"). Hence, ASBA Bidders should carefully fill in their Depository Account details in the ASBA Form.

As these Demographic Details would be used for all correspondence with the ASBA Bidders they are advised to update their Demographic Details as provided to their Depository Participants.

By signing the ASBA Form, the ASBA Bidder is 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.

CAN/Allocation advice and letters intimating unblocking of bank account of the respective ASBA Bidder would be mailed at the address of the ASBA Bidder as per the Demographic Details received from the Depositories. ASBA Bidders may note that delivery of CAN/Allocation advice or letters intimating unblocking of bank account may be delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Note that any such delay shall be at the sole risk of the ASBA Bidders and neither of the Designated Branches of the SCSBs, the members of the Syndicate, or the Company shall be liable to compensate the ASBA Bidder for any losses caused to the ASBA Bidder due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the ASBA Bidders (including the order of names of joint holders), the DP ID and the beneficiary account number, then such Bids are liable to be rejected.

ASBA Bidders are required to ensure that the beneficiary account is activated, as Equity Shares will be Allotted in dematerialised form only.

Payment mechanism under ASBA

The ASBA Bidders shall specify the bank account number in the ASBA Form and the SCSB shall block an amount equivalent to the application money in the bank account specified in the Bid cum Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal/rejection of the ASBA Bid or receipt of instructions from the Registrar to the Issue to unblock the Bid Amount.

In the event of withdrawal or rejection of Bid cum Application Form or for unsuccessful Bid cum Application Forms, the Registrar to the Issue shall give instructions to the Controlling Branch of the SCSB to unblock the application money in the relevant bank account. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

ASBA Bids under Power of Attorney

In case of ASBA Bids made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the ASBA Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject such ASBA Bids.

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 ASBA Form, subject to such terms and conditions that we, in consultation with the BRLM may deem fit.

OTHER INSTRUCTIONS

Withdrawal of ASBA Bids

In case an ASBA Bidder wants to withdraw the ASBA Form during the Bid/Issue Period, the ASBA Bidder shall submit the withdrawal request to the SCSB, which shall do the necessary, including deletion of details of the withdrawn ASBA Form from the electronic bidding system of the Stock Exchange(s) and unblocking of funds in the relevant bank account.

In case an ASBA Bidder wants to withdraw the ASBA cum Application Form after the Bid/ Issue Closing date, the ASBA Bidder shall submit the withdrawal request to the Registrar to the Issue before finalisation of Basis of Allotment. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file. The instruction for and unblocking of funds in the relevant bank account, in such withdrawals, shall be forwarded by the Registrar to the Issue to the SCSB on finalisation of the Basis of Allotment.

Joint ASBA Bids

ASBA Bids may be made in single or joint names (not more than three). In case of joint ASBA Bids, all communication will be addressed to the first Bidder and will be dispatched to his address.

Multiple ASBA Bids

An ASBA Bidder should submit only one Bid for the total number of Equity Shares desired. Two or more Bids will be deemed to be multiple Bids if the sole or first Bidder is one and the same. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are described in “**Issue Procedure - Multiple Bids**” on page no. 245 of this Red Herring Prospectus.

Permanent Account Number

For details, see “**Permanent Account Number or PAN**” on page no. 245 of this Red Herring Prospectus.

Right to Reject ASBA Bids

The Designated Branches of the SCSBs shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder’s bank account, the respective Designated Branch ascertains that sufficient funds are not available in the Bidder’s bank account maintained with the SCSB. Subsequent to the acceptance of the ASBA Bid by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds.

Further, in case any DP ID, Client ID or PAN mentioned in the ASBA Form does not match with one available in the Depository Participant’s database, such ASBA Bid shall be rejected by the Registrar to the Issue.

GROUND FOR TECHNICAL REJECTIONS UNDER THE ASBA PROCESS

In addition to the grounds listed under “**Grounds for Technical Rejections**” on page no. 246 of this Red Herring Prospectus, applications under the ASBA process are liable to be rejected on, *inter alia*, the following technical grounds:

1. Amount mentioned in the ASBA Form does not tally with the amount payable for the value of Equity Shares Bid for;

2. Bids at a price other than at the Cut-off Price;
3. Bid made by categories of investors other than Resident Retail Individual Investors;
4. Authorisation for blocking funds in the ASBA Bidder's bank account not ticked or provided;
5. ASBA Bids accompanied by stockinvest/ money order/ postal order/ cash;
6. Signature of sole and/or joint Bidders missing in case of ASBA Forms submitted in physical mode;
7. ASBA Form does not have the stamp of the SCSB and/or a member of the Syndicate;
8. ASBA Form is not delivered, either in physical or electronic form, by the Bidder within the time prescribed and as per the instructions provided in the ASBA Form and the Red Herring Prospectus;
9. Inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA Form at the time of blocking such Bid Amount in the ASBA Account; and
10. If the ASBA Bid in the Issue is revised.

Bidders are advised that ASBA Bids not uploaded in the electronic book of the Stock Exchanges, due to any of the grounds mentioned above, would be rejected.

COMMUNICATIONS

All future communication in connection with ASBA Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or first ASBA Bidder, ASBA Form number, details of Depository Participant, number of Equity Shares applied for, date of ASBA Form, name and address of the Designated Branch of the SCSB where the ASBA Form was submitted, bank account number in which the amount equivalent to the Bid Amount was blocked and a copy of the acknowledgement slip. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances. The SCSB shall be responsible for any damage or liability resulting from any errors, fraud or wilful negligence on the part of any employee of the concerned SCSB, including its Designated Branches and the branches where the ASBA Accounts are held. The Company, the BRLM, the Syndicate Members and the Registrar accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI (ICDR) Regulations.

ASBA Investors can contact the Compliance Officer, the Designated Branch of the SCSB where the ASBA Form was submitted, or the Registrar to the Issue in case of any pre- or post-Issue related problems such as non-receipt of credit of Allotted Equity Shares in the respective beneficiary accounts, unblocking of excess Bid Amount, etc.

Disposal of Investor Grievances

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked on application, bank account number and the Designated Branch or the collection centre of the SCSB where the ASBA Form was submitted by the ASBA Bidders.

Impersonation

For details, see section titled “**Issue Procedure- Impersonation**” on page no. 258 of this Red Herring Prospectus.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY IN INSTRUCTIONS TO SCSBs BY THE REGISTRAR TO THE ISSUE

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI (ICDR) Regulations, the Company undertakes that:

- Allotment and transfer shall be made only in dematerialised form within 15 days from the Bid/Issue Closing Date;
- Instructions for unblocking of the ASBA Bidder's Bank Account shall be made within 15 days from the Bid/Issue Closing Date; and
- If the instructions to SCSBs to unblock funds in the ASBA accounts are not given within 8 days after our Company becomes liable to repay all moneys received from the applicants in pursuance of this Red Herring Prospectus, i.e. within 7 days from the Bid/Issue Closing Date, 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.

Basis of Allocation

Bids received from ASBA Bidders will be considered at par with Bids received from non-ASBA Bidders. The basis of allocation to such valid ASBA and non-ASBA Bidders will be that applicable to Retail Individual Bidders. For details, see section “**Issue Procedure- Basis of Allotment**” on page no. 258 of this Red Herring Prospectus.

Method of Proportionate basis of allocation in the Issue

ASBA Bidders, along with non-ASBA Bidders, will be categorised as Retail Individual Bidders. No preference shall be given vis-à-vis ASBA and non-ASBA Bidders.

Undertaking by our Company

In addition to our undertakings described under “**Issue Procedure - Undertaking by our Company**”, with respect to the ASBA Bidders, the Company undertakes that adequate arrangement shall be made to consider ASBA Bidders similar to other Bidders while finalizing the basis of allotment

Utilisation of Issue Proceeds

Our Board has provided certain certifications with respect to the utilization of Issue Proceeds. For details, see “**Issue Procedure- Utilisation of Issue Proceeds**” on page no. 264 of this Red Herring Prospectus.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

“Any person who:

1. makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein; or
2. otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years”.

Basis of Allotment or Allocation

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 Net Issue Size less allotment to Non-Institutional and QIB Bidders shall be available for allotment to Retail Individual Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
3. If the aggregate demand in this category is less than or equal to 19,60,000 Equity Shares at or above the Issue Price, full allotment shall be made to the Retail Individual Bidders to the extent of their demand.
4. If the aggregate demand in this category is greater than 19,60,000 Equity Shares at or above the Issue Price, the

allotment shall be made on a proportionate basis up to a minimum of 19,60,000 Equity Shares. For the method of proportionate basis of allotment, refer below.

For Non-Institutional Bidders

1. 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.
2. The Net Issue Size less allotment to QIBs and Retail Portion shall be available for allotment to Non-Institutional Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
3. If the aggregate demand in this category is less than or equal to 8,40,000 Equity Shares at or above the Issue Price, full allotment shall be made to Non-Institutional Bidders to the extent of their demand.
4. In case the aggregate demand in this category is greater than 8,40,000 Equity Shares at or above the Issue Price, allotment shall be made on a proportionate basis up to a minimum of 8,40,000 Equity Shares. For the method of proportionate basis of allotment refer below.

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) Allocation shall be undertaken to Anchor Investors as per the SEBI Regulations.
 - (b) After allocation to Anchor Investors, in the first instance allocation to Mutual Funds for up to 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be determined as follows:
 - (i) In the event that Mutual Fund Bids exceeds 5% of the QIB Portion, (excluding the Anchor Investor Portion) allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion (excluding the Anchor Investor Portion).
 - (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion (excluding the Anchor Investor Portion) then all Mutual Funds shall get full allotment to the extent of valid bids received above the Issue Price.
 - (iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for allotment to all QIB Bidders as set out in (b) below.
 - (b) In the second instance allotment to all QIBs shall be determined as follows:
 - (i) In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.
 - (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.
 - (iii) Under-subscription below 5% of the QIB Portion (excluding the Anchor Investor Portion), if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

4. Based on the above, the level of the subscription shall be determined and proportionate allocation to all QIBs including Mutual Funds in this category shall be made.
5. The aggregate allotment to QIB Bidders shall not be more than 28,00,000 Equity Shares.

Anchor Investor Portion

The Company may consider participation by Anchor Investor in the Net Issue for up to 8,40,000 Equity Shares in accordance with the applicable SEBI Regulations. The Anchor Investor Bid/Issue Period shall be one day prior to the Bid/Issue Opening Date. The QIB Portion shall be reduced in proportion to the allocation to the investors under the Anchor Investor category. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are as follows:

1. Anchor Investors shall be QIBs as defined in the SEBI Regulations.
2. The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds Rs. 1000 lac and in multiples of 35 Equity Shares thereafter. A Bid cannot be submitted for more than 30% of the QIB Portion.
3. One-third of the Anchor Investor Portion shall be reserved for allocation to domestic mutual funds.
4. The Bidding for Anchor Investors shall open one day before the Bid/Issue Opening Date and shall be completed on the same day.
5. The Company, in consultation with the BRLM, shall finalise Allocation to the Anchor Investors on a discretionary basis, subject to compliance with requirements regarding minimum number of allottees.
6. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, shall be made available in public domain by the BRLMs before the Bid/Issue Opening Date.
7. Anchor Investors shall pay Anchor Investor Margin Amount representing 25% on the Bid Amount at the time of submission of the Bid. Any difference between the amount payable by the Anchor Investor for Equity Shares Allocated and the Anchor Investor Margin Amount paid at the time of Bidding, shall be payable by the Anchor Investor within two days of the Bid/ Issue Closing Date.
8. In case the Issue Price is greater than the price at which Equity Shares are allocated to Anchor Investors, the additional amount being the difference between the Issue Price and the price at which Equity Shares were allocated to the Anchor Investors shall be paid by the Anchor Investors. In the event the Issue Price is lower than the price at which Equity Shares are allocated to Anchor Investors, the allotment to Anchor Investors shall be at the higher price i.e. the price at which Equity Shares were allocated under the Anchor Investor Portion.
9. The Equity Shares allotted in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of allotment in the Issue.
10. The BRLMs or any person related to the BRLMs / Promoters/Promoter Group shall not participate in the Anchor Investor Portion.
11. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.
12. The payment instruments for payment into the Escrow Account should be drawn in favour of:
 - In case of Resident Anchor Investors: “MBL – Escrow Account – Anchor Investor”
 - In case of Non-Resident Anchor Investor: “MBL – Escrow Account – Anchor Investor - NR”

The Red Herring Prospectus, in so far as it relates to terms of the Issue should be read in conjunction with the aforesaid paragraphs, to the extent applicable.

For Eligible Employees:

1. Bids received from the employees at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Eligible Employees will be made at the Issue Price.
2. If the aggregate demand in this category is less than or equal to 1,00,000 Equity Shares at or above the Issue Price, full allotment shall be made to the Eligible Employees to the extent of their demand.

3. In case the aggregate demand in this category is greater than 1,00,000 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis up to a minimum of 35 Equity Shares and in multiples of 35 Equity Shares thereafter. For the method of proportionate basis of allocation refer below.
4. Only Eligible Employees may apply under the Employee Reservation Portion.
5. The unsubscribed portion, if any, out of the Equity Shares reserved for allotment to employees of our Company will be added back to the net issue to any other category, at the discretion of our Company and the BRLM.

Method of proportionate basis of allotment in the QIB, Retail and Non-Institutional portions

In the event of the Issue being over-subscribed, we shall finalise the basis of allotment in consultation with the Designated Stock Exchange. The Executive Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLM and the Registrar to the Issue shall be responsible for ensuring that the basis of allotment is finalised in a fair and proper manner.

The allotment shall be made in marketable lots, on a proportionate basis as explained below:

1. Bidders will be categorised according to the number of Equity Shares applied for;
2. 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;
3. In all Bids where the proportionate allotment is less than 35 Equity Shares per Bidder, the allotment shall be made as follows:
 - a. Each successful Bidder shall be allotted a minimum of 35 Equity Shares; and
 - b. 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.
4. If the proportionate allotment to a Bidder is a number that is more than 35 but is not a multiple of one (which is the marketable lot), the number in excess of the multiple of one would be rounded off to the higher multiple of one if that number is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower multiple of one. All Bidders in such categories would be allotted Equity Shares arrived at after such rounding off.
5. If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for allotment shall be first adjusted against any other category, where the allotted shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

Payment of Refund

Bidders must note that on the basis of name of the Bidders, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Bid-cum-Application Form, the Registrar will obtain, from the Depositories, the Bidders' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither the Company, the Registrar, Escrow Collection Bank(s) nor the BRLM

shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

Mode of making refunds

The payment of refund, if any, would be done through various modes as given hereunder:

1. ECS—Payment of refund would be done through ECS for applicants having an account at any of the 68 centres notified by SEBI through its notification (Ref. No. SEBI/CFD/DIL/DIP/29/2008/01/02) dated February 1, 2008. 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 such centres, except where the applicant, being eligible, opts to receive refund through NEFT, direct credit or RTGS.
2. Direct Credit – Applicants having bank accounts with the Refund Bank (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 centres where such facility has been made available and whose refund amount exceeds Rs. 10 lacs, 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 – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.
5. Please note that only applicants having a bank account at any of the 68 centres mentioned above are eligible to receive refunds through the modes detailed hereinabove. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched under certificate of posting for value up to Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Refund Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Letters of Allotment or Refund Orders

The Company shall credit each Equity Share Allotted to the applicable beneficiary account with their Depository Participant within 15 days of the Bid/Issue Closing Date. Applicants residing at 68 centres where clearing houses are managed by the RBI and other banks, will get refunds through ECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS. The Company 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 send a letter through ordinary post intimating them about the mode of credit of refund within 15 days of closure of Bid/ Issue.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI (ICDR) Regulations, the Company further undertakes that:

- Allotment of Equity Shares will be made only in dematerialized form within 15 days of the Bid/Issue Closing Date; and
- Dispatch of refund orders/refund advice will be done within 15 days of the Bid/Issue Closing Date;

The Company shall pay interest upto 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, or in cases where the refund or portion thereof is made electronically, the refund instructions have not been given to the relevant clearing system 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 Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Disposal of Applications and Application Moneys and Interest in Case of Delay

We 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.

We 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 (ICDR) Regulations, we further undertake that:

- Allotment of Equity Shares shall be made only in dematerialized form within 15 (fifteen) days of the Bid/Issue Closing Date;
- Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 15 (fifteen) days of the Bid/Issue Closing Date would be ensured; and
- We shall pay interest upto 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.

Undertakings by Our Company

We undertake the following:

- that the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily. The Company has authorized the Company Secretary and Compliance Officer to redress all complaints, if any, of the investors participating in the Issue;
- that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within seven working days of finalisation of the basis of Allotment;
- that the Company shall apply in advance for the listing of Equity Shares;
- that the funds required for dispatch of refund orders or allotment advice by registered post or speed post shall be made available to the Registrar to the Issue by us;
- that the Equity Shares are free and clear of all liens or encumbrances and shall be allotted to the successful Bidders within the specified time;
- that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of the Bid/ Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- that adequate arrangements shall be made to collect all ASBA applications and to consider them similar to non-ASBA applications while finalizing the basis of allotment;
- that the certificates of the securities/ refund orders to the non-resident Indians shall be dispatched within specified time; and
- that no further issue of Equity Shares shall be made till the Equity Shares offered through 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 final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

Utilisation of Issue Proceeds

Our Board of Directors certify that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- details of all monies utilised out of Issue shall be disclosed and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised;
- details of all unutilised monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilised monies have been invested;
- the 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.

The Board of Directors further certifies that:

- a) the utilisation of monies received under the Employee Reservation Portion shall be disclosed under an appropriate head in the balance sheet of the Company, indicating the purpose for which such monies have been utilised; and

- b) the details of all unutilised monies out of the funds received under the Employee Reservation Portion shall be disclosed under a separate head in the balance sheet of the Company, indicating the form in which such unutilised monies have been invested.

The Company shall not have recourse to the proceeds of the Issue until the final listing and trading approvals from all the Stock Exchanges have been obtained.

Withdrawal of the Issue

Our Company, in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue at any time after the bidding. In such an event the Company would issue a public notice in the newspapers, in which the pre-issue advertisements were published, within two days of the closure of the Issue, providing reasons for not proceeding with the Issue. The Company shall also promptly inform the Stock Exchanges on which the Equity Shares were proposed to be listed and SCSBs. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which the Company shall apply for after Allotment.

In terms of the SEBI (ICDR) Regulations, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/ Issue Closing Date.

Equity Shares in Dematerialized Form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Issue shall be allotted only in a dematerialized form, (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, two agreements have been signed among us, the respective Depositories and the Registrar to the Issue:

- (a) a tripartite agreement dated November 28, 2006 with NSDL, our Company and Registrar to the Issue;
- (b) a tripartite agreement dated January 02, 2007 with CDSL, our Company and Registrar to the Issue.

All bidders can seek Allotment only in dematerialized mode. Bids from any investor without relevant details of his or her depository account are liable to be rejected.

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. Equity Shares allotted to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder
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. Non-transferable allotment advice will be directly sent to the Bidder by the Registrar to this Issue. Refunds will be made directly by the Registrar to the Issue as per the modes disclosed.
6. If incomplete or incorrect details are given under the heading 'Request for Equity Shares in electronic form' in the Bid-cum-Application Form or Revision Form, it is liable to be rejected.
7. The Bidder is responsible for the correctness of his or her demographic details given in the Bid-cum-Application Form vis-à-vis those with his or her Depository Participant.
8. It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having

electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

9. The trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid-cum-Application Form number, number of Equity Shares applied for, date, bank and branch where the Bid was submitted and cheque, number and issuing bank thereof.

Mode of making refunds

The permissible modes of making refunds are as follows:

1. In case of applicants residing in any of the centers specified by the Board – by crediting of refunds to the bank accounts of applicants through electronic transfer of funds by using ECS (Electronic Clearing Service), Direct Credit, RTGS (Real Time Gross Settlement) or NEFT (National Electronic Funds Transfer), as is for the time being permitted by the Reserve Bank of India;
2. In case of other applicants – by dispatch of refund orders by registered post, where the value is Rs. 1,500 or more, or under certificate of posting in other cases, (subject however to postal rules); and
3. In case of any category of applicants specified by the Board – crediting of refunds to the applicants in any other electronic manner permissible under the banking laws for the time being in force which is permitted by the board from time to time.

We 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 finalisation of the basis of allotment.

In accordance with the Companies Act, the requirements of the stock exchanges and SEBI Regulations, the Company further undertakes that allotment/ transfer of Equity Shares shall be made only in dematerialized form within 15 days of the Bid/ Issue Closing Date.

The payment of refund, if any, would be done through the following various modes:

1. **ECS** - Payment of refund would be done through ECS for applicants having an account at any of the following sixty eight centers:

Managed by the Reserve Bank of India: Ahmedabad, Bangalore, Bhubaneshwar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna and Thiruvananthapuram

Managed by State Bank of India: Baroda, Dehradun, Nashik, Panaji, Surat, Trichy, Trichur, Jodhpur, Gwalior, Jabalpur, Raipur, Calicut, Siliguri (non-MICR), Pondicherry, Hubli, Shimla (non-MICR), Tirupur, Burdwan(non-MICR), Durgapur (non-MICR) , Sholapur, Ranchi, Tirupati(non-MICR), Dhanbad(non-MICR), Nellore (non-MICR) and Kakinada (non-MICR)

Managed by Punjab National Bank: Agra, Allahabad, Jalandhar, Lucknow, Ludhiana, Varanasi, Kolhapur, Aurangabad, Mysore, Erode, Udaipur, Gorakhpur and Jammu

Managed by State Bank of Indore: Indore

Managed by Union Bank of India: Pune, Salem and Jamshedpur

Managed by Andhra Bank: Visakhapatnam

Managed by Corporation Bank: Mangalore

Managed by Bank of Baroda: Coimbatore and Rajkot

Managed by State Bank of Travancore: Kochi/Ernakulam

Managed by Central Bank of India: Bhopal

Managed by Canara Bank: Madurai

Managed by Oriental Bank of Commerce: Amritsar

Managed by United Bank of India: Haldia (non- MICR)

Managed by State Bank of Hyderabad: Vijaywada

Managed by State Bank of Bikaner and Jaipur: Bhilwara

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 through ECS for applicants having a bank account at any of the abovementioned 68 centers, except where the applicant, being eligible, opts to receive refund through NEFT, 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. **NEFT** - Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the IFSC, which can be linked to a MICR, if any, available to that particular bank branch. IFSC 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 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 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.
3. **Direct Credit** - Applicants having bank accounts with the Refund Banks shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Banks for the same would be borne by the Company.
4. **RTGS** - Applicants having a bank account at any of the above mentioned 68 centers and whose refund amount exceeds Rs. 10 lacs, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid-cum application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Banks for the same would be borne by our Company. Charges, if any, levied by the applicants' bank receiving the credit would be borne by the applicant.
5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched under certificate of posting for value up to Rs. 1,500 and through Speed Post/Registered Post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders. Please note that only Bidders having a bank account at any of the 68 centers where the clearing houses for the ECS are managed by the RBI are eligible to receive refunds through the modes stated above. For all the other Bidders, including Bidders who have not updated their bank particulars, along with the nine-digit MICR code, the refund orders shall be dispatched Under Certificate of Posting for refund orders less than Rs. 1,500 and through speed post/registered post for refund orders exceeding Rs. 1,500.

Disposal of Applications and Application Moneys

Our Company shall give credit of Equity Share allotted to the beneficiary account with Depository Participants within 15 working days of the Bid Closing Date / Issue Closing Date. Applicants residing at 68 centers where clearing houses are managed by the Reserve Bank of India (RBI) will get refunds through ECS only (subject to availability of all information for crediting the refund through ECS) except where applicants are otherwise disclosed as eligible to get refunds through Direct Credit, NEFT or RTGS. In case of other applicants, our Company shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500 by "Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post, except for Bidders who have opted to receive refunds through the Direct Credit, NEFT, RTGS or ECS facility. 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 15 working days of closure of Issue. Our Company shall ensure dispatch of refund orders, if any, by "Under Certificate of Posting" or registered post or speed post or Direct Credit, NEFT, RTGS or ECS, as applicable, only at the sole or First Bidder's sole risk within 15 days of the Bid Closing Date/Issue Closing Date, and adequate funds 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. Our Company shall ensure dispatch of allotment advice, refund orders and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the allotment to the Stock Exchanges within 2 (two) working days of date of Allotment. Our 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 7 (seven) working days after the finalisation of the basis of allotment. In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations we further undertake that:

- allotment of Equity Shares shall be made only in dematerialised form within 15 (fifteen) days of the Bid /Issue Closing Date;
- dispatch of refund orders, except for Bidders who have opted to receive refunds through the Direct Credit, NEFT, RTGS or ECS facility, within 15 (fifteen) working days of the Bid /Issue Closing Date would be ensured; and
- we 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 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 Regulations. In a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT, RTGS or ECS, and the refund instructions have not been given to the clearing system in the disclosed manner within 15 days from the Bid/Issue Closing Date, we shall pay interest at 15% per annum.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by us, as an Escrow Collection Bank and payable at par at places where Bids are received, except for Bidders who have opted to receive refunds through the Direct Credit, NEFT, RTGS or ECS facility. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

In the case of Retail Individual Bidders Bidding bidding through the ASBA process, the amount shall be unblocked by the SCSB on receipt of information from the Book Running Lead Manager.

Interest in case of delay in dispatch of allotment letters/making refunds

We agree that allotment of securities issued to the public shall be made not later than 15 days from the Bid/Issue Closing Date. We further agree that we shall pay interest at 15% per annum if the allotment letters/refunds orders have not been dispatched to the applicants or if in a case where refund or portion thereof is made in an electronic manner, the refund instructions have not been given to the clearing system in a disclosed manner within 15 days from the Bid/Issue Closing 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. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE and NSE, by issuing a press release, and also by indicating the change on the web site of the BRLM and at the terminals of the Syndicate.

Undertaking by the Company

We undertake as follows:

- that the complaints received in respect of this Issue shall be attended to expeditiously and satisfactorily;
- that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within seven working days of finalization of the basis of allotment;
- that the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar to the Issue by us;
- that no further issue of Equity Shares shall be made till the Equity Shares issued through this Red Herring Prospectus are listed or until the bid monies are refunded on account of non-listing and under-subscription;
- that the Promoters' contribution in full, wherever required, shall be brought in advance before the Issue opens for public subscription;
- refunds shall be made as per the modes disclosed and allotment advice shall be dispatched to NRIs or FIIs or foreign venture capital investors registered with SEBI within the specified time.

Utilization of Issue proceeds

The Board of Directors of our Company certifies that:

- (a) all monies received out of the Issue shall be transferred to a separate Bank Account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- (b) details of all monies utilized out of this Issue referred above shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the purpose for which such unutilized monies have been invested; and
- (c) Details of all unutilized monies out of this Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

The Board of Directors of our Company further certifies that:

- (a) the utilisation of monies received under Promoter's contribution shall be disclosed under an appropriate head in the balance sheet of our company indicating the purpose for which such monies have been utilised.
- (b) the details of all unutilised monies out of the funds received under Promoter's contribution shall be disclosed under a separate head in the balance sheet of the company indicating the form in which such unutilised monies have been invested.

The Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

The details of all unutilized monies out of the funds received under the reservations shall be disclosed under a separate head in the balance sheet of the Company indicating then form in which such unutilized monies have been invested.

Pre-Issue and Post Issue related problems

We have appointed Mr. Nitin Bagaria, 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:

Mr. Nitin Bagaria
23-A, Netaji Subhas Road,
3rd Floor, Suite 14,
Kolkata 700 001.
Tel: +91 33 2230 1671
Fax: + 91 33 2230 8807
E-mail: cs@mblinfra.com

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy of the GoI, as notified through press notes and press releases issued from time to time, and FEMA and circulars and notifications issued thereunder. While the Industrial Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures and reporting requirements for making such investment. The government bodies responsible for granting foreign investment approvals are the Foreign Investment Promotion Board of the Government of India (“FIPB”) and the RBI.

Currently, the Industrial Policy and FEMA stipulate that investing companies in the infrastructure sector such as MBL Infrastructures Limited do not require the prior approval of the FIPB for investments by persons resident outside India and that 100% investment in the outstanding capital of the company may be made by persons resident outside India.

There is no necessity for non-resident Bidders to make separate applications seeking permission from the FIPB and RBI. However, it may be distinctly understood that there is no reservation for FIIs, NRIs or OCBs and in view of the SEBI Regulations, the allotment and/or transfer of shares to FIIs, NRIs or OCBs would be made in the manner detailed in “Terms of the Issue” on page 223 of this Red Herring Prospectus.

The allotment of Equity Shares to non-resident Bidders shall be subject to RBI approval or any requisite permission as may be necessary under the FEMA.

Investment by Non-Resident Indians

A variety of special facilities for making investments in India in shares of Indian companies is available to individuals of Indian nationality or origin residing outside India (“NRIs”). These facilities permit NRIs to make portfolio investments in shares and other securities of Indian companies on a basis not generally available to foreign investors. Under the portfolio investment scheme, NRIs are permitted to purchase and sell Equity Shares of a company through a registered broker on the stock exchanges. NRIs collectively should not own more than 10% of the post-offer paid up capital of the company. However, this limit may be increased to 24% if the shareholders of the company pass a special resolution to that effect. No single NRI may own more than 5% of the post-offer paid up capital of the company. NRI investment in foreign exchange is now fully repatriable whereas investments made in Indian Rupees through rupee accounts remain non-repatriable.

As per the RBI Exchange Control Department Circular No. ADP (DIR Series) 13 dated November 29, 2001, OCBs are not permitted to invest under the portfolio investment scheme in India. However, OCBs would continue to be eligible for making foreign direct investment under FEMA and the regulations thereunder as per notification no. FEMA 20/20000 RB dated May 03, 2000. Also, OCBs can sell their existing shareholdings through a registered broker on the stock exchanges.

Investment by Foreign Institutional Investors

Foreign Institutional Investors (“FIIs”) including institutions such as pension funds, investment trusts, asset management companies, nominee companies and incorporated, institutional portfolio managers can invest in all the securities traded on the primary and secondary markets in India. FIIs are required to obtain an initial registration from SEBI and a general permission from the RBI to engage in transactions regulated under FEMA. FIIs must also comply with the provisions of the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time. The initial registration and the RBI’s general permission together enable the registered FII to buy (subject to the ownership restrictions discussed below) and sell freely securities issued by Indian companies, to realize capital gains or investments made through the initial amount invested in India, to subscribe or renounce rights issues for shares, to appoint a domestic custodian for custody of investments held and to repatriate the capital, capital gains, dividends, income received by way of interest and any compensation received towards a sale or renunciation of rights issues of shares.

Ownership restrictions of FIIs

Under the portfolio investment scheme, the overall issue of shares to FIIs on a repatriation basis should not exceed 24% of post-issue paid-up capital of a company. However, the limit of 24% can be raised up to the permitted sectoral cap for that company if the approval of the board of directors and the shareholders of the company is obtained. The offer of shares to a single FII should not exceed 10% of the post-issue paid-up capital of the company. In respect of an FII investing in shares of a company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital of that company.

Under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended, or Takeover Code, upon the acquisition of more than 5.0% of the outstanding shares or voting rights of a listed public Indian company, a purchaser is required to notify the company of such acquisition, and the company and the purchaser are required to notify all the stock exchanges on which the shares of such company are listed. Upon the acquisition of 15.0% or more of such shares or voting rights or a change in control of the company, the purchaser is required to make an open offer to the other shareholders offering to purchase at least 20.0% of all the outstanding shares of the company at a minimum offer price as determined pursuant to the Takeover Code.

The above information is given for the benefit of the Bidders and neither the Company nor the BRLM are liable for any modifications that may be made after the date of this Red Herring Prospectus.

SECTION IX: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

We have submitted the Articles of Association to the Stock Exchanges for their approval and the Company may be required to amend the Articles of Association, if so required by the Stock Exchanges. The main provisions of the Articles of Association of the Issuer, as submitted to the Stock Exchanges for their approval are as follows:

Share Capital – Article 3

The Authorised Share Capital of the Company shall be the capital as specified in Clause V of the Memorandum of Association, with power to increase and reduce the Share Capital of the company and to divide the shares in the Capital for the time being into several classes as permissible in law and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for time being be provided in the Articles of Association.

Increase of Capital – Article 4

The Company in General Meeting may, from time to time, increase the Capital by the creation of new Shares. Such increase to be of such aggregate amount and to be divided into such shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the Directors shall determine, and in particular, such shares may be issued with a preferential or qualified right to dividends, or otherwise and in the distribution of assets of the Company, and with a right of voting at general meetings of the Company in conformity with Section 87 of the Act. Whenever the Capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.

Preference Shares – Articles 6 and 7

Article 6

Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue Preference Shares which at or at the option of the Company are liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.

Article 7

On the issue of Redeemable Preference Shares under the provisions of Article 6 hereof, the following provisions shall take effect:

- a. no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption.
- b. No such shares shall be redeemed unless they are fully paid.

Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of the profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called the “Capital Redemption Reserve Account” a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the share capital of the Company shall, excepts as provided in Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid up share capital of the Company.

Reduction of Capital – Article 8

The Company may (subject to the Provisions of Section 78, 80, 100 to 105 both inclusive, of the Act) from time to time by Special Resolution reduce its capital, any Capital Redemption Reserve Account or Share Premium Account

in any manner for the time being authorised by law, and in particular, capital may be paid off on the footing that it may be called upon again or otherwise. This Article is not to derogate from any power the Company would have if the were omitted.

Sub-division consolidation and cancellation of shares – Article 9

Subject to the provisions of Section 94 of the Act, the Company in General Meeting may from time to time sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that, as between the holders of the shares resulting from such sub-division, one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other or others. Subject as aforesaid, the Company in General Meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

Modification of rights – Article 10

Whenever the Capital is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Act, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of at least three-fourths of nominal value of the issued shares of the class or is confirmed by a Resolution passed at a separate General Meeting of the holders of shares of that class and supported by the votes of the holders of at least three-fourths of those shares, and all the provisions hereinafter contained as to General Meetings shall mutatis mutandis apply to every such Meeting, but so that the quorum thereof shall be members present in person or by proxy and holding three-fourths of the nominal amount of the issued shares of the class. This Article is not to derogate from any power the Company would have if it were omitted.

Further issue of capital – Article 13

1. Where at the 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, either out of the un-issued capital or out of the increased share capital then:
 - a. such further shares shall be offered to the persons who on the date of the offer, are holders of the Equity Shares of the Company, in proportion as near as circumstances admit, to the capital paid-up on those shares at the date.
 - b. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than thirty days from the date of the offer and 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 them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right. Provided that the Directors may decline without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him
 - d. After the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they may think, in their sole discretion, deem fit.
2. Notwithstanding anything contained in the sub-clause (1) thereof, 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 special resolution is passed, if the votes cast (whether on a show of hands or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the 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 to 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 authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the 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 debenture issued or loan raised by the company:
- a. To convert such debentures or loans into shares in the company; or
 - b. To subscribe for shares in the company (whether such option is conferred in these Articles or otherwise)

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 the 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 government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the company in general meeting before the issue of the debentures or raising of the loans.

Shares at the disposal of the Directors – Article 14

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 controls of the directors who may issue, allot or otherwise dispose of the same or any of them such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of section 79 of the act) at discount and at such time as they may from time to time think fit and with the sanction of the company in the general meeting to give to any 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 persons without the sanction of the company in the general meeting.

Issue of Share Certificate - Article 20

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 certificates under the 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 certificates) 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, worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the directors shall comply with such rules or regulations or requirement of any stock exchange or the rules made under Securities contracts (Regulation) Act, 1956 or any other act or the rules applicable in this behalf.

The provisions of this act shall mutatis mutandis apply to the debentures of the Company.

Buy back of securities by the Company – Article 23

The Company shall have power, subject to and in accordance with all the applicable provisions of the Act and the rules made thereunder, to purchase any of its own fully paid shares or other specified securities whether or not they are redeemable and may make a payment out of its free reserves or securities premium account of the Company or proceeds of any shares or other specified securities provided that no buy back of any kind of shares or other specified securities shall be made out of the proceeds of an earlier issue of the same kind of shares or same kind of other specified securities or from such other sources as may be permitted by Law on such terms, conditions and in such manner as may be prescribed by the Law from time to time in respect of such purchase.

Calls – Article 28

- a. The Board may, from time to time and subject to the terms on which any shares have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such call as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively, and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call may be made payable by installments.
- b. That option or right to call of shares shall not be given to any person except with the sanction of the issuer in general meetings.

Article 29

Fifteen days notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.

Article 30

A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board.

Article 31

A call may be revoked or postponed at the discretion of the Board.

Article 32

The option or right to call of shares not be given to any person except with the sanction of the company in general meeting.

Article 33

The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

Article 34

The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members who from residence at a distance or other cause, the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a member of grace and favour.

Article 35

If any member fails to pay any call due from him on the day appointed for. payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest of the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board, but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.

Article 36

Any sum, which may by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and payable, on the date on which by the terms of issue the same becomes payable and in case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise, shall apply as if such sum had become payable by virtue of a call duly made and notified.

Article 37

On the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member, in respect of whose shares, the money is sought to be recovered appears entered on the Register of Members as the holder, at or subsequently to the date at which the money is sought to be recovered, is alleged to have become due on the shares in respect of such money is sought to be recovered; that the resolution making the call is duly recorded in the Minute Book; and that notice of such call was duly given to the member or his representatives used in pursuance of these Articles and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made nor that the meeting at which any call was made duly convened or constituted nor any other matters whatsoever, but the proof of the matter aforesaid shall be conclusive evidence of the debt.

Article 38

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 hereinafter provided.

Company's lien of the shares – Article 40

The Company shall have a first and paramount lien upon all the shares (other than fully paid-up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares and no equitable interest in any shares shall be created except upon the footing, and upon the condition that Article 22 hereof is to have full effect. Any such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The directors may at any time declare any shares wholly or in part to be exempt from the provision of this clause.

Forfeiture of shares – Article 43

If any member fails to pay any call or installment 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 installment remains unpaid, Serve 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.

Effect of forfeiture – Article 50

The forfeiture of a share involve extinction, at the time of the forfeiture, of all interest and all claims and demands against the Company in respect of the share and all other rights, incidental to the share except only such of those rights as by these Articles are expressly saved.

Register of transfer – Article 53

The Company shall keep a book to be called the "Register of Transfers", and therein shall be fairly and directly entered particulars of every transfer or transmission of any share.

Instrument of transfer – Article 54

The instrument of transfer shall be in writing and all provision of section 108 of the companies Act ,1956 and statutory modification there of for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.

The Instrument of transfer of any shares in the Company shall be in writing in the usual common form and such Instrument of transfer, duly signed by the Transferor and Transferee shall be deposited with the Company and subject to the provisions of Section 108 (3) of the Act, no transfer shall be registered until such instrument shall be so deposited together with the certificate of the shares.

Dematerialisation of shares at the option of the investor – Article 67 (3)

Every holder of or subscriber to securities of the Company shall have the option to receive certificates for such securities or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted bylaw, in respect of any securities in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates for the Securities.

If a person opts to hold his Securities with the depository, the Company shall intimate such depository the details of allotment of the Securities, and on receipt of the information, the depository shall enter in its record the name of the allottees as the beneficial owner of the Securities.

Copies of Memorandum and Articles of Associations sent by the Company - Article 68

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 Board to every Member at his request within fifteen days of the request on payment of Re. 1/- for each copy.

Borrowing powers - Article 69

The Board may, from time to time, at its discretion subject to the provisions of Section 292 of the Act, raise or borrow, either from the Directors or from elsewhere and secure the payment of any sum or sums of money for the purpose of the Company; provided that the Board shall not without the sanction of the Company in General Meeting borrow any sum of money which together with money borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate for the time being of the paid up capital of the Company and its free reserves, that is to say, reserves not set aside for any specific purpose.

Instrument of transfer – Article 72

Save as provided in Section 108 of the Act, no transfer of debentures shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of the debentures.

Shares may be converted into stock - Article 76

The Company in General Meeting may convert any paid-up shares into stock; and when any shares shall have been converted into stock, the several holders of such stock may thenceforth 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 the shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may at any time re-convert any stock into paid-up shares of any denomination.

Annual General Meeting – Article 78

The company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. All General Meetings other than Annual General Meeting shall be Extraordinary General Meetings. The first Annual General Meeting shall be held within eighteen months from the date of incorporation of the company and the next Annual General Meeting shall be held within six months after the expiry of the financial year in which the first Annual General Meeting was held and thereafter an Annual General Meeting of the Company shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 166(1) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for on a time during business hours, on a day that is not a public holiday, and shall be held in the office of the company or at some other place within the city in which the office of the Company is situated as the Board may determine and the Notices calling the Meeting shall specify it as the Annual General Meeting. The Company may in any one Annual General Meeting fix the time for its subsequent Annual General Meeting. Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall be entitled to attend and to be heard at any General Meeting which he attends on any part of the business, concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table the Directors' Report (if not already attached in the Audited statement of Accounts) the proxy Register with proxies and the Register of Directors' Share holdings of which latter Register shall remain open and accessible during the continuance of the meeting. The Board shall cause to be prepared the Annual List of Members, summary of the Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with Sections 159, 161 and 220 of the Act.

Extraordinary General Meeting – Article 79

The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any member or members holding in the aggregate not less than one-tenth of such of the paid-up capital as at the date carries the right of voting in regard to the matter in respect of which the requisition has been made.

Voting powers of members – Article 98

No member shall be entitled to vote either personally or by proxy, at any General Meeting or Meeting of a class of shareholders, either upon a show of hands or upon a poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or, in regard to which the Company has, and has exercised any right of lien.

Article 99

Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the Capital of the Company, every member not disqualified by the last preceding Article shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting rights of every member present in person or by proxy shall be in proportion to his shares of the paid-up equity share capital of the Company. Provided, however, if any preference share-holder be present at any meeting of the Company, save as provided in clause (b) of sub-section (2) of Section 87, he shall have a right to vote only on resolutions placed before the meeting which directly affect the rights attached to his preference shares.

Article 100

On a poll taken at meeting of the Company a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he used or may abstain from voting.

Article 101

A member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy may vote whether on a show of hands or on a poll, by his committee or other legal guardian; and any such committee or guardian may, on poll vote by proxy, if any member be a minor, the vote in respect of his share or shares shall be by his guardian, or any of his guardians, if more than one, to be selected in case of dispute by the Chairman of the meeting.

Article 102

If there be joint holders of any shares, anyone of such person may vote at any meeting or may appoint another person (whether a member or not) as his proxy in respect of such shares, as if he were solely entitled thereto by the proxy so appointed shall not have any right to speak at the meeting and, if more than one of such joint holders be present at any meeting that one of the said persons so present whose name stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint-holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased member in whose name shares stand shall for the purpose of these Articles to be deemed joint holders thereof.

Article 103

Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a member may vote either by a proxy or by a representative duly authorised in accordance with Section 187 of the Act, and such representative shall be entitled to exercise the same rights and powers (including the rights to vote by proxy) on behalf of the body corporate which he represents as the body could exercise if it were an individual member.

Minutes of General Meetings and inspection thereof by the member - Article 114

1. The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.
2. Each page of every such book shall be initialed or signed and the last page of the record of proceedings of such meeting in such books shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or liability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.
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 proceedings thereat.
5. All appointments of Officers made at any meeting aforesaid shall be included in the minutes of the meetings.
6. Nothing herein contained shall require or be 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 or
 - b. is irrelevant or immaterial to the proceeding, or
 - c. is detrimental to the interest of the Company.

The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.

7. Any such minutes shall be evidence of the proceedings recorded therein.
8. The book containing the minutes of proceedings of General Meetings shall be kept at the office of the Company and shall be open during business hours for such periods not being less in the aggregate than two hours in each day as' the Directors determine, to the inspection of any member without charge.

Directors - Article 115

Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors (excluding Debenture and Alternate Directors, (if any) shall not be less than three or more than twelve.

Power to appoint ex-officio directors – Article 116

If at any time the Company obtains any loan or any assistance in connection there with by way of guarantee or otherwise from any person, firm, body corporate, local authority or public body (hereinafter called "the institution") or if at any time the Company issues any shares, debentures and enters into any contract or arrangement with the institution, whereby the institution subscribes for or underwrites the issue of the Company's shares or debentures or provides any assistance to the Company in any manner and it is a term of the relative loan, assistance, contract or agreement that the institution shall have the right to appoint one or more directors to the Board of the Company, then subject to the provisions of Section 225 of the Act and subject to the terms and conditions of such loan, assistance, contract or arrangement, the institution shall be entitled to appoint one or more director or Directors, as the case may be, to the Board of the Company and to remove from office any director so appointed and to appoint another in his place or in the place of Director so appointed who resigns or otherwise vacates his office. Any such appointment or removal shall be made in writing and shall be served at the office of the Company. The director or directors so appointed shall neither be required to hold any qualification share nor be liable to retire by rotation and shall continue in the office for so long as the relative loan, assistance, contract or arrangement, as the case may be, subsists.

Alternate directors – Article 119

The Board may appoint an Alternate Director to act for a Director (hereinafter called "the Original Director") during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original director in whose place he has been appointed and shall vacate the office of the Original Director when he returns to that State. If the terms of office of the Original Director are determined before he so returns to that state, any provisions in the Act or in these Articles for the automatic reappointment of any retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.

Share qualification of the directors – Article 121

Until otherwise determined by the Company in General Meeting, a Director shall not be required to hold any shares in the capital of the Company as his qualification.

Remuneration of directors - Article 124

1. Subject to the provisions of the Act, a Managing Director, or Managing Directors or Director who is/are in the whole-time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.
2. Subject to the provisions of the Act, a Director who is neither in the whole time employment nor a Managing Director may be paid remuneration either:
 - a. by way of monthly, quarterly or annual payment with the approval of the Central Government, or

- b. by way of commission if the Company by a special resolution authorised such payment.
- 3. The fees payable to a Director (including a Managing or whole-time Director, if any), for attending a. Meeting of the Board or Committee thereof may be in accordance with and subject to the provisions of Section 309 of the Act or such other sum as the Company in General Meeting may from time-to time determine.

Article 125

The Board may allow any pay to any director who is not a bonafide resident of the place where the meetings of the Board are ordinarily held and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation for traveling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified; and if any Director be called upon to go or resided out of the ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any traveling or other expenses incurred in connection with business of the Company.

Disclosure of interest - Article 129

A director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or proposed contract or arrangement entered into or to be entered into by or on behalf of the company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 299(2) of the Act; provided that it shall not be necessary for a Director to disclose his concern or interest in any contract or arrangement entered into or to be entered into with any other company where any of the Directors of the Company either himself or along with his relatives holds or hold two per cent of the paid-up share capital in any such other company.

Register of contracts where directors are interested – Article 132

The Company shall keep a Register in accordance with Section 301(1)-and shall within the time specified in section 301 (2) enter therein such of the particulars as may be relevant having regard to the application thereto of Section 297 or Section 299 of the Act as the case may be. The Register aforesaid shall also specify, in relation to each Director of the Company the names of the bodies corporate and firms of which notice has been given by him under Article 125. The Register shall be kept at the office of the company and shall be open to inspection at such office, and extracts maybe taken therefrom and copies thereof in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provision of Section 163 of the Act shall apply accordingly.

Company may increase or reduce the number of directors – Article 139

Subject to Section 259 of the Act, the Company may, by Ordinary Resolution, from time to time, increase or reduce the number of directors, and may after their qualifications the Company (subject to the provisions of Section 284 of the Act) remove any Director before the expiration of his period of office and appoint another qualified person in his stead. The person so appointed shall hold Office during such time as the director in whose place he is appointed would have held the same if he had not been removed.

Managing Directors - Article 143

Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint from time to time any of its member or members as Managing Director or Managing Directors/ Whole-time Director(s) of the Company for fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit and subject to the provisions of Article 140, the Board may by resolution vest in such Managing Director or Managing Directors/ Whole-time Director(s) such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine. The remuneration of a Managing Director/ Whole-time Director(s) may be by way of monthly payment, fee for each meeting or participation in profits, or by any or all these modes, or any other mode not expressly prohibited by the Act.

Powers of the Board - Article 159

The Board may exercise all such powers of the Company and do all such acts, and things as are not, by the Act, or any other Act, or by the Memorandum, or by the Articles of the Company, required to be exercised by the Company in General Meeting subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting but no regulations made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. Provided that the Board shall not, except with the consent of the Company in General Meeting:

- a. sell, lease or otherwise dispose of the whole, or substantially the whole of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole of any such undertaking.
- b. remit, or give time for the repayment of any debt due by a Director.
- c. invest, otherwise than in trust securities, the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in clause (a), or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time.
- d. borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid up capital of the Company and its free reserves - that is to say, reserve not set apart for any specific purpose. Provided further that the powers specified in Section 292 of the Act shall, subject to these Articles, be exercised only at meetings of the Board, unless the same be delegated to the extent there in stated; or
- e. contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed fifty thousand rupees or five per cent of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater.

Absolute power of the Board in certain cases - Article 160

Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers; that is to say, power:

1. To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.
2. To pay any charge to the capital account of the Company and Commission or interest lawfully payable thereunder under the provisions of Sections 76 and 208 of the Act.
3. Subject to Sections 292 and 297 of the Act to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;
4. At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in shares, bonds, debentures, mortgages, or other securities of the Company, and such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon all or any part of the property of the Company and its uncalled capital or not so charged;

5. To secure the fulfilment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the firm being or in such manner as they may think fit;
6. To accept from any member, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed;
7. To appoint any person to accept and hold in trust for the Company and property belonging to the Company, in which it is interested, or for any other purposes; and execute such deeds and do all such things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees;
8. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due, and of any claim or demands by or against the Company and to refer any differences to arbitration, and observe and, perform any awards made thereon;
9. To act on behalf of the Company in all matters relating to bankrupts and insolvents;
10. To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.
11. Subject to the provisions of Sections 292, 295, 370 and 372 of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being shares of this Company), or without security and in such manner as they think fit, and from time to time to vary the size of such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name;
12. To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability' whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.
13. To determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividends, warrants, releases, contracts and documents and to give the necessary authority for such purpose;
14. To distribute by way of bonus amongst the staff of the Company, share or shares in the profits of the Company, and to give to any officer or other person employed by the Company a commission on the profits of any particular business or transaction; and to charge such bonus or commission as part of the working expenses of the Company;
15. To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons by building or contributing to the building of houses, dwellings or by grants of money, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing to provident and other associations, institutions; funds or trusts and by providing or subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit; and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise;

Dividends - Article 166

No dividend shall be declared or paid otherwise than out of the profits of the financial year arrived at after providing for depreciation in accordance, with the provisions of Section 205 of the Act or out of the profits of the Company for

any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both, provided that;

- a. if the Company has not provided for depreciation for any previous financial year or years, it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or years.
- b. if the Company has incurred any loss in any previous financial year or years, the amount of the loss or any amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act, or against both

Dividend may be set off against Calls – Article 176

Any General Meeting declaring a dividend may, on the recommendation of the Directors, make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend and the dividend may, if so arranged between the Company and the member, be set off against the calls.

Capitalisation of Reserves - Article 178

Any General Meeting may resolve that any moneys, investments, or other assets forming part of undivided profits of the Company standing to the credit of the Reserves, or any Capital Redemption Reserve Fund, in the hands of the company and available for dividend or representing premiums received on the issue of shares and standing to the credit of the Share Premium Account be capitalised and distributed amongst such of the members as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such members in paying up in full any unissued shares, debentures, or debenture-stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares, and that such distribution or payment shall be accepted by such members in full satisfaction of their interest in the said capitalised sum. Provided that any sum standing to the credit of a Share Premium Account or a Capital Redemption Reserve Fund may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

Winding up - Article 195

The Liquidator on any winding-up (whether voluntary, under supervision or compulsory) may, with the sanction of a Special Resolution but subject to the rights attached to any preference share capital, divide among the contributories in specie any part of the assets of the Company and may with the like sanction; vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories as the Liquidator, with the like sanction shall think fit.

Indemnity and Responsibility - Article 196

Every Officer or Agent for the time being of the Company shall be indemnified out of the assets of the Company against all liability incurred by him in defending any proceeding, whether civil or criminal in which judgment is given in his favor or in which he is acquitted or discharged or in connection with any application under Section 633 of Act, in which relief is granted to him by the Court.

SECTION X: 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, West Bengal at Kolkata for registration and also the documents for inspection referred to hereunder, may be inspected at the registered 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. Engagement letter dated January 8 2008 and extension letter dated January 1, 2009 for the appointment of Motilal Oswal Investment Advisors Private Limited as the Book Running Lead Manager.
2. Agreement dated October 23, 2009 between our Company and the Book Running Lead Manager.
3. Memorandum of Understanding dated September 19, 2006 between our Company and the Registrar to the Issue.
4. Escrow Agreement dated November 17, 2009 between the Company, the Book Running Lead Manager, the Escrow Collection Banks and the Registrar to the Issue.
5. Syndicate Agreement dated October 23, 2009 between the Company, the Book Running Lead Manager and the Syndicate Members.
6. Underwriting Agreement dated [●] between the Company, the Book Running Lead Manager and the Syndicate Members.

Material Documents

1. Our Memorandum and Articles of Association, as amended from time to time.
2. Our certificate of incorporation dated August 25, 1995.
3. Board resolutions in relation to the Issue.
4. Shareholders' resolutions in relation to the Issue.
5. Board Resolution and shareholder's resolution for appointment and remuneration of our Whole time Directors and revision in their terms and conditions in 2009.
6. Statements of Assets and Liabilities, Statement of Profits and Losses, as Restated and Cash Flows, as Restated, under Indian Accounting Policies as at and for the Years Ended March 31, 2005, 2006, 2007, 2008, 2009 and quarter ended June 30, 2009 audited by M/s Agrawal S. Kumar & Associates, Chartered Accountants and their audit report on the same, dated October 15, 2009
7. Statement of Tax Benefits from, M/s Agrawal S. Kumar & Associates, Chartered Accountants dated October 15, 2009 – Auditor's Report on possible Income-tax benefits available to the Company and its shareholders.
8. Copies of annual reports of our Company for the years ended March 31, 2005, 2006, 2007, 2008 and 2009.
9. Consent of M/s Agrawal S. Kumar & Associates, Chartered Accountants, our Auditors for inclusion of their reports on restated financial statements and Auditors Report on audited financial statements in the form and context in which they appear in the Red Herring Prospectus.
10. Consents of Bankers to the Company, Book Running Lead Manager, Syndicate Members, Registrar to the Issue, Escrow Collection Bank(s), Bankers to the Issue, IPO Grading Agency Domestic Legal Counsel to the Issue, Directors of the Company, Company Secretary and Compliance Officer, as referred to, in their respective capacities.
11. Joint Venture Agreement dated August 16, 2007 between MBL Infrastructures Limited and Calcutta Industrial Supply Corporation.
12. Joint Venture Agreement dated June 08, 2007 between MBL Infrastructures Limited and Lakeshwari Builders Private Limited.
13. Joint Venture Agreement dated May 27, 2005 between MBL Infrastructures Limited and Telecommunications Consultants India Limited.
14. Concession agreement dated November 18, 2002 between Madhya Pradesh Rajya Setu Nirman Nigam Limited, AAP Infrastructure Limited and our Company.
15. Joint Venture Agreement dated March 16, 2007 between MBL Infrastructures Limited and Supreme Infrastructure (India) Limited
16. Listing Agreement dated [●] with BSE and Listing Agreement dated [●] with the NSE.

17. Initial listing applications dated September 30, 2008 and September 29, 2008 filed with BSE and NSE respectively.
18. In-principle listing approval vide letter no. DCS/IPO/BS/IPO-IP/1334/2008-09 dated January 13, 2009 and the letter no. NSE/LIST/98506-K dated February 2, 2009 from BSE and NSE respectively.
19. Tripartite Agreement between NSDL, our Company and the Registrar to the Issue dated November 28, 2006.
20. Tripartite Agreement between CDSL, our Company and the Registrar to the Issue dated January 02, 2007.
21. Due diligence certificate dated September 29, 2008 to SEBI from the Book Running Lead Manager.
22. SEBI observation letter no. CFD/DIL/ISSUES/PB/MKS/171404/2009 dated July 30, 2009.
23. IPO Grading Report of ICRA Limited dated October 20, 2009
24. IPO Grading Report of CRISIL dated February 23, 2007.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes

DECLARATION

All relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made thereunder or guidelines issued, as the case may be. We further certify that all the statements in this Red Herring Prospectus are true and correct.

Signed by the Directors of our Company

Mr. Ram Gopal Maheshwari, Chairman

Mr. Anjanee Kumar Lakhota, Chief Executive Officer

Mr. Maruti Maheshwari

Mr. Bhanu Prakash Agarwal

Mr. Ashwini Kumar Singh

Mr. Kumar Singh Baghel

Mr. Anil Kumar Agarwal, Chief Financial Officer

Date: November 18, 2009

Place: Kolkata



ICRA Limited

An Associate of Moody's Investors Service

Ref : D/RAT/2009-10/M-61/2

Date: October 14, 2009

Mr. A.K. Lakhotia
Chief Executive Officer
MBL Infrastructures Limited
SU - 2 & 3, Ground Floor
Bhikaji Cama Bhawan
Bhikaji Cama Place
New Delhi - 110 066

Dear Sir,

Re : ICRA Grading of Initial Public Offer of 57,00,000 nos. Equity Shares of Rs. 10 each to be issued by MBL Infrastructures Limited to the Public ("IPO")

Please refer to your mandate letter dated July 9, 2009 for grading the IPO of 57,00,000 equity shares of MBL Infrastructures Limited. The Rating Committee of ICRA, after due consideration, has assigned the "ICRA IPO Grade 2" (pronounced ICRA IPO Grade two) grading to the captioned IPO programme. This grading indicates below-average fundamentals.

In any of your publicity material or other document wherever you are using the above grading, it should be stated as "ICRA IPO Grade 2". We would appreciate if you can sign on the duplicate copy of this letter and send it to us as a token of your confirmation about the use of this letter. The rationale for assigning the above grading will be sent to you in due course.

Notwithstanding anything to the contrary: An ICRA IPO Grade is a statement of current opinion of ICRA and is not a statement of appropriateness of the graded security for any of the investors. Such grade is assigned with due care and caution on the basis of analysis of information and clarifications obtained from the issuer concerned and also other sources considered reliable by ICRA. However, ICRA makes no representation or warranty, express or implied as to the accuracy, authenticity, timeliness, or completeness of such information. An ICRA IPO Grade is not (a) a comment on the present or future price of the security concerned (b) a certificate of statutory compliance and / or (c) a credit rating. Further the ICRA IPO Grade is not a recommendation of any kind including but not limited to recommendation to buy, sell, or deal in the securities of such Issuer nor can it be considered as an authentication of any of the financial statements of the company and ICRA shall not be liable for any losses incurred by the users from any use of the grade in any manner. It is advisable that the professional assistance be taken by any prospective investor in the securities of the company including in the fields of investment banking, tax or law while making such investment. All services and information provided by ICRA is provided on an "as is" basis, without representations and warranties of any nature.

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Regd. Office: 1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi - 110001

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This grading is specific to the terms and conditions of the proposed IPO issue as was indicated to us by you and any change in the terms or size of the IPO would require the grading to be reviewed by us. If there is any change in the terms and conditions or size of the rated IPO, as above, the same must be brought to our notice before the issue of the IPO. If there is any such change after the grading is assigned by us, it would be subject to our review and may result in change in the grading assigned.

ICRA reserves the right to suspend, withdraw or revise the above grading at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the aforesaid grading assigned to you.

The grading, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the Equity Shares to be issued by you. If the instrument rated, as above, is not issued by you within a period of 6 months from date of this letter communicating the grading, the same would stand withdrawn unless revalidated before the expiry of 6 months.

You are required to keep us forthwith informed of any developments (including any default or delay in repayment of interest or principal amount of any debt instruments/ borrowing or proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts) which may have a direct or indirect impact on the grading assigned to the aforesaid IPO programme.

In determining the grading, ICRA has relied on the information available/made available to it by your company and ICRA does not guarantee the completeness or accuracy of such information on which the rating is based

We thank you for your kind cooperation extended during the course of the grading exercise. Should you require any clarification, please do not hesitate to get in touch with us.

With kind regards,

Yours sincerely,
for ICRA Limited

Vikas Aggarwal
(Senior Vice President)

Manita Singh
(Senior Analyst)



ICRA Limited

An Associate of Moody's Investors Service

Ref : D/RAT/2009-10/M-61/6

Date: October 20, 2009

Mr. A.K. Lakhotia
Chief Executive Officer
MBL Infrastructures Limited
SU - 2 & 3, Ground Floor
Bhikaji Cama Bhawan
Bhikaji Cama Place
New Delhi - 110 066

Dear Sir,

Re : ICRA Grading of Initial Public Offer of 57,00,000 nos. Equity Shares of Rs. 10 each to be issued by MBL Infrastructures Limited to the Public ("IPO")

This is with reference to the IPO grading of the proposed IPO of 57,00,000 equity shares of MBL Infrastructures Limited. Please find enclosed, the Grading Perspective for the IPO Grade 2 assigned by ICRA to the proposed issue.

With kind regards,

Yours sincerely,
for ICRA Limited

Vikas Aggarwal
(Senior Vice President)

Encl: IPO Grading Perspective

Building No. 8, 2nd Floor
Tower A, DLF Cyber City
Phase II, Gurgaon - 122002

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MBL INFRASTRUCTURES LIMITED

Issue Details

MBL Infrastructures Limited proposes to come out with an Initial Public Offer (IPO) of 5.70 million equity shares of face value of Rs. 10 each through the book building route. Subsequent to employee reservation of 0.10 million equity shares, the net issue to public will be 5.60 million equity shares. Of the net issue, at least 50% would be reserved for Qualified Institutional Buyers (QIBs), not less than 15% of the net issue shall be reserved for non-institutional investors and not less than 35% of the net issue shall be reserved for retail investors. Post-IPO, the shares will be listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

Proposed Use of IPO Proceeds

The IPO proceeds are proposed to be used primarily for :-

- Investment in Capital equipments
- Fund working capital requirements
- Fund general corporate expenditure

Contacts:

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Vikas Agarwal

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IPO Grading

ICRA has assigned an IPO Grade 2 to the proposed IPO of MBL Infrastructures Limited (MBL), indicating below average fundamentals. ICRA assigns IPO gradings on a scale of IPO Grade 5 to IPO Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals.

An ICRA IPO Grade is a symbolic representation of ICRA's current assessment of the fundamentals of the issuer concerned. The fundamental factors assessed include, *inter alia*, business and competitive position, financial position and prospects, management quality, corporate governance, and history of compliance and litigation.

Disclaimer: Notwithstanding anything to the contrary: An ICRA IPO grade is a statement of current opinion of ICRA and is not a statement of appropriateness of the graded security for any of the investors. Such grade is assigned with due care and caution on the basis of analysis of information and clarifications obtained from the issuer concerned and also other sources considered reliable by ICRA. However, ICRA makes no representation or warranty, express or implied as to the accuracy, authenticity, timeliness, or completeness of such information. An ICRA IPO grade is not (a) a comment on the present or future price of the security concerned (b) a certificate of statutory compliance and/or (c) a credit rating. Further, the ICRA IPO grade is not a recommendation of any kind including but not limited to recommendation to buy, sell, or deal in the securities of such issuer nor can it be considered as an authentication of any of the financial statements of the company, and ICRA shall not be liable for any losses incurred by users from any use of the grade in any manner. It is advisable that the professional assistance be taken by any prospective investor in the securities of the company including in the fields of investment banking, tax or law while making such investment. All services and information provided by ICRA are provided on an "as is" basis, without representations and warranties of any nature.

Website

www.icra.in

Strengths

- Demonstrated track record of successful completion of small to medium sized road projects
- Experienced promoters and management
- Healthy order book position to provide impetus to future growth in revenues and profits
- Buoyant outlook for the construction industry

Concerns

- Project concentration risks as top three orders account for 50% of the current order book
- Concentration risks on account of focus on road construction segment, which exposes the company to execution risks arising on account of delays in land acquisition in road projects and higher competitive pressures in the segment
- High revenue contribution from low margin waste management and trading business
- Ability to scale up its resources, both in term of machinery and manpower for meeting the increased scale of operations
- Investments in Build Operate Transfer (BOT) projects may result in moderation of return indicators in the medium term on account of capital intensive nature and long gestation period for such projects
- High funding requirements to augment equipment and working capital to support increased scale of operations

Grading Rationale

The IPO Grade assigned by ICRA takes into account MBL's experienced management team, its demonstrated track-record of having successfully executed small to medium size projects in the roads segment, and its healthy order book position, which along with the buoyant outlook for the construction industry, is expected to provide for growth in the company's revenues and profits. The grading is however constrained by MBL's significant project concentration risks, with the top three projects accounting for 50% of its current order book; the lack of sectoral diversification in the company's revenues, given its focus on road projects in the infrastructure business; high revenue contribution from its low margin waste management and trading business; and challenges involved in scaling up of resources to successfully execute large projects. While the road construction segment offers significant growth opportunities, it also remains exposed to execution risks that arise out of delays in land acquisition. Moreover, this segment is turning increasingly competitive following the entry of a large number of players into road construction. Given the significant concentration of road projects in MBL's current order book (98% of its current order book is accounted for by road projects), its ability to face competitive pressures in this segment or successfully diversify into other segments will remain crucial to maintain its future profitability. In 2007-08, MBL successfully completed road project on Build-Operate and Transfer (BOT) basis, and such BOT projects are expected to remain a focus area for the company in the future. However, BOT projects, being capital intensive and involving a longer gestation, may result in moderation of return indicators in the medium term. Going forward, ICRA expects the MBL's funding requirements to increase in line with its need to augment its equipment and working capital, which is required to support its increased scale of operations; and the funds from the proposed IPO would enable MBL to maintain a prudential capital structure while funding its growth. In addition to funding, the company's ability to retain and attract experienced personnel will also be crucial for its future growth.

Entity Profile

Incorporated as Maheshwari Brother Limited in 1995, the name of the company was changed to the current MBL Infrastructures Limited in July 2006. Initially, MBL was engaged in the business of recycling ferrous scrap and slag at steel plants and in steel trading, but subsequently diversified into infrastructure development (primarily road projects), serving Government clients like the Public Works Department and the National Highways Authority of India. In 2007-08, MBL successfully completed the execution of the 114 km Seoni-Balaghat-Rajegaon BOT project (for its 100% subsidiary AAP Infrastructures Limited). On a consolidated basis, MBL reported revenues of Rs. 5.14 billion and a Profit after Tax of Rs. 274.03 million in 2008-09. The company's current order book stands at Rs. 7.62 billion.

Promoters and Management

The company was promoted by Mr. R.G. Maheshwari and his brother Mr. A.K. Lakhotia and their families who along with other promoter group companies have 100% shareholding in the company. Post the IPO, the shareholding of the promoters and promoter group will come down to 67.55%.

Table 1: Shareholding Pattern of MBL

| | Pre-IPO | Post IPO |
|----------------------------|---------|----------|
| Promoters & Promoter Group | 84.97% | 57.32% |
| Others | 15.03% | 10.13% |
| Public | - | 32.55% |

Source: DRHP

Mr. R.G. Maheshwari, the Chairman of the company, is a commerce graduate and has 20 years of experience in the construction business. Mr. A. K. Lakhotia, the whole time Director and Chief Operating Officer of the company is a commerce graduate and fellow member of Institute of Chartered Accountants of India and has more than 10 years experience in the construction business. While the promoters are involved in the management of the company and are the driving force of the company, experienced professionals have also been recruited for day to day operations.

Business and competitive position

Demonstrated track record in execution of small to medium size road projects

In the past, MBL has successfully executed small to medium size construction projects mainly in the road segment. Over the years, the company has moved from doing smaller projects involving short-term improvement and maintenance works to larger projects involving widening and strengthening of existing State and National highways. In FY 2007-08, the company successfully completed the construction of the 114 Kms Seoni-Balaghat-Rajegaon BOT project. The company has over the years, demonstrated its ability to execute projects without any significant time and cost overruns, which has resulted in the company building a favourable reputation among its clients. The company has executed projects for Government agencies and bodies like Madhya Pradesh Road Development Corporation (MPRDC), Mumbai Metropolitan Region Development Authority (MMRDA), National Highways Authority of India (NHAI) and Uttar Pradesh Public Works Department.

BOT Project completed in FY 2007-08

In 2002, MBL was awarded the project for reconstruction, strengthening, widening and rehabilitation of 114 Kms section of the Seoni-Balaghat road by MPRDC on a BOT basis. In accordance with the terms of the concession agreement, a special purpose vehicle (AAP Infrastructures Limited – 100% subsidiary of MBL) was formed for the execution of the project. As per the concession agreement, the company would receive a grant from MPRDC for funding part of the project cost and be allowed to collect toll from users of the road for a period of 15 years (the toll rated would be escalated by 7% every year). The company completed the construction of the toll road in February 2008 at a total cost of Rs. 1.08 billion which was funded by equity of Rs. 0.12 billion, grant from MPRDC of Rs. 0.35 billion, term loans of Rs. 0.22 billion and balance from MBL in the form of unsecured loans and creditors for project development. For FY 2008-09, AAP Infrastructures Limited (AAP) reported revenues of Rs. 78.02 million from toll collections and Profit After Tax of Rs. 0.19 million. Going forward, ICRA expects the revenues and profits of the company to increase on the back of the expected growth in traffic and escalation in toll rates.

Healthy growth in order book buoyed by growth in infrastructure sector

The order book of the company has witnessed healthy growth over the past two years buoyed by the overall growth in the infrastructure sector. The company's current order book stands at Rs. 7.62 billion which is around 2.14 times the turnover of the company from its construction business in FY 2009. Given the opportunities in the road segment and the buoyancy in the construction industry, ICRA expects MBL's order book to remain healthy in the medium term, which is expected to provide for growth in the company's revenues and profits.

Table 2: Movement in Order book position

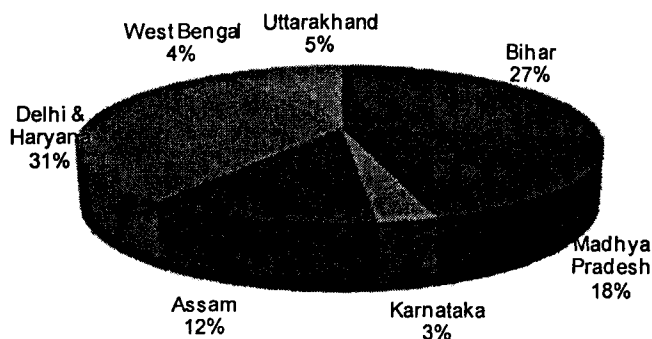
| (Rs. Billion) | As on Date | 31 March 2009 | 31 March 2008 |
|---------------|------------|---------------|---------------|
| Order Book | 7.62 | 4.82 | 4.72 |

Source: Company

Geographically well diversified order book

The order book of the company is geographically diversified with 31% of orders in Delhi and Haryana, 27% in Bihar, 18% in Madhya Pradesh and 12% in Assam. Although presence in areas like Bihar, Madhya Pradesh and Assam increases the risk profile of MBL's operations, however, due to lower competitive intensity in these areas the company enjoys the benefits of higher margins from such projects.

Chart 1: Geographical Diversification of Order Book



Moreover, the company has consciously increased its focus on projects which are funded by strong entities like NHAI and Asian Development Bank (ADB) in order to reduce the financial risks associated with these projects.

The main clients of the company include Road Development Corporation (Bihar), NHAI, Haryana Urban Development Authority (HUDA), MPRTC, Municipal Corporation of Delhi (MCD).

Source: Company

High project concentration as top three orders account for 50% of the order book

The current order book of MBL stands at Rs. 7.62 billion. The top three orders constitute around 50% of the company's current order book which exposes the company to project concentration risks. The top three projects include – Improvement and up gradation of State Highway – 68 in Bihar for RCD Bihar with outstanding contract value of Rs. 1.69 billion; Widening of Faridabad Bypass in Faridabad for HUDA with outstanding contract value of Rs. 1.11 billion and Widening and strengthening of National Highway – 37 in Assam for NHAI with outstanding contract value of Rs. 1.07 billion. As these projects account for a significant portion of the company's order book, any delays in project execution in any of these projects can have a significant impact on the revenues and profits of the company going forward.

Order book concentrated in the road construction segment

The order book of the company is primarily concentrated on road projects, which constitutes nearly 98% of the company's current order book. High concentration on a single segment exposes the company to concentration risks. Although the road construction segment offers significant growth opportunities, however, as road projects are exposed to delays on account of issues relating to land acquisition, the execution risks are higher for such projects. Moreover, the road segment is also characterised by high competitive intensity on account of large number of players present in the segment. As MBL's current order book is highly concentrated in the road construction segment, its ability to face competitive pressures in this segment or successfully diversify into other segments will remain crucial to maintain its future profitability.

Order book execution will require scaling up of resources

MBL has witnessed significant growth in its order book over the past few years. Currently, the company has an outstanding order book of Rs. 7.62 billion which is 2.14 times the revenues of the company from its construction business in FY 2009. Successful execution of large order book will require significant scaling up of its manpower and equipment resources. Although the company has successfully scaled up both its manpower and equipment base in the past, however, the future scaling up could be more challenging given the buoyancy in the industry. The ability of the company to arrange requisite funds for investment in equipment and retain and attract experienced personnel will also be crucial for its future growth.

Financial position

High revenue contribution from low-margin waste management and trading business

The operating income of MBL comprises of revenues from construction business (which includes revenues from contracts executed and toll collections) and revenues from waste management and trading business. Over the past few years, the income from waste management and trading business has remained around 30% of the company's total income. Margins from the waste management and trading business (around 1-2% over the last three years) are much lower than margins in MBL's core construction business (around 20% over the last three years), thus, high revenue contribution from waste management and trading business has resulted in relatively lower margins for the company on an overall basis

Table 3: Segment wise revenues and profits

| | 31-Mar-09 | 31-Mar-08 | 31-Mar-07 | 31-Mar-06 | 31-Mar-05 |
|-----------------------------|-----------|-----------|-----------|-----------|-----------|
| Income (Rs. million) | | | | | |
| Waste Management & Trading | 1489.01 | 972.35 | 477.84 | 414.26 | 439.60 |
| (as % of total income) | 29% | 33% | 28% | 26% | 31% |
| Construction Segment | 3653.76 | 1972.67 | 1229.18 | 1167.97 | 990.33 |
| (as % of total income) | 71% | 67% | 72% | 74% | 69% |
| PBDIT margins | | | | | |
| Waste Management & Trading | 1.32% | 1.73% | 0.64% | 1.76% | 1.19% |
| Construction | 19.65% | 19.56% | 19.75% | 13.66% | 12.35% |

Note : PBDIT – Profit before Depreciation, Interest and Tax

Source: Company Annual Reports, DRHP

Growing revenues and stable margins has led to increase in profits

With an increase in the order book of the company, the Operating income has witnessed significant growth over the past few years. Moreover, with execution of large size and more complex projects, the operating margins of the company have improved from around 10% in FY 2005-06 to around 14% FY 2006-07 onwards. Further, despite high competitive intensity in the road construction segment, the company has been able to maintain PBDIT margins at around 19-20% over the last three years (for the construction segment). Healthy growth in revenues coupled with stable margins have resulted in increase in the net profits and earnings per share of the company.

With an increase in the scale of operations, higher economies of scale and increase in profits, the return indicators of the company have also improved over the last three years. ROCE has increased from 18.18% in FY 2006-07 to 25.09% in FY 2008-09 and RONW has increased from 22.59% to 27.90% over the same period. Given the buoyancy in the industry and healthy order book of the company, ICRA expects the revenues and operating profits to grow, however, investments in BOT projects which have a longer gestation period may result in moderation of return indicators in the medium term.

Table 4: Revenues and Profitability

| (Rs. million) | 31-Mar-09 | 31-Mar-08 | 31-Mar-07 | 31-Mar-06 | 31-Mar-05 |
|------------------|-----------|-----------|-----------|-----------|-----------|
| Operating Income | 5142.77 | 2945.02 | 1707.02 | 1582.23 | 1429.93 |
| OPBDIT | 745.41 | 409.61 | 246.95 | 159.38 | 121.27 |
| OPBDIT / OI (%) | 14.49% | 13.91% | 14.47% | 10.07% | 8.48% |
| PAT | 274.03 | 155.56 | 101.40 | 83.02 | 66.24 |
| PAT / OI (%) | 5.33% | 5.28% | 5.94% | 5.25% | 4.63% |
| ROCE (%) | 25.09% | 23.64% | 18.18% | 18.72% | 18.71% |
| RONW (%) | 27.90% | 21.17% | 22.59% | 24.04% | 24.11% |
| EPS (Rs.) | 23.20 | 14.06 | 9.16 | 7.64 | 9.15 |

Note: OPBDIT – Operating Profit before Depreciation, Interest and Tax, PAT – Profit After Tax, ROCE – Return on Capital Employed, RONW – Return on Net Worth, EPS – Earnings per share

Source: Company Annual Reports

Increase in working capital intensity has resulted in increase in funding requirements

With an increase in the scale of operations and working capital intensity, the working capital requirements of the company have witnessed a significant increase over the past few years. The working capital intensity as reflected by Net Working Capital to Operating Income (NWC / OI) increased from 3.7% in FY 2007-08 to 18.4% in FY 2008-09, which also resulted in negative funds flow from operations in FY 2009 and consequently higher funding requirements. With the company focusing of larger value projects, going forward, ICRA expects the working capital requirements of the company to remain high.

Table 5: Working Capital Ratios

| | 31-Mar-09 | 31-Mar-08 | 31-Mar-07 | 31-Mar-06 | 31-Mar-05 |
|---------------------------|-----------|-----------|-----------|-----------|-----------|
| Debtor Days | 85 | 107 | 66 | 44 | 50 |
| Inventory Days | 34 | 33 | 32 | 34 | 20 |
| Creditor Days | 50 | 77 | 76 | 48 | 57 |
| NWC (Rs. million) | 943.86 | 109.94 | -57.52 | -100.92 | -41.20 |
| NWC / OI (excluding cash) | 18.4% | 3.7% | -3.4% | -6.4% | -2.9% |

Source: Company Annual Reports, DRHP

Negative free cash flows has resulted in increase in debt levels and gearing

The free cash flows of the company have remained negative in the past on account of capital expenditure for purchase of equipments, increased working capital requirements and interest expenses, entailing higher financing requirement, which has been largely funded by debt. This has resulted in relatively high gearing, which stood at 1.60 times as on March 31, 2009.

Going forward, ICRA expects the company's funding requirements to increase in line with its need to augment its equipment and working capital, which is required to support its increased scale of operations; further, investments in BOT projects is likely to further increase its funding requirements. Although the proceeds from the upcoming IPO will partially meet the above funding requirements and also enhance the financial flexibility of the company to raise additional funds; however, given the increased funding requirements in future, the company's ability to do so at competitive interest rates will have an impact on its liquidity, profitability and growth.

Table 6: Cash Flows

| (Rs. million) | 31-Mar-09 | 31-Mar-08 | 31-Mar-07 | 31-Mar-06 |
|---------------------------------|-----------|-----------|-----------|-----------|
| Fund Flow from Operations (FFO) | (196.34) | 183.77 | 186.99 | 214.71 |
| Gross Cash Flows | (476.56) | 39.73 | 96.34 | 162.89 |
| Retained Cash Flows | (503.45) | 20.32 | 83.40 | 150.50 |
| Free Cash Flows | (699.58) | (188.82) | (286.76) | (96.79) |

Source: Company Annual Reports, DRHP

Table 7: Capital Structure

| (Rs. million) | 31-Mar-09 | 31-Mar-08 | 31-Mar-07 | 31-Mar-06 | 31-Mar-05 |
|-------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Equity | 118.14 | 110.64 | 110.64 | 108.64 | 72.43 |
| Net Worth | 982.10 | 734.97 | 448.82 | 345.37 | 274.74 |
| Total Debt | 1570.37 | 726.26 | 665.04 | 364.64 | 229.38 |
| Long Term Debt | 356.85 | 319.91 | 376.31 | 271.11 | 158.48 |
| Working Capital and short term debt | 1213.52 | 406.35 | 288.73 | 93.53 | 70.90 |
| Total Debt / Net Worth (times) | 1.60 | 0.99 | 1.48 | 1.06 | 0.83 |

Source: Company Annual Reports, DRHP

Contingent Liabilities

| (Rs. million) | 31-Mar-09 | 31-Mar-08 |
|---|----------------|----------------|
| Claims against the company / disputed liabilities not acknowledged as Debts | 86.39 | 86.39 |
| Disputed income tax | 34.33 | 57.84 |
| Stamp Duty demand under BOT Agreement | 12.00 | 12.00 |
| Outstanding Bank Guarantees | 1357.09 | 1318.62 |
| Total | 1489.81 | 1474.85 |

Source: Company Annual Reports

Corporate Governance

MBL's Board of Directors comprises three whole time executive directors (part of the promoter family) and three independent directors who are qualified in diverse fields like banking, taxation and manufacturing industry. The company has constituted three committees to comply with corporate governance requirements which include Audit committee, Shareholders'/Investors' Grievance Committee and the Remuneration Committee all of which are chaired by Independent directors.

Compliance and Litigation History**Accounting quality**

The accounts of the company are in compliance with the accounting standards and the provisions of the Companies Act. The company has restated its past accounts retrospectively from FY 2005 after making the appropriate adjustments and re-groupings where necessary.

Litigation**Key Litigations against MBL and AAP Infrastructures Limited**

- There are two criminal proceedings against MBL for dishonour of cheques for an amount of Rs. 1.12 million and Rs. 0.55 million respectively.
- One proceeding has been instituted against MBL by NHAI for alleged under performance of the obligations under the contract for short term improvement and routine maintenance of Barwa Adda – Panagarh section of National Highway – 2. The matter was referred to Dispute Review Expert which passed a decision in favour of the company. However, NHAI has filed an application to the High Court of Calcutta and the matter is pending before the arbitrator appointed by the Court.
- There are three writ petitions pending against AAP Infrastructures Limited in relation to the construction of toll plaza, completion certificate granted by the Chief Engineer of MPRDC and fee collection for the Seoni-Balaghat-Rajegaon BOT road project executed by the company.

**ICRA Limited***An Associate of Moody's Investors Service***CORPORATE OFFICE**Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon 122 002

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WE HAD, IN OUR EARLIER PROPOSED PUBLIC ISSUE OF EQUITY SHARES RECEIVED CRISIL IPO GRADE 1/5, INDICATING POOR FUNDAMENTALS VIDE ITS LETTER DATED FEBRUARY 23, 2007. THE CRISIL GRADING WAS VALID FOR SIXTY DAYS FROM THE DATE OF ISSUE OF THE GRADING REPORT.

CONFIDENTIAL

Ref: MBL VAG \ 13-02-07 \ 04

Dated: February 23, 2007

Mr. A K Lakhotia,
MBL Infrastructures Ltd.
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Web: www.crisil.com

Dear Mr. Lakhotia,

**Re: CRISIL IPO Grading for the 6 million Initial Public Offer of Equity Shares
of
MBL Infrastructures Ltd.**

We refer to your request for an IPO Grading and the Grading Agreement for the captioned equity issue.

CRISIL has, after due consideration, assigned a CRISIL IPO Grade "1/5" (pronounced 'one on five') to the captioned equity issue. This grade indicates that the fundamentals of the issue are poor relative to other listed equity securities in India.

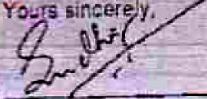
The assigned grade is a one time assessment and does not have any ongoing validity. In the event of your company not opening the captioned issue within a period of 60 days from the above date, or in the event of any change in the size or structure of the issue, a fresh letter of revalidation from CRISIL will be necessary.


As per our Grading Agreement, CRISIL would disseminate the assigned Grade through its publications and other media.

Should you require any clarifications, please feel free to contact us.

With warm regards,

Yours sincerely,


Sudhir Nair
Head - CRISIL Research


Anjana Goulkar
Manager - CRISIL Research

A CRISIL IPO grading is a one-time exercise and reflects CRISIL's current opinion on the fundamentals of the graded equity issue in relation to other listed equity securities in India, and does not constitute an audit of the issuer by CRISIL. A CRISIL IPO grading is neither an audit of the issuer by CRISIL nor is it a credit rating. Every CRISIL IPO grading is based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the grading is based. A CRISIL IPO grading is not a recommendation to buy / sell or hold the graded instrument; it does not comment on the current market price, future market price or suitability for a particular investor.

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For more information on IPO grading please visit the following page on the SEBI website: <http://www.sebi.gov.in/ipo/ipograding.html>

With the increasing emphasis on BOT projects in roads, bid capacity (linked to net worth, turnover, order book and past experience in handling big projects) is critical to bag new orders and so for the pre-qualifications. Hence the bigger companies have an edge/advantage over smaller companies.

MBL's position is very weak on the parameters mentioned for the bid capacity. This, coupled with MBL's aspiration to enhance its focus on BOT road projects (especially the Delhi-Hapur project), leaves uncertainties on the company's growth prospects.

Also, the company's current cash contract business cannot support the enhanced equity base till the returns from BOT begin (returns from any BOT deployment would commence only 4-5 years later).

Management has been slow in capitalising opportunities in the construction sector

During the initial boom in the construction industry in 2002, many small contractors (including players with less experience in road construction) plunged into the road construction business, either by ways of joint ventures (foreign/domestic companies) or by undertaking orders as a sub-contractor. These joint ventures were mainly to gain experience to bag future projects from NHAI. Over the past few years, many small contractors/construction companies have grown at a faster rate and are now qualified to bag future NHAI projects on their own.

However, MBL (given its small size) refrained itself from tying up with a suitable partner/working as a sub-contractor, during the initial boom and lost out on the experience it could have otherwise gained for the ongoing NHAI projects.

Corporate Governance system is under-developed

The company has four independent directors on its board, all of whom joined post March 2006. Also, three out of the four independent directors have been associated with the company as consultants and the promoters had known them through their business activities. During the time they have been on the board, they have not participated significantly in the company's business decisions.

Favourable long term prospects in the roads construction industry

Road construction activity gathered momentum in 2002 with the government led National Highway Development Programme- Golden Quadrilateral and NSEW. Further, in order to accelerate investments in the sector, NHAI has identified more such projects (NHDP phase III, IV, V, VI and VII) which are mainly to be awarded on a BOT basis. This marks a paradigm shift in the business profile, as the revenue risk (in this case, the traffic risk) moves to the private developer from the government. We believe development requires different skills— assessing traffic risk, and committing capital upfront—as compared to the pure execution skill in the contracting business. Conversely, returns are also likely to be higher if successful. Large construction companies with long track records, proven engineering and design capabilities will benefit from the increasing emphasis on larger sized projects/BOT projects, increased thrust on quality and growing awareness against time and cost overruns.

For internal discussion

MBL Infrastructures Limited (MBL)

CRISIL IPO Grade 1.0/5.0

Public Issue of 6,000,000 Equity Shares of face value Rs 10 at Rs 100 per share.

Bid/Offer Opens *
 Bid/Offer Closes *
 Shares Offered 6,000,000
 As % of post issue Equity 35.2%
 Shares Outstanding (Post issue) 17,063,727
 Lead Manager
 Microsec Capital Limited
 A.K Capital Ltd.
 Registrar to the Issue
 Intime Spectrum Registry Ltd.

| Shareholding Pattern | Prior to issue | | Post Issue | |
|------------------------------|----------------|-------|---------------|-------|
| | No. of shares | % | No. of shares | % |
| Promoters and Promoter group | 10,612,102 | 65.9 | 10,612,102 | 62.2 |
| Public | - | - | 6,000,000 | 35.2 |
| Others | 461,625 | 4.1 | 451,625 | 2.6 |
| Total | 11,063,727 | 100.0 | 17,063,727 | 100.0 |

| | | MBL Infrastructures Ltd. | |
|----------------------|--------------|--------------------------|---------|
| | | 2004-05 | 2005-06 |
| Operating income | Rs Million | 1,420.78 | 1581.74 |
| Operating margins | Per cent | 6.43 | 10.04 |
| Net profits | Rs Million | 86.24 | 83.02 |
| Net margins | Per cent | 4.63 | 5.25 |
| ROCE | Per cent | 24.54 | 14.12 |
| Return on Equity | Per cent | 31.96 | 15.47 |
| No. of equity shares | Million | 72.43 | 108.64 |
| Net worth | Rs Million | 414.55 | 658.52 |
| Basic EPS | Rs | 0.91 | 0.75 |
| Diluted EPS | Rs | 0.39 | 0.49 |
| Book value | Rs per share | 5.72 | 6.05 |
| Gearing | Times | 0.99 | 0.70 |

Overall Assessment

CRISIL has assigned a CRISIL IPO Grade "1/5" (pronounced "one on five") to the proposed initial public offer of MBL Infrastructures Ltd. (MBL), indicating "poor fundamentals" of the company in relation to other listed equity securities.

The grade reflects the company's poor competitive position in the Build Operate and Transfer (BOT) segment of roads - the business for which it is raising money through this issue - and the fact that returns from any BOT deployment would commence only 4-5 years later. This would mean that the company's ability to service the larger equity base over this 4-5 years period for the existing business would be poor. The grading is also influenced by the fact that the management has been a late mover in tapping opportunities in the construction segment.

The grading takes into account the company's track record as an operator in the cash contract segment of road construction, and the good prospects for this segment in India in the short-to-medium term.

MBL raising capital to invest in BOT projects, where it has a poor competitive position

As per the business plan of the company, the current issue will be invested in the BOT projects (mainly National Highway Development Programme (NHDP)). In the near term, it plans to bid for the NHDP-Phase V- DBFO projects (Design Build Finance and Operate). Accordingly, it has submitted a Request for Quotation (RFQ) for around eight projects under this programme and has evinced keen interest in the Delhi-Hapur project. It plans to bid for this project in a joint venture with TCIL and a consortium of MBL (it could be Tania Constructions or Simplex Concrete).

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