RED HERRING PROSPECTUS
Please read Section 60B of the Companies Act, 1956
Dated January 22, 2007
(The Red Herring Prospectus will be updated upon RoC filing)
100% Book Built Issue

C & C CONSTRUCTIONS LIMITED

(Incorporated on July 16, 1996 under the Companies Act, 1956 as a private limited company. Our Company became a public limited company with effect from August 28, 2006 and our name was changed to "C&C Constructions Limited". For details in changes of our registered office, see the section titled "History and Certain Corporate Matters" beginning on page 89 of this Red Herring Prospectus.

Registered Office: Flat No: G-11, Hemkunt Chamber, Nehru Place, New Delhi 110 019, India.
Corporate Office: Jay Plaza-Clearview Building, C-1/B, Old DLF Colony, Gurgaon 122 001, India. Tel: +91 124 4080661. Fax: +91 124 4080663.
Contact Person and Compliance Officer: Mr. Santosh Kumar Pradhan, Company Secretary. Tel: +91 124 4080661. Fax: +91 124 4080663.
E-mail: ipo@candcinfrastructure.com. Website: www.candcinfrastructure.com .

PUBLIC ISSUE OF 4,269,451 EQUITY SHARES OF RS. 10 EACH ("EQUITY SHARES") FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE AGGREGATING RS. [●] MILLION ("THE "ISSUE") BY C&C CONSTRUCTIONS LIMITED ("C&C", "THE COMPANY" OR "THE ISSUER"). THE ISSUE SHALL CONSTITUTE 23.38% OF THE FULLY DILUTED POST-ISSUE CAPITAL OF C&C CONSTRUCTIONS LIMITED.

PRICE BAND: RS. 270 TO RS. 291 PER EQUITY SHARE OF FACE VALUE RS. 10

THE FACE VALUE OF EQUITY SHARES IS RS.10. THE FLOOR PRICE IS 27 TIMES OF THE FACE VALUE AND THE CAP PRICE IS 29.1 TIMES OF THE FACE VALUE.

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

In terms of Rule 19(2)(b) of the SCRR, this being an Issue for less than 25% of the post-Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue shall be allotted on a proportionate basis to QIB Bidders, out of which 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above Issue price. If at least 60% of the Issue cannot be allotted to QIB Bidders, then the entire application money will be refunded forthwith. Further, up to 10% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and up to 30% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Our Company has not opted for grading of the Issue.

RISK IN RELATION TO FIRST ISSUE

This being the first issue of the Equity Shares, there has been no formal market for the Equity Shares. The face value of the Equity Shares is Rs.10 and the Issue Price is **[●]** times of the face value. The Issue Price (as determined by our Company in consultation with the Book Running Lead Manager, on the basis of assessment of market demand for the Equity Shares by way of Book Building) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of 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 xiii of this Red Herring Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the BSE and the NSE. We have received in-principle approval from the BSE and the NSE for the listing of our Equity Shares pursuant to letters dated November 27, 2006 and November 28, 2006, respectively. NSE shall be the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
Edelweiss Ideas create, values protect **EDELWEISS CAPITAL LIMITED** 14th floor, Express Towers Nariman Point, Mumbai 400 021, India Tel: +91 22 2286 4400 Fax: +91 22 2288 2119 E-mail: candc.ipo@edelcap.com Website: www.edelcap.com Contact Person: Mr. Shailendra Sabhnani	**BIGSHARE SERVICES PRIVATE LIMITED** E-2/3, Ansa Industrial Estate,Saki Vihar Road, Saki Naka,Andheri (East), Mumbai - 400 072. Tel: +91 22 28473747/3474/0652/0653 Fax: +91 22 28475207 E-mail: ipo@bigshareonline.com Website: www.bigshareonline.com Contact Person: Mr. N.V. K. Mohan

ISSUE PROGRAMME

BID / ISSUE OPENS ON : FEBRUARY 5, 2007	BID / ISSUE CLOSES ON : FEBRUARY 9, 2007

TABLE OF CONTENTS

DEFINITIONS AND ABBREVIATIONS

General Terms

Term	**Description**
"C & C Constructions Limited" or "C&C" or "the Company" or "our Company"	C & C Constructions Limited, a public limited company incorporated under the Companies Act, 1956.
"we" or "us" or "our"	Refers to C & C Constructions Limited.

Issue Related Terms

Term	**Description**
Allotment	Unless the context otherwise requires, the issue and allotment of Equity Shares pursuant to the Issue.
Allottee	The successful Bidder to whom the Equity Shares have been issued.
Articles/Articles of Association	Articles of Association of our Company, as amended
Auditors	The statutory auditors of our Company, being, ASG & Associates, Chartered Accountants.
Banker(s) to the Company	State Bank of India
Banker(s) to the Issue	ICICI Bank Limited HDFC Bank Limited Standard Chartered Bank Deutsche Bank
Bid	An indication to make an offer during the Bidding/Issue Period by a Bidder to subscribe to our Equity Shares at a price within the Price Band, including all revisions and modifications thereto.
Bid Amount	The amount equivalent to the highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder on submission of the Bid in the Issue.
Bid Price	The highest price at which the optional Bids have been made as 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 an English national newspaper and Hindi national newspaper, both with wide circulation.
Bid/ Issue Opening Date	The date on which the Syndicate shall start accepting Bids for the Issue, which shall be the date notified in an English national newspaper and a Hindi national newspaper, both with wide circulation.
Bid cum Application Form	The form in terms of which the Bidder shall make an indication to make an offer to subscribe to the Equity Shares and which will be considered as the application for the issue and transfer of the Equity Shares pursuant to the terms of the Red Herring Prospectus.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form.

Term	**Description**
Bidding/ Issue Period	The period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days, during which period prospective Bidders can submit their Bids, including any revisions thereof.
Board of Directors/Board	The board of directors of our Company or a committee constituted thereof.
Book Building Process	Book building route as provided in Chapter XI of the SEBI Guidelines, 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 Edelweiss Capital Limited.
BSE	Bombay Stock Exchange Limited earlier known as The Stock Exchange, Mumbai.
CAN/ Confirmation of Allocation Note	The notes or advice or intimations of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process.
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted.
Companies Act	The Companies Act, 1956 as amended from time to time.
Cut-off Price	Any price within the Price Band finalised by our Company in consultation with the BRLM. A Bid submitted at cut-off price is a valid Bid at all price levels within the Price Band.
Depository	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository Participant	A depository participant as defined under the Depositories Act.
Designated Date	The date on which the Escrow Collection Banks transfer the funds from the Escrow Account(s) to the Issue Account(s), which in no event shall be earlier than the date on which the Prospectus is filed with the RoC, following which the Board of Directors shall allot Equity Shares to successful Bidders.
Designated Stock Exchange	NSE, for the purpose of this Issue.
Director(s)	Director(s) of C&C Constructions Limited, unless otherwise specified.
Draft Red Herring Prospectus	The Draft Red Herring Prospectus dated October 12, 2006, 2006 issued in accordance with Section 60B of the Companies Act and SEBI Guidelines, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. Upon filing with RoC at least three days before the Bid/Issue Opening Date it will become the Red Herring Prospectus. It will become a Prospectus upon filing with RoC after the determination of the Issue Price.
Eligible NRI(s)	NRI(s) from such jurisdiction outside India where it is not unlawful to make a Bid in the Issue.
Equity Shares	Equity shares of our Company of face value of Rs. 10 each.
Escrow Account(s)	Account(s) opened with the Escrow Collection Bank(s) and in whose favour the Bidders will issue cheques or drafts in respect of the Bid Amount when submitting a Bid.

Term	Description
Escrow Agreement	Agreement dated January 18, 2007 to be entered into among our Company, the Registrar, the Escrow Collection Bank(s), the BRLM and the Syndicate Members for collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders.
Escrow Collection Bank(s)	The banks, which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account will be opened, in this case being ICICI Bank Limited, HDFC Bank Limited, Standard Chartered Bank and Deutsche Bank AG.
FEMA	The Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed thereunder.
FII	Foreign Institutional Investor (as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995) registered with SEBI under applicable laws in India.
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI under applicable laws in India.
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form.
Floor Price	The lower end of the Price Band, below which the Issue Price will not be finalised and below which no Bids will be accepted.
Independent Auditor	M/s S.N. Dhawan & Co., Chartered Accountants
Indian GAAP	Generally accepted accounting principles in India.
Issue	The issue of 4,269,451 Equity Shares of Rs. 10 each at the Issue Price by our Company under this Red Herring Prospectus
Issue Price	The final price at which Equity Shares will be Allotted in terms of the Red Herring Prospectus, as determined by our Company in consultation with the BRLM, on the Pricing Date.
Issue Account	Accounts opened with the Banker(s) to the Issue to receive money's from the Escrow Account(s) for the Issue on the Designated Date.
Margin Amount	The amount paid by the Bidder at the time of submission of his/her Bid, being 10% to 100% of the Bid Amount depending on the category of the Bidder or such additional margin, not exceeding 100% of the Bid Amount, which may be called for by our Company, in consultation with the BRLM.
Memorandum / Memorandum of Association/MoA	The memorandum of association of our Company.
Monitoring Agency	State Bank of India.
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996.
Mutual Funds Portion	5% of the QIB Portion or 128,083 Equity Shares available for allocation to Mutual Funds only, out of the QIB Portion.
NSE	National Stock Exchange of India Limited.

Term	Description
Non-Institutional Bidders	Bidders that are neither Qualified Institutional Buyers nor Retail Individual Bidders and who have Bid for an amount more than Rs. 100,000.
Non-Institutional Portion	The portion of the Issue being 426,945 Equity Shares available for allocation to Non-Institutional Bidders.
Non Residents	A person resident outside India, as defined under FEMA.
NRI/ Non Resident Indian	A person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Pay-in Date	Bid/Issue Closing Date or the last date specified in the CAN sent to the 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.
Preference Shares	Redeemable Preference Shares of our Company of face value of Rs. 10 each.
Price Band	The price band with a minimum price (Floor Price) of Rs. 270 and the maximum price (Cap Price) of Rs. 291, including any revisions thereof.
Pricing Date	The date on which our Company in consultation with the BRLM finalises the Issue Price.
Promoter	The natural persons who are our Promoters are Mr. Gurjeet Singh Johar, Mr. Charanbir Singh Sethi, Mr. Rajbir Singh, Mr. Sanjay Gupta and Mr. Amrit Pal Singh Chadha. The companies which are our Promoters are S.J. Leasing & Investment Private Limited and Bags Registry Services Private Limited.
Promoter Group	The companies which comprise our Promoter Group are Case Cold Roll Forming Private Limited, Frontline Innovation Private Limited, Case Components Limited, Case Components Industries Limited, T.E L Systems Limited, J.D. Resorts Private Limited, Jeet Properties Private Limited, Sonar Infosys Limited, Grace Developers LLC, Frontier Services LCC, BSC-C&C (JV) Nepal Private Limited, Kims Wardak Diagnostic Centre Private Limited. The partnership firms which constitute our Promoter Group are Akal Builders and Contractors, Sukhvinder Service Station, S&S Bulls and Bears and Divine Developers. The HUFs forming part of our Promoter Group are G.S. Johar (HUF) and C.S. Sethi (HUF). The natural persons who form part of our Promoter Group (due to their relationship with our Promoters) are Ms. Sumeet Johar, Ms. Divya Johar, Ms. Simrita Johar, Mr. Jaideep Singh Johar, Ms. Sukhvinder Kaur, Ms. Jesica Singh, Mr. Harjeev Singh, Mr. Lakhbir Singh

Term	Description
	Sethi, Ms. Suneeta Singh Sethi, Ms. Pranavi Sethi, Mr. Gobind Sethi, Mr. Jwala Prasad Gupta, Ms. Kamla Gupta, Ms. Seema Gupta, Ms. Prerna Gupta, Mr. Ujjwal Gupta, Mr. Sardar Singh Chadha, Ms. Pritpal Kaur, Ms. Inderjeet Kaur Chadha, Mr. H.P.S Chadha, Mr. Sunny Chadha and Mr. Hitpreet Singh Chadha.
Prospectus	The prospectus, to be filed with the RoC after pricing containing, among other things, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information.
Qualified Institutional Buyers or QIBs	Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds registered with SEBI, foreign institutional investors registered with SEBI, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million.
QIB Margin Amount	An amount representing at least 10% of the Bid Amount.
QIB Portion	The portion of the Issue being at least 2,561,671 Equity Shares available for allocation to QIBs.
Refund Account	Account opened with an Escrow Collection Bank, from which refunds of the whole or part of the Bid Amount, if any, shall be made.
Refund Bank(s)	ICICI Bank Limited and Standard Chartered Bank
Registered Office of our Company	Flat No: G-11, Hemkunt Chamber, Nehru Place, New Delhi -1100 019
Registrar/ Registrar to the Issue	Registrar to the Issue, in this case being Bigshare Services Private Limited having its registered office on E-2/3, Ansa Industrial Estate,Saki Vihar Road, Saki Naka,Andheri (East), Mumbai - 400 072.
Retail Individual Bidders	Individual Bidders (including HUFs applying through their karta) who have bid for Equity Shares for an amount less than or equal to Rs. 100,000, in any of the bidding options in the Issue.
Retail Portion	The portion of the Issue being up to 1,280,835 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 their Bid cum Application Forms or any previous Revision Form(s).
RHP or Red Herring Prospectus	The Red Herring Prospectus dated January 19, 2007 to be issued in accordance with Section 60B of the Companies Act, which will not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The Red Herring Prospectus will be filed with the RoC at least three days before the Bid/Issue Opening Date and will become a Prospectus after filing with the RoC after determination of the Issue Price.
RoC	The Registrar of Companies, National Capital Territory of Delhi and Haryana, located at New Delhi.
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.

Term	Description
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act.
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Guidelines	The SEBI (Disclosure and Investor Protection) Guidelines, 2000 issued by SEBI, as amended, including instructions and clarifications issued by SEBI from time to time.
Stock Exchanges	BSE and NSE.
Syndicate or members of the Syndicate	The BRLM and the Syndicate Members.
Syndicate Agreement	The agreement dated January 16, 2007 to be entered into among our Company and the members of the Syndicate, in relation to the collection of Bids in this Issue.
Syndicate Members	Edelweiss Securities Private Limited.
TRS/ Transaction Registration Slip	The slip or document issued by any of the members of the Syndicate to a Bidder as proof of registration of the Bid.
U.S. GAAP	Generally accepted accounting principles in the United States of America.
Underwriters	The BRLM 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.
VCF/Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.

Industry Related Terms & Abbreviations

Term	Description
AAI	Airports Authority of India
BOT	Build, Operate and Transfer
BOOT	Build, Own, Operate and Transfer
BOQ	Bill of Quantities
CRIS INFAC	CRIS INFAC Industry Information Service, a brand of CRISIL Research & Information Services Limited
DPR	Detailed Project Report
EPC	Engineering, procurement and construction
KW	Kilo Watt
NHAI	National Highways Authority of India
NHDP	National Highways Development Program
PPP	Public Private Partnership
PWD	Public Works Department
SPV	Special Purpose Vehicle

Abbreviations

Abbreviation	Full Form
ADB	Asian Development Bank
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
AGM	Annual General Meeting
BHP	Break Horse Power
BSC-C&C JV	Joint venture formed by B. Seenaiah and Company (Projects) Limited and our Company.
BSCPL	B. Seenaiah and Company (Projects) Limited
CAGR	Compounded Annual Growth Rate
Capt	Captain
CDSL	Central Depository Services (India) Limited
Cft	Cubic Foot
Cum	Cubic metre
EBIDTA	Earnings Before Interest, Depreciation and Tax
ECL or Edelweiss	Edelweiss Capital Limited
ECS	Electronic Clearing Services
EGM	Extraordinary General Meeting
EPS	Earnings per share
FCCB	Foreign Currency Convertible Bonds
FDI	Foreign Direct Investment
FY/ Fiscal	Financial year/ Fiscal year
Financial year /Fiscal	Period of twelve months ended June 30 of that particular year, unless otherwise stated
GDR	Global Depository Receipts
GoI	Government of India
HCBS	High Capacity Bus System
HP	Horse Power
HUF	Hindu Undivided Family
IPO	Initial Public Offer
JV	Joint Venture
KL	Kilo Litre
KVA	Kilo Watts
LM	Liner Metre
Lt	Lieutenant

Term	Description
LIC	Life Insurance Corporation of India
Louis Berger	Louis Berger Group Inc.
MICR	Magnetic Ink Character Recognition
MIBOR	Mumbai Interbank Offered Rate
NAV	Net Asset Value
NEFT	National Electronic Funds Transfer
NSDL	National Securities Depository Limited
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
RBI	The Reserve Bank of India
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
RVNL	Rail Vikas Nigam Limited
SBAR	State Bank Average Rate
SBI	State Bank of India
SICA	Sick Industrial Companies Act, 1985
T	Tonnes
TPH	Tonnes Per Hour
UNOPS	United Nations Office for Project Services
USAID	United States Agency for International Development
USD/US$/$	United States Dollar.
w.e.f	With Effect From

PRESENTATION OF FINANCIAL AND MARKET DATA

Financial Data

Unless indicated otherwise, the financial data in this Red Herring Prospectus is derived from our restated financial statements prepared in accordance with Indian GAAP and included in this Red Herring Prospectus. Our fiscal year commences on July 1 and ends on June 30, so all references to a particular fiscal year are to the twelve-month period ended June 30 of that year.

There are significant differences between Indian GAAP and U.S. GAAP; accordingly, the degree to which the financial statements prepared in accordance with Indian GAAP 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. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

For the purposes of this Red Herring Prospectus, we have also presented the restated financial statements for the fiscal years 2002, 2003, 2004, 2005 and 2006 as audited by an Independent Auditor as additional information.

Throughout this Red Herring Prospectus, all figures have been expressed in millions, unless otherwise stated. Unless the context otherwise requires, all references to one gender also refers to another gender and the word "lac" or "lakhs" or "lakh" means "100 thousand", the word "million (mn) " means "10 lacs", the word "crore" means "10 million" and the word "billion (bn)" means "100 crores". In this Red Herring Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding off. Additionally, in the section titled "Industry", some figures have been expressed in billion.

Currency of Presentation

All references to "India" contained in this Red Herring Prospectus are to the Republic of India. All references to "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India. All references to "US$", "U.S. Dollar" or "US Dollars" are to United States Dollars, the official currency of the United States of America.

Market Data

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

- CRIS INFAC Roads Update: March 2006;
- CRIS INFAC Construction Annual Review: February 2006;
- NHAI website;
- RVNL website; and
- USAID website.

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

EXCHANGE RATES

The following table sets forth, for each period indicated, information concerning the number of Rupees for which one US dollar could be exchanged. The row titled 'average' in the table below is the average of the daily rate for each day in the period.

Period	Period end (in Rupees)	Period average (in Rupees)
Fiscal 2002*	-	-
Fiscal 2003*	-	-
Fiscal 2004#	45.45	45.42
Fiscal 2005#	43.61	44.63
Fiscal 2006#	46.08	44.76
October 31, 2006	45.02	46.13

*There were no foreign currency transactions entered into by our Company in the said period. Hence, the exchange rates for these periods have not been provided.

Source: www.rbi.gov.in

FORWARD-LOOKING STATEMENTS

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

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 our Company has its 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.

For further discussion of factors that could cause our actual results to differ, see the sections titled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages xiii and 183 of this Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company, nor the members of the Syndicate, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the BRLM will ensure that investors in India are informed of material developments until such time as the grant of trading permission by the Stock Exchanges for the Equity Shares allotted pursuant to this Issue.

RISK FACTORS

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

These risks are not the only ones that we face. Our business operations could also be affected by additional factors that are not presently known to us or that we currently consider to be immaterial to our operations. Unless otherwise mentioned we are not in a position to quantify the extent of the risks specified herein.

Internal Risks

Related to our Company

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

   Two criminal complaints have been instituted against our Directors, Mr. Gurjeet Singh Johar and Mr. Rajbir Singh. The details of the cases are set forth below:

   The State Bank of Travancore has filed a criminal complaint against our Director, Mr. Gurjeet Singh Johar (in his capacity as being the partner of the Chartered Accountancy firm handling the accounts of Altos India Limited) and others on grounds of cheating and misrepresenting certain facts in the financial statements of Altos India Limited while availing financial assistance of approximately Rs. 220 million from the State Bank of Travancore. The State Bank of Travancore has accused Altos India Limited and certain accountancy firms of fabricating the balance sheets during certain years and has impleaded our Director, Mr. Gurjeet Singh Johar since he was a partner of the Chartered Accountancy firm which had audited the financial statements of Altos India Limited.

   Kentech Construction Private Limited has instituted a criminal complaint under sections 403, 406, 409, 420 and 120 B of the Indian Penal Code, 1860 on charges of misappropriation of government funds in relation to certain disputes on account of works contract tax against our Promoter Group Company, Case Cold Roll Forming Private Limited and have also impleaded our Directors, Mr. Gurjeet Singh Johar and Mr. Rajbir Singh as parties.

   Additionally, Akhilesh Prasad has filed a criminal complaint against our Director, Mr. Rajbir Singh and others on the grounds of wrongful termination of employment and withholding of his wages by our joint venture BSC-C&C 'JV' under sections 409, 420 and 34 of the Indian Penal Code, 1860.

   For further details of the proceedings mentioned above, see the section titled "Outstanding Litigation and Material Developments", beginning on page 198 of this Red Herring Prospectus.

2. ***Our failure to successfully manage our operations in Afghanistan from where we derive substantial portion of our revenue could adversely affect our business and results of operations.***

   Our order backlog in Afghanistan as on December 31, 2006 was Rs. 584.79 million. A significant part of our operations exist in Afghanistan; we have derived approximately 7.09% of our revenue in the year ended December 31, 2006 from our Afghanistan operations. Afghanistan, which was under militant rule until recently, has experienced political and economic uncertainties. Our results of operations are therefore susceptible to events beyond our control which may occur in Afghanistan or regions within Afghanistan where our projects may be concentrated. Economic downturn or change in policies in Afghanistan could adversely affect our operations.

   Certain of our full time and casual and temporary contract employees are located in Afghanistan. In order to manage our day-to-day operations, we must overcome cultural and language barriers and assimilate relevant business practices. In addition, we may be required to create compensation programs, employment policies and other administrative programs that comply with the laws of the Afghanistan jurisdiction.

Our ability to operate and compete may be adversely affected by government legislation prevalent in Afghanistan. In particular, price controls, taxes and other laws relating to the oil and gas industry and the environment and changes in laws and regulations or introduction of new laws and regulations relating to such matters may affect our operations. If these regulations apply to us, they may require us to, for example, obtain licenses or permits in order to bid on contracts or conduct our operations or enter into a joint venture, agency or similar business arrangement with local individuals or businesses in order to conduct business in Afghanistan. These regulations frequently encourage or mandate the hiring of local contractors and require foreign contractors to employ citizens of, or purchase supplies from within the country or from a designated source. In addition, we may become involved in proceedings with regulatory authorities that may require us to pay fines, comply with more rigorous standards or other requirements or incur capital and operating expenses for compliance with such laws and regulations.

3. ***We have done most of our construction projects till date with B. Seenaiah & Co. (Projects) Ltd., an infrastructure construction company based in Hyderabad.***

A majority of our revenue emanates from contracts which we have jointly executed with BSCPL. We also do not have a fixed arrangement with BSCPL regarding tendering for projects; hence they may bid for projects independently. BSCPL is also a bigger construction company than us and has higher pre qualification bid strength. In the event that we are unable to negotiate with BSCPL for future contracts, we may have to bid independently or with other construction companies jointly. There cannot be any assurance on our securing contracts independently or that we may be able to team up with other construction companies or that we are able to secure terms which are suitable to us. In such events, there could be an adverse effect on our financial condition and results of operations.

4. ***Our Indian operations are entirely dependent on government entities or agencies.***

Our Indian operations primarily comprise of contracts under the NHDP program awarded by NHAI, which is a government agency. There may be delays associated with collection of receivables from government owned or controlled entities. Our operations involve substantial working capital requirements and delayed collection of receivables could adversely affect our liquidity and results of operations. In addition, we may be subject to additional regulatory or other scrutiny associated with commercial transactions with government owned or controlled entities and agencies.

5. ***We have limited pre-qualification strengths and may not be able to bid for larger projects independently.***

Our Indian operations primarily include construction of roads under the NHDP awarded by NHAI. We can bid for projects only if we meet the pre-qualification bidding criteria set for each project. Pre-qualification includes various parameters such as, amongst others, highest size of the project executed till date, revenue of the preceding financial year, total value of projects executed, etc. Although, we have grown over the past few years, we are still small in size as compared to various other companies in the construction sector with whom we compete. This necessitates a need for entering into joint ventures with bigger construction companies, consequently, our profit margins may be impacted. There is also a recent trend of increasing the average contract size and restricting the number of bidders in construction contracts by NHAI. We cannot assure that we will be able to secure projects in the future or of being able to secure the projects at our terms. This may have an effect on our financial condition and results of operations.

6. ***On fixed price or turnkey contracts, we are exposed to construction risks including risks on account of fluctuation in prices of our major raw materials that could cause us to incur losses.***

We enter into both fixed price and turnkey contracts. Under the terms and conditions of such fixed price or lump-sum contracts, we generally agree for a fixed price for providing engineering, procurement and construction services for the part of the project contracted to use or, in the case of turnkey contracts, completed facilities which are delivered in a ready to operate condition, subject, however, to contract variations pursuant to changes in the client's project requirements. The actual expense to us for executing a fixed price or lump-sum turnkey contract may vary substantially from the assumptions underlying our bid for several reasons, including:

- unanticipated changes in engineering design of the project;
- unanticipated increases in the cost of equipment, material or manpower;
- delays associated with the delivery of equipment and materials to the project site;
- unanticipated adverse fluctuations in the prices of our major raw materials which we may not be able to pass on to our clients;
- unforeseen construction conditions, including liability of the client to obtain requisite environmental and other approvals, resulting in delays and increased costs; and
- delays caused by local weather conditions.

Unanticipated costs or delays in performing part of the contract can have compounding effects by increasing costs of performing other parts of the contract. These variations and the risks general inherent to the construction industry may result in our profits being different from those originally estimated and may result in our experiencing reduced profitability or losses on projects. Depending on the size of the project, these variations from estimated contract performance could have an effect on our results of operations.

7. ***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 results of operations.***

Our business requires a substantial amount of working capital. In many cases, working capital is required to finance the purchase of materials and 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.

Our working capital requirements may increase if, in certain contracts, payment terms include reduced advance payments or payment schedules that specify payment towards the end of a project or are less favorable to us. Continued increases in working capital requirements may have an adverse effect on our financial condition and results of operations.

It is customary in the industry in which we operate 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 bank guarantees or performance bonds, our ability to enter into new contracts could be limited. Providing security to obtain letters of credit, bank guarantees or performance bonds increases our working capital needs and limits our ability to provide bonds, guarantees and letters of credit, and pay dividends. We may not be able to continue obtaining new letters of credit, bank guarantees or performance bonds in sufficient quantities to match our business requirements.

8. ***Sustained high equipment, materials or fuel costs or non availability on timely basis may adversely affect our results of operations.***

Materials costs constitute a substantial part of our operating expenses. Our construction operations require various bulk construction materials including steel, cement and bitumen. In addition, under the terms of our EPC contracts, we are required to procure various equipment including process equipment, mechanical equipment, machinery, dumpers and tippers and electrical and instrumentation components. Fuel costs for operation our construction and other equipment also constitute a substantial part of our operating expenses in case of our entire infrastructure project contracts. Unanticipated increases in equipment, materials of fuel costs not taken into account in our bid may adversely affect our results of operations.

In the event that we are not able to procure the requisite equipment and materials on time, our project performance would be impacted and may adversely affect our results of operations.

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

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

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

10. ***Failure to adhere to agreed timelines could adversely affect our reputation and/or expose us to financial liability.***

Typically construction contracts are subject to specific completion schedule requirements with liquidated damages chargeable in the event the construction schedules are not adhered to. Failure to adhere to contractually agreed timelines could cause damage to our reputation within the construction industry and client base, and cause us to pay liquidated damages.

11. ***We face competition in our business from Indian and international engineering construction companies.***

We operate in a competitive environment. We compete against construction companies, both local and international in origin, for our Indian and Afghan operations. While service quality, technological capacity and performance, health and safety records and personnel, as well as reputation and experience, are important considerations in client decisions, price is a major factor in most tender awards. Our industry has been frequently subject to intense price competition.

There are a number of competitors who have achieved greater market penetration than we have in the markets in which we compete, and have greater financial and other resources than we do. As a result, we may need to accept lower contract margins in order for us to compete against competitors that have the ability to accept awards at lower prices. If we are unable to compete successfully in such markets, our relative market share and profits could be reduced.

There can be no assurance that we can continue to effectively compete with our competitors in the future, and our failure to compete effectively may have an adverse effect on our business, financial condition and results of operations.

12. ***Projects included in our backlog may be delayed or cancelled which could materially harm our cash flow position, revenues and earnings.***

As of October 31, 2006, our order backlog was approximately Rs. 5,737.31 million. Our backlog does not necessarily indicate future earnings related to the performance of that work. Backlog refers to the expected future revenues under signed contracts or contracts where letters of intent have been received. Backlog projects represent only business that is considered firm, although cancellations or scope adjustments may occur. Due to changes in project scope and schedule, we cannot predict with certainty when or if backlog will be performed. In addition, even where a project proceeds as scheduled, it is possible that contracting parties may default and fail to pay amount owed. Any delay, cancellation or payment default could materially harm our cash flow position, revenues and/or earnings.

13. ***Our operations are subject to hazards and other risks and could expose us to material liabilities, loss in revenues and increased expenses. Besides, we are also subject to defect-liability covenants which may result in subsequent claims.***

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

We may also be subject to claims resulting from defects arising from engineering, procurement and/or construction services provided by us within the warranty periods extended by us, which range from 12 to 18 months from the date of commissioning. Actual or claimed defects in equipment procured and/or construction quality could give rise to claims, liabilities, costs and expenses, relating to loss of life, personal injury, damage to property, damage to equipment and facilities, etc. We also do not have insurance coverage for any losses that may be incurred during the defects liability period. Failure to effectively cover ourselves against engineering and construction industry risks for any of these reasons could expose us to substantial costs and potentially lead to material losses. These liabilities and costs could have a material adverse effect on our business, results of operations and financial condition.

14. ***We are subject to restrictive covenants under our credit facilities that could limit our flexibility in managing the business.***

There are restrictive covenants in the agreement we have entered into with State Bank of India for our borrowings. These restrictive covenants require us to seek prior permission of State Bank of India for various activities, including, amongst others, alteration of our capital structure or our memorandum or articles of association, undertaking new projects, undertaking any merger/amalgamation/restructuring, change in the shareholding pattern of our Directors, principal shareholders and promoters. Though, we have received approval from our lender, State Bank of India for this Issue, these restrictive covenants may also affect some of the rights of our shareholders, including the payment of dividends. For details of these restrictive covenants, see the section titled "Financial Indebtedness" beginning on page 84 of this Red Herring Prospectus.

15. ***Some of our Promoter Group Companies have incurred losses during the last three financial years.***

Some of our Promoter Group Companies have incurred losses within the last three fiscal years, details of which are set forth below:

(Rs. in thousands)

Name of Company	Loss		
	Fiscal 2006	Fiscal 2005	Fiscal 2004
Case Components Industries Limited	(64)	(67)	Nil
T.E L Systems Limited	(244)	(449)	Nil
J.D. Resorts Private Limited	(9)	(11)	Nil
Jeet Properties Private Limited	Nil	(55)	(46)
Sonar Infosys Limited	(123)	(24)	(36)
Case Components Limited	(57)	(4)	(20)

For more details, see the section titled "Our Promoters and Group Companies" beginning on page 110 of this Red Herring Prospectus.

16. ***Loss of key managerial personnel could materially affect our business.***

Our business substantially depends on the continued service of our key managerial personnel. The loss of the services of our key managerial personnel could have a material adverse effect on us. Our future success will also depend on our ability to attract and retain highly skilled personnel, such as engineering, project management and senior management professionals. We could experience difficulty from time to time in hiring and retaining the personnel necessary to support our business. If we do not succeed in retaining our current employees and attracting new high quality employees, our reputation may be harmed and our future earnings may be negatively impacted.

17. ***Any failure in our information technology systems could adversely impact our business.***

Any delay in implementation or any disruptions in the functioning could disrupt our ability to track, record and analyze the work in progress, cause loss of data and disruptions of operations, including, among others, an inability to asses the progress of projects, process financial information or manage creditors / debtors or engage in normal business activities. This could have a material adverse effect on our business.

18. Post this Issue, our Promoters will continue to hold majority shares in our Company.

Post this Issue, our Promoters will own 70% of our fully diluted Equity Share capital. For as long as the Promoters continue to own Equity Shares and voting rights representing more than 50% of the voting strength in our Company, they will be able to direct the election of the members of our Board of Directors and determine the outcome of all matters requiring a simple majority in the shareholders meeting.

19. We, our Promoters, our Promoter group companies and joint ventures are involved in a number of legal proceedings that, if determined against us, could adversely impact our business and financial condition.

- *Legal proceedings against our Company*

  There is one income tax litigation pending against our Company. The amount claimed against us is approximately Rs. 4,549,436.

  There are three sales tax cases that have been initiated by the Trade Tax Department, Noida that are pending against our Company. The aggregate amount of sales tax duty claimed from our Company in these cases is approximately Rs. 1,171,218.

  There is one labour dispute pending against our Company under the Workmen's Compensation Act, 1923. The aggregate amount claimed against us is approximately Rs. 754,000.

  Additionally, our Company has also filed a case against the Union of India, Military Engineer Services and another wherein we have prayed for an injunction restraining the defendants from cancelling a runway project awarded to us. Our business and financial condition may be adversely affected in the event this case is decided against us.

- *Legal proceedings against our joint ventures*

  There is one show cause notice from the Labour Department pending against BSC-C&C 'JV', in relation to certain violations pertaining to industrial safety and health. No monetary claims have been made against us in this case.

  There is one civil case that has been filed against BSC-C&C 'JV', in which an amount of Rs. 232, 313.07 along with interest has been claimed on account of non-payment of certain purchases made by our joint venture.

  There are six motor accidents claims that have been filed against BSC-C&C 'JV', in which the aggregate claim amount is Rs. 18,657,088 approximately.

  Additionally, our joint venture, BSC-C&C 'JV' has also filed a criminal complaint under section 138 of the Negotiable Instruments Act, 1881 against Dutta & Dutta Construction Company on account of dishonour of a cheque of Rs. 259,331. Our business and financial condition may be adversely impacted in the event this case is decided against our joint venture.

- *Legal proceedings against our Directors, Promoters and Promoter group companies*

  In addition to the criminal complaint filed against Mr. Gurjeet Singh Johar, as mentioned above, the State Bank of Mysore has also initiated a complaint against him before the Institute of Chartered Accountants of India in relation to certain discrepancies found in the accounts of Pertech Computers Limited, which were prepared by the Chartered Accountancy firm, where he was a partner formerly.

  Further, Mr. Surinder Singh Bhatia has filed a suit against our Directors, Mr. Gurjeet Singh Johar Mr. Charanbir Singh Sethi and Mr. Rajbir Singh praying for a mandatory injunction and a permanent injunction, on the grounds that they were not duly enrolled on the Management Committee of the Khalsa College.

  Akhilesh Prasad has filed a criminal complaint against our Director, Mr. Rajbir Singh and others on the grounds of wrongful termination of employment and withholding of his wages.

Kiran Choudhury has filed an election petition against our Independent Director, Mr. Tarlochan Singh and another, for directions that their election to the Council of States from the State of Haryana be held as void.

Kentech Construction Private Limited has filed a criminal case against our Promoter Group Company, Case Cold Roll Forming Private Limited and our Directors, Mr. Gurjeet Singh Johar and Mr. Rajbir Singh in relation to works contract tax liability for work done by Case Cold Roll Forming Private Limited.

Kunwar Singh has also filed a suit for recovery of Rs. 231,097 against Case Cold Roll Forming Private Limited in relation to recovery of dues on account of work done by him in the capacity of a sub-contractor.

Additionally, Case Cold Roll Forming has filed a claim of Rs. 3,352,758 approximately before an arbitration tribunal against the Kentech Constructions Private Limited on account of certain disputes arisen out of a sub-contract awarded to the respondent by Case Cold Roll Forming Private Limited. The respondents have also filed a counter claim against the claimant wherein they have claimed an amount of Rs. 2,969,222.46 approximately.

For more information regarding legal proceedings against us, our joint ventures, our Directors, Promoters and Promoter group companies, see the section titled "Outstanding Litigation and Material Developments" beginning on page 198.

20. ***As per the last audited accounts, our Company has not provided for certain contingent liabilities and in the event these liabilities materialise our profit margins could be adversely affected to the extent of Rs. 1,197.58 million.***

For the four months ended October 31, 2006 , contingent liability not provided for appearing in our financial statements aggregated to Rs. 1,197.58 million. In addition, there are various claims pending before various tribunals and courts, which were not provided for because the amount was indeterminate. In the event that any of these contingent liabilities materialise, our financial condition may be adversely affected since the additional liabilities would affect our results from operations. For details of outstanding litigation, see the section the titled "Outstanding Litigation and Material Developments" beginning on page 198 of this Red Herring Prospectus.

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

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

22. ***Our joint ventures have yet to receive consents/renewals of certain statutory approvals required in the ordinary course of our businesses, and if we are unable to obtain these approvals, our business could be adversely affected.***

Our joint venture, BSC-C&C 'JV' has applied for an approval from the Protector General of Emigrants for deployment of certain personnel in relation to our Jalalabad to Asmar road project in Afghanistan. Further, our joint venture, BSC-C&C 'JV' has also applied to the Bihar State Pollution Control Board, Patna for the grant of no-objection certificates for consent for emission/construction of emission under the Air (Prevention and Control of Pollution) Act, 1981, and the Water (Prevention and Control of Pollution) Act, 1974 in relation to its hot mix plants and a stone crusher plant in Bihar. Additionally, our joint venture, BSC-C&C 'JV' has also applied for contract labour registrations, a license to use explosives in its a crusher unit at Rajasthan and permission to operate a crusher unit under section 21 of the Air (Prevention and Control of Pollution) Act, 1981. Furthermore an application for registration of establishments employing building workers under the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 has also been made by our joint venture, BSC-C&C 'JV'Additionally ,certain renewal applications have been filed by BSC-C&C 'JV'in relation to the hot mix plant in Bihar. If we are unable to obtain the requisite licenses in a timely manner, or at all, our operations may be affected.

For further details, see the section titled "Government and Other Approvals" beginning on page 206 of this Red Herring Prospectus.

23. ***Our joint ventures do not have all requisite approvals in place in relation to deployment of employees in Afghanistan which may affect our operations.***

Our joint ventures need permission from the Ministry of Overseas Indian Affairs for deployment of all personnel from India in relation to our four on-going projects in Afghanistan. However, presently our joint venture has approval for deployment of 100 personnel and 174 personnel in the Taloqan to Kushem Road project and Kandahar to Herat Highway project in Afghanistan respectively. We have applied for permission from the Protector General of Emigrants, New Delhi for deployment of 210 personnel for the reconstruction project from Jalalabad to Asmar in Afghanistan, but are yet to receive such permission. Further, we have applied to the Protector General of Emigrants, New Delhi for extension of permission to our joint venture for deployment of 100 personnel of different categories for construction of the Taloqan to Kishem Road project in Afghanistan as our approval had expired on December 31, 2006 If we are unable to obtain the requisite permission in a timely manner, or at all, our operations may be affected.

For further details, see the section titled "Government and Other Approvals" beginning on page 206 of this Red Herring Prospectus.

24. ***We have issued Equity Shares to certain investors in the last 6 months prior to the date of this Red Herring Prospectus at a price which may be at variance with the Issue price to be determined though the book building process.***

Prior to the filing of this Red Herring Prospectus, the Company has allotted 1,208,183 Equity Shares for a cash consideration at a premium of Rs. 265 per Equity Share to the following investors:

Name of investor	No. of equity shares allotted	Price per share (Rs.)	Date of allotment
Blackstone Asia Advisors L.L.C A/c The India Fund Inc.	676,365	275	Oct 30, 2006
Minivet Limited	327,273	275	Dec 14, 2006
Galleon International Master Fund SPC Limited	163,636	275	Dec 14, 2006
Cross Border Investments Private Limited	40,909	275	Dec 14, 2006
Total	**1,208,183**		

For more details please refer to section titled "Capital Structure" on page 19 of this Red Herring Prospectus. The price at which the above Equity Shares have been issued prior to the filing of this Red Herring Prospectus may be at variance with the Issue Price that will be determined pursuant to the book building process.

25. ***Equity Shares have been issued to our Promoter group at par or by way of a bonus issue.***

We have allotted a total of 12,594,246 Equity Shares of our company of Rs. 10 each at par or by way of a bonus issue to our Promoter group. (For further details please refer to notes to capital structure under the section titled "Capital Structure" beginning on page 19 of this Red Herring Prospectus).

26. ***There are certain irregularities in title in relation to some of our leased immovable properties, as a result of which our operations may be impaired.***

Some of our immovable properties which are in our possession and have been leased/licensed by us have not been registered in the land records maintained by the concerned Sub Registrar of Assurances and/ or have not been adequately stamped under the relevant law as a result of which our business operations may be adversely affected.

27. Failure to obtain trademark registration of our logomay adversely affect our goodwill and business.

We have applied for but not yet obtained registration of our logo from the trade mark registry under the provisions of the Trade Marks Act, 1999. Until such registration is obtained for by us, we may not be able to prohibit other persons from using these trademarks, which may adversely affect our goodwill and business.

28. Some of the members of our Promoter group are in a similar line of business that may be a potential source of confict of interest for us.

J.D. Resorts Private Limited, Jeet Properties Private Limited, Grace Developers, LLC, Akal Builders and Contractors and Divine Developers are in a line of business that is similar to ours and there may be a potential source of conflict of interest between their businesses and ours. For details on the business carried on by our Promoter Group Companies, please see the section titled "Our Promoter and Promoter Group" beginning on page 110 of this Red Herring Prospectus.

29. A large part of our projects are based in Afghanistan, which is subject to land-mines. Any harm to our personnel or equipment from the land-mines may adversely affect our operations in Afghanistan.

We have projects under execution in Afghanistan, which is one of the most severely land mine affected countries in the world. The areas where land mines have been embedded include vitally important roads, agricultural land and residential areas. Land mines pose substantial risks to our personnel and equipment and there can be no assurance that our personnel are safe from any injuries or death that may be caused by land mines and that our equipment are safe from any damage that may be caused by land mines. In the event of any injuries or casualties, we may be exposed to suits and may face legal proceedings. Although, we have insurance coverage for our employees, there can be no assurance that our coverage may be adequate. In the event that we are required to fulfil claims that are higher than our insurance coverage, our results from operations may be adversely affected.

30. The financial statements of certain of our Promoter Group entities are unaudited.

The financial statements of certain entities being HUFs, forming part of our Promoter Group are unaudited, since they do not fall within the criteria laid down under the Income Tax Act, 1961 to have their financial statements audited. For further details, see the section titled "Our Promoters and Group Companies" on page 110 of this Red Herring Prospectus.

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

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

Additionally, the government has also not awarded any BOT project since the new model concession agreement was finalised in March 2006 on account of various factors including problems associated with land acquisition. Our ability to be able to enter into BOT projects will also be impacted in the event the government does not settle such issues.

Our joint venture, BSC-C&C 'JV' has been awarded the Design, Engineering, Finance, Construction, Operation and Maintenance of Kurali-Kiratpur Section from km 28.600 to km 73.200 of NH-21 under NHDP Phase IIIA on Build, Operate and Transfer basis. We have also been adjudged as L1 bidder, for the project for supply of 132KV Transmission Lines Tower Package (including supply of conductors and insulators) associated with the Bihar Sub Transmission System, Phase-II Project of the Bihar State Electricity Board ("BSEB") under the Vendor Development Program initiated by the Power Grid Corporation of India Limited. For further details, see the section titled "Our Business - BOT based projects" beginning on page 64 of this Red Herring Prospectus.

32. Our net cash flow has been negative in the past. Any negative cash flow in the future may affect our liquidity and financial condition.

We had a negative net cash flow of Rs. 9.83 million for our financial year ended June 30, 2003. Our net cash flow was negative on account of, inter alia, amount spent for purchase of fixed assets such as our plant and machinery amounting to Rs. 47.22 million, repayment of long-term debt amounting to Rs. 109 million In the event that we report negative cash flows in the future, our results from operations may be adversely impacted. For further details on our cash flows, please refer to section titled "Management's Discussion and Analysis of Financial Condition and Result of Operation -Cash Flows on page 192 of this Red Herring Prospectus.

33. We do not have any 'key man' insurance policies in place for some of our Directors as required under our loan agreement with State Bank of India.

Under our loan agreement with the State Bank of India, we are required to take 'key man' life insurance policies for all our directors. However, we are in the process of taking such an insurance policy for our Chairman, Mr. G.S. Johar and our Director Mr. R.M. Aggarwal. . There can be no assurance that we will not lose the services of our key employees in the future and any such losses could negatively impact our business. Accordingly, there can be no assurance that State Bank of India would continue to provide us credit facilities on account of our breach in complying with this stipulation of the loan agreement.

34. We have in the past entered into related party transactions and may continue to do so in the future.

We have entered into transactions with certain promoter and promoter group companies and affiliates. While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

35. Our business activities may require our employees to travel to and work in high security risk countries, which may result in employee death or injury, repatriation costs or other unforeseen costs.

Some of our contracts may require our employees to travel and work in high security risk countries that are undergoing political, social and economic upheavals resulting in war, civil unrest, criminal activity or acts of terrorism. For example, we currently have employees working in Afghanistan. As a result, we may be subject to costs related to employee death or injury, repatriation or other unforeseen circumstances.

36. Our insurance coverage may not adequately protect us against certain operating hazards and this may have a material adverse effect on our business.

We have taken a contractor's all risk insurance policy in respect of a project and workmen's compensation policy to protect against losses caused to workmen through accident. While, we believe that the insurance coverage that we maintain would be reasonably adequate to cover all normal risks associated with the operation of our business, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. To the extent that we suffer loss or damage that is not covered by insurance or which exceeds our insurance coverage, our results of operations or cash flows may be affected.

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

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

38. ***Adverse weather conditions can delay the implementation of our projects.***

Implementation of our projects may get delayed due to adverse weather conditions, such as heavy rains and flood. Though we make adequate provisions for non-execution during certain seasons like monsoon, any unforeseen vagaries of nature and season may result in failure of our meeting the contractual obligations and affect our business.

Risks Related To Future Plans

39. ***We have not entered into any definitive agreements to utilize a substantial portion of the net proceeds of the Issue.***

We intend to the use the net proceeds of the Issue for repayment of debt, investment in capital equipment, equity investment in infrastructure projects and joint ventures and general corporate purposes. See the section titled "Objects of the Issue" beginning on page 27 of this Red Herring Prospectus. We have not entered into any definitive agreements to utilize the net proceeds for investment in capital equipment, and our capital expenditure plans are based on management estimates and have not been appraised by any bank or financial institution or any other independent organizations. In addition, our capital expenditure plans are subject to a number of variables, including possible cost overruns and changes in the management's views of desirability of current plans, amongst others. There can be no assurance that we will be able to conclude definitive agreements for such investment in capital equipment or for investments in any special purpose vehicles or joint ventures on terms anticipated by us. This proposed expenditure has not been appraised by any bank or financial institution or any such independent organization. The Company has appointed State Bank of India as the Monitoring Agency, who will monitor and report the deployment of funds.

Pending utilization of the proceeds out of the Issue for the purposes described in this offer document, we intend to temporarily invest the funds in high quality interest bearing liquid instruments including deposits with banks or temporarily deploy the funds in working capital loan accounts. Such investments would be in accordance with the investment policies or investment limits approved by our Board from time to time.

40. ***We have not placed any orders for all the plants and machineries required in terms of our objects for the Issue.***

We have not placed any orders aggregating to Rs. 276 million for the plant and machinery to be financed from the proceeds of this Issue. For the estimates where the orders are yet to be placed, we have relied on quotations received by us in the past and on our past experience.

41. ***Our inability to follow our business or growth strategy could have an adverse impact on our results of operations.***

We have experienced high growth in recent years and expect our business to grow in our operations in India and Afghanistan. We expect this growth to place substantial demands on us and require us to continuously evolve and improve our operational, financial and internal controls across the organization. In particular, continued expansion increases the challenges involved in:

- our ability to identify and take advantage of opportunities;
- maintaining high level of client satisfaction;
- recruiting, training and retraining sufficient skilled management, technical and marketing personnel;
- adhering to health, safety and environment and quality and process execution standards that meet client expectations;

- developing and improving our internal administrative infrastructure, particularly our financial, operational, communications and other internal systems

In the event that we are unable to implement our growth plans it could lead to delays and cost overruns and affect our results of operations.

Risks related to the industry

1. Equity infusion for net worth prequalification and investing in BOT projects could lead to further dilution.

Over the past two years, construction companies have either accessed the capital markets for funds or raised private equity financing to increase their net worth, a prequalification criteria for bidding and to absorb the long working capital cycles, which is a characteristic of the construction industry. The next phase of orders, particularly for the roads, water, hydroelectric power and ports sectors are BOT projects, which are even more capital intensive than cash contracts. Consequently, construction companies are raising either GDRs or FCCBs to fund growth.

We may also have to access the capital markets in the future or seek further infusion of capital from other sources to keep bolstering our networth to meet the prequalification and other such criteria for award of BOT projects. This in turn, would further dilute the rights of the existing equity shareholders.

External Risk Factors

1. We are subject to adverse impact of economic and political conditions.

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, consumer credit availability, consumer debt levels, tax rates and policy, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude. The taxation system within the country still remains complex. Changes in local taxes and levies can impact our performance adversely.

2. Political or economic instability in Afghanistan may have an adverse effect on our Company's operations and profits.

Our Company has operations in Afghanistan. As a result, political and economic risks relating to Afghanistan could affect an investment in our Company. Afghanistan has and continues to have periods of political instability, and could be subject to instability again in the future. The legitimacy of political institutions remains open to challenge, and government is either precariously ineffective or absent across most of the country. Any political instability or a departure from current investment policies by the government of Afghanistan could have a material adverse effect on our Company's business, operating results and financial condition. In addition, it is possible that in the future Afghanistan will experience adverse economic conditions or disruptions which may negatively impact our Company's Afghanistan operations.

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

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

4. An active market for the Equity Shares may not develop which may cause the price of the Equity Shares to fall and may limit your ability to sell the Equity Shares.

The stock market in general and the market for shares of construction companies in particular, have from time to time experienced considerable price fluctuations. Often, these changes may have been unrelated to the operating performance of the affected companies. In addition, factors such as competition, general regional and national economic conditions, bulk deal in our stocks, and changes in our project mix, and lack of new initiatives to spur growth in sales may have an adverse effect on the market price of our Equity Shares. The Equity Shares are new issues of securities for which there is currently no trading market. No assurance can be given that an active trading market for the Equity Shares will develop or as to the liquidity or sustainability of any such market, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which shareholders will be able to sell their Equity Shares. If an active market for the Equity Shares fails to develop or be sustained, the trading price of the Equity Shares could fall. If an active trading market were to develop, the Equity Shares could trade at prices that may be lower than their initial offering price.

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

   Future issue of Equity Shares /convertible instruments by us or the disposal of Equity Shares by any of the major shareholders or the perception that such issues or sales may occur may affect trading price of the Equity Shares. Other than the lock-in of pre-issue capital as prescribed under SEBI Guidelines, none of our shareholders are subject to any lock-in arrangements restricting their ability to issue Equity Shares or the Shareholders' ability to dispose of their Equity Shares, and there can be no assurance that any shareholder will not dispose of, encumber, or pledge, its shares. For details of lock in of pre-issue Equity Share capital and Promoters' contribution please see the section titled "Capital Structure" beginning on page 19.

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

   Changes in interest rates could affect our financial condition and results of operations. Our loans are denominated in Indian Rupees and we are exposed to fluctuations in domestic interest rates.

   The interest rate that we will be able to secure in future debt financing that we may require for capital and other expenditures associated with our future requirements will depend on market conditions prevailing at that time and may differ from the rates of our existing debt. This may adversely impact results of our operations, planned capital expenditures and cash flows.

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

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

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

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

   We shall be liable to pay interest at 15% per annum, if Allotment is not made, refund orders are not despatched and/ or demat credits are not made to investors within the 15 day time prescribed above.

Notes:

1. This is a public issue of 4,269,451 Equity Shares of Rs. 10 each for cash at a price of Rs. [●] per Equity Share aggregating Rs. [●] million. The Issue will constitute 23.38 % of the fully diluted post-issue Equity Share capital of our Company.

2 In terms of Rule 19(2)(b) of the SCRR, this being an Issue for less than 25% of the post Issue capital, the Issue is being made through the 100% Book Building Process with an allocation of at least 60% of the Issue size to QIBs. Out of the 60% of Issue allocated to QIBs on a proportionate basis, 5% shall be proportionately allocated to Mutual Funds. Further, up to 10% of the Issue would be available for allocation to Non-Institutional Investors and up to 30% of the Issue would be available for allocation to Retail Bidders on a proportionate basis, subject to valid Bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allotted to QIBs, the entire application money will be refunded.

3 The net worth of our Company as of June 30, 2006 and October 31, 2006 was Rs. 1,055.66 million and Rs. 1,302.08 million respectively based on the financial statements of our Company.

4 The average cost of acquisition of Equity Shares (excluding Equity Shares issued under bonus issue) by our Promoters is Rs. 10 per Equity Share and book value per Equity Share as of June 30, 2006 and October 31, 2006 was Rs. 82.60 and 87.60 respectively. For details, please see the section titled "Capital Structure" beginning on page 19 of this Red Herring Prospectus.

5 Investors are advised to see the section titled "Basis for Issue Price" beginning on page 35 of this Red Herring Prospectus.

6 Except, as disclosed in the section titled "Capital Structure" beginning on page 19 of this Red Herring Prospectus, none of the persons listed in our Promoter or Promoter group, or our Directors have purchased or sold any Equity Shares, during a period of six months preceeding the date on which this Red Herring Prospectus is filed with SEBI.

7 We had entered into certain related party transactions. For details, see the section titled "Financial Statements - Related Party Transactions" beginning on page 152 of this Red Herring Prospectus.

8 Except as disclosed in the sections titled "Our Management" and "Our Promoters and Group Companies" beginning on pages 98 and 110 of this Red Herring Prospectus, none of our Promoters, Directors or key managerial personnel have any interest, other than reimbursement of expenses incurred or normal remuneration or benefits.

9 Except, as disclosed in the section titled "Financial Statements" beginning on page 133 of this Red Herring Prospectus, there are no subsisting loans or advances that have been extended by our Company to any persons, firms or companies in which our Directors are interested.

10 Investors may note that in case of any over subscription in the Issue, allotment to QIBs, Non-Institutional Bidders and Retail Bidders shall be on a proportionate basis. For more information, see the section titled "Basis for Allotment" beginning on page 247 of this Red Herring Prospectus.

11 Trading in Equity Shares of our Company for all investors shall be in dematerialised form only.

12 Investors may contact the BRLM for any complaints, information or clarifications pertaining to the Issue.

13 Under subscription in any category except in the QIB portion will be allowed to be met with spill over from any category.

SUMMARY

Industry Overview

Construction sector scenario in India

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

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

Construction sector scenario in Afghanistan

Afghanistan is rebuilding after over 20 years of conflict and is currently transitioning from a state-based model to a free market economy. A multi-billion dollar international effort to help reconstruct Afghanistan is underway, led by the United States and other international donors. Many current business opportunities are linked to these reconstruction efforts. The agency which is primarily involved in rebuilding Afghanistan is USAID. USAID is building and refurbishing infrastructure to boost economic growth and agricultural yields, connect rural Afghans to services, and provide facilities for better education, healthcare, civil society and local governance.

Business Overview

We are an infrastructure project development company that provides engineering, procurement and construction services for infrastructure projects in India and Afghanistan. Our project expertise is primarily in transportation engineering projects including roads, bridges flyovers and airport runways.

We were incorporated in July 1996 by professionals having experience in the field of infrastructure development. Since our incorporation about a decade ago, we have acquired expertise in EPC contracts, and have also recently forayed into urban infrastructure projects.

We have executed infrastructure projects in the past independently and in joint ventures. Currently, all projects under execution are with our joint venture partner, BSCPL Hyderabad. We have been working with BSCPL for the past five years.

As part of our international operations, we have been present in Afghanistan since 2003. After years of civil strife, various multilateral agencies such as USAID, World Bank, ADB, etc. took upon themselves the reconstruction of Afghanistan. We have since 2003 executed projects funded by such agencies. A highlight of our operations is that we have throughout functioned under inclement operating and adverse security conditions.

Our major clients include:

- National Highways Authority of India;
- Airports Authority of India;
- Public Works Department of various State Governments;
- Punjab Infrastructure Development Board;
- Public Works Department, Afghanistan;
- The Louis Berger Group, Inc;
- RITES Limited; and
- UNOPS.

Our existing projects include:

- Three projects on the East West Corridor in Bihar involving widening and strengthening of the existing single/ intermediate lane into a 4 lane road under NHDP, Phase II
- Two projects in Afghanistan involving construction, rehabilitation and upgradation of various road stretches including construction of culverts, bridges and drainage works
- Widening and upgrading the existing carriageways to multilane carriageway for a High Capacity Bus System in Delhi.
- Design, Engineering, Finance, Construction, Operation and Maintenance of Kurali-Kiratpur Section from km 28.600 to km 73.200 of NH-21 under NHDP Phase IIIA on Build, Operate and Transfer basis.

As on December 31, 2006, we had about 1,694 employees including those of our joint ventures, of which 313 were engineers. Out of the total number of employees, 177 employees, comprising of 73 technical and 104 non-technical staff, are on our rolls and the remaining 1,517 employees, comprising of 738 technical and 779 non-technical staff, are on the rolls of our joint ventures. We have a large fleet of sophisticated construction equipment, including crushers, excavators, cranes, batching plants, pavers, all of which are owned directly by us or are owned through our joint ventures. For details of of equipment and machinery owned by us and through our joint venture, refer the section titled "Our Business - Our Euipment" on page 75 of this Red Herring Prospectus. We believe that our employee resources and fleet of equipment, along with our engineering skills and capabilities, enable us to successfully implement a wide variety of construction projects that involve varying degrees of complexity. We have also received accolades and appreciation certificates for some of our projects, such as the resurfacing and extension of runway at Amritsar Airport, construction of the Kandahar-Spinboldak road project, etc.

In the years ended June 30, 2004, 2005 and 2006, our contract revenues were Rs. 1,636.12 million, Rs. 1,719.71 million and Rs. 2,117.32 million, respectively. In the years ended June 30, 2004, 2005 and 2006, we earned profit after tax of Rs. 282.40 million, Rs. 288.16 million and Rs. 309.03 million, respectively. Our contract revenues and profit after tax for the period from July 1, 2006 to October 31, 2006 were Rs. 570.21 million and Rs. 60.43 million respectively. Our order book, which includes uncommenced projects and the unfinished and uncertified portions of our projects, was Rs. 5,737.31 million as of October 31, 2006 compared to Rs. 1,087.24 million as of June 30, 2005. The revenue composition for the past 4 years and the period from July 1, 2006 to October 31, 2006 is given below:

CONTRACT REVENUE	Period from July 1, 2006- October 31, 2006	YEAR ENDED JUNE 30			
		2006	2005	2004	2003
Executed independently	27.82	624.68	408.34	388.87	450.02
Share of joint venture	542.39	1,492.64	1,311.37	1,247.25	404.89
TOTAL	**570.21**	**2,117.32**	**1,719.71**	**1,636.12**	**854.91**

Our Strengths

- ***High profitability margins and continued growth***

  We have experienced continued growth in our revenues and profitability in recent years. Our revenue has increased from Rs. 864.18 million in FY03 to Rs. 2,380.36 million in FY06. During the same period, our profit after tax has grown from Rs. 130.85 million to Rs. 309.03 million. Our EBIDTA and PAT margins for FY06 were 24.89% and 12.98% respectively. Our profit margins are attributable to our ability to focus on high growth and high revenue potential projects. Our Afghanistan operations also have comparatively higher operating margins which have translated into higher PAT margins.

- ***Ability to execute projects in difficult operating conditions in a timely manner***

  We have been successfully operating in difficult operating terrains and in adverse weather conditions besides facing unavailability of key resources like personnel, material, machinery in the vicinity of our project sites and security challenges, etc. We have been able to mobilise resources including equipment, raw material and personnel to our project sites at short notice. Besides, we have built up storage facilities for critical materials, such as for bitumen in Afghanistan. We commenced our operations in Afghanistan in FY2003 at a time when the Afghanistan Government departments were restructuring themselves, which posed administrative issues, despite which we were able to execute our projects within the contracted timelines. For timely mobilization of our Afghanistan operations, we undertook various measures including transporting construction equipment through aeroplanes and chartered ships. Our projects, particularly in Afghanistan, require logistics planning to maintain supply of materials and equipment besides co-ordinating extensively with the other contractors. Besides, we have successfully operated in Afghanistan without any major accidents despite the terrain being extensively ridden with mines.

- ***Continuous growth in our bid capacity and pre qualification capability***

  Our business and growth are dependent on our ability to bid for and secure larger and more varied projects. Bidding for infrastructure projects is dependent on various criteria, including, bid capacity and pre qualification capability. Bid capacity represents the aggregate value of the contracts that can be awarded to us, and is computed based on pre defined formulae of agencies such as NHAI, ADB, World Bank, USAID, etc. Bid capacity also includes the highest possible value of a single project that can be awarded to us. In addition to meeting bid capacity requirements, we may also be required to pre qualify for the projects. This includes various factors such as the technical capability and experience of having executed similar projects. Hence, it is imperative to enhance our bid capacity and pre qualification capability. We have focussed on increasing both these parameters and have continuously increased our bid capacity and the largest order that we can bid for; the same has been illustrated below:

(Rs. in million)

Date of Assessment	Bid capacity	Qualification in terms of single largest order
July 1, 2002	3,143.80	797.78
July 1, 2003	4,746.12	1,302.27
July 1, 2004	9,388.97	2,303.43
July 1, 2005	10,327.87	3,296.32
July 1, 2006	11,871.64	4,473.85

Note: The computation is based on NHAI formulae and have been computed based on audited financials for the preceding financial year, i.e. computation as on July 1 is based on audited financials of the immediately preceding financial year ended June 30.

- ***Acumen in sourcing and maintaining supply chain for raw material and achieving benefits of backward integration***

  Our management places emphasis on the sourcing and logistics for raw material such as aggregate, bitumen, etc. Our ability to source key raw materials close to our operating sites has resulted in reducing our transportation costs. Procurement of aggregate from our captive quarries have also enabled an assured supply on a timely basis at reasonable prices. We have also setup mechanical lines for loading and unloading and used railway siding at some of our sites for transportation of material.

- ***Sustained growth of our Afghanistan operations which has built high levels of credibility regarding our construction expertise***

  Historically, a portion of our operations and revenues have been from Afghanistan where we have been operating since the year 2003 where we have deployed substantial resources in terms of our management's time, capital equipment, etc. Our Afghanistan operations cater to projects that are funded by agencies such as for USAID, World Bank, ADB and are executed through international contractors such as Louis Berger, etc. These projects fall within the ambit of "Rebuilding Afghanistan" program which would continue up to FY09. We have been able to execute our projects within our contracted timelines with requisite quality standards and have as a result been able to generate repeat business with international contractors like Louis Berger. We also have an edge over our competitors due to presence of our machinery in Afghanistan which enables quick mobilization and also have good local contacts enabling smooth execution. Our Afghanistan operations also enable us to obtain premium pricing and assured payments.

- ***Highly qualified management team and experienced employee base***

  We believe that a well-trained, motivated and satisfied employee base is fundamental to our competitive advantage. As on December 31, 2006, we had about 1,694 employees including those of our joint ventures, of which 313 were engineers. Out of the total number of employees, 177 employees, comprising of 73 technical and 104 non-technical staff, are on our rolls and the remaining 1,517 employees, comprising of 738 technical and 779 non-technical staff, are on the rolls of our joint ventures. The skill sets of our employees give us the flexibility to adapt to the needs of our clients and the technical requirements of the various projects that we undertake. We are committed to the development of the expertise and know-how of our employees through regular technical seminars and training sessions organized or sponsored by our Company.

  Most of our promoters also have expertise and experience in the road construction sector and are actively involved in day to day operations. The experience gathered over the years by our management team enables taking quick decisions thereby ensuring that projects are executed within the contracted timelines. This also enables us to meet required standards of quality and efficiency.

- ***Ownership of high end equipment***

  We have ownership of critical high end and modern construction equipment such as crushers, excavators, cranes, batching plants, pavers, etc. Our asset base as on October 31, 2006 stood at Rs. 980.45 million. Ownership of such high end equipment enables quick mobilization besides ensuring continuous availability of critical equipment. This ownership model of equipment aids us in Afghanistan by giving us an edge over competition.

Our Strategy

Our growth strategy consists of the following principal elements:

- ***Maintain performance and competitiveness of existing business***

  We believe that infrastructure will be a major driver for growth in the Indian construction industry in the foreseeable future due to increased levels of government and private industry investment in infrastructure. Additionally, the government has taken steps to encourage additional investments in infrastructure, and providing economic benefits to private sector participants for projects executed on a BOT or annuity basis. Thus, there will be numerous opportunities for infrastructure creation. In anticipation of the trend toward increased infrastructure investment, we are developing skill sets across a diverse portfolio of infrastructure projects including roads, bridges and flyovers and tunnels. We have also continually focussed on increasing our bid capacity and prequalification ability to enable us to bid for larger projects. A key element of our growth strategy is to, besides committing to grow through expansion, seek to improve the performance and competitiveness of existing activities, i.e. in the construction of roads, bridges, flyovers and airport runways.

- ***Bid for, win and bid for BOT and other annuity projects***

  The government has planned for a number of BOT projects across the road sector, which we intend to bid for. In due course, we also intend to diversify into BOT contracts in sectors including hydro power, power transmission, railway bridges, telecom towers, etc. We believe that such projects will increasingly become more prevalent in the coming years because of the government's reliance on the 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 increase our focus 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 or in alliance with other construction companies.

- ***Develop and maintain strong relationships with our clients and strategic partners***

  Our services are dependent on winning construction projects undertaken by large government agencies and companies, and infrastructure projects undertaken by governmental authorities and others and funded by governments. Our business is also dependent on developing and maintaining strategic alliances with other contractors with whom we may want to enter into project-specific joint ventures or subcontracting relationships for specific purposes. Currently, we have an established relationship with BSCPL, Hyderabad and Louis Berger, with whom we have executed numerous projects in the past and projects which are in progress. We will continue to develop and maintain these relationships and alliances. Besides, we have also, in the past, bid for various projects jointly with other Indian and International construction companies. We intend to establish strategic alliances and share risks with companies whose resources, skills and strategies are complementary to our business and are likely to enhance our opportunities. We will continue to jointly bid for projects with other companies to build good working relationships with domestic and foreign companies which would enable us to leverage their strengths and to build competencies.

- ***Diversify into Urban Infrastructure projects***

  We have recently bagged an order for the High capacity bus system at Delhi with an order value of Rs. 645.38 million. We intend to focus on similar urban infrastructure projects in roads, elevated highways, metro related contracts, parking lots, etc by bidding for such projects. We intend to venture into these projects on BOT basis as well as pure contracting basis.

- ***Focus on international operations***

  We would continue to focus on our Afghanistan operations in view of the infrastructure requirements in the country. Further, our presence in Afghanistan also gives us a competitive edge in terms of shorter mobilization periods and access to resources leading to successful and timely execution. As we have successfully demonstrated the ability to operate in new and challenging territories, we intend to capitalize on the same and explore opportunities in other countries.

THE ISSUE	
Issue:	4,269,451 Equity Shares constituting 23.38% of the fully diluted post Issue paid-up capital of our Company, aggregating Rs. [●] million.
Of which: Qualified Institutional Buyers Portion:	At least 2,561,671 Equity Shares (allocation on proportionate basis) out of which 5% of the QIB Portion or at least 128,083 Equity Shares (assuming the QIB Portion is 60% of the Issue) shall be available for allocation on a proportionate basis to Mutual Funds only (Mutual Funds Portion), and the balance Equity Shares (assuming the QIB Portion is 60% of the Issue) shall be available for allocation to all QIBs, including Mutual Funds.
Non-Institutional Portion:	Up to 426,945 Equity Shares (allocation on proportionate basis).
Retail Portion:	Up to 1,280,835 Equity Shares (allocation on proportionate basis).
Equity Shares outstanding prior to the Issue:	13,989,329 Equity Shares.
Equity Shares outstanding post the Issue:	18,258,780 Equity Shares.
Objects of the Issue:	See the section titled "Objects of the Issue" on page 27 of this Red Herring Prospectus.

SUMMARY FINANCIAL INFORMATION

The following table sets forth our selected historical financial information derived from audited and restated financial statements for the four month period ended October 31, 2006 and the years ended June 30, 2006, 2005, 2004, 2003 and 2002 prepared in accordance with the Indian GAAP, the Companies Act and the SEBI Guidelines, and as described in the Auditors' Report of ASG & Associates, Chartered Accountants, included in the section titled "Financial Statements" on page 133 of this Red Herring Prospectus and should be read in conjunction with those financial statements and the notes thereto.

STATEMENT OF PROFIT AND LOSS ACCOUNT AS RESTATED

The statement of restated profits of our Company for the four month period ended October 31, 2006 and the financial years ended June 30, 2006, 2005, 2004, 2003 and 2002 are set out below:

(Rs. in Million)

Particulars		For the year ended				
	For Four months ended October 31,2006	**June 30, 2006**	**June 30, 2005**	**June 30, 2004**	**June 30, 2003**	**June 30, 2002**
INCOME						
Sales & Services						
Contract Revenue	542.39	1,779.56	1,645.32	1,583.47	816.68	559.28
Supply of Construction Material	27.82	337.76	74.39	52.66	38.23	-
Total	570.21	2,117.32	1,719.71	1,636.12	854.91	559.28
Other Income	5.55	96.32	8.94	8.49	1.25	2.39
Increase (Decrease) in Inventories	79.79	166.73	30.08	70.96	8.03	12.39
TOTAL INCOME	**655.55**	**2,380.37**	**1,758.73**	**1,715.58**	**864.18**	**573.99**
EXPENDITURE						
Material Consumed	254.34	1,038.28	776.64	816.65	340.89	309.18
Project Execution Charges	138.54	420.63	320.41	308.42	275.81	137.11
Staff Cost	74.19	193.70	116.72	74.70	21.57	17.85
Administration & Other Expenses	58.63	135.33	105.38	107.72	45.50	29.91
Interest	33.24	41.64	21.80	20.67	18.63	11.46
Depreciation	35.86	148.81	89.54	71.62	17.34	8.96
Total	**594.80**	**1,978.39**	**1,430.49**	**1,399.77**	**719.74**	**514.48**
Net Profit before tax	**60.75**	**401.98**	**328.24**	**315.81**	**144.44**	**59.51**
Taxation						
Current tax	-	95.75	37.08	31.34	6.50	3.99
Deferred tax	-	(3.91)	3.00	2.07	7.08	-
Fringe benefit tax	0.32	1.11	-	-	-	-
Net Profit after tax	**60.43**	**309.03**	**288.16**	**282.40**	**130.86**	**55.53**
Adjustment on account of prior period expenses/(income)	-	-	0.38	(0.54)	0.70	(0.53)
Net Profit	**60.43**	**309.03**	**287.78**	**282.93**	**130.16**	**56.06**
Proposed Dividend & Dividend Tax	-	48.58	14.74	12.10	9.66	8.88

STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

The statement of assets and liabilities of our Company for the four month period ended October 31, 2006 and the the financial years ended June 30, 2006, 2005, 2004, 2003 and 2002 are set out below:

(Rs. in Million)

Particulars		For Four months ended October 31,2006	As at June 30, 2006	June 30, 2005	June 30, 2004	June 30, 2003	June 30, 2002
A.	**Fixed Assets:**						
	Gross Block	1,098.61	1,007.55	653.42	461.88	215.09	188.34
	Less : Depreciation	359.03	323.88	191.10	104.33	32.71	15.37
	Net Block	**739.59**	**683.67**	**462.32**	**357.55**	**182.38**	**172.97**
	Capital Work in Progress	240.86	200.22	102.45	28.50	27.10	6.64
	Total Fixed Assets	**980.45**	**883.89**	**564.77**	**386.05**	**209.48**	**179.61**
B.	**Investments**	**0.13**	**0.13**	**0.13**	**0.13**	**0.11**	**0.11**
C.	**Current Assets, Loans & Advances**						
	Inventories	540.15	470.58	198.13	137.68	71.48	50.75
	Sundry Debtors	538.38	745.53	512.08	331.10	240.34	68.58
	Cash and Bank Balances	243.93	216.56	163.36	77.11	28.71	38.54
	Loans and Advances	823.53	576.20	257.33	123.20	138.37	54.99
	Total Current Assets	2,145.99	2,008.87	1,130.90	669.09	478.90	212.86
D.	**Total Assets (A+B+C)**	**3,126.57**	**2,892.89**	**1,695.80**	**1,055.27**	**688.49**	**392.58**
E.	**Liabilities& Provisions**						
	Secured Loans	1,095.69	981.97	325.23	122.57	135.99	133.94
	Current Liabilities and Provisions	711.52	837.98	554.17	392.27	284.58	119.01
	Deferred Tax	17.28	17.28	21.19	18.19	16.12	-
	Total Liabilities & Provisions	**1,824.49**	**1,837.23**	**900.59**	**533.03**	**436.69**	**252.94**
F.	**Networth (D-E)**	**1,302.08**	**1,055.66**	**795.21**	**522.24**	**251.80**	**139.64**
	Represented by Shareholder's Fund :						
G	**Share Capital**	**134.57**	**127.81**	**42.60**	**43.05**	**42.90**	**42.90**
H.	**Reserves and Surplus**	**1167.51**	**927.85**	**752.61**	**479.19**	**208.90**	**96.74**
I.	**Net Worth (G+H)**	**1,302.08**	**1,055.66**	**795.21**	**522.24**	**251.80**	**139.64**

STATEMENT OF CASH FLOWS AS RESTATED

The statement of restated profits of our Company for the four month period ended October 31, 2006 and the financial years ended June 30, 2006, 2005, 2004, 2003 and 2002 are set out below:

(Rs. in Million)

Particulars		For Four months ended October 2006	For the year ended June 30, 2005-06	June 30, 2004-05	June 30, 2003-04	June 30, 2002-03	June 30, 2001-02
A.	**CASH FLOW FROM OPERATING ACTIVITIES**						
	Net profit before tax and extraordinary items	60.75	401.98	328.24	315.80	144.44	59.51
	Adjustment for :						
	Depreciation	35.85	148.81	89.54	71.62	17.34	8.96
	Interest	10.16	41.64	21.81	20.67	18.63	11.46
	Interest Received	(1.65)	(7.82)	(2.55)	(3.21)	(1.11)	(1.35)
	Loss on fluctuation of						
	Exchange Rate	2.22	-	-	-	-	-
	Loss on sale of Investments	-	-	-	-	-	0.02
	(Profit)/Loss on sale of Assets-net	-	14.75	0.05	0.78	-	-
	Operating Profit before Working Capital changes	107.33	599.36	437.08	405.66	179.30	78.61
	Adjustment for :						
	Trade and other receivables	(40.18)	(556.35)	(328.95)	(47.17)	(253.42)	(80.87)
	Inventories	(69.58)	(272.44)	(60.46)	(66.20)	(20.72)	(26.18)
	Trade payable and provision	(126.65)	289.51	179.73	89.46	170.60	73.28
	Cash Generated from Operations	(129.08)	60.07	227.41	381.75	75.76	44.84
	Direct Taxes paid	(0.12)	(98.53)	(41.07)	(41.53)	(13.25)	(2.92)
	TOTAL (A)	(129.20)	(38.46)	186.34	340.22	62.52	41.92
B.	**CASH FLOW FROM INVESTING ACTIVITIES**						
	Purchase of fixed assets	(159.41)	(520.06)	(274.77)	(250.40)	(47.22)	(142.08)
	Sale of fixed assets	24.77	37.38	6.47	1.44	-	-
	Interest received	1.65	7.82	2.55	3.21	1.11	1.35
	Investments	-	-	-	(0.03)	-	0.06
	TOTAL (B)	132.99	(474.87)	(265.75)	(245.78)	(46.11)	(140.67)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**						
	Proceeds from long term borrowings	236.77	751.90	202.66	208.20	86.73	143.02
	Repayment of long term loans	-	(173.16)	-	(241.30)	(109.43)	(21.57)

Particulars	For Four months ended October 2006	For the year ended				
		June 30, 2005-06	June 30, 2004-05	June 30, 2003-04	June 30, 2002-03	June 30, 2001-02
Proceeds/(Repayment) of short term loans	(123.05)	78.01	-	19.68	24.76	5.00
Proceeds from share capital	186.00	-	0.40	0.15	-	10.37
Redemption of Preference Share	-	-	(0.85)	-	-	-
Dividend and Dividend Tax paid	-	(48.58)	(14.74)	(12.10)	(9.66)	(8.88)
Interest Paid	(10.16)	(41.64)	(21.81)	(20.67)	(18.63)	(11.46)
TOTAL (C)	289.56	566.53	165.66	(46.05)	(26.24)	116.47
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**27.37**	**53.20**	**86.25**	**48.40**	**(9.83)**	**17.72**
Cash & Cash Equivalents end of the year	243.93	216.56	163.36	77.11	28.71	38.54
Cash & Cash Equivalents beginning of the year	216.56	163.36	77.11	28.71	38.54	20.82
Net Increase/(Decrease) in Cash and Cash Equivalents	**27.37**	**53.20**	**86.25**	**48.40**	**(9.83)**	**17.72**

GENERAL INFORMATION

Registered Office of our Company

C&C Constructions Limited
Flat No: G-11, Hemkunt Chamber,
Nehru Place,
New Delhi 110 019

Our Company's registration number is 55-80401 and our corporate identification number is U45201DL1996PLC080401.

Our Company is registered at the office of the Registrar of Companies, National Capital Territory of Delhi and Haryana, located at Pariyavaran Bhawan, Block B, 2nd Floor, CGO Complex, Lodhi Road, New Delhi 110 003, India.

Board of Directors

The following persons constitute our Board of Directors:

1. Mr. Gurjeet Singh Johar, Chairman;
2. Mr. Charanbir Singh Sethi, Managing Director;
3. Mr. Rajbir Singh, Whole time Director;
4. Mr. Sanjay Gupta, Whole time Director;
5. Mr. Amrit Pal Singh Chadha, Whole time Director;
6. Mr. Rajendra Mohan Aggarwal, Whole time Director;
7. Mr. Deepak Dasgupta; Independent Director;
8. Mr. Anand Bordia; Independent Director;
9. Mr. Ramesh Chandra Rekhi, Independent Director;
10. Lt. General Harbans Singh Kanwar (Retd.), Independent Director;
11. Mr. Kanwal Monga, Independent Director;
12. Mr. Tarlochan Singh, Independent Director.

For further details of our Chairman and Managing Director and other Directors, see section titled "Our Management" beginning on page 98 of this Red Herring Prospectus.

Company Secretary and Compliance Officer

Mr. Santosh Kumar Pradhan
Jay Plaza-Clearview Building,
C-1/B, Old DLF Colony,
Gurgaon 122 001, India
Tel: +91 124 408 0661
Fax: +91 124 408 0663
E-mail: ipo@candcinfrastructure.com

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

Book Running Lead Manager

Edelweiss Capital Limited
14th floor, Express Towers,
Nariman Point,
Mumbai 400 021, India
Tel: +91 22 2286 4400
Fax: +91 22 2288 2119
E-mail: candc.ipo@edelcap.com
Website: www.edelcap.com
Contact Person: Shailendra Sabhnani

Domestic Legal Advisors to the Issue

Amarchand & Mangaldas & Suresh A. Shroff & Co.
Amarchand Towers,
216, Okhla Industrial Estate, Phase - III,
New Delhi 110 020, India.
Tel.: +91 11 2692 0500
Fax.: +91 11 2692 4900
E-mail: am.delhi_corp@amarchand.com

Syndicate Member

Edelweiss Securities Private Limited
14th floor, Express Towers,
Nariman Point,
Mumbai 400 021, India
Tel: +91 22 2286 4400
Fax: +91 22 2288 2119
E-mail: candc.ipo@edelcap.com
Contact Person: Mr. Devang Ashar

Banker to the Company

State Bank of India
Industrial Finance Branch,
Jawahar Vyapar Bhawan,
14-15, Floor 1,
Tolstoy Marg,
New Delhi 110 001, India.
Tel: +91 11 2371 3591
Fax: +91 11 2371 4882
E-mail: Deepak.kumar@sbi.co.in
Contact Person: Mr. Deepak Kumar

Registrar to the Issue

Bigshare Services Private Limited
E-2/3, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri (East), Mumbai - 400 072.
Tel: +91 22 28473747/3474/0652/0653
Fax: +91 22 28475207
E-mail: ipo@bigshareonline.com
Website: www.bigshareonline.com
Contact Person: Mr. N.V. K. Mohan

Bankers to the Issue and Escrow Collection Banks

ICICI Bank Limited
Capital Markets Division
30, Mumbai Samachar Marg
Mumbai 400 001
Tel: 022-22627600
Fax: 022-22611138
E-mail: sidhartha.routray@icicibank.com
Website: www.icicibank,com
Contact Person: Sidhartha Sankar Routray

HDFC Bank Limited
26 A, Narayan Properties
Off Saki Vihar Road
Andheri East, Mumbai
Tel: +91-22-2856 9202
Fax: +91-22-2856 9256
E-mail: viral.kothari@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Mr. Viral Kothari

Standard Chartered Bank Limited
270 D. N. Road
Fort, Mumbai - 400 001
Tel: +91 - 22 - 2268 3965 / 2209 2213
Fax: +91 - 22 - 2209 6069
E-mail: Rajesh.Malwade@in.standardchartered.com
Website: www.standardchartered.co.in
Contact Person: Rajesh Malwade

Deutsche Bank AG
1st Floor, Kodak House,
222, Dr. D.N Road,
Fort, Mumbai:- 400001
Tel: +91-022-66584045
Fax: +91-022-22076553
E-mail: shyamal.malhotra@db.com
Website: www.db.com
Contact Person: Shyamal Malhotra

Auditors

ASG & Associates, Chartered Accountants
74, Hemkunt Colony, New Delhi 110 048, India.
Tel: +91 112641 8183
Fax: +91-11-2641 8183
E-mail: asg@bol.net.in
Contact Person: Mr. Amarjeet Singh

Independent Auditors

S.N. Dhawan & Co.,
Chartered Accountants
Flat No. 103, Silver Arch,
22, Firozshah Road,
New Delhi 110 001, India.
Tel: +91 011 2335 7878
Fax: +91 011 2335 7879
E-mail: suresh.seth@mazars.co.in
Contact Person: Mr. Suresh Seth

Monitoring Agency

State Bank of India,
14th Floor, Jawahar Vyapar Bhavan,
1, Tolstoy Marg,
New Delhi 110 001, India.
Tel: +91 011 2337 4602
Fax: +91 011 2372 1041
Email: deepak.kumar@sbi.co.in
Contact Person: Mr. Deepak Kumar

The appointment of the Monitoring Agency is not required in terms of the clause 8.17 of the SEBI Guidelines. Hoverever, we have voluntarily appointed State Bank of India as the monitoring agency who will moniter and report the development of the funds in addition to our Board of Directors to enable appropriate utilization of the issue proceeds.

Statement of Responsibilities for the Issue

The BRLM shall be responsible for the following activities:

- Capital structuring with the relative components and formalities such as type of instruments, etc.
- Due diligence of the Company's operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus and of statutory and non-statutory advertisement including memorandum containing salient features of the Prospectus and any other publicity material. The BRLM shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, ROC and SEBI including finalisation of the prospectus and filing with the Stock Exchanges/ ROC.
- Appointment of other intermediaries viz. Registrar to the Issue, printers, advertising agency and Bankers to the Issue.
- Retail and Non-Institutional marketing strategy, which will cover inter alia:
- Formulating marketing strategies, preparation of publicity budget;
- Finalise media and public relations strategy;
- Finalise centers for holding conferences for press and brokers;
- Finalise collection centers;
- Follow-up on distribution of publicity and issue material, including Bid cum Application Forms, Red Herring Prospectus and deciding on the quantum of the Issue material;
- Institutional marketing strategy, which will cover inter alia:
- Finalize the list and division of investors for one-on-one meetings;
- Finalize roadshow presentations.

- Managing the book, co-ordination with Stock Exchanges and pricing and institutional allocation in consultation with the Company.
- The post bidding activities including management of Escrow Accounts, coordination of non-institutional allocation, intimation of allocation and dispatch of refunds to Bidders etc.
- The post Issue activities will involve essential follow up steps, including finalization of trading and dealing instruments and dispatch of certificates and demat delivery of Equity Shares, with the various agencies connected with the work such as the Registrar to the Issue and Bankers to the Issue and the banks handling refund business. The BRLM shall be responsible for ensuring that these agencies fulfill their functions and enable them to discharge this responsibility through suitable agreements with the Company.

Credit Rating

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

Grading

We have not opted for the grading of this Issue.

Trustees

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

Book Building Process

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

The principal parties involved in the Book Building Process are:

(1) The Company;

(2) Book Running Lead Managers;

(3) Syndicate Members who are intermediaries registered with SEBI or registered as brokers with BSE/NSE and eligible to act as underwriters. A Syndicate Member has been appointed by the BRLM; and

(4) Registrar to the Issue.

This being an Issue for less than 25% of the post Issue capital, the Issue is being made through the 100% book building process with an allocation of at least 60% of the Issue size to QIBs. Out of the 60% of the Issue allocated to QIBs on a proportionate basis, 5% shall be proportionately allocated to Mutual Funds, up to 10% of the Issue would be available for allocation to Non-Institutional Investors and up to 30% of the Issue would be available for allocation to Retail Bidders on a proportionate basis, subject to valid bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allotted to QIBs, the entire application money will be refunded.

QIBs are not allowed to withdraw their Bid(s) after the Bid/Issue Closing Date. For further details please refer to the section titled "Terms of the Issue" on page 33 of this Red Herring Prospectus.

Our Company shall comply with guidelines issued by SEBI for this Issue and any other ancillary directions issued by SEBI in this Issue. In this regard, our Company has appointed Edelweiss Capital Limited as the BRLM to manage the Issue and to procure subscription to the Issue.

Illustration of Book Building and Price Discovery Process *(Investors may note that this illustration is solely for the purpose of easy understanding and is not specific to the Issue)*

Bidders can bid at any price within the price band. For instance, assuming a price band of Rs. 40 to Rs. 48 per share, issue size of 6,000 equity shares and receipt of nine bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the website of the BSE (www.bseindia.com) and NSE (www.nseindia.com). The illustrative book as shown below, shows the demand for the shares of the company at various prices and is collated from bids from various investors.

Number of equity shares bid for	Bid Price (Rs.)	Cumulative equity shares bid	Subscription
500	48	500	8.33%
700	47	1,200	20.00%
1,000	46	2,200	36.67%
400	45	2,600	43.33%
500	44	3,100	51.67%
200	43	3,300	55.00%
2,800	42	6,100	101.67%
800	41	6,900	115.00%
1,200	40	8,100	135.00%

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

Steps to be taken for bidding:

1. Check eligibility for making a Bid (see section titled "Issue Procedure - Who Can Bid" beginning on page 28 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. If your Bid is for Rs. 50,000 or more, ensure that you have mentioned your PAN and attached copies of your PAN cards or PAN allotment letter to the Bid cum Application Form (see section titled "Issue Procedure-'PAN' or 'GIR' Number" beginning on page 228 of this Red Herring Prospectus).
4. Ensure that the Bid cum Application Form is duly completed as per instructions given in the Red Herring Prospectus and in the Bid cum Application Form.

Withdrawal of the Issue

The Company, in consultation with the BRLM, reserves the right not to proceed with the Issue at anytime after the Bid/ Issue Opening Date but before Allotment, without assigning any reasons therefor.

Bid/Issue Programme

Bidding Period/Issue Period

BID ISSUE OPENS ON	**FEBRUARY 5, 2007**
BID ISSUE CLOSES ON	**FEBRUARY 9, 2007**

Underwriting Agreement

After the determination of the Issue Price and allocation of our Equity Shares but prior to filing of the Prospectus with RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through this Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLM shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfill their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are subject to certain conditions to closing, as specified therein.

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

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

Name and Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. In million)
Edelweiss Capital Limited 14th floor, Express Towers Nariman Point, Mumbai 400 021, India.	[●]	[●]
Edelweiss Securities Private Limited 14th floor, Express Towers Nariman Point, Mumbai 400 021, India.	[●]	[●]

The abovementioned amount is indicative and this would be finalised after determination of the issue price and actual allocation of the Equity Shares. The above Underwriting Agreement is dated [●].

In the opinion of the Board of Directors (based on a certificates dated [●] given to them by the BRLM and the Syndicate Members), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. All the above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the stock exchanges. The above Underwriting Agreement has been accepted by the Board of Directors and our Company has issued letters of acceptance to the Underwriters.

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

In terms of Rule 19(2)(b) of the SCRR, this being an Issue for less than 25% of the post Issue capital, the Issue is being made through the 100% book building process with an allocation of at least 60% of the Issue size to QIBs. Out of the 60% of the Issue allocated to QIBs on a proportionate basis, 5% shall be proportionately allocated to Mutual Funds, up to 10% of the Issue would be available for allocation to non-institutional investors and up to 30% of the Issue would be available for allocation to Retail Bidders on a proportionate basis, subject to valid bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allotted to QIBs, the entire application money will be refunded.

CAPITAL STRUCTURE

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

(Rs. in million)

		Aggregate nominal value	Aggregate Value at Issue Price
A.	**Authorised Capital**		
	19,800,000 Equity Shares of Rs.10 each	198.0	
	200,000 Preference Shares of Rs. 10 each	2.00	
B.	**Issued, Subscribed and Paid-Up Capital prior to the Issue:**		
	13,989,329 Equity Shares of Rs.10 each	139.89	
C.	**Present Issue to the public in terms of this Red Herring Prospectus**		
	QIB portion being at least 2,561,671 Equity Shares	25.61	[●]
	Reservation for mutual funds being 128,083 Equity Shares of the QIB portion.	1.28	[●]
	Non-institutional Investors Portion of up to 426,945 Equity Shares	4.26	[●]
	Retail Investors Portion of up to 1,280,835 Equity Shares	12.80	[●]
D.	**Issued, Subscribed and Paid-Up Capital post the Issue:**		
	18,258,780 Equity Shares of Rs.10 each		
E	**Share Premium Account**		
	Prior to the Issue	320,168,495	Nil
	Post the Issue*	[●]	

** The share premium account will be determined after Book Building Process*

1The authorized share capital of our Company was increased from Rs. 1 million divided into 100,000 Equity Shares of Rs. 10 each to Rs. 3 million divided into 300,000 Equity Shares of Rs. 10 each through a resolution of the shareholders of our Company dated March 21, 1997. The authorized share capital of our Company was further increased from Rs. 3 million divided into 300,000 Equity Shares of Rs. 10 each to Rs. 6 million divided into 500,000 Equity Shares of Rs. 10 each and 100,000 redeemable preference shares (**"Preference Shares"**) of Rs. 10 each through a shareholders resolution dated January, 31 1998. Further, the authorized share capital of our Company was increased from Rs. 6 million divided into 500,000 Equity Shares of Rs. 10 each and 100,000 Preference Shares of Rs. 10 each to Rs. 12 million divided into 1,000,000 Equity Shares of Rs. 10 each and 200,000 Preference Shares of Rs. 10 each through a resolution of the shareholders of our Company dated February 28, 2000. Further the authorized share capital of our Company was increased from Rs. 12 million divided into 1.0 million Equity Shares of Rs 10 and 200,000 Preference Shares of Rs. 10 each to Rs 25 million divided into 2.3 million Equity Shares of Rs 10 each and 200,000 Preference Shares of Rs. 10 each through a resolution of the shareholders dated March 1, 2001. Further, the authorized share capital of our Company was increased from Rs 25 million divided into 2.3 million Equity Shares of Rs 10 each and 200,000 Preference Shares of Rs. 10 each to Rs 35 million divided into 3.3 million Equity Shares of Rs 10 each and 200,000 Preference Shares of Rs. 10 each through a resolution of the shareholders dated June 25, 2001. The authorized share capital of our Company was again increased on March 30, 2002 from Rs 35 million divided into 3.3 million Equity Shares of Rs 10 each and 200,000 Preference Shares of Rs. 10 each to Rs 50 million divided into 4.8 million Equity Shares of Rs. 10 each and 200,000 Preference Shares of Rs. 10 each. The authorized share capital of our Company was again increased on June 21, 2006 from Rs 50 million divided into 4.8 million

Equity Shares of Rs 10 each and 200,000 Preference Shares of Rs. 10 each to Rs 200 million divided into 19.8 million Equity Shares of Rs. 10 each and 200,000 Preference Shares of Rs. 10 each. 10,000 Preference Shares were subsequently redeemed for cash pursuant to a resolution of the Board of Directors dated March 31, 1999 and 85,000 Preference Shares were redeemed for cash pursuant to a resolution of the Board of Directors dated June 20, 2005.

Notes to the Capital Structure

1. Equity Share Capital History of our Company:

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

Date of Allotment	Number of Equity Shares allotted	Issue Price per Equity Share (in Rs.)	Face value per Equity Share(in Rs.)	Consideration (cash or other than cash.)	Reasons for Allotment	Cumulative Equity Share Capital (In Rs.)
July 16, 1996	2	10	10	Cash	Subscription on signing of the Memorandum of Association.	20
March 31, 1997	255,450	10	10	Cash	On subscription to Equity Shares.	2,554,520
June 30, 1997	20,000	10	10	Cash	On subscription to Equity Shares.	2,754,520
June 30, 1998	138,000	10	10	Cash	On subscription to Equity Shares.	4,134,520
March 15, 2000	206,000	10	10	Cash	On subscription to Equity Shares.	6,194,520
March 31, 2001	1,548,630	10	10	Other than cash	Bonus issue in the ratio of 2:5	21,680,820
June 25, 2001	1,000,000	10	10	Cash	Allotted to Case Components Limited	31,680,820
March 30, 2002	1,037,250	10	10	Cash	On subscription to Equity Shares, including 7,250 sweat equity shares to R.M Aggarwal	42,053,320
June 30, 2004	15,030	10	10	Other than cash	Sweat equity shares issued to Mr. R.M. Aggarwal	42,203,620
June 30, 2005	40,020	10	10	Other than cash	Sweat equity shares issued to Mr. R.M. Aggarwal	42,603,820
June 30, 2006	8,520,764	10	10	Other than cash	Bonus issue in the ratio of 2:1(#)	127,811,460

Date of Allotment	Number of Equity Shares allotted	Issue Price per Equity Share (in Rs.)	Face value per Equity Share(in Rs.)	Consideration (cash or other than cash.)	Reasons for Allotment	Cumulative Equity Share Capital (In Rs.)
October 30, 2006	676,365	275	10	Cash	Preferential Allottment to Blackstone Asia Advisors L.L.C A/c The India Fund Inc.	134,575,110
December 14, 2006	327,273	275	10	Cash	Preferential Allottment to Minivet Limited	137,847,840
December 14, 2006	40,909	275	10	Cash	Preferential Allottment to Cross Border Investments Private Limited (*)	138,256,930
December 14, 2006	163,636	275	10	Cash	Preferential Allottment to Galleon International Master Fund SPC Limited	139,893,290

(#) Our Auditors have vide their letter dated September 11, 2006, certified that the issuance of bonus shares which are being locked in are not made out of revaluation reserves or reserves without accrual of cash resources.

(*) Preferential Allotment to Cross Border Investments Private Limited which is a wholly owned subsidiary of Edelweiss Capital Limited.

2. Preference Share Capital History of our Company:

Date of Allotment	Number of preference Shares allotted	Issue Price per preference Share (in Rs.)	Face value per preference Share(in Rs.)	Consideration (cash or other than cash.)	Reasons for Allotment	Cumulative Preference Share Capital (In Rs.)
June 30, 1998	10,000	10	10	Cash	On subscription to redeemable preference shares with an interest of 18% payable	100,000
March 31, 1999	(-) 10,000	10	10	Cash	Redemption of 10,000 preference shares	Nil
March 15, 2000	85,000	10	10	Cash	On subscription to preference shares with an interest of 18% payable	850,000

Date of Allotment	Number of preference Shares allotted	Issue Price per preference Share (in Rs.)	Face value per preference Share(in Rs.)	Consideration (cash or other than cash.)	Reasons for Allotment	Cumulative Preference Share Capital (In Rs.)
June 20, 2005	(-) 85,000	10	10	Cash	Redemption of 85,000 preference shares	Nil

3. Promoters' Contribution and Lock-in

(a) Share Capital Locked-In For Three Years:

The Equity Shares which are being locked in for three years from the date of allotment are as follows:

Name of the Promoter	Date of Allotment	Nature of Allotment	No. of Equity locked-in	Face Value (in Rs.) Shares	Issue Price (in Rs.)	% of Post-Issue paid-up capital
Mr. Amrit Pal Singh Chadha	June 30, 2006	Bonus	620,860	10	10	3.40
Mr. Rajbir Singh	June 30, 2006	Bonus	730,059	10	10	4.00
Mr. Charanbir Singh Sethi	June 30, 2006	Bonus	730,059	10	10	4.00
S. J. Leasing & Investment Private Limited	June 30, 2006	Bonus	913,396	10	10	5.00
Bags Registry Services Private Limited	June 30, 2006	Bonus	657,382	10	10	3.60
Total			**3,651,756**			**20.00**

All Equity Shares, which are being locked-in are not ineligible for computation of promoters' contribution and lock-in under Clause 4.6 of the SEBI Guidelines. Our Auditors have vide their letter dated September 11, 2006 certified that the issuance of bonus shares which are being locked-in are not made out of revaluation reserves or reserves without accrual of cash resources.

(b) Share capital locked-in for one year:

In addition to the lock-in of the Promoters' contribution specified above, the entire pre-Issue issued Equity Share capital of our Company will be locked-in for a period of one year from the date of Allotment under the SEBI Guidelines. The total number of Equity Shares, which are locked-in for one year under the SEBI Guidelines, is 9,074,340 Equity Shares. In addition to the 9,074,340 Equity Shares, as disclosed in item 7 below, 15,030 Equity Shares and 40,020 Equity Shares issued to Mr. R.M Aggarwal, our Director as sweat equity on June 30, 2004 and June 30, 2005 respectively will be locked in for a period of three years ending June 29, 2007 and June 29, 2008 respectively as per the Unlisted Companies (Issue of Sweat Equity) Rules, 2003. Further, the Equity Shares allotted to Mr. Mr. R.M. Aggarwal, as specified above, shall also be locked in for a period of one year from the date of Allotment under the SEBI Guidelines.

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

In terms of Clause 4.15 of the SEBI Guidelines, the locked-in Equity Shares held by the Promoters can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions, provided the pledge of shares is one of the terms of sanction of loan.

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

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

4. Shareholding Pattern of our Company

The table below represents the shareholding pattern of our Company before the proposed Issue and adjusted for this Issue.

Name of Shareholder	Number of Equity Shares held prior to the Issue	Pre-Issue percentage of Equity Share Capital (%)	Number of Equity Shares held post the Issue	Post-Issue percentage of Equity Share Capital (%)
Promoters				
Mr. Amrit Pal Singh Chadha*	2,141,286	15.31%	2,141,286	11.73
Mr. Rajbir Singh*	2,517,900	18.00%	2,517,900	13.79
Mr. Charanbir Singh Sethi*	2,218,800	15.86%	2,218,800	12.15
S.J Leasing & Investment Private Limited	3,150,000	22.52%	3,150,000	17.25
Bags Registry Services Private Limited.	2,267,160	16.21%	2,267,160	12.42
Sub-Total	**12,295,146**	**87.89%**	**12,295,146**	**67.34**
Promoter Group				
Ms. Suneeta Singh Sethi	299,100	2.14%	299,100	1.64
Sub-Total	**299,100**	**2.14%**	**299,100**	**1.64**
Total Promoter Group Holding	**12,594,246**	**90.03%**	**12,594,246**	**68.98**
Others				
Mr. Rajendra Mohan Aggarwal	186,900	1.34%	186,900	1.02
Blackstone Asia Advisors L.L.C. A/c The India Fund Inc.	676,365	4.83%	676,365	3.70%
Minivet Limited	327,273	2.34%	327,273	1.79%
Cross Border Investments Private Limited	40,909	0.29%	40909	0.22%
Galleon International Master Fund, SPC Limited	163,636	1.17%	163,636	0.90%
Public	Nil	Nil	4,269,451	23.38%
Total Non- Promoter Group Holding	**1,395,083**	**9.97%**	**5,664,534**	**31.02%**
Total	**13,989,329**	**100**	**18,258,780**	**100**

* Mr. Amrit Pal Singh Chadha, Mr. Rajbir Singh and Mr. Charanbir Singh Sethi are on the Board of Directors.

5. Our Company, our Directors and the BRLM have not entered into any buy-back and/or standby arrangements for purchase of Equity Shares from any person. In the case of over subscription in all categories, at least 60% of the Issue shall be allotted on a proportionate basis to Qualified Institutional Buyers, up to 10% of the Issue shall be

available for allocation on a proportionate basis to Non-Institutional Bidders and up to 30% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Under subscription, if any, in the Non-Institutional Portion and Retail Individual Portion would be met with spill over from other categories at the sole discretion of our Company in consultation with the BRLM.

6. Over subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer.

7. The list of top 10 shareholders of our Company and the number of Equity Shares held by them is as under:

(a) As on the date of filing of this Red Herring Prospectus

Sr. No.	Name of Shareholders	Number of Equity Shares	% of the paid -up capital
1.	S.J, Leasing & Investment Private Limited	3,150,000	22.52
2.	Mr. Rajbir Singh	2,517,900	18.00
3.	Bags Registry Services Private Limited.	2,267,160	16.21
4.	Mr. Charanbir Singh Sethi	2,218,800	15.86
5.	Mr. Amrit Pal Singh Chadha	2,141,286	15.30
6.	Blackstone Asia Advisors L.L.C A/c. The India Fund Inc.	676,365	4.83
7.	Minivet Limited	327,273	2.34
8.	Ms. Suneeta Singh Sethi	299,100	2.14
9.	Mr. Rajendra Mohan Aggarwal.	186,900	1.34
10	Galleon International Master Fund SPC Limited	163,636	1.17

(b) As on ten days prior to the filing of this Red Herring Prospectus

Sr. No.	Name of Shareholders	Number of Equity Shares	% of the paid -up capital
1.	S.J, Leasing & Investment Private Limited	3,150,000	22.52
2.	Mr. Rajbir Singh	2,517,900	18.00
3.	Bags Registry Services Private Limited.	2,267,160	16.21
4.	Mr. Charanbir Singh Sethi	2,218,800	15.86
5.	Mr. Amrit Pal Singh Chadha	2,141,286	15.30
6.	Blackstone Asia Advisors L.L.C. A/c. The India Fund Inc.	676,365	4.83
7.	Minivet Limited	327,273	2.34
8.	Ms. Suneeta Singh Sethi	299,100	2.14
9.	Mr. Rajendra Mohan Aggarwal.	186,900	1.34
10	Galleon International Master Fund SPC Limited	163,636	1.17

(c) As on two years before the date of filing this Red Herring Prospectus

Sr. No.	Name of Shareholders	Number of Equity Shares	% of the paid -up capital
1.	S.J. Leasing & Investments Private Limited	1,050,000	24.88
2.	Mr. Rajbir Singh	839,300	19.89
3.	Bags Registry Services Private Limited	755,720	17.91
4.	Mr. Charanbir Singh Sethi	739,600	17.52
5.	Mr. Amrit Pal Singh Chadha	713,762	16.91
6.	Ms.. Suneeta Singh Sethi	99,700	2.36
7.	Mr. R.M. Aggarwal	22,280	0.53
	Total	**4,220,362**	**100**

8. Except as disclosed above, our Promoters, Promoter group, our Directors have not acquired, purchased or sold any Equity Shares, during a period of six months preceding the date on which this Red Herring Prospectus was filed with SEBI.

9. Except the issue of sweat equity shares to Mr. R.M Aggarwal, our Director have not been granted any options or issued any Equity Shares under any employees stock option or employees stock purchase scheme. Our Company has issued sweat equity shares to Mr. R.M Aggarwal, a Director of our Company in lieu of the value addition and benefit provided by him to our Company. Our Company has allotted Equity Shares as fully paid-up, otherwise than in cash to Mr. R.M Aggarwal as provided below.

Date of Shareholders Resolution	Number of Equity Shares of Rs. 10 each allotted
March 30, 2002	7,250
June 30, 2004	15,030*
June 30, 2005	40,020*
Total	**62,300**

* Locked in for a period of three years from the date of allotment as per the Unlisted Companies (Issue of Sweat Equity) Rules, 2003.

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

11. Except as disclosed herein above and in the section titled "Our Management" on page 98 of this Red Herring Prospectus, none of our Directors and key managerial employees hold any Equity Shares.

12. 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 the submission of this Red Herring Prospectus with SEBI until the Equity Shares to be issued pursuant to the Issue have been listed.

13. We presently do not intend or propose to alter our capital structure for a period of six months from the date of filing of this Red Herring Prospectus, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise except that if we enter into acquisitions or joint ventures, we may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisition or participation in such joint ventures.

14. 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.

15. As on the date of filing of this Red Herring Prospectus the total number of holders of Equity Shares were 11.

16. We have not raised any bridge loans against the proceeds of the Issue.

17. Except as disclosed in this section, we have not issued any Equity Shares out of revaluation reserves or for consideration other than cash. Further, all the Equity Shares issued as bonus shares have been issued out of the free reserves.

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

19. There are certain restrictive covenants in the agreements that our Company has entered into with the banks and financial institutions for short-term loans and long term borrowings. For further details of the terms of these agreements, please refer to the section titled "Financial Indebtedness" beginning on page 84 of this Red Herring Prospectus.

20. The Company had entered into a sale deed with Case Components Limited dated June 1, 2001 to acquire certain property for a consideration of Rs. 10,000,000. As per the auditors certificate dated June 2, 2006 the allotment of 1,000,000 Equity Shares on June 25, 2001 to Case Components Limited was to liquidate this debt that was payable by the Company.

OBJECTS OF THE ISSUE

The net proceeds of the present Issue after deducting lead manager' fees, underwriting commission and selling fees is estimated to be Rs. [●] million. We intend to deploy the net proceeds of the Issue for funding our capital expenditure requirements, investment in BOT projects and augmenting our working capital resources. We believe that listing of our Equity Shares on Stock Exchanges will also enhance our visibility and our brand name.

The fund requirement below is based on our current business plan. In view of the dynamic nature of our industry, we may have to revise our business plan from time to time and consequently our fund requirements may also change. This may include rescheduling of our capital expenditure programmes and /or reducing or increasing the amount for augmenting our working capital resources.

Requirement of Funds and Schedule of Implementation

The objects and the estimated cost of the objects as envisaged by our management and the proposed deployment of funds over the next two fiscals are as follows:

Rs. in million

Sr. No.	Particulars	FY2007*	FY2008*	Total
1.	Investment in Capital equipment	150.00	126.00	276.00
2.	Investment in BOT projects	450.00	400.00	850.00
3.	Augmenting working capital requirements	250.00	-	250.00
4.	Issue Expenses**	[●]	[●]	[●]
	Total	**[●]**	**[●]**	**[●]**

* References to our financial year represents the period commencing on July 1 and ending on June 30 of the subsequent year.

**Will be incorporated at the stage of filing of the Prospectus.

In the event of a shortfall in raising the requisite capital from the proceeds of the Present Issue, towards meeting the objects of the Issue, the extent of the shortfall will be met by internal accruals and/or from fresh debt. In case of any surplus of monies received in relation to the Present Issue, we may use such surplus towards further expansion and general corporate purposes including repayment of debt, if any.

The fund requirements and deployment are based on the estimates of our management and have not been appraised by any bank or financial institution or independent third party entity.

The main objects clause and the objects incidental and ancillary to the main objects clause of our Memorandum of Association, enable us to undertake our existing activities as well as activities for which the funds are being raised by us in the Issue.

Means of finance

The entire fund requirement towards the aforesaid objects of the issue is proposed to be funded through the net proceeds from the issue. In the event of a shortfall in raising the requisite capital from the proceeds of the Issue, towards meeting the objects of the Issue, the extent of the shortfall will be met by internal accruals and/or from debt. As per the last audited financial statements as on October 31, 2006, our free reserves stand at Rs. 1,156.98 million.

As per the audited statements as on June 30, 2006, our cash profit stands at Rs.457.84 million.

Particulars	Amount (Rs. million)	
	For year ended June 30, 2006	For four months ended October 31, 2006
Profit after tax	309.03	60.43
Depreciation	148.81	35.86
Cash Profit	457.84	96.29

Details of Use of Proceeds

1. **Investment in Capital Equipment**

We need to make investments in capital equipment on a recurring basis. We intend to use Rs. 276 million from the net proceeds of the Issue for purchase of capital equipment to meet the requirements of our various projects.

The estimated capital expenditure is Rs. 276 million for the purchase of capital equipment and based on our order book as of October 31, 2006 and future requirements as estimated by our management. The details of the equipment that we intend to purchase and their estimated cost, including the estimated costs of associated spares, attachments and other accessories, are specified in the following capital expenditure plan:

Sr. No.	Particulars	Qty	Amount	Model	Supplier Name	Date of Quotation
1.	JCB	2	3,575,956	CAT 424	TIL - CAT	19-Sep-06
	JCB	1	1,742,862	3DX	JCB	10-May-06
2.	Excavator	3	11,175,000	320 CL	TIL - CAT	19-Sep-06
	Excavator	1	7,621,286	PC 300LC-7	L&T - Komatsu	18-Sep-06
3.	Grader	5	27,001,260	120H	TIL - CAT	19-Sep-06
4.	Water Tanker	3	358,800	12 KL Body	Rajputana	15-Sep-06
	Water Tanker	3	2,523,660	Comet Gold	Ashok Leyland	23-Aug-06
	Water Tanker	4	416,000	12 KL Body	Rajputana	30-Aug-06
	Water Tanker	4	3,364,880	Comet Gold	Ashok Leyland	30-Aug-06
5.	Vibratory Roller	1	1,950,000	SD 110	Ingersoll - Rand	06-Sep-06
6.	Tandem Roller	1	2,275,000	DD 90	Ingersoll - Rand	06-Sep-06
7.	Small Tandem Roller	1	1,150,000	DD 24	Ingersoll - Rand	06-Sep-06
8.	Pneumatic Roller	1	2,550,000	RTR 220	Ingersoll - Rand	06-Sep-06
9.	Loader	1	2,782,374	TWL 3036	Telco	15-Sep-06
	Loader	1	3,215,100	CLG 856	Guangxi Liugong	12-Sep-06
10.	Bitumen Bowzer	1	715,000	ATM 10000	Apollo	10-May-06
	Bitumen Bowzer	1	841,220	Comet Gold	Ashok Leyland	23-Aug-06
11.	Hot Mix Plant	1	16,305,150	LJB 1500	Huatong	12-Sep-06
	Accessories	1	918,600	12-Sep-06		
	Hot Mix Plant	1	34,906,800	MSD 3000	Linhoff	30-Aug-06
	Accessories	1	5,000,000	Accessories	30-Aug-06	
12.	Sensor Paver WMM	1	8,175,540	SP95	Huatong	12-Sep-06
13.	Sensor Paver Bituminous	1	8,634,840	SPRE90	Huatong	12-Sep-06
14.	Batching Plant 30 Cum/hr	1	3,629,184	MIX 500	Greaves	10-Oct-06
	Extra Accessories	1	750,031	100 Ton Silo	Greaves	10-Oct-06
	Extra Accessories	1	713,740	50 Ton Flyash	Silo Greaves	10-Oct-06
	Extra Accessories	1	108,876	Ad Mixture Weighing System	Greaves	10-Oct-06

Sr. No.	Particulars	Qty	Amount	Model	Supplier Name	Date of Quotation
	Extra Accessories	1	24,195	Water Pump	Greaves	10-Oct-06
	Extra Accessories	1	30,243	Cement Weighing Hopper	Greaves	10-Oct-06
15	Transit Mixer	1	975,000	RHS 65 XL	Greaves	10-Oct-06
16	Concrete Pump	1	1,597,568	BP 350 D	Greaves	10-Oct-06
	Extra Accesories	1	277,432	100 M Pipe Line		10-Oct-06
17	Kerb Laying Machine	2	5,927,667	KP 1200 SF	Apollo	18-Sep-06
	Kerb Casting Machine	1	6,539,680	SP 150	Wirtgen India	18-Sep-06
18	Batching Plant 150 Cum/hr	1	27,823,744	H4N	Schwing Stetter	25-Sep-06
	Accessories	1	508,086	Flake Ice Weighing System		25-Sep-06
	Accessories	3	907,296	Moisture Meter		25-Sep-06
19	Crusher	1	25,300,000	200 TPH Indigenous	Metso	14-Jul-06
	Crusher	1	2,800,000	Design & Engineering	Metso	14-Jul-06
	Crusher	1	18,684,800	Imported	Metso	14-Jul-06
20.	Crane	2	4,475,994	25 Ton	Venus	28-Aug-06
	Crane	1	3,871,130	50 Ton	Venus	28-Aug-06
21.	Genset					
	125 KVA	1	461,000	TD4L4	Greaves Cotton	09-Sep-06
	63 KVA	1	361,000	3YDCMK3	Greaves Cotton	09-Sep-06
	10 KVA	1	135,000	1YWAMK6	Greaves Cotton	09-Sep-06
22.	Concrete Vibrator	36	997,776	Immersion Type	Construction & Allied Equipment	25-Sep-06
	Extra Accessories	6	166,296	Immersion Type	Construction & Allied Equipment	07-Sep-06
	Extra Accessories	6	27,456	Needle 60 mm	Construction & Allied Equipment	07-Sep-06
	Extra Accessories	2	8,320	Needle 50 mm	Construction & Allied Equipment	07-Sep-06
	Extra Accessories	2	7,488	Needle 40 mm	Construction & Allied Equipment	07-Sep-06
23	Tipper	10	16,651,380	Taurus 2516/2	Ashok Leyland	22-Aug-06
24	Tractor Trolly	1	477,605	605DI Ultra CE	Mahindra Tractor	23-Sep-06
	Extra Accessories	1	80,000	Front End Dozer	Mahindra Tractor	23-Sep-06
	Extra Accessories	1	12,050	Set of Rear Wheels	Mahindra Tractor	23-Sep-06
	Extra Accessories	1	220,000	Front End Loader	Mahindra Tractor	23-Sep-06
	Extra Accessories	1	8,500	Set of Rear Wheels	Mahindra Tractor	23-Sep-06
	Extra Accessories	1	7,651	FMS Kit	Mahindra Tractor	23-Sep-06
	Trolleys	1	152,000	15 Ton	Competent Trolley	15-Sep-06
25	Total Station	1	445,000	TC405	Leica	20-Sep-06
	Accessories	2	81,680	Accessories	Leica	20-Sep-06
26	Auto Level	2	31,200	C320	Sokkia	06-Sep-06

Sr. No.	Particulars	Qty	Amount	Model	Supplier Name	Date of Quotation
27	Laboratory Equipment	1	893,050	---	Neet Enterprises	06-Oct-06
28	Compressor	1	949,636	HP 450B	Ingersoll - Rand	19-Sep-06
	Compressor	1	550,000	P 310	Ingersoll - Rand	06-Sep-06
29	Broom	7	1,417,500	---	Parveen Engineering	30-Aug-06
30	Light Source	1	550,000	---	Ingersoll - Rand	06-Sep-06
	Total		**275,916,981**			

No second hand equipment is intended to be purchased from the net proceeds of this Issue.

For the above estimates where the equipment or machinery is yet to be ordered, we have relied upon quotations received by us over the past six months and our past experience. Where more than one quotation bas been sought, we have indicated the lowest of such quotations. We have not as yet taken a decision to finalise the suppliers for the above equipment. The expected date of supply of these equipment and machinery is within four months from the date of placement of orders. The schedule related to placement of orders and procurement of the above mentioned equipment and machinery is as under:

Particulars	Date of commencement	Date of completion
Placement of orders	November 2006	February 2007
Procurement	January 2007	August 2007

The figures in our capital expenditure plans are based on management estimates and have not been appraised by an independent organisation. In addition, our capital expenditure plans are subject to a number of variables, including possible cost overruns, construction delays or defects and changes in the management's views of the desirability of current plans, among others.

2. Equity Investments in BOT projects

The Government has framed policies and ways to channelize private investment in infrastructure development projects. To ensure a long-term partnership between the Government and private players in the infrastructure development of the country, the Government has started floating tenders inviting PPP, which is typically an arrangement between the government and private sector entities for the purpose of providing public infrastructure facilities and related services. The Government is encouraging private sector participation in road projects through two routes- BOT/BOOT and annuity which are implemented by a SPV. It is a relatively new approach which enables direct private sector investment in large-scale projects such as roads, bridges and power.

The Government, through agencies such as NHAI, offers several projects on a BOT basis and a BOOT basis. These projects aim at private sector investment in the form of capital infusion with the autonomy to operate and generate revenue over the concession period. Although, we have not executed BOT/BOOT projects till date, we have vast experience in the road construction activity and have successfully implemented various road projects in India and Afghanistan.

We intend to bid for various projects on BOT basis and invest in joint ventures within and outside India. To be able to undertake and execute such projects, we will be required to form SPVs. Typically, these projects involve contracts with concession periods of about 20 years. The funds raised through this Issue would strengthen the capability of our Company to quote for BOT projects. We intend to use up to Rs. 850 million from the proceeds of the Issue for equity investments in SPVs and joint ventures over FY 2007 and FY 2008 which shall be set up for such projects.

We have received a letter of acceptance dated December 1, 2006 from the NHAI informing us that our joint bid with our joint venture partner BSCPL has been declared as the successful bidder for the construction, operation and maintenance of Kurali-Kiratpur section from 28.6 to 73.2 km of NH-21 under the NHDP Phase III on a BOT basis. . The total value of this project is estimated to be Rs. 3,800 million out of which we will receive a grant of Rs. 439.2 million from NHAI and the remaining is to be financed by debt and equity to be contributed by the joint venture., Under the terms and conditions of the Letter of Acceptance our Company is required to incorporate a SPV for the purpose of domiciling the project. The estimated cost of our equity contribution to the SPV is about Rs. 850 million. For details see section titled "Our Business" - BOT based Projects" on page 64 of this Red Herring Prospectus.

Except as described above, we have not identified any SPVs or joint ventures in which we will invest and are not assured of any future dividends from such SPVs, wholly-owned subsidiaries and joint ventures. It cannot be assured that we will be able to identify SPVs, wholly owned subsidiaries and joint ventures in which we wish or are able to invest. The management, in accordance with the policies established by the Board, will have flexibility in applying the portion of the net proceeds allocated for equity investments in SPVs and joint ventures for other objects as stated above and/or general corporate purposes.

3. Augmenting Working Capital requirements

We have been presently sanctioned working capital limits of Rs. 2,900 million by our bankers consisting of fund-based limits of Rs. 250 million and non fund-based limits of Rs. 2,650 million. For details of our loans, refer the section titled "Financial Indebtedness" beginning on page 84 of this Red Herring Prospectus.

We need additional working capital in consonance with the expanding scope of our business. We have estimated our long term working capital requirements for fiscal 2008, as under:

(Rs. in million)

Particulars	**Amount**
Current Assets	
Inventories	533.08
Debtors	1087.91
Loans and Advances	421.24
Other Current Assets	137.67
Total Current Assets	2,179.90
Current Liabilities	818.80
Total Working capital requirements	1,361.10
Less: Available working capital limit as on June 30, 2006	250.00
Long term working capital requirement	1,111.10
Funded by:	
Margin money for working capital	[●]
Proceeds of the Issue	[●]

Working Capital Computation as on October 31, 2006

(Rs. in million)

Particulars	**Amount**
Current Assets	2,136.75
Current Liabilities	702.27
Working Capital Gap	1,434.48
Less: Working Capital Margin (25% on Current Assets)	534.18
Working Capital Requirement	**900.30**

4. Issue expenses

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

	Amount (Rs. in million.)	Amount (Rs. in million)
Gross Proceeds of the Issue		[●]
Issue related expenses	[●]	
Net Proceeds of the Issue		[●]

The net proceeds of the Issue after deducting Issue expenses payable by us are estimated at approximately Rs. [●] million. We intend to utilize the net proceeds from the Issue for meeting the objects of the Issue mentioned above.

Appraisal

The fund requirements and the funding plans are as per our management's estimates, and have not been appraised by any bank/financial institution.

Interim use of proceeds of the issue

Pending any use as described above, we intend to invest the proceeds of this issue in high quality, interest / dividend bearing short-term / long-term liquid instruments including deposits with banks for the necessary duration and no investments will be made in equity markets. Such investments would be in accordance with the investment policies as approved by our Board of Directors from time to time.

No part of the Issue proceeds will be paid by us as consideration to our Promoter, Directors, key management personnel, associate or Promoter Group Companies.

Monitoring of utilisation of funds

Our Board of Directors and the Monitoring Agent, State Bank of India, will monitor the utilization of the proceeds of the Issue. We will disclose the utilization of the proceeds of the Issue under a separate head in our audited financial statements for Fiscal 2007 and 2008 clearly specifying the purpose for which such proceeds have been utilized. We will also, in our audited financial statements for Fiscal 2007 and 2008, provide details, if any, in relation to all such proceeds of the Issue that have not been utilized and also indicating investments, if any, of such unutilized proceeds of the Issue.

Deployment of funds as on January 11, 2007

The Company has incurred the following expenditure on the proposed projects until January 11, 2007. The same has been certified by M/s ASG and Associates, Chartered Accountants vide their certificate dated January 11, 2007.

PARTICULARS	Amount (Rs. In Millions)
Deployment of funds	
Investment in BOT projects	24.88
Augmenting working capital requirements	287.77
Issue Expenses	19.60
Total	**332.25**
Source of funds	
Proceeds from pre-IPO placement	332.25
Total	**332.25**

TERMS OF THE ISSUE

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

Ranking of Equity Shares

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

Mode of Payment of Dividend

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

Face Value and Issue Price

The Equity Shares with a face value of Rs. 10 each are being issued in terms of this Red Herring Prospectus at a total price of Rs. [●] per Equity Share. At any given point of time there shall be only one denomination for the Equity Shares.

Rights of the Equity Shareholder

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability of shares; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and our Memorandum and Articles of Association and Listing Agreement entered into with the Stock Exchanges.

For a detailed description of the main provisions of our Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, see section titled "Main Provisions of Articles of Association of our Company" on page 255 of this Red Herring Prospectus.

Market Lot and Trading Lot

In terms of existing SEBI Guidelines, the trading in the Equity Shares shall only be in dematerialised form for all investors. Since trading of our Equity Shares is in dematerialised mode, the tradable lot is one Equity Share. In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialised form. Allotment through this Issue will be done only in electronic form in multiples of 1 Equity Shares subject to a minimum allotment of 20 Equity Shares.

Joint Holders

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

Nomination Facility to the Investor

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

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by our Board, elect either:

a. to register himself or herself as the holder of the Equity Shares; or

b. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other money's payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialised mode, there is no need to make a separate nomination with us. Nominations registered with the respective Depository Participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective Depository Participant.

Minimum Subscription

If we do not receive the minimum subscription of 90% of the Issue including devolvement of the members of the Syndicate, if any, within 60 days from the Bid/ Issue Closing Date, we shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after we become liable to pay the amount, we shall pay interest as per Section 73 of the Companies Act.

If at least 60% of the Issue cannot be allotted to QIBs, then the entire application money will be refunded.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not offered or sold, and Bids may not be made by persons in any such jurisdiction, except in accordance with the applicable laws of such jurisdiction.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933 (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.

Arrangement for disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restriction on transfer of shares

There are no restrictions on transfers and transmission of shares/debentures and on their consolidation/splitting except as provided in our Articles. For further details, see the section titled "Main Provisions of our Articles of Association" beginning on page 255 of this Red Herring Prospectus.

BASIS FOR ISSUE PRICE

The Issue Price of Rs. [●] has been determined by us in consultation with the BRLM on the basis of the demand from the investors for the offered Equity Shares through the Book Building Process. The face value of Equity Shares is Rs. 10 and the Issue Price is [●] times the face value.

Qualitative Factors:

Factors External to our Company

The Government is focussed on building infrastructure such as roads, highways, bridges, airports, etc.

Factors Internal to our Company

- High profitability margins and continued growth;
- Ability to execute projects in difficult operating conditions in a timely manner;
- Continuous growth in our bid capacity and pre qualification capability;
- Acumen in sourcing and maintaining supply chain for raw material and achieving benefits of backward integration;
- Sustained growth of our Afghan operations has built high levels of credibility regarding our construction expertise;
- Highly qualified management team and experienced employee base; and
- Ownership of high-end equipment.

For detailed discussion on above factors, see the sections titled "Industry" and "Business" beginning on pages 46 and 58 of this Red Herring Prospectus.

Quantitative Factors

Information presented in this section is derived from our standalone restated financial statements prepared in accordance with Indian GAAP.

1. Adjusted Earnings Per Equity Share (Basic & Diluted)

		EPS (Rs.)	Weight
a)	Year ended June 30, 2004	22.14	1
b)	Year ended June 30, 2005	22.52	2
c)	Year ended June 30, 2006	24.18	3
d)	Four months ended October 31, 2006*	4.72	
e)	Weighted Average EPS	23.28	

* Not Annualised

2. Price/Earning Ratio (P/E) in relation to Issue Price of Rs. [●] per Equity Share

Particulars		P/E (no. of times)
a)	Based on EPS for the year ended June 30, 2006 of Rs. 24.18	[●]
b)	Based on weighted average EPS of Rs. 23.28	[●]
c)	Construction Industry - P/E*	
	i) Highest - Mahindra Gesco	268.6
	ii) Lowest - Lok Housing (except those that are NIL)	4.2
	iii) Average	51.3

**Source: Capital Markets Volume XXI/22, January 01-14, 2007, , Industry classification: Construction*

Accounting Ratios of some of companies in the same Industry group:

	EPS (Rs.)	P/E	RONW (%)	NAV (Rs.)	FV (Rs/Re.)
Madhucon Project	9.0	23.9	13.0	111.0	2.0
Sadbhav Engineering	10.1	41.2	12.5	115.0	10.0
Era Constructions	14.0	17.6	21.1	122.6	10.0
Gammon India*	9.3	34.7	13.9	98.1	2.0
C&C Constructions **	24.18	[●]	29.27	72.41	10.0

Note: The EPS, RONW and NAV figures are based on the latest audited results for the year ended March 31, 2006 and P/E is based on trailing twelve months (TTM) and Market data.

** The Financial information for Gammon India is based on the 15 month period ending March 31, 2006.*

*** The Financial information for C & C Constructions Limited is based on the financial year ending June 30, 2006.*

Source: Capital Markets Volume XXI/22, January 01-14, 2007, Industry classification: Construction

3. Return on Net Worth

		RONW (%)	Weight
a)	Year ended June 30, 2004	54.18	1
b)	Year ended June 30, 2005	36.19	2
c)	Year ended June 30, 2006	29.27	3
d)	As on October 31, 2006	4.64	
	Weighted Average	**35.73**	

Minimum return on total net worth needed after the Issue to maintain pre-Issue EPS of Rs. 24.18 is [●] %.

4. Net Asset Value

Particulars	NAV (Rs. per Equity Share)
a) As at June 30, 2006	72.41
b) As on October 31, 2006	87.60
c) After Issue	[●]
d) Issue Price	[●]

5. The face value of our Equity Shares is Rs. 10 each and the Issue Price is [●] times of the face value of our Equity Shares.

6. The BRLM believes that the Issue Price of Rs. [●] per Equity Share is justified in view of the above qualitative and quantitative parameters. Specific attention of the investors is invited to the sections titled "Risk Factors", "Our Business" and "Financial Statements" beginning on page xiii, 58 and 133 of this Red Herring Prospectus respectively.

7. The Issue Price of Rs. [●] has been determined by us in consultation with BRLM and on the basis of the demand from the investors for the Equity Shares through the Book Building Process and is justified on the basis of the above accounting ratios.

STATEMENT OF TAX BENEFITS

The Board of Directors,
C & C Constructions Limited
74, Hemkunt Colony,
New Delhi 110 048.

Dear Sirs,

We hereby certify that the enclosed "Annexure - 1" states the tax benefits available to C & C Constructions Limited (the "Company") and its shareholders under the provisions of the Income-Tax Act, 1961 and other direct tax laws presently in force. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependant upon fulfilling such conditions which based on business imperatives the Company faces in the future, the company may or may not choose to fulfill.

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

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

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

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

A shareholder is advised to consider in his/her/its own case the tax implications of an investment in the equity shares.

This certificate is provided solely for the purpose of assisting the Company to which it is addressed in discharging their responsibilities under the Securities and Exchange Board of India (Disclosure and Investor Protection Guidelines, 2000) and paragraph B(1) of Part II of schedule II to the Companies Act, 1956. Our work has not been carried out in accordance with the auditing standards generally accepted outside of India and accordingly should not be relied on as if it had been carried out in accordance with those standards accepted outside of India.

For **A S G & Associates**
Chartered Accountants

Amar Jeet Singh
(Partner)
Membership Number-089285

Place : New Delhi
Date : October 11, 2006

ANNEXURE - 1

STATEMENT OF TAX BENEFITS AVAILABLE TO C & C CONSTRUCTIONS LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS

1. BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT, 1961 ("THE ACT"):

The Company will be entitled to deduction under the sections mentioned hereunder from its total income chargeable to Income Tax.

Dividends Exempt Under Section 10(34)

Under section 10(34) of the act, the Company will be eligible for exemption of income by way of dividend from domestic company referred to in section 115-O of the Act.

Income from Units of Mutual Funds exempt under section 10(35)

The company will be eligible for exemption of income received from units of mutual funds specified under section 10(23D) of the Act, income received in respect of units from the administrator of specified undertaking and income received in respect of units from the specified company in accordance with and subject to the provisions of section 10(35) of the Act.

Computation of Capital Gains

Capital assets may be categorized into short term capital assets and long term capital assets based on the period of holding Shares in a company, listed securities or units of UTI or unit of Mutual Fund specified under section 10(23D) or a zero coupon bond will be considered as long term capital assets if they are held for a period exceeding 12 months. Consequently, capital gains arising on sale of these assets held for more than 12 months are considered as "Long Term Capital Gains". Capital gains arising on sale of these assets held for 12 months or less are considered as "Short Term Capital Gains".

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

As per the provisions of section 112 of the Act, long term gains as computed above that are not exempt under section 10(36) or 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess). However, as per the proviso to section 112(1), if the tax on long term capital gains resulting on transfer of listed securities or units or zero coupon bond, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge and education cess).

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

Exemption of capital gain from income tax

- Under section 10(36) of the Act, long term capital gains arising on eligible equity share in a company (acquired on or after the 1st day of march 2003 and before the 1st day of march 2004) sold through a recognised stock exchange in India will be exempt from tax.
- Under section 10(38) of the Act, long term capital gains arising out of sale of equity shares or a unit of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or unit is chargeable to STT. However, such income shall be taken into account in computing the book profit tax payable under section 115JB.

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

Other specified deductions

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

Section 35(1)(i) and (iv) of the Act, in respect of any revenue or capital expenditure incurred, other than expenditure on the acquisition of any land, on scientific research related to the business of the company.

Section 35(1)(ii) and (iii) of the Act, in respect of any sum paid to a scientific research association which has as its object, the undertaking of scientific research or to any approved university, college or other institution to be used for scientific research or for research in social sciences or statistical research to the extent of a sum equal to one and one fourth times the sum so paid.

Subject to compliance with certain conditions laid down in section 32 of the Act, the company will be entitled to deduction for depreciation:

- In respect of tangible assets (being buildings, machinery, plant or furniture) and intangible assets (being know-how, patents, copyrights, trademarks, licenses, franchises or any other business or commercial rights of similar nature acquired on or after 1st day of April, 1998) at the rates prescribed under the income-tax rules, 1962;
- In respect of any new machinery or plant which has been acquired and installed after 31st March 2005 by an assessee engaged in the business of manufacture or production of any article of thing, a further sum of 20% of the actual cost of such machinery or plant;

Subject to compliance with certain conditions laid down in section 80-IA of the Act, the company will enjoy 100% tax exemption for any 10 consecutive assessment years out of 15/20 years, as the case may be, in respect of profits earned from an undertaking set up for developing or operating and maintaining or developing, operating and maintaining any notified infrastructure facility.

Subject to compliance with certain conditions laid down in section 80-IA (12) of the Act, the company will enjoy 100% tax exemption for residual period out of 15/20 years, as the case may be, in respect of profits earned from an undertaking or an enterprise engaged in notified infrastructure facility and which amalgamates with the company.

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

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

2. BENEFITS AVAILABLE TO RESIDENT SHAREHOLDERS:

Dividends exempt under section 10(34)

Under section 10(34) of the Act, income earned by way of dividend from domestic company referred to in section 115-O of the Act is exempt from income tax in the hands of the shareholders.

Computation of capital gains

Capital assets may be categorized into short term capital assets and long term capital assets based on the period of holding. Shares in a company, listed securities or units of UTI or unit of Mutual Fund specified under section 10(23D) of the Act or a zero coupon bond will be considered as long term capital assets if they are held for a period exceeding 12 months. Consequently, capital gains arising on sale of these assets held for more than 12 months are considered as "long term capital gains". Capital gains arising on sale of these assets held for 12 months or less are considered as "short term capital gains".

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

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

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

Exemption of capital gain from income tax

- Under section 10(38) of the Act, long term capital gains arising out of sale of equity shares or a unit of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or unit is chargeable to STT.

- According to the provisions of section 54EC of the Act and subject to the conditions specified therein, long term capital gains not exempt under section 10(38) shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so reinvested, the exemption shall be allowed proportionately.

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

  However, if the said bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

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

Rebate under section 88E

Section 88E provides that where the total income of a person includes income chargeable under the head "profits and gains of business or profession" arising from taxable securities transactions, he shall get rebate of STT paid by him in the course of his business. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax.

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

Dividends exempt under section 10(34)

Under section 10(34) of the Act, income earned by way of dividend from domestic company referred to in section 115-O of the Act is exempt from income tax in the hands of the shareholders.

Computation of capital gains

Capital assets may be categorized into short term capital assets and long term capital assets based on the period of holding. Shares in a company, listed securities or units of UTI or units of mutual fund specified under section 10(23D) of the Act or a zero coupon bond will be considered as long term capital assets if they are held for a period exceeding 12 months. Consequently, capital gains arising on sale of these assets held for more than 12 months are considered as "long term capital gains". Capital gains arising on sale of these assets held for 12 months or less are considered as "short term capital gains".

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

According to the provisions of section 112 of the Act, long term gains as computed above that are not exempt under section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess).

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

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

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

Options available under the Act

Where shares have been subscribed to in convertible foreign exchange -

Option of taxation under chapter XII-A of the Act:

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

- According to the provisions of section 115D read with section 115E of the Act and subject to the conditions specified therein, long term capital gains arising on transfer of shares in an Indian company not exempt under section 10(38), will be subject to tax at the rate of 10 percent (plus applicable surcharge and education cess), without indexation benefit.
- According to the provisions of section 115F of the Act and subject to the conditions specified therein, gains arising on transfer of a long term capital asset being shares in an Indian company shall not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset. if part of such net consideration is invested within the prescribed period of six months in any specified asset the exemption will be allowed on a proportionate basis. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

  Further, if the specified asset in which the investment has been made is transferred within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or savings certificates are transferred.
- As per the provisions of section 115G of the Act, non-resident Indians are not obliged to file a return of income under section 139(1) of the Act, if their source of income is only investment income and / or long term capital gains defined in section 115C of the Act, provided tax has been deducted at source from such income as per the provisions of chapter XVII-B of the Act.
- Under section 115H of the Act, where the non-resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the assessing officer, along with his return of income for that year under section 139 of the Act to the effect that the provisions of the chapter XII-A shall continue to apply to him in relation to such investment income derived from any foreign exchange asset being asset of the nature referred to in sub clause (ii), (iii), (iv) and (v) of section 115C(f) for that year and subsequent assessment years until such assets are converted into money.
- As per the provisions of section 115-I of the Act, a non-resident Indian may elect not to be governed by the provisions of chapter XII-A for any assessment year by furnishing his return of income for that assessment year under section 139 of the Act, declaring therein that the provisions of chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.

Exemption of capital gain from income tax

- Under section 10(38) of the Act, long term capital gains arising out of sale of equity shares or a unit of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or unit is chargeable to STT.
- According to the provisions of section 54EC of the Act and subject to the conditions specified therein, capital gains not exempt under section 10(38) and arising on transfer of a long term capital asset shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so reinvested, the exemption shall be allowed proportionately.

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

  However, if the said bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.
- According to the provisions of section 54F of the Act and subject to the conditions specified therein, in the case of an individual, gains arising on transfer of a long term capital asset (not being a residential house) are

not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house. If only a part of such net consideration is invested within the prescribed period in a residential house, the exemption shall be allowed proportionately. for this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

Rebate under section 88E

Section 88E provides that where the total income of a person includes income chargeable under the head "profits and gains of business or profession" arising from taxable securities transactions, he shall get rebate of STT paid by him in the course of his business. such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax.

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

Dividends exempt under section 10(34)

Under section 10(34) of the Act, income earned by way of dividend from domestic company referred to in section 115-O of the Act is exempt from income tax in the hands of the shareholders.

Computation of capital gains

Capital assets may be categorized into short term capital assets and long term capital assets based on the period of holding. Shares in a company, listed securities or units of UTI or units of mutual fund specified under section 10(23D) of the Act or a zero coupon bond will be considered as long term capital assets if they are held for a period exceeding 12 months. Consequently, capital gains arising on sale of these assets held for more than 12 months are considered as "long term capital gains". Capital gains arising on sale of these assets held for 12 months or less are considered as "short term capital gains".

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

As per the provisions of section 112 of the Act, long term gains as computed above that are not exempt under section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess).

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

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

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

Exemption of capital gain from income tax

- Under section 10(38) of the Act, long term capital gains arising out of sale of equity shares or a unit of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or unit is chargeable to STT.

- According to the provisions of section 54EC of the Act and subject to the conditions specified therein, long term capital gains not exempt under section 10(38) shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. if only part of the capital gain is so reinvested, the exemption shall be allowed proportionately.

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

However, if the assessee transfers or converts the notified bonds into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

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

Rebate under section 88E

Section 88E provides that where the total income of a person includes income chargeable under the head "profits and gains of business or profession" arising from taxable securities transactions, he shall get rebate of STT paid by him in the course of his business. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax.

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

Dividends exempt under section 10(34)

Under section 10(34) of the Act, income earned by way of dividend from domestic company referred to in section 115-O of the Act is exempt from income tax in the hands of the shareholders.

Taxability of capital gains

Under section 10(38) of the Act, long term capital gains arising out of sale of equity shares or a unit of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or unit is chargeable to STT.

The income by way of short term capital gains or long term capital gains [in cases not covered under section 10(38) of the Act] realized by FIIS on sale of shares of the company would be taxed at the following rates as per section 115 AD of the Act-

- Short term capital gains, other than those referred to under section 111A of the Act shall be taxed @ 30% (plus applicable surcharge & education cess).
- Short term capital gains, referred to under section 111A of the Act shall be taxed @ 10% (plus applicable surcharge and education cess).
- Long term capital gains @ 10% (plus applicable surcharge and education cess) (without cost indexation)

It may be noted here that the benefits of indexation and foreign currency fluctuation protection as provided by section 48 of the Act are not applicable.

According to the provisions of section 54EC of the Act and subject to the conditions specified therein, long term capital gains not exempt under section 10(38) shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so reinvested, the exemption shall be allowed proportionately.

However, if the assessee transfers or converts the notified bonds into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

Rebate under section 88E

Section 88E provides that where the total income of a person includes income chargeable under the head "profits and gains of business or profession" arising from taxable securities transactions, he shall get rebate of STT paid by him in the course of his business. such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax.

6. BENEFITS AVAILABLE TO MUTUAL FUNDS

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

7. VENTURE CAPITAL COMPANIES / FUNDS

In terms of section 10(23FB) of the Act, all venture capital companies/funds registered with securities and exchange of India, subject to the conditions specified, are eligible for exemption from income tax on all their income, including profit on sale of shares of the company.

8. TAX TREATY BENEFITS

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

9. BENEFITS AVAILABLE UNDER THE WEALTH-TAX ACT, 1957

Shares of the company held by the shareholder will not be treated as an asset within the meaning of section 2(ea) of Wealth Tax Act, 1957, hence no wealth tax will be payable on the market value of shares of the company held by the shareholder of the company.

Notes:

1. All the above benefits are as per the current tax law as amended by the Finance Act, 2006.
2. The stated benefits will be available only to the sole / first named holder in case the shares are held by joint holders
3. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the Issue.

INDUSTRY OVERVIEW

Industry Overview

Data in this section has been sourced from the following:

- CRIS INFAC Roads Update: March 2006;
- CRIS INFAC Construction Annual Review: February 2006;
- NHAI website;
- RVNL website; and
- USAID website.

India

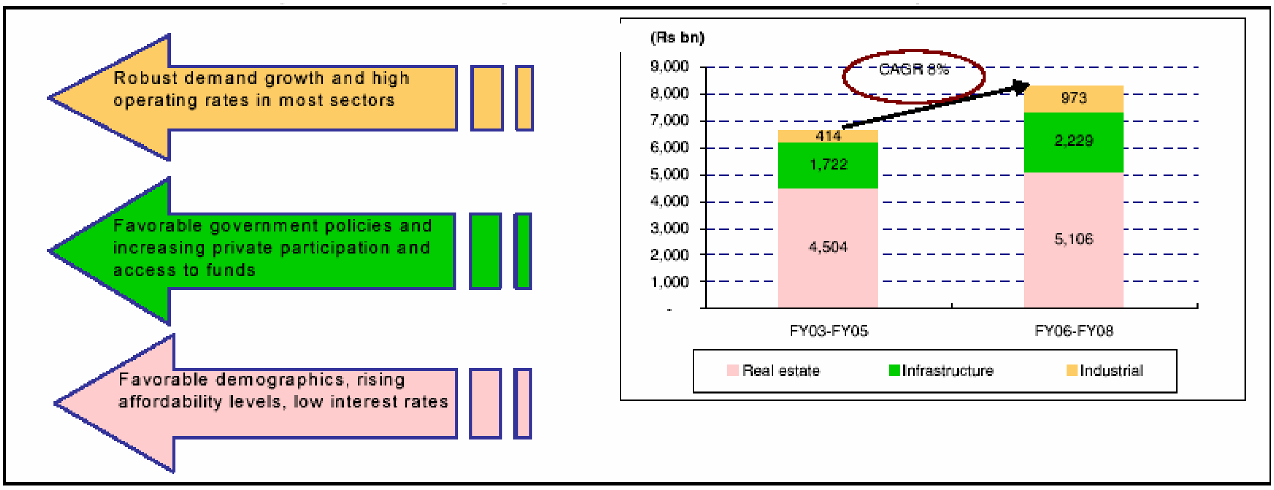
Construction sector scenario in India

The construction industry is highly fragmented, as the less fixed capital requirements have led to low entry barriers. However, the fragmentation is lesser in the industrial/infrastructure industry than in housing entities since this sector requires far more technical expertise.

Although, the construction sector is not fixed capital intensive, it is working capital intensive in terms of gross working capital requirements (typically 130 days, due to high levels of receivables and long project gestation periods). Most projects, especially infrastructure, have a gestation period of more than one year. In addition, a delay in payments from government agencies results in a high level of receivables. Construction investments accounts for nearly 12.8% of the GDP and around 52% of the Gross Capital Formation.

The construction sector came into the limelight in 2002-03, with the Government's increased focus on the infrastructure sector. As per CRIS INFAC estimates, the performance of the construction industry would continue to get better, with the proposed government spending in the infrastructure sector and the rebound in industrial investments. (Source: CRIS INFAC Construction Report, February 2006).

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



Source: CRIS INFAC

Road construction projects in India

Central Budget funding of NHAI has doubled to approx. Rs. 66 billion p.a from FY06, given the 100% allocation of the 50paise increase in petroleum cess to NHAI. This should support overall funding of Rs. 540 billion from cess over seven years.

Since the government does not have the resources to make such investments on its own, rest of the funding is planned through private investment (Build Own Operate Transfer -BOOT)) and annuity projects that are designed to encourage private participation in roads worth Rs. 750bn and leveraging cess to the extent of Rs. 430bn through tax-free NHAI bonds.

The BOT and PPP projects in India are reaching a stage of maturity in terms of public and polity perceptions. The private sector participation in highways has experienced gradual growth. As of now BOT projects worth Rs.31 billion and annuity projects worth Rs.22 billion have been awarded to the private sector.

With favorable policy framework in place and specific measures by the Government to augment finance, the road and highway sector presents attractive (equity IRR of 18-20%) business and investment opportunities (for financiers such as banks). Under such contracts, the contractor invests in building the road and maintaining it for upto 30 years and then transfers it back to the NHAI at zero cost. A BOT project may be one of the three kinds:

- Toll based: The contractor recovers its costs and earns its revenues by collecting toll on the route. Hence, the contractor runs the risk of traffic volume and toll rates, as his returns are completely dependent on toll collections
- Annuity: The contractor receives periodic payments on a yearly or six monthly basis from the government, for a period upto 15 years. The contractor has to maintain the road for this period and then transfer it to the government at zero cost. In this system, the government collects toll, so the contractors returns are independent of traffic volumes or toll rates.
- Grant: This variant is a hybrid of the toll based and annuity systems; the government pays a capital grant to make up for the difference between the BOT and operator's return expectations, and toll revenue. The grant is capped at 25% of the required funds, and may be either a one time payment, or spread over up to ten years, depending on the project. The bidding variable for such projects is the amount of the capital grants.

Indian Road network scenario
(Source: NASSCOM website)

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

The Indian road network is divided into two categories -

- Urban Network, and
- Non-urban Network - further divided into 3 main classes
  - o The National Highways (NH) - traverse all the States, and form a principal network for overall commercial, and strategic transportation requirements.
  - o The State Highways (SH) - serve as main roads in the States, and
  - o The District Roads - that take traffic from the main roads to the interior of the districts. District roads are further sub-divided into
    1. Major District Roads (MDR),
    2. Other District Roads (ODR), and
    3. Village Roads (VR).

Responsibility for the development and maintenance of National Highways rests with the Central Government of India, while all other roads are the responsibility of concerned State Governments and local bodies.

Industrialization has induced a traffic growth of 8-12 percent per year on many sections of National Highways and this growth trend is expected to continue. While traffic on the National Highways has been growing at a rapid pace, it has not been possible for the Government to provide matching funds due to competing demand from other priority sectors.

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

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

The National Highways Authority of India (NHAI) was constituted by an act of Parliament, the National Highways Authority of India Act, 1988. It is responsible for the development, maintenance and management of National Highways entrusted to it and for matters connected or incidental thereto. NHAI is mandated to implement National Highways Development Project (NHDP) which is:

- India 's Largest ever highways project
- World class roads with uninterrupted traffic flow.

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

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

NHAI programs are divided into seven phases as given below:

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

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

Phases in Conceptualization stage

The government has approved Phases IV, V, VI and VII of the National Highway development Programme. NHDP (Phases IV - VII) are to be built under BOT model as Design, Build, Finance and Operate (DBFO) pattern.

- NHDP (Phase IV): Upgradation of 20,000 km of single- and intermediate-lane national highways into two lanes an paved shoulders at an estimated cost of Rs.27,800 crores.
- NHDP (Phase V): Six-laning of 6,500 km of national highways at an estimated cost of Rs.41,210 crores.
- NHDP (Phase VI): Development of 1,000 km of expressway at an estimated cost of Rs.16,680 crores
- NHDP (Phase VII): Construction of bypasses, flyovers, railway overbridges at required locations at an estimated cost of Rs.16,680 crores.

Port connectivity projects (Source: NHAI website)

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

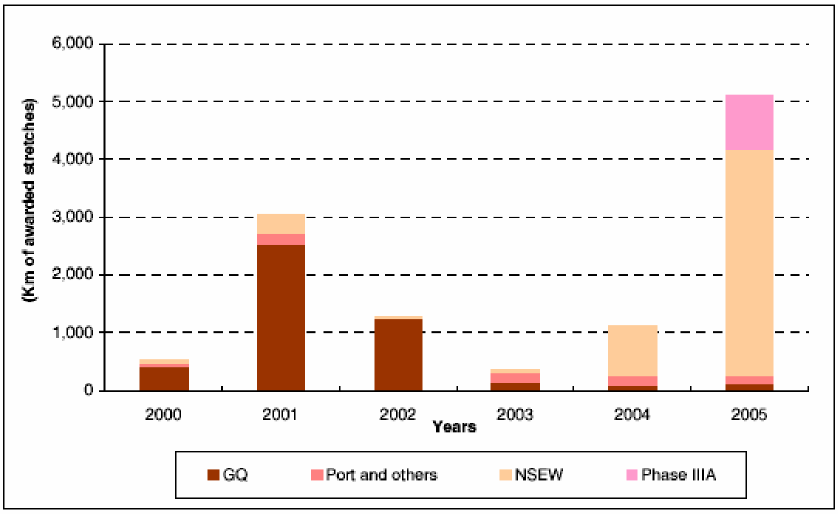
Other projects (Source: NHAI website)

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

Status of NHDP & other NHAI projects as on November 30, 2006
(Source: NHAI website)

Particulars	**NHDP & Other NHAI Projects (Status : November 30 , 2006)**							
	GQ	**NS-EW Ph. I & II**	**NHDP Phase III A**	**NHDP Phase V**	**NHDP Total**	**Port Conne-ctivity**	**Others**	**Total by NHAI**
Total Length (Km.)	5,846	7,300	6,139	6,500	25,785	380	945	27,110
Already 4-Laned (Km.)	5,475	853	30	-	6,358	131	287	6,776
Under Implementation (Km.)	371	5,295	1,090	148	6,904	228	638	7,770
Contracts Under Implementation (No.)	35	145	17	2	193	8	16	222
Balance length for award (Km.)	-	1,053	5,019	6,352	12,424	21	20	12,465

The awarding activity has also increased in late 2005; the highest level of awarding activity was made under the NHDP in 2005. Around 5,000 kms of length was awarded in 2005, of which around 78% was under Phase II (NSEW). (Source: CRIS INFAC Roads Update March 2006) The awarding activity under the NHDP is given below:



Source: NHAI & CRIS INFAC

Details of NHDP phases (announced)
(Source: NHAI website)

The implementation of NHDP (Phase IIIA) which covers a length of 5,498.27 kms and has been planned on BOT basis. As on December 31, 2005, the total length to be awarded under Phase IIIA was 3,084 km at an amount of Rs. 17,284 crores. The current status of the projects awarded and the balance to be awarded as on August 31, 2006 is given below:

State	Total Length (km)	Under implementation (km)	Balance to be awarded (km)
Andhra Pradesh	241.00	-	241.00
Bihar	113.00	-	113.00
Chattisgarh	128.00	45.00	83.00
Delhi	20.00	-	20.00
Gujarat	102.00	-	102.00
Haryana	310.00	-	310.00
Haryana[25.5]/ Himachal Pradesh[5.5]/ Punjab[1]	32	-	32
Haryana[6]/Punjab[30]	36.00	36.00	-
Himanchal Pradesh	110.00	-	110.00
Jharkhand	75.00	-	75.00
Karnataka	659.98	9.98	650.00
Kerala	217.00	-	217.00
Kerala[43]/ Tamil Nadu[27]	70.00	-	70.00
Madhya Pradesh	179.00	94.00	85
Maharashtra	635.00*	308.00	297.00
Orissa	406.00	-	406.00
Punjab	157.00	49.00	108.00
Rajasthan	448.00	165.00	283.00
Rajasthan[20]/ Uttar Pradesh[25]	45.00	45.00	-
Tamil Nadu	930.29	184.29	746.00
Tamil Nadu[36.5]/ Pondichery[3.5]	40.00	-	40.00
Tamil Nadu[81.5]/ Andhra Pradesh[56.5]	138.00	-	138.00
Uttar Pradesh	200.00	154.00	46.00
Uttar Pradesh[21]/ Uttaranchal[56]	77.00	-	77.00
Uttaranchal	69.00	-	69.00
West Bengal	60.00	-	60.00
Total	**5498.27**	**1,090.27**	**4,378.00**

* - The total length includes a 4 Laned BOT project of 30Km.

NHDP (Phase IIIB) covers a length of 6,063.00 kms and has been planned completely on BOT basis. The state wise length to be constructed under Phase IIIB as on August 31, 2006 is given below:

State	Length (Km)	State	Length (Km)
Andhra Pradesh	222.00	Maharashtra	332.00
Arunachal Pradesh	22.00	Manipur	113.00
Assam	613.00	Meghalaya	136.00
Bihar	777.00	Mizoram	140.00
Chattisgarh	51.00	Nagaland	28.00
Goa	208.00	Orissa	143.00
Gujarat	421.00	Punjab	101.00
Jammu Kashmir	101.00	Rajasthan	468.00
Jharkhand	190.00	Tamil Nadu	361.00
Kerala	451.00	Tripura	195.00
Madhya Pradesh	619.00	Uttar Pradesh	371.00
Total			**6,063.00**

Besides the above, the National Highway stretches identified for 6 laning under NHDP Phase V are given below:

Stretch	Length (Km.)	Estimated Project cost (Rs. in crores)
Delhi- Jaipur	227	795
Cheenai-Tada	51	179
Nellore-Rajamundri	460	1610
Rajamundri-Visakhapatnam	165	578
Jagatpur-Cuttack-Bhubneshwar-Khurda	70	245
Kharagpur-Dhankuni	120	420
Dhankuni-Panagarh-Barwa Adda	206	721
Agra-Delhi	180	630
Satara-Katraj	109	382
Bangalore-Harihar	206	721
Kapur-Allahabad(Phase-II)	200	700
Total	**1,994**	**6,981**

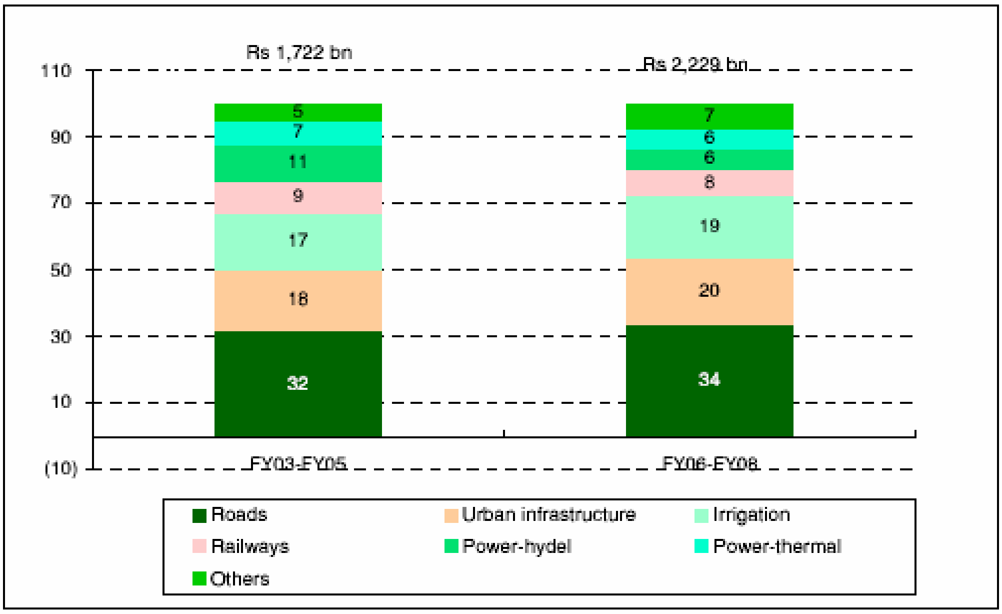
Within Phase VI of the NHDP program, the Vadodara-Mumbai Expressway has been identified for development as 6 lane highway under BOT as Design, Build, Finance and Operate (DBFO) pattern covering a length of 400 kms.

Future outlook - road sector

(Source: CRIS INFAC Construction report, February 2006)

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

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

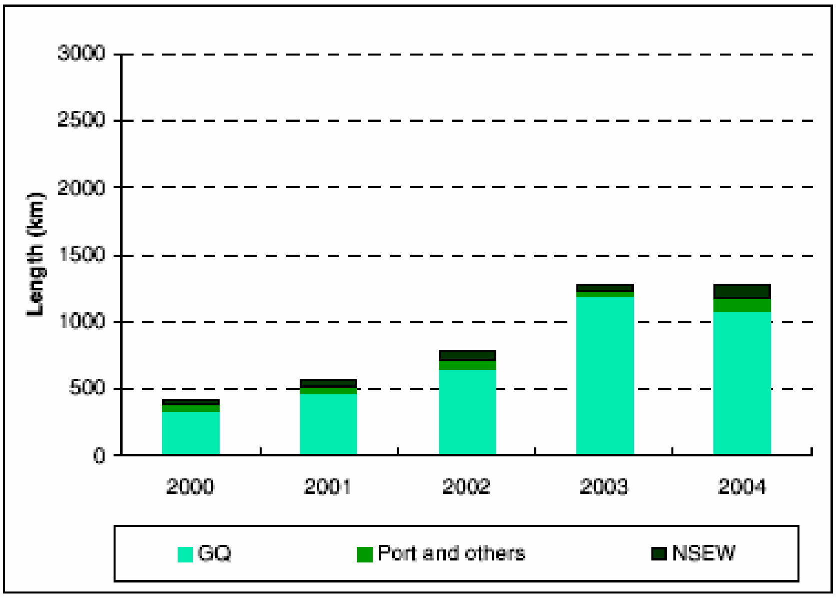


Source: Plan documents and CRIS INFAC

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

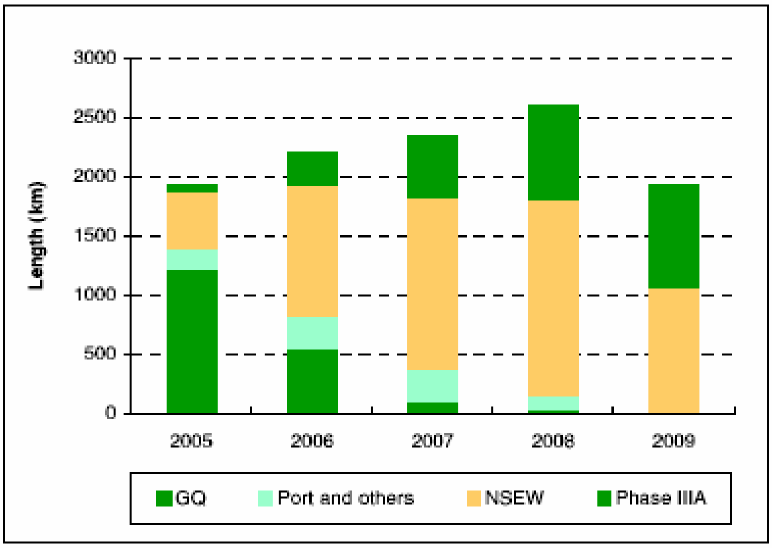
The levels of road activity in the past and expected under NHDP (upto Phase IIIA) are given below:

Past implementation activity



Source: CRIS INFAC

Future expected implementation activity



Source: CRIS INFAC

Railway sector

(Source: www.rvnl.org)

The Government of India has conceived a massive investment plan for rail sector to eliminate capacity bottlenecks on Golden Quadrilateral and Diagonals to provide strategic rail communication links to ports, construction of mega-bridges for improving communication to the hinterland and development of multi-modal transport corridors. This initiative has been given the name of National Rail Vikas Yojana and was launched on December 26, 2002. The National Rail Vikas Yojana comprises the following investment planning components:

- Strengthening of Golden Quadrilateral and Diagonals connecting the 4 metro cities i.e. Delhi, Mumbai, Chennai and Kolkata.
- Providing Rail based port-connectivity and development of corridors to hinterland including multi-modal corridors for movement of containers.
- Construction of 4 mega bridges at Patna and Munger on river Ganga, at Bogibeel on river Brahmputra and at Nirmali on river Kosi.

Future Outlook

The year wise proposed investment for 2003-04, 2004-05 to be given and proposed investment on the projects during the subsequent 4 years is as under:

Rs. in million

Financial Year	Proposed Investment
2003-04	5,000
2004-05	10,000
2005-06	30,000
2006-07	40,000
2007-08	35,000

Afghanistan

Overall market Scenario
(Source: 2006 Afghanistan Country Commercial Guide)

Afghanistan is rebuilding after over 20 years of conflict and is currently transitioning from a state-based model to a free market economy. The new government is working to improve the country's physical infrastructure, which was largely destroyed, while at the same time struggling to provide basic services and humanitarian assistance to a growing population with some of the most challenging social indicators in the world. A multi-billion dollar international effort to help reconstruct Afghanistan is underway, led by the United States and other international donors. Many current business opportunities are linked to these reconstruction efforts.

In April 2004, President Hamid Karzai declared Afghanistan "open for business." While the Government has taken numerous steps to create attractive conditions for foreign investment, there is much more to be done, particularly in completing the process of reforming the legal and regulatory framework.

Economic growth has been dramatic over the past three years. The IMF estimates that official GDP growth averaged 22.5 percent between 2002 and 2004; estimates annual growth in Afghanistan's 2004/2005 fiscal year (the fiscal year ending March 21, 2005) at 7.5 percent; and projects 14 percent growth in FY 2005/2006.

The currency reform was completed in early 2003. Since then, inflation has been relatively low and the nominal exchange rate stable. The tax code was restructured and clarified in 2005. Trade has increased dramatically with both imports and exports growing at double-digit levels. Customs tariffs have been rationalized, existing trade agreements have been renewed and new agreements entered into force.

The economy is dominated by small-farm agriculture and 80-90 percent of all economic activity remains informal. Illicit opium production remains a major activity and accounts for nearly a third of total licit and illicit GDP. The IMF estimates illicit GDP at $5.9 billion in FY2004/2005. Investment is estimated to represent 22 percent of GDP. Over $1.5 billion in new investment has been registered since 2003. The bulk of this figure represents public investment financed through donor aid. One-third of this is foreign direct investment (FDI.) More than half has been in construction and construction material; the remainder split equally among industry and services.

Turkey is the largest single investor and accounts for over a fifth of all registered FDI. The United States is second with 17 percent of investment, followed by China and the UAE at less than ten percent and Pakistan and Iran at five percent. The IMF estimates Afghanistan exported $457 million and imported $3.86 billion in FY2005.

Afghanistan's top export markets are Pakistan, India and the European Union. Imports primarily come from China, Japan, Pakistan, the Central Asian Republics and the European Union. The U.S. Department of Commerce estimates U.S. exports to Afghanistan were approximately $257 million and non-assistance related imports were approximately $69 million in 2005. Afghanistan's history and location give it the potential to develop into a vital trade and transit hub for the region.

Infrastructure sector overview
(Source USAID website)

Many of Afghanistan's institutions and much of its infrastructure have been destroyed as a result of neglect and unrest. The agency which is primarily involved in rebuilding Afghanistan is USAID. USAID is building and refurbishing infrastructure to boost economic growth and agricultural yields, connect rural Afghans to services, and provide facilities for better education, healthcare, civil society and local governance.

USAID has been involved in various programs for rebuilding Afghanistan, some of which are outlined below:

Road Reconstruction Program

USAID is reconstructing farm-to-market roads, provincial and district roads, and the "Ring Road". Afghanistan's regional and national road system which links the major cities and economic centers affects over 60 percent of the population living within 50 kilometers of the regional highways "Ring-Road" that includes Kabul to Kandahar highway. More than half of the roads were damaged due to the neglect of maintenance during the years of war. To date, USAID has reconstructed:

- 421 km of farm to market roads and 116 km of district roads.
- 704 km of national and provincial roads.
- 389 km of Kabul-Kandahar Highway and 246 km of Kandahar-Herat Highway, both part of the "Ring Road" which links the main cities of Kabul, Kandahar and Herat.
- In total 1,195 km of secondary as well as national and provincial roads and 635 km of regional highway for a sum of 1,830 km of roads nationwide.

Agriculture and Water

USAID has helped increase agricultural production through better irrigation and storage facilities. Greater production, combined with improved access to markets due to better road infrastructure, have improved Afghan livelihoods and provided alternatives to poppy cultivation. Improved water management has also led to improved health and sanitation. USAID has:

- Built 147 market centers.
- Built 11 cold storage facilities.
- Constructed 605 km of canals and 340 irrigation structures. Installed 18 km of water pipelines.
- Completed 1,260 wells and 3,250 latrines.

Energy

USAID is providing critical energy sources to Afghans by refurbishing the Kajaki Hydroelectric Power Plant. This plant generates most of the power transmitted to the southern part of the country. Units 1 and 3 have been completed, and unit 2 is underway. Construction has begun on the Aybak distribution system, which will expand power access to 3,300 new customers in northeast Afghanistan.

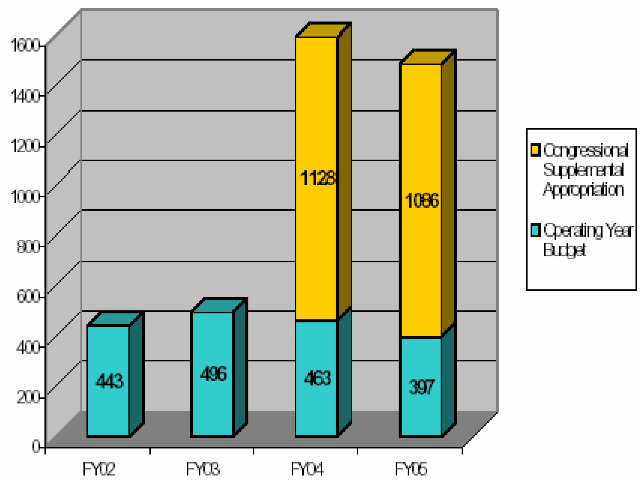
Telecommunications

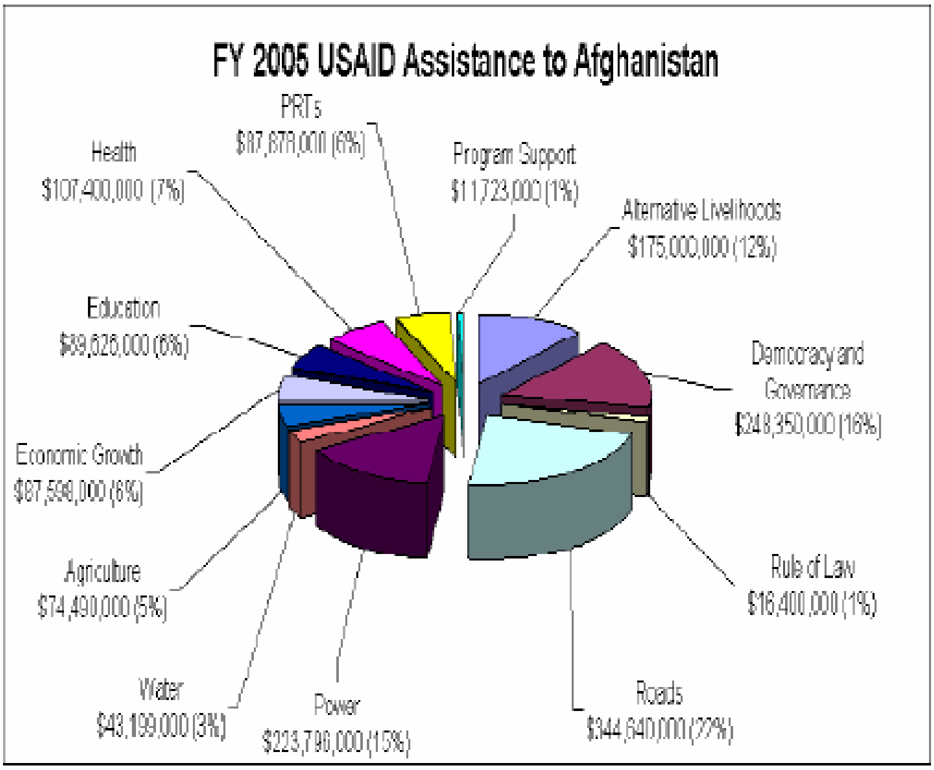
Currently 26 of 33 provincial communications network facilities are operational. This marks the first step in the installation of provincial/district telecommunications networks, which will enhance private sector growth and assist local government.

USAID has, in its initiatives as given above, been supported by various implementing partners such as Advanced Engineering Associates, Louis Berger Group Inc., United Nations Development Program, etc.

Funding assistance by USAID to Afghanistan in FY05

USAID funding in FY05 to Afghanistan and the sector wise distribution thereof is given below:





Future Outlook
(Source: Joint State - USAID Plan for 2005-2010)

The Joint State - USAID Plan for 2005-2010 provides for various objectives including rehabilitation of the rural economy, improving economic policy and governance, developing financial organizations and services, increasing trade and export, and repairing and expanding the infrastructure for energy, transport, and water services which is in line with the Afghan Government's strategic focus on creating an enabling environment for private sector led growth.

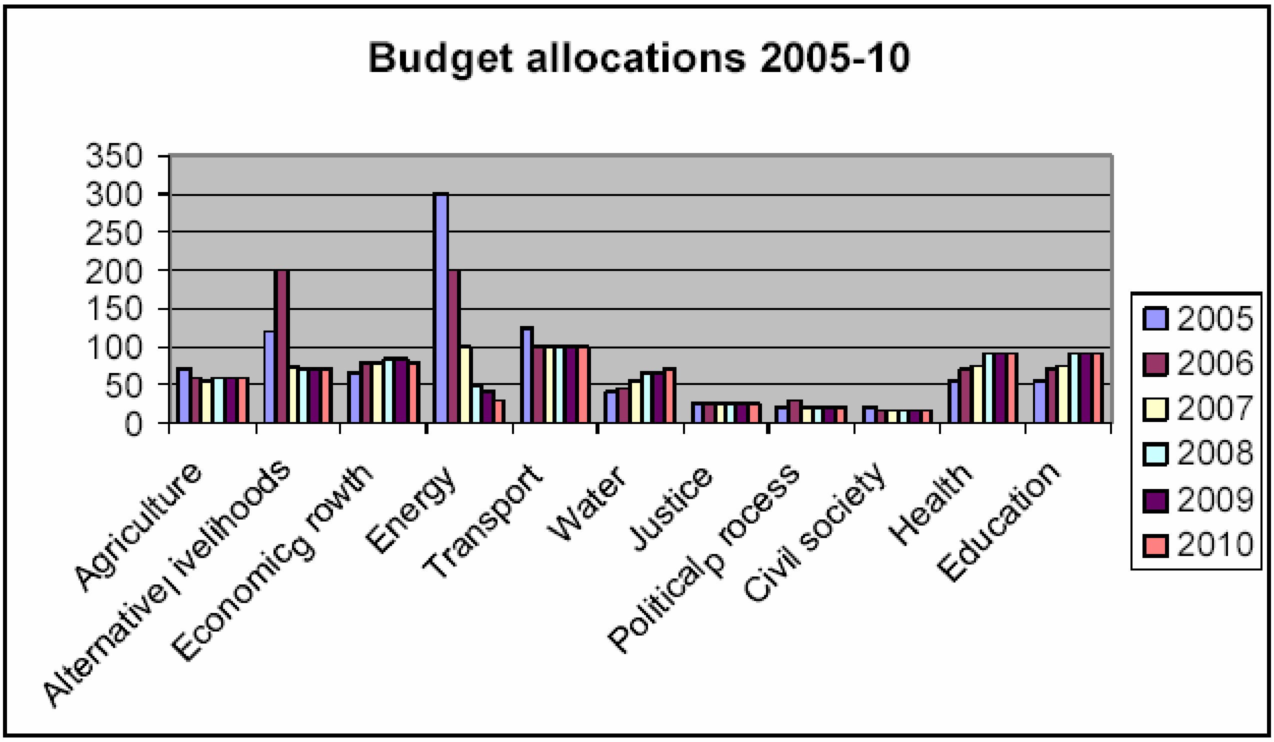
The projected budget allocations for building infrastructure, economic growth and agriculture is as follows:

Year	Projected budget allocation (In Million USD)
2005	1,067
2006	196
2007	425
2008	425
2009	425
2010	420

(Source: Joint State - USAID Plan for 2005-2010)

The primary funding agencies for the amounts given above are USAID, World Bank, Asian Development Bank, amongst others.

The budget allocations for the above years as categorized into various heads of expenditure are given below:



(Source: Joint State - USAID Plan for 2005-2010)

OUR BUSINESS

Overview

We are an infrastructure project development company that provides engineering, procurement and construction services for infrastructure projects in India and Afghanistan. Our project expertise is primarily in transportation engineering projects including roads, bridges flyovers and airport runways.

We were incorporated in July 1996 by professionals having experience in the field of infrastructure development. Since our incorporation about a decade ago, we have acquired expertise in EPC contracts, and have also recently forayed into urban infrastructure projects.

We have executed infrastructure projects in the past independently and in joint ventures. Currently, all projects under execution are with our joint venture partner, BSCPL Hyderabad. We have been working with BSCPL for the past five years.

As part of our international operations, we have been present in Afghanistan since 2003. After years of civil strife, various multilateral agencies such as USAID, World Bank, ADB, etc. took upon themselves the reconstruction of Afghanistan. We have since 2003 executed projects funded by such agencies. A highlight of our operations is that we have throughout functioned under inclement operating and adverse security conditions.

Our major clients include:

- National Highways Authority of India;
- Airports Authority of India;
- Public Works Department of various State Governments;
- Punjab Infrastructure Development Board;
- Public Works Department, Afghanistan;
- The Louis Berger Group, Inc;
- RITES Limited; and
- UNOPS.

Our existing projects include:

- Three projects on the East West Corridor in Bihar involving widening and strengthening of the existing single/ intermediate lane into a 4 lane road under NHDP, Phase II;
- Two projects in Afghanistan involving construction, rehabilitation and upgradation of various road stretches including construction of culverts, bridges and drainage works;
- Widening and upgrading the existing carriageways to multilane carriageway for a High Capacity Bus System in Delhi; and
- Design, Engineering, Finance, Construction, Operation and Maintenance of Kurali - Kiratpur Section from km 28.600 to km 73.200 of NH-21 under NHDP Phase IIIA on Build, Operate and Transfer basis

As on December 31, 2006, we had about 1,694 employees including those of our joint ventures, of which 313 were engineers. Out of the total number of employees, 177 employees, comprising of 73 technical and 104 non-technical staff, are on our rolls and the remaining 1,517 employees, comprising of 738 technical and 779 non-technical staff, are on the rolls of our joint ventures. We have a large fleet of sophisticated construction equipment, including crushers, excavators, cranes, batching plants, pavers, all of which are owned directly by us or are owned through our joint ventures. We believe that our employee resources and fleet of equipment, along with our engineering skills and capabilities, enable us to successfully implement a wide variety of construction projects that involve varying degrees of complexity. We have also received accolades and appreciation certificates for some of our projects, such as the resurfacing and extension of runway at Amritsar Airport, construction of the Kandahar-Spinboldak road project, etc.

In the years ended June 30, 2004, 2005 and 2006, our contract revenues were Rs. 1,636.12 million, Rs. 1,719.71 million and Rs. 2,117.32 million, respectively. In the years ended June 30, 2004, 2005 and 2006, we earned profit after tax of Rs. 282.40 million, Rs. 288.16 million and Rs. 309.03 million, respectively. Our contract revenues and profit after tax for the period from July 1, 2006 to August 31, 2006 were Rs. 570.21 million and Rs. 60.43 million. Our order book, which includes un-commenced projects and the unfinished and uncertified portions of our projects, was Rs. 5,737.31 million as of October 31, 2006, 2006 compared to Rs. 1,087.24 million as of June 30, 2005. The revenue composition for the past 4 years and the period from July 1, 2006 to October 31, 2006 is given below:

(Rs. in million)

CONTRACT REVENUE		YEAR ENDED JUNE 30			
	July 1, 2006- October 31, 2006	2006	2005	2004	2003
Executed independently	27.82	624.68	408.34	388.87	450.02
Share of joint venture	542.39	1,492.64	1,311.37	1,247.25	404.89
TOTAL	**570.21**	**2,117.32**	**1,719.71**	**1,636.12**	**854.91**

Our Strengths

- ***High profitability margins and continued growth***

  We have experienced continued growth in our revenues and profitability in recent years. Our revenue has increased from Rs. 864.18 million in FY03 to Rs. 2,380.36 million in FY06. During the same period, our profit after tax has grown from Rs. 130.85 million to Rs. 309.03 million. Our EBIDTA and PAT margins for FY06 were 24.89% and 12.98% respectively. Our profit margins are attributable to our ability to focus on high growth and high revenue potential projects. Our Afghanistan operations also have comparatively higher operating margins which have translated into higher PAT margins.

- ***Ability to execute projects in difficult operating conditions in a timely manner***

  We have been successfully operating in difficult operating terrains and in adverse weather conditions besides facing unavailability of key resources like personnel, material, machinery in the vicinity of our project sites and security challenges, etc. We have been able to mobilise resources including equipment, raw material and personnel to our project sites at short notice. Besides, we have built up storage facilities for critical materials, such as for bitumen in Afghanistan. We commenced our operations in Afghanistan in FY2003 at a time when the Afghanistan Government departments were restructuring themselves, which posed administrative issues, despite which we were able to execute our projects within the contracted timelines. For timely mobilization of our Afghanistan operations, we undertook various measures including transporting construction equipment through aeroplanes and chartered ships. Our projects, particularly in Afghanistan, require logistics planning to maintain supply of materials and equipment besides co-ordinating extensively with the other contractors. Besides, we have successfully operated in Afghanistan without any major accidents despite the terrain being extensively ridden with mines.

- ***Continuous growth in our bid capacity and pre qualification capability***

  Our business and growth are dependent on our ability to bid for and secure larger and more varied projects. Bidding for infrastructure projects is dependent on various criteria, including, bid capacity and pre qualification capability. Bid capacity represents the aggregate value of the contracts that can be awarded to us, and is computed based on pre defined formulae of agencies such as NHAI, ADB, World Bank, USAID, etc. Bid capacity also includes the highest possible value of a single project that can be awarded to us. In addition to meeting bid capacity requirements, we may also be required to pre qualify for the projects. This includes various factors such as the technical capability and experience of having executed similar projects. Hence, it is imperative to enhance our bid capacity and pre qualification capability. We have focussed on increasing both these parameters and have continuously increased our bid capacity and the largest order that we can bid for; the same has been illustrated below:

(Rs. in million)

Date of Assessment	Bid capacity	Qualification in terms of single largest order
July 1, 2002	3,143.80	797.78
July 1, 2003	4,746.12	1,302.27
July 1, 2004	9,388.97	2,303.43
July 1, 2005	10,327.87	3,296.32
July 1, 2006	11,871.64	4,473.85

Note: The computation is based on NHAI formulae and have been computed based on audited financials for the preceding financial year, i.e. computation as on July 1 is based on audited financials of the immediately preceding financial year ended June 30.

- ***Acumen in sourcing and maintaining supply chain for raw material and achieving benefits of backward integration***

  Our management places emphasis on the sourcing and logistics for raw material such as aggregate, bitumen, etc. Our ability to source key raw materials close to our operating sites has resulted in reducing our transportation costs. Procurement of aggregate from our captive quarries have also enabled an assured supply on a timely basis at reasonable prices. We have also setup mechanical lines for loading and unloading and used railway siding at some of our sites for transportation of material.

- ***Sustained growth of our Afghanistan operations which has built high levels of credibility regarding our construction expertise***

  Historically, a portion of our operations and revenues have been from Afghanistan where we have been operating since the year 2003 where we have deployed substantial resources in terms of our management's time, capital equipment, etc. Our Afghanistan operations cater to projects that are funded by agencies such as for USAID, World Bank, ADB and are executed through international contractors such as Louis Berger, etc. These projects fall within the ambit of "Rebuilding Afghanistan" program which would continue up to FY09. We have been able to execute our projects within our contracted timelines with requisite quality standards and have as a result been able to generate repeat business with international contractors like Louis Berger. We also have an edge over our competitors due to presence of our machinery in Afghanistan which enables quick mobilization and also have good local contacts enabling smooth execution. Our Afghanistan operations also enable us to obtain premium pricing and assured payments.

- ***Highly qualified management team and experienced employee base***

  We believe that a well-trained, motivated and satisfied employee base is fundamental to our competitive advantage. As on December 31, 2006, we had about 1,694 employees including those of our joint ventures, of which 313 were engineers. Out of the total number of employees, 177 employees, comprising of 73 technical and 104 non-technical staff, are on our rolls and the remaining 1,517 employees, comprising of 738 technical and 779 non-technical staff, are on the rolls of our joint ventures. The skill sets of our employees give us the flexibility to adapt to the needs of our clients and the technical requirements of the various projects that we undertake. We are committed to the development of the expertise and know-how of our employees through regular technical seminars and training sessions organized or sponsored by our Company.

  Most of our promoters also have expertise and experience in the road construction sector and are actively involved in day to day operations. The experience gathered over the years by our management team enables taking quick decisions thereby ensuring that projects are executed within the contracted timelines. This also enables us to meet required standards of quality and efficiency.

- ***Ownership of high end equipment***

  We have ownership of critical high end and modern construction equipment such as crushers, excavators, cranes, batching plants, pavers, etc. Our asset base as on October 31 2006 stood at Rs. 980.45 million. Ownership of such high end equipment enables quick mobilization besides ensuring continuous availability of critical equipment. This ownership model of equipment aids us in Afghanistan by giving us an edge over competition.

Our Strategy

Our growth strategy consists of the following principal elements:

- ***Maintain performance and competitiveness of existing business***

  We believe that infrastructure will be a major driver for growth in the Indian construction industry in the foreseeable future due to increased levels of government and private industry investment in infrastructure. Additionally, the government has taken steps to encourage additional investments in infrastructure, and providing economic benefits to private sector participants for projects executed on a BOT or annuity basis. Thus, there will be numerous opportunities for infrastructure creation. In anticipation of the trend toward increased infrastructure investment, we are developing skill sets across a diverse portfolio of infrastructure projects including roads, bridges and flyovers and tunnels. We have also continually focussed on increasing our bid capacity and prequalification ability to enable us to bid for larger projects. A key element of our growth strategy is to, besides committing to grow through expansion, seek to improve the performance and competitiveness of existing activities, i.e. in the construction of roads, bridges, flyovers and airport runways.

- ***Bid for, win and bid for BOT and other annuity projects***

  The government has planned for a number of BOT projects across the road sector, which we intend to bid for. In due course, we also intend to diversify into BOT contracts in sectors including hydro power, power transmission, railway bridges, telecom towers, etc. We believe that such projects will increasingly become more prevalent in the coming years because of the government's reliance on the 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 increase our focus 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 or in alliance with other construction companies.

- ***Develop and maintain strong relationships with our clients and strategic partners***

  Our services are dependent on winning construction projects undertaken by large government agencies and companies, and infrastructure projects undertaken by governmental authorities and others and funded by governments. Our business is also dependent on developing and maintaining strategic alliances with other contractors with whom we may want to enter into project-specific joint ventures or subcontracting relationships for specific purposes. Currently, we have an established relationship with BSCPL, Hyderabad and Louis Berger, with whom we have executed numerous projects in the past and projects which are in progress. We will continue to develop and maintain these relationships and alliances. Besides, we have also, in the past, bid for various projects jointly with other Indian and International construction companies. We intend to establish strategic alliances and share risks with companies whose resources, skills and strategies are complementary to our business and are likely to enhance our opportunities. We will continue to jointly bid for projects with other companies to build good working relationships with domestic and foreign companies which would enable us to leverage their strengths and to build competencies.

- ***Diversify into Urban Infrastructure projects***

  We have recently bagged an order for the High capacity bus system at Delhi with an order value of Rs. 645.38 million. We intend to focus on similar urban infrastructure projects in roads, elevated highways, metro related contracts, parking lots, etc by bidding for such projects. We intend to venture into these projects on BOT basis as well as pure contracting basis.

- ***Focus on international operations***

  We would continue to focus on our Afghanistan operations in view of the infrastructure requirements in the country. Further, our presence in Afghanistan also gives us a competitive edge in terms of shorter mobilization periods and access to resources leading to successful and timely execution. As we have successfully demonstrated the ability to operate in new and challenging territories, we intend to capitalize on the same and explore opportunities in other countries.

Our Business Segments

Infrastructure

We commenced our construction projects by undertaking two contracts of Rs. 0.3 million each and presently have a pre-qualification capacity to quote for contracts over Rs. 4.4 billion. All our projects are meticulously planned in terms of material, manpower, machinery and finance. Our top management is involved hands on in the day to day affairs and ensures timely availability of all resources. This meticulous planning has enabled us to work in logistically difficult terrains and inclement operating conditions.

Some of the projects which we have completed during the preceding few years are summarized as follows:

- *Kabul-Kandahar Highway - Section-"E"*

  This stretch of the Kabul-Kandahar Highway was the first USAID project in Afghanistan. This road construction project was awarded to our JV with BSCPL. This project comprised of developing a stretch of 85 kms into a motorable road. Since this was a pioneer project of USAID and the first in Afghanistan, we were exposed, to a difficult working environment and security threats. Despite this, we completed this project within a short span of seven months and the road was opened to traffic within the deadline of December 2003.

- *Kandahar-SpinBoldak road*

  This project was also sponsored by ADB and involved construction of a road with a length of 103 kms. This project was also in a sensitive area of Afghanistan and involved connecting the major Afghanistan city of Kandahar to the border of Pakistan. This road construction project was awarded to our JV with BSCPL. There were numerous operating challenges in spite of which, the project was completed in November 2005.

- *Extension of Runway at Port Blair*

  This project involved extension & strengthening of the existing runway in the remote Andaman & Nicobar island. There were logistics and scheduling challenges since all major materials, viz. Bitumen, Cement and Steel, etc. had to be transported from the main land at a distance of more than 1,200 kms. This project was successfully completed in April 2005.

- *Guwahati Bypass*

  The construction of the Guwahati Bypass was awarded by NHAI to a joint venture formed by our Company and two other companies by the name of BLA-CISC-C&C 'JV'. The Bypass was constructed around the city of Guwahati and was situated in a security sensitive area. This project was completed in June 2004.

- *Kandahar-Herat Highway in Afghanistan*

  The project involved renovation and reconstruction of a stretch of 101 kms and is a part of the Kandahar-Herat Highway Improvement project Phase-II, Package-V which is funded by USAID. This project was awarded to our JV with BSCPL by the Louis Berger Group Inc., USA (LBGI) for a contract value of Rs. 1,107.80 million. This project comprises of renovation and reconstruction of the entire length along with cross drainage works of culverts, bridges and other drainages. The time limit for the completion of the work is 15 months. This project involved construction of a stretch on the Kandahar-Herat road to the city of Herat along the Iranian border in Eastern Afghanistan.

- Lashkargah to Ring Road in Afghanistan:

  The Lashkargah to Ring Road involves construction of a road stretch of 43 kms and is funded by USAID through UNOPS, Kabul, Afghanistan. The consultant to the project is LBGI. The scope of the work includes construction of culverts, cause ways and other drainage works and falls in southern Afghanistan. This project was awarded to our JV with BSCPL. The awarded value of the project is Rs. 295.78 million and the time limit for completion is 12 months.

Some of the projects which we are currently executing are summarized as follows:

- *Taloqan-Kishem Road in Afghanistan:*

  The rehabilitation of Taloqan-Kishem road is funded by the World Bank and awarded by the Ministry of Public Works, Islamic Republic of Afghanistan. The contract value is Rs. 503.56 million. This project was awarded to our JV with BSCPL The scope of the project includes rehabilitation and up-gradation of a road stretch of 67 kms to 4-lane road including construction of culverts, bridges and other drainage works along with road furniture. This road falls towards Tajakistan border in Northern Afghanistan.

- *Jalalabad-Asmara Road in Afghanistan*

  This project involves reconstruction of a road stretch of 124 kms through the towns of Jalalabad and Asmara which are towards the Pakistan border in Eastern Afghanistan. The project is funded by USAID through UNOPS, Kabul and the consultants are LBGI. This project was awarded to our JV with BSCPL The scope of the project comprises reconstruction of the project road including construction of culverts, causeways and other drainage works at a contract value of Rs. 914.72 million.

Common highlights of our aforesaid Afghanistan projects

The construction projects in Afghanistan required mobilization of machinery and technical work force from India and materials from Pakistan and India. Weather conditions in Afghanistan, particularly in winters, witness excessive snowfall and rains and result in logistics issues which have to be dealt with. The stone aggregates are produced at our own crushers installed at the sites for which the local boulders are used. The continuous security threat and numerous incidents of terrorists' activities also make it difficult to arrange technical staff/engineers from India as well as in attaining optimum utilization of the work force and machinery. However, our JV BSC-C&C 'JV' has achieved timely completion of the difficult projects such as the "Kandahar-SpinBoldak road" and has received appreciation from the Ministry of Public Works, Islamic Republic of Afghanistan.

Besides the above, we are executing the following road construction projects in India along with our joint venture partner, BSCPL vide various joint ventures:

- Widening and strengthening to 4-lane of existing single/intermediate lane carriageway of NH-57 Section from Km 155.00 (Kosi western ring bund) to Km 110.00 (Jhanjharpur) in the State of Bihar on East West Corridor under NHDP, Phase-II having a contract value of Rs. 1,917.12 million.
- Widening and strengthening to 4-lane of existing single/intermediate lane carriageway of NH-57 Section from Km 69.80 to Km 37.75, in the State of Bihar on East West Corridor under NHDP, Phase-II having a contract value of Rs. 1,676.50 million.
- Widening and strengthening to 4-lane of existing single/intermediate lane carriageway of NH-57 Section from Km 37.75 to Km. 0.00, in the State of Bihar on East West Corridor under NHDP, Phase-II having a contract value of Rs. 1,615.01 million.

Common highlights of our road construction project on National Highway 57

The rehabilitation and up-gradation of existing roads to four lanes of NH-57 in the State of Bihar were awarded to our JV with BSCPL by the NHAI and include construction of culverts, bridges and other drainage works. The time for completion for each of these contracts is 30 months. For each of these project sites, we have mobilized the requisite workforce and machinery, setup camp offices, and have installed crushers for production of aggregates.

Urban Infrastructure

We have recently forayed into urban infrastructure where we are executing construction work related to widening/ modification of roads to create multiple lanes of existing carriageways for High Capacity Bus System in Delhi. This project has been awarded to our JV with BSCPL. Brief details of the project are given below:

- *Construction of the High Capacity Bus System in Delhi*

  The project comprises of a 15 kms road stretch from Dr. Ambedkar Nagar to Delhi Gate for widening and up-grading of the roads to convert the existing carriageways to multiple facility carriageway to accommodate a High Capacity Bus System in Delhi (including street light & drainage works) at a cost of Rs.645.38 million. The contract was awarded to our joint venture, BSC-C&C 'JV' by the Transport Commissioner, State Government of New Delhi. This project is part of planning of the Delhi Government's roadmap for improvement of roads and public transportation facilities for the 2010 Commonwealth Games. The execution of such projects in Delhi is of a specialized nature since construction activity is not possible during the day due to heavy traffic and can only be done during the night with requisite steel barricading. The scope of work primarily includes four laning of the existing carriageways and providing concrete pavements, street lighting and drainage facilities.

BOT based projects

- As part of our strategy, we have recently forayed into the BOT road construction projects where our joint venture BSC-C&C has been awarded the Design, Engineering, Finance, Construction, Operation and Maintenance of Kurali - Kiratpur Section from km 28.600 to km 73.200 of NH-21 under NHDP Phase IIIA on Build, Operate and Transfer basis (BOT) vide NHAI letter of acceptance (ref. NHAI/BOT-II/11019/3/2006/704/COM) dated December 1, 2006. The same has been accepted by the bidders to this project. The Special Purpose Vehicle for the execution of this project is being formed in the name of 'BSC-C&C Kurali Toll Road Limited'. Further, the performance security has been issued in favour of NHAI on January 5, 2007. The project involves a grant of Rs. 439.2 million and has a concession period of 20 years including the construction period of 30 monthsThe total value of this project is estimated to be Rs. 3,800 million which would be funded through a mix of debt and equity. Of the total equity contribution of Rs. 1,734.69 million, our Company's share would be Rs. 850 million.

- We have also been adjudged as L1 bidder, for the project for supply of 132KV Transmission Lines Tower Package (including supply of conductors and insulators) associated with the Bihar Sub Transmission System, Phase-II Project of the Bihar State Electricity Board ("BSEB") under the Vendor Development Program initiated by the Power Grid Corporation of India Limited. The total value of this project is estimated to be Rs 389.48 million.

Selection of BOT projects

Selection of BOT Project is a very precise job where we are required to make an assessment of cost of construction and traffic and growth thereon. As a policy the following process is followed in choosing a BOT Project.

- Selection of a project is done on the basis of our ability to complete the job in time.
- For specified and selected projects, a traffic survey using modern forecasting tools is undertaken. The growth potential of traffic is then assessed. This traffic survey is conducted by experienced organizations and the data collected is validated by our own checks.
- Cost is estimated for the project at the current level which can best be an estimate since DPRs are not available at this point of time.
- The Project is then put through a financial engineering model and only projects which offer us the requisite rate of return on our investment are chosen for bidding.
- Above all the current balance sheet, qualification factor and the current order book are the major factors which are also considered before selecting any BOT Project.

The key processes involved in BOT projects after completion of bidding are given below:

a) Issue of Letter of Acceptance by NHAI.

b) Acceptance of the same by the bidders. Acceptance to be given within 7 days.

c) Formation of a Special Purpose Vehicle (SPV) for execution of the project. The Concessionaire shall be SPV.

d) Issue of Performance Security by the Concessionaire within 30 days from the date of acceptance.

e) Signing of the Concessionaire Agreement within 45 days of the date of acceptance.

f) Appointment of an independent consultant as per the procedure laid down in the Concessionaire Agreement within 120 days from the date of signing of the agreement.

g) Conditions precedent to financial closure to be satisfied within 180 days from the date of signing of the agreement.

h) Financial closure to be achieved within 180 days from the date of signing of the Concessionaire Agreement.

Our Company's bid for supply of 132KV Transmission Lines Tower Package (including supply of conductors and insulators) associated with Bihar Sub Transmission System, Phase-II Project of Bihar State Electricity Board ("BSEB") under Vendor Development Program has been adjudged as the L1 Bid. This project has been initiated by Power Grid Corporation of India Limited.

Quarrying operations

One of the primary raw materials required for all road constructions projects is stone aggregate. Stone aggregate is crushed material from boulders and is procured either by blasting mountains or from the river bed. We procure stone aggregate through our owned crushers or through third party vendors. As a policy, we generally obtain the requisite quantity of stone aggregate through our owned crushers.

On award of a construction project, we identify the nearest source to obtain boulders. After identifying the source, land leases are obtained from the Government to extract the boulders. The process of identifying a source also includes the testing of material from the source and getting it approved from the client. We also carry out various tests to check suitability of the aggregate such as impact value, flackiness, water absorption, etc. Once the material has passed all requisite tests, planning is done for arriving at the extraction process. In case of river boulders, extraction is done with the help of excavators and dumpers. In case of mountains being the source, drilling and blasting is done for extraction of boulders. After collection of boulders, crushing process commences. The configuration of crushers depends on the quantity and specification of aggregate required. Normally, the crusher consists of a primary jaw followed by crane crushers and then the barmac crushers.

Key features of each of our crushing sites

- Nawada crusher: The stone aggregate is being used for two of our Bihar projects, BR 8 and BR 9.The stone is sourced from a quarry and boulders of the size upto 500 mm or 0.5 meter and fed to 2 crushers of 200 tons/hour capacity. These crushers consist of three stage crushing units, viz. a primary jaw, two secondary combs and a tertiary VSI (Vertical shaft impacter, a crushing technology). Our crusher consists of a three stage crushing unit to ensure good quality of stone aggregate. The effective output is 400 tonnes/hour and we expect this unit to produce about 25 lac tones of crushed material over the next 24 months.

- Nepal crusher: This crusher is situated at a distance of about 103 kms form the project site BR 6 and would consist of one crusher of 200 tonnes/hour capacity with three stage crushing capability. We are also in negotiation to get a local customs station shifted to a nearer location, which, if finalized, would further reduce the distance by 40 kms. This crusher is operated through our Joint venture Company, BSC-C&C (JV) Nepal Private Limited where we hold 50% equity.

- Port Blair crusher: This crushing unit was initially setup to supply crushed material to our airport project at Port Blair with a capacity of 150 tonnes/hour. Subsequently, after completion of our airport project, we converted this crusher to a sand manufacturing unit and the production is sold locally. This conversion has enabled us to utilize our capital cost on the crusher effectively.

Balance Order Book as on October 31, 2006

Our order book comprises the unfinished and uncertified portion of projects that we have undertaken and includes the value of sub-contracting agreements that we enter into with our joint ventures for work to be performed by us. In our industry, the order book is considered an indicator of potential future performance since it represents a portion of the likely future revenue stream. Our strategy is not focused solely on adding contracts to the order book but instead is focused on capturing quality contracts with potentially high margins. Our order book as of October 31, 2006, was Rs. 5,737.31million. The orders in our order book are subject to cancellation and modification provisions contained in the various contracts and other relevant documentation. The following table sets forth the value of our order book as of October 31, 2006:

Name of Project	Client	Location	Estimated contract value (Rs. in Million)*	Scheduled completion date
Road Construction Projects - India				
Project for widening and strengthening to 4-lane of existing single/intermediate lane carriageway from Km 155 to Km 110, Bihar under NHDP-Phase II (C-II/BR-6)	NHAI	Bihar	1,883.00	May, 2008
Project for widening and strengthening to 4-lane of existing single/intermediate lane carriageway from Km 69.80 to Km 37.75 (Darbhanga), Bihar under NHDP-Phase II (C-II/BR-8)	NHAI	Bihar	1,654.76	May, 2008
Project for widening and strengthening to 4-lane of existing single/intermediate lane carriageway from Km 37.75 to Km 0.00 (Muzaffarpur), Bihar under NHDP-Phase II (C-II/BR-9)	NHAI	Bihar	1,591.49	May, 2008
Road Construction Projects - Afghanistan				
Rehabilitation of a road stretch of 67 kms on the Taloqan-Kishem road	Ministry of Public Works, Islamic Republic of Afghanistan	Afghanistan	384.12	July, 2007
Reconstruction of a road stretch of 124 kms on the Jalalabad - Asmara road	UNOPS	Afghanistan	198.05	December, 2006#
Others			41.82	
Total			**5,737.31**	

 # An extension of 3 months ending March 31, 2007 has been sought for the completion of the project as the same could not be completed on account of unfavourable weather conditions.

**: Contract value represents our share of the joint venture*

Additionally, in September 2006 our Company has secured a contract from the Government of the NCT of Delhi for widening and modification of 15 km of roads to create multiple lanes of existing carriageway for the High Capacity Bus System, from Ambedkar Nagar to Delhi Gate, New Delhi. The estimated contract value of this project Rs. 645.38 million and the expected date of completion is December 2007.

Furthermore, we have, through our joint venture BSC-C&C, also been awarded a contract for Designing, Engineering, Finance, Construction, Operation and Maintenance of Kurali-Kiratpur Section from km 28.600 to km 73.200 of NH-21 under NHDP Phase IIIA on Build, Operate and Transfer basis by NHAI on December 1, 2006. The project involves a grant of Rs. 439.2 million and has a concession period of 20 years including the construction period of 30 months. The total value of this project is estimated to be Rs. 3,800 million which would be funded through a mix of debt and equity. Of the total equity contribution of Rs. 1,734.69 million, our Company's share would be Rs. 850 million. The equity holding of BSCPL and our Company shall be in the ratio of 51:49.

Segment Composition of Order Book

Approximately 62.5% of our order book as of December 31, 2006 related to projects in the EPC transportation engineering segment within India, approximately 7% related to projects in the EPC transportation engineering segment in Afghanistan, approximately 22.5% of our order book related to BOT project and the balance approximately 8% related to projects in the urban infrastructure segment. The scheduled dates of completion of over 70% of our existing order book is within the next two years.

The geographical distribution of the work order position for the previous two fiscal years and our order book as on date (excluding adjustments for work completed for the period July to September) is given below:

Region	**As on June 30, 2004**		**As on June 30, 2005**		**As on December 31, 2006**	
	Order value (Rs. in Million)	**% to Total Order Book**	**Order value (Rs. in Million)**	**% to Total Order Book**	**Order value (Rs. in Million)**	**% to Total Order Book**
India						
Road construction	325.20	44.08	87.46	8.04	5,152.52	62.50
Urban Infrastructure	-	-	-	-	645.38	7.83
BOT project	-	-	-	-	1,862.00	22.58
Total projects in India	***325.20***	***44.08***	***87.46***	***8.04***	***7,659.9***	**92.91**
Afghanistan						
Road construction	412.59	55.92	999.77	91.96	584.79	7.09
Total	**737.79**	**100.00**	**1,087.24**	**100.00**	**8,244.69**	**100.00**

Project-Specific Joint Ventures and Strategic Alliances

We may enter into joint ventures while bidding for certain projects. For details of our joint ventures, refer to the section titled 'History and Corporate Matters' on page 89 of this Red Herring Prospectus. Till date, we have generally bid for projects on a joint basis with BSCPL, Hyderabad to enable us to obtain larger projects that require resources beyond those we may have available, such as financial strength, equipment, manpower or local content resources.

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 profits and losses of the joint venture are shared among the members according to a predetermined ratio. The fixed assets that are acquired by the joint venture are generally transferred to the respective joint venture members upon completion of the joint venture project. The agreements also set forth the manner in which any disputes among the members will be resolved. 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. The project-specific joint venture typically terminates at the completion of the defect liability period, at which point the project-specific joint venture liquidates and dissolves.

Currently, we have 15 joint ventures/ MOUs to facilitate our Company to bid for projects. Out of the above four joint ventures have contracts which are in the process of being executed. For details of our existing joint ventures see the section titled "History and Certain Corporate Affairs" beginning on page 89 of this Red Herring Prospectus.

Project Lifecycle

Business Development

We enter into contracts primarily through a competitive bidding process. Government and other clients typically advertise potential projects in leading national newspapers or on their websites. Our tendering department regularly reviews newspapers and websites to identify projects that could be of interest to us. The head of the tendering department evaluates bid opportunities and discusses internally with the Board of Directors on whether we should pursue a particular project based on various factors, including the client's reputation and financial strength, the geographic location of the project and the degree of difficulty in executing the project in such location, our current and projected workload, the likelihood of additional work, the project's cost and profitability estimates and our competitive advantage relative to other likely bidders. Once we have identified projects that meet our criteria, we submit an application to the client according to the procedures set forth in the advertisement.

Tendering

The Company has a centralized tender department that is responsible for applying for all pre-qualifications and tenders. The tender department evaluates the credentials of the Company vis-à-vis the stipulated eligibility criteria. We endeavor to qualify on our own for projects in which we propose to bid. In the event that we do not qualify for a project in which we are interested due to eligibility requirements relating to the size of the project or other reasons, we may seek to form strategic alliances or project-specific joint ventures with other relevant experienced and qualified contractors, using the combined credentials of the cooperating companies to strengthen our chances of pre-qualifying and winning the bid for the project.

A notice inviting bids may either involve pre-qualification, or shortlisting of contractors, or a post-qualification process. In a pre-qualification or shortlisting process, the client stipulates technical and financial eligibility criteria to be met by the potential applicants. Pre-qualification applications generally require us to submit details about our organizational set-up, financial parameters (such as turnover, net worth and profit and loss history), employee information, plant and equipment owned, portfolio of executed and ongoing projects and details in respect of litigations and arbitrations in which we are involved. In selecting contractors for major projects, clients generally limit the issue of tender to contractors they have pre-qualified based on several criteria, including experience, technical ability and performance, reputation for quality, safety record, financial strength, bonding capacity and size of previous contracts in similar projects, although the price competitiveness of the bid is usually a selection criterion. Prequalification is key to our winning major projects and we continue to develop our pre-qualification status by executing a diverse range of projects and building our financial strength.

If we pre-qualify for a project, the next step is to submit a financial bid. Prior to submitting a financial bid, the Company carries out a detailed study of the proposed project, including performing a detailed study of the technical and commercial conditions and requirements of the tender followed by a site visit. Our tendering department determines the bidding strategy depending upon the type of contract. For example, in the event of bid for a design-build project, we would appoint a competent consultant to design the project and provide us with drawings to enable further analysis of the various aspects of the project. This allows us to make a more informed bid. Similarly, a lump sum tender would entail quantity take-offs from the drawings supplied by the clients.

A site visit enables us to determine the site conditions by studying the terrain and access to the site. Thereafter, a local market survey is conducted to assess the availability, rates and prices of key construction materials and the availability of labour and specialist sub-contractors in that particular region. Sources of key natural construction materials, such as quarries for aggregates, are also visited to assess the availability, leads and quality of such material. The site visit also allows us to determine the incidence and rates of local taxes and levies, such as sales tax or value added tax, octroi and cess.

Our representatives attend the pre-bid meetings convened by the clients, during which we raise any queries or requests for amendments to certain conditions of the proposed contract. Any ambiguities or inconsistencies in the document issued by the client are brought to the attention of the client for further clarification.

The tendering department invites quotations from vendors, sub-contractors and specialist agencies for various items or activities in respect of the tender. This data supplements the data gathered by the market survey. The gathered information is then analysed to arrive at the cost of items included in the Bill of Quantities (BOQ). The estimated cost of items is then marked up to arrive at the selling price to the client. The basis of determination of the mark-up is based in part on the evaluation of the conditions of the contract.

Alternatively, the client may choose to invite bids through a post-qualification process wherein the contractor is required to submit the financial bid along with the information mentioned above in two separate envelopes. In such a situation, the client typically evaluates the technical bid or pre-qualification application initially and then opens the financial bids only to those contractors who meet the stipulated criteria.

Engineering & Design

We provide detailed engineering services, if required by the client, for the projects that we undertake. Typically, for design-build projects, the client supplies conceptual information pertaining to the project and spells out the project requirements and specifications. We are required to prepare detailed architectural and/or structural designs based on the conceptual requirements of the client and also conform to various statutory and other requirements.

For those particular segments in which we do not have in-house design capabilities, we outsource design services from experienced consultants who specialise in the particular segment. Prior to bidding for the project, our tendering department and senior management review the preliminary design prepared by these consultants. Over the years, we have through a combination of experience and technical ability developed expertise in assessing the preliminary pre-tender designs prepared by our consultants, vis-à-vis the requirements of the client. After our initial review of the preliminary designs, we continue to confer with our consultants to arrive at the final solution for the project. Once the project is awarded to us, our consultants prepare detailed designs pursuant to the project requirements.

Procurement

Material comprises of 50-60% of the total project cost, consequently success in any project would depend on the adequate supply of requisite material during the tenure of the contract. We have a separate department, headed by a Deputy General Manager which is responsible for procurement and the logistics to ensure timely availability of material at each of our project sites.

Upon award of a contract, the purchase department is provided with the project details along with the budgeted rates for material, services and equipment. The material, services and equipment required for projects are estimated by the engineering personnel from the individual project sites and then passed on to the purchase department along with the schedule of requirements.

The Company has over the years developed relationships with a number of vendors for key material, services and equipment. The Company has also developed an extensive vendor database for various materials and services. Over and above the quotations received at the time of bidding, the purchase department invites quotations from additional vendors, if required. Vendors are invited to negotiate before finalizing the terms and prices. The materials ordered are provided to the sites from time to time as per their scheduled requirements. We maintain material procurement, tracking and control systems, which enable monitoring of our purchases.

Procurement of material, services and equipment from external suppliers typically comprises a substantial part of a project's cost. The ability to cost-effectively procure material, services and equipment, and meeting quality specifications for our projects is essential for the successful execution of such projects. We continually evaluate our existing vendors and also attempt to develop additional sources of supply for most of the materials, services and equipment needed for our projects.

The procurement process followed for key raw materials is detailed as under:

- *Bituminous and Oil Products:*

  Bituminous and Oil products required for the execution of projects in India are normally procured from the PSU Oil companies and/or imports. We negotiate terms of supply for the quantity required for each of our projects. Prices are generally at prevailing market prices. We also source material by way of imports mainly to meet any unscheduled delivery problems by local suppliers.

- *Stone aggregate:*

  As a policy, we setup own crushers for our requirement of stone aggregate. We take lease hold rights for the quarrying of stone, establish our own crushers and ensure supply of stone aggregate for our projects. The location of the crusher is fixed to optimize the cost of delivered stone aggregate. Stone aggregate supplies are supplemented by local purchases. The cost of such likely purchases are generally higher.

- *Cement & Steel:*

  We negotiate with Indian suppliers for supply of material during the tenure of the project.

- *Spares:*

  Spares, though not a very large portion of costs, form a very critical input in the continuous running of the project. Road projects are generally in remote areas and logistics are not fully established, hence adequate stock and reliable spares are a critical process in vendor/item selection. We, however, have a continuous process in vendor development for major supplies thereby ensuring a substantial reduction in cost of acquisition.

  In respect of projects in Afghanistan, the policy of acquisition generally remains similar except that the logistics arrangements are more critical. Supplies are sourced from all over the world unless there are contractual restrictions for sourcing the material from any country e.g. USAID contract sourcing the material from Iran is restricted.

Construction

The issuance of a letter of acceptance or letter of intent by the client signifies that we have been awarded the contract. Upon receipt of the letter, we typically commence pre-construction activities promptly, such as mobilising manpower and equipment resources and setting up site offices, stores and other ancillary facilities.

Construction activity typically commences once the client approves working designs and issues drawings. The project team immediately identifies and works with the purchase department to procure the key construction materials and services required to commence construction. Based on the contract documents, a detailed schedule of construction activities is prepared. This schedule identifies interim milestones, if any, stipulated in the contract with corresponding time schedules for achieving these milestones.

The sequence of construction activities largely follows the construction schedule that was prepared initially, subject to changes in scope requested by the client. Projects generally commence with excavation and earthmoving activities. Other major components of a typical construction project include concreting and reinforcement. Heavy earthmoving equipment, such as excavators, dumpers, loaders, dozers, graders and rock drilling tools, are used for excavation, whereas batching plants, transit mixers, tower cranes and concrete pumps, among other equipment, are used for concreting.

We have a project management system that helps us track the physical and financial progress of work vis-à-vis the project schedule. Project personnel hold periodic review meetings with the client at sites and also with key head office personnel in our headquarters to discuss the progress being made on the project. The project managers also hold periodic review meetings with our vendors and subcontractors to review progress and assess future needs.

Each project site has a billing department that is responsible for preparing and dispatching periodic invoices to the clients. Joint measurements with the client's representative are taken on a periodic basis and interim invoices prepared on the basis of such measurements are sent to the client for certification and release of interim payments. The billing department is also responsible for certifying the bills prepared by our vendors and sub-contractors for particular projects and forwarding the same to our head office for further processing.

We consider a project to be "virtually complete" when it is ready to be handed over to the client. We then jointly inspect the project with the client to begin the process of handing over the project to the client. Once satisfied, the client prepares a "virtual completion certificate", which signifies the commencement of the defects liability period or the maintenance period (i.e., the period during which we are contractually bound to rectify any defects arising out of construction, which can last up to 60 months). On completion of the defects liability period, we request the client to release any performance bonds or retention monies that may be outstanding.

Types of contracts and the process for execution of contracts

Generally, contracts fall within 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 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 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 (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).

- Annuity contracts - Annuity contracts typically provide for the facility to be constructed, maintained and financed by the bidder. The client agrees to pay the successful bidder annuity payments in predetermined amounts at pre-defined intervals over the course of the Concession Period. However, the client retains ownership of the asset and collects revenues, if applicable, during the entire life of the project.

Contracts, irrespective of their type (i.e., Lump Sum, item rate, percentage rate design-build), typically contain price variation or escalation clauses that provide for either reimbursement by the client in the event of a variation in the prices of key raw materials (e.g., steel and cement) or a formula that splits the contract into pre-defined components for materials, labour and fuel and links the escalation in amounts payable by the client to pre-defined price indices published periodically by the RBI or the Government. Some contracts do not include such price variation or escalation clauses. Thus, in those instances, we face the risk that the price of key raw materials and other inputs will increase during the project execution period and are unable to pass on the increases in such costs to the client.

For additional information regarding our current contract types, please refer to the section entitled "Order Book" in the Business section.

Project identification and Bidding

Project Identification

We identify potential projects from a variety of sources, including advertisements by central, state and local governmental agencies, through the efforts of our business development personnel and through meetings with other participants in the construction industry such as architects and engineers. After determining the availability of projects, we decide which projects to pursue based on the following, among other factors:

- Project size;
- Duration;
- Availability of personnel;
- Current backlog, competitive advantages and disadvantages;
- Prior experience;
- Reputation of the contracting agency or owner;
- Source of project funding;
- Geographic location; and
- Type of contract.

Project Bidding/Bid Strategy

After deciding which contracts to pursue, we generally have to complete a prequalification process with the applicable agency or customer. The prequalification process generally limits bidders to those companies with operational experience and financial capability to effectively complete the particular project(s) in accordance with the plans, specifications and construction schedule.

Our bid estimation process typically involves three phases:

Phase I: Initially, we perform a detailed review of the plans and specifications, summarize the various types of work involved and related estimated quantities, determine the project duration or schedule and highlight the unique and risky aspects of the project. After the initial review, we decide whether or not to continue to pursue the project.

Phase II: We perform the second phase of the estimating process which consists of estimating the cost and availability of labour, material, equipment, subcontractors and the project team required to complete the project on time and in accordance with the plans and specifications.

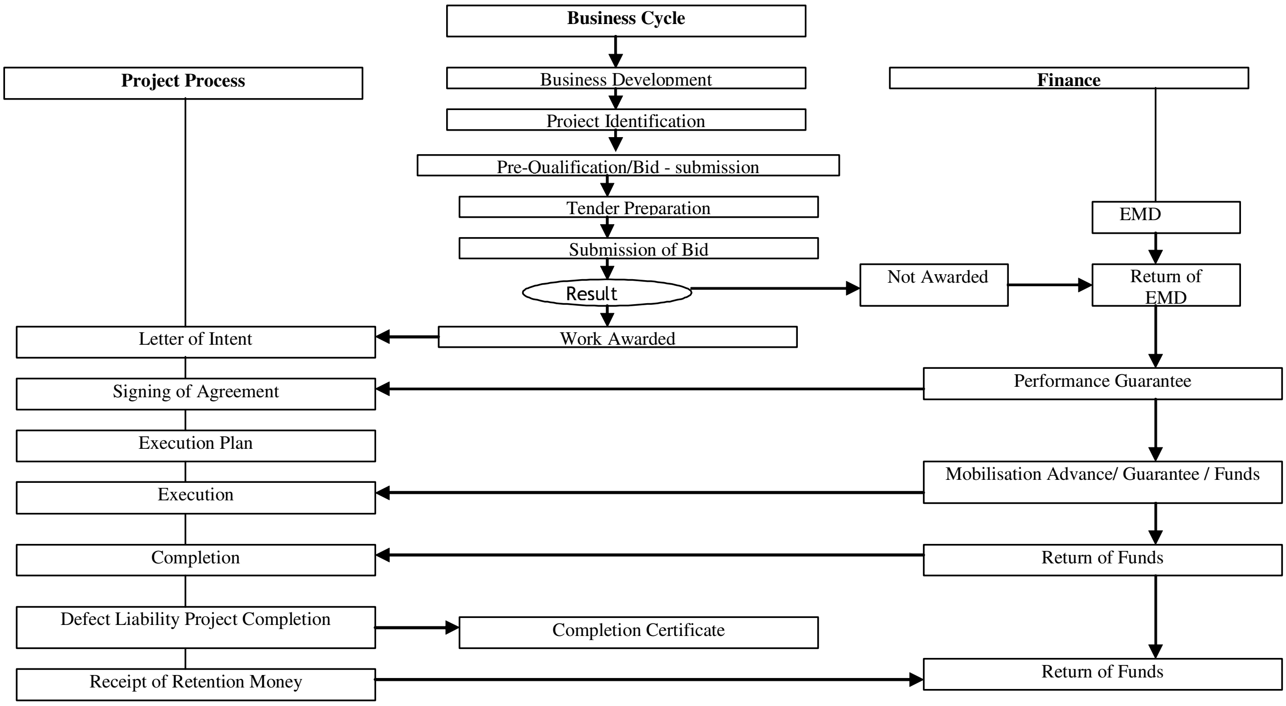
Phase III: The final phase consists of a detailed review of the estimate by management including, among other things, assumptions regarding cost, approach, means and methods, productivity and risk. After the final review of the cost estimate, management adds an amount for profit to arrive at the total bid amount.

Award of the Contract

Requests for proposals or negotiated contracts with public or private owners are generally awarded based on a combination of technical capability and price, taking into consideration factors such as project schedule and prior experience.

Project Planning and Execution

The various stages in project planning and execution may be represented by means of a flowchart as produced below:



The important aspects of project planning and execution typically would involve the following aspects:

- *Design Assessment:* Once we get a letter of intent from the client, we arrange a preliminary "kick off" meeting with client, together with the architect, structural consultant, and project manager of owner and other important participants. We study the design concept of the owners, along with advance copies of the relevant drawings and plans and make value engineering assessment, considering our scope of contract and the parameters. We give a formal approval to the architect / structural consultant of the owner for making further drawings. We discuss and assess the ways, the methodology to construct and the requirement of plant and equipment versus the design parameters. Detailed plans are worked out at this stage by us for commencing actual work. The layout for the placement of equipment, offices, stores, offices is discussed and agreed upon based on which the work for the project commences. During the currency of the project a detailed weekly assessment is done on the progress of the project and requirement for drawings and design for the same are prepared in order to ensure timely completion of the project.

- *Material Planning:* Based upon the available drawings and time frame, we calculate the requirement of materials under three sub heads: Company Assets (new and available), Basic Materials (bitumen, steel, aggregates, stones, cement, diesel, etc.) and Consumables. This consolidated requirement of materials along with tentative schedule is then forwarded to the Procurement Department of our Company for identification and negotiation with vendors. The negotiations are done with approved vendors on the material specifications that are provided to us as part of the construction contract. The materials department of our Company is given an indicative price for materials to be purchased and the dates and time when they are required. We identify the requirements, delivery schedules and other details in respect of the materials and monitor its delivery, quality and safety. We ensure that optimum quantities of materials are not kept in stock in order for efficient use of working capital.

- *Manpower Planning:* The requirement for personnel is determined on the basis of the scope of work and timelines for delivery of the project. A separate plan is made for works to be carried out by sub contractors and specialized agencies. The screening of manpower to be hired for the various facets of construction is a continuous process which is carried out throughout the currency of the project, depending on the stage of the project and hire vendors who have had experience in the required field. We issue work orders to these vendors and sub contractors. We also depute one of our qualified senior personnel to head the project as 'Project Co-ordinator' from the head office. The manpower planning and arrangements are undertaken by the Project Coordinator in consultation with the 'Project Manager' (who is in charge of the construction project on site).
- *Project Scheduling and Monitoring:* Our Company uses authorized software for preparing the project schedules. Detailed diagrams and plans are made in consultation with the entire project team which is evaluated by the Project Director who follows up the same with the project team during the execution. Weekly meetings are held at the project site for reviewing the project with the clients, the Project Mangers and our project team.

  During the construction phase of a project, we monitor our progress by comparing actual quantities completed and costs incurred as on date with the project schedule and budgeted amounts periodically, on a monthly basis, and prepare an updated estimate of the materials and cost involved in the remaining contract work and assess the remaining contract value. The "Project Director" designated by the head office has the role of overall supervision and monitoring the project and is ultimately responsible for the monitoring and completion of the project on acceptable parameters.
- Project Completion: On the completion of the project we apply for a "completion certificate" from the clients. On receipt of the completion certificate, we apply for a completion/ handing over the building. A detailed handing over list is made in accordance with the contract. The client/ his representative then inspects the work done, and gives us a list of defects to be corrected before the formal handing over of the property. We complete the defects as identified by them and a physical verification and certification is done by the client. Subsequently, a formal handing over is done to the client. We submit our final bill with all details, certificates, enclosures, etc. as per the terms of the contract once the work is completed. Finally, we clear the project site of all our materials, offices, machinery and equipment.

RISK MANAGEMENT

Some of the key factors which expose our business to risk and our assessment and management of the same are provided below:

Risks arising from increase in cost of materials

While our business may experience some adverse consequences if shortages of materials develop or if prices for materials, labour (in certain cases) increase excessively, provisions in a majority of our contracts for our projects in India often shift all or a major portion of any adverse impact to the customer. On fixed price contracts except our Afghanistan contracts, which form a majority of the contracts entered into by us, we attempt to insulate ourselves from the unfavorable effects of inflation by incorporating escalating wage and price assumptions, where appropriate, into our construction bids and by obtaining firm fixed price quotes from major subcontractors and material suppliers at the time of the bid. Generally, provisions in our contracts for Indian projects enable us to recover specified cost escalations which may arise beyond a period of 12 months.

Construction and other materials used in our construction activities are generally available locally from multiple sources and, in our experience, have been in adequate supply.

Risk arising from modifications in our projects

During the normal course of most projects, the owner and sometimes the contractor, i.e. our Company initiates modifications or changes to the original contract to reflect, among other things, changes in specifications or design, method or manner of performance, facilities, equipment, materials, site conditions and period for completion of the work. Generally, the scope and price of these modifications are documented in a "change order" to the original contract and reviewed, approved and paid in accordance with the normal change order provisions of the contract. Typically, the variations are captured in the construction contract where we describe the percentage of variations permitted and the agreed mechanism for determination of the costs in relation to these variations.

The process for resolving claims vary from one contract to another but, in general, we attempt to resolve claims at the project supervisory level through the normal change order process or with higher levels of management within our organization and the customer's organization. Once a bill for change orders is raised by us, at such periods as is specified in the contract, the representative of the owner typically certifies these bills, together with certain modifications, on the basis of which we raise a final invoice on the clients for payment of the bill. In our experience, with private clients, in recent years, a small percentage of this bill is paid within a short time and the rest of the bill is usually cleared after another month. Depending upon the terms of the contract, claim resolution may employ a variety of other resolution methods, including mediation, arbitration or litigation.

Risk arising from cost and time overruns

In any project, if the manpower and material resources are not appropriately allocated, or if immediate requirements for the same are not met, it could lead to time and cost overruns which could impact our results of operations. In order to mitigate this risk, we have a central project monitoring team which has the responsibility of ensuring proper allocation of resources in an optimal manner. This team works directly under the Director responsible for execution of the respective project.

Our Equipment

We believe that our strategic investment in equipment and fixed assets is an advantage that enables us to rapidly mobilize our equipment to project sites as needs arise. We have a large fleet of construction equipment assets, including crushers, excavators, cranes, batching plants, pavers, etc. Having such an asset base is in our view an important advantage in serving the technically challenging and diverse nature of the construction projects in which we are engaged. Our equipment is managed, maintained and operated by our personnel at our maintenance and repair facility in Gurgaon. The following table provides a list of some of the key equipment owned by us as of October 31, 2006:

C&C Constructions Ltd

Details of Plant & Machinery as on October 31, 2006

Equipment Name	Manufacturer & Model	Capacity	Nos	Age in years
GENERAL				
Air Compressor	Ingersoll Rand	300-4500/m	5	0-8 years
D G Set	Greaves, Cummins Leyland Engine	1.2 to 500 KVA	26	0-9 years
Lab Equipment	Kailaso, Hyico	-	15	0-7 years
Tipper	Ashok Leyland, TATA Mercedes Benz	14 Cum	46	0-9 years
Tractor	Escort, Massey	40 HP	2	0-9 years
Weigh Bridge	Everlast	80-100 T	3	0-8 years

Equipment Name	Manufacturer & Model	Capacity	Nos	Age in years
EARTH WORK				
Conveyor Roller			2	0-5 years
Excavator	Tata Hitachi, L&T	200 & 300	2	0-6 years
HM Loader	Sany, Tata, JCB	0.9 Cum to 3 Cum	1	0-6 years
JCB	3 D, 3DX		1	0-7 years
Motor Grader	Volvo, Caterpillar, L&T Komatsu, Sany		2	0-8 years
Pneumatic Tyre Roller	IngersollRand,Svedala Bitelli	20 T	1	0-6 years
Vibratory soil compactor	Ingersoll Rand, Bitelli	10T, 11T	2	0-4 years
Water tanker	Fabricated+Mounted on Ashok Leyland Chasis		6	0-6 years
WET MIX MACADAM & CONCRETE WORK				
Batching Plant	Steter, Hitachi, Condequip	30 Cum	2	0-7 years
Concereate mixer plant	Steter, Hitachi, Condequip	30 Cum to 60 Cum	2	0-4 years
Drum mix plant	Mach Mech, Kaushik	100-200 TPH	1	0-6 years
MH screed paver	Max, Mech, kaushik	100-200 TPH	1	0-6 years
Paver	Sany, Bitelli, Apollo		2	0-9 years
Soil Compacter	ingersollRand,Svedala Bitelli		1	0-6 years
Splicer machine			1	0-5 years
Wet mix Plant	Max Mech, Kaushik	100-200 TPH	2	0-5 years
BITUMENOUS CONSTRUCTION				
Bitumen tank	Gujrat Appolo DN Ashok leyland chasis		2	0-7 years
Hot Mix Plant	Max Mech, Kaushik	100-200 TPH	2	0-8 years
Hyderaulic Senor Paver	Appolo, Bitelli, Sany	4.5 M to 9 M	1	0-6 years
OTDR Machine	Actrena		2	0-5 years
Sensor Paver	Sany, Bitelli, Vogelee	4.5 M to 9 M	1	0-5 years

Equipment Name	Manufacturer & Model	Capacity	Nos	Age in years
CRUSHING WORK				
Crusher	CCS Int, Puzzlona Svedala (Metso)	100-250 TPH	2	0-8 years

BRIDGE & CULVERT WORK

The total value of plant and machinery owned by us as on October 31, 2006 was Rs. 119.41 million.

Additionally, the following table provide a list of some of the key equipment owned by our joint venture, BSC-C&C 'JV' used for our various joint venture projects in India as well as Afghanistan as on October 31, 2006.

BSC-C&C-JV

Details of Plant & Machinery as on October 31, 2006

Equipment Name	Manufacturer & Model	Capacity	Nos	Age in years
GENERAL				
Air Compersssor P-310	Ingersoll Rand	300-4500/m	37	0-1 year
BOOM CRANE GROVE TM 750 E	Groove	TM 750 E	2	0-1 year
Bull Dozer -China	Sany PDY 320		3	0-1 year
D.G Set	Greaves Cotton,Cummins	22 KVA TO 500 KVA	76	0-3 years
Diesel Storage Tank(old)	Fabricated		9	0-3years
Dumper	Ashok Leyland		590	0-3years
Lab Equipment	Kailaso			0-5 years
Leica Electronic Total Station	Leica, Sokkia		2	0-1 year
Light Source (ingersollrand)-1(A)	Ingersol Rand, Sigma	50 HZ	18	0-3years
Mobile Workshop-1 (A)	AGI & Ashoka Leyland		3	0-2 years
Tippers	Ashok Leyland, TATA,	14 Cum	130	0-5 years
Tractor	Escort, Massey	40 HP	13	0-5 years
Trailer	TATA, Mercedes Benz		7	0-2 years
Water Tank	Fabricated +Mounted On ALL Chasis		16	0-5years
Weigh Bridge	Everlast	80-100 T	12	0-5years
EARTH WORK				
Bull Dozer D 155	Komatsu		5	0-3 years
Emulsion Plant	Massenza , Italy		1	0-1 year
Exavator	L&T Komatsu	200 & 300	14	0-3 years
Grader	Sany/ Volvo		7	0-1 year

Equipment Name	Manufacturer & Model	Capacity	Nos	Age in years
Greaves Bomag Tandem Vib. rollerGreaves Cotton Ltd	Greaves Bomag		13	0-3years
Hydraulic Drilling Rig HR-180 -1 No	Matt	HR-180	1	0-1 YEAR
Impactor	Impact Roller		2	0-1 year
JCB 3 D	JCB India Ltd.	3D, 3 DX	8	0-2 years
Loader (Sany)- 5 (A)	Sany		8	0-2 years
Milling Machine	Bitelli		1	0-1 year
Mobile Crane	JCB India Ltd.		4	0-3years
Motor Grader	Volvo, Vaterpillar, L & T, Komatsu, Sany		2	0-3years
Motors & Pullys & Rollers & Gear Boxes	Ferner & ABB		18	0-3years
Tandem Rollers	Bitelli		8	0-3years
Tools & Accessories	Taperia			0-1 year
Vibratory Compactors	Ingersoll Rand, Bitelli	10 T, 11 T	7	0-5 years
Wheel Loaders	Guangxi Gugang, Liougonu / Tata		25	0-5 years
WET MIX MACADAM & CONCRETE WORK				
Apollo Paver Hydrostatic Finisher	Apollo		1	0-5 years
Asphalt Batch Mix plant ANP-1500	Gujrat Appollo DN, ALL Chasis	1500	1	0-3years
Asphalt Batch-Linhoff-1(A)	Linoff MSD -3000		1	0-1 year
Batching Plant CPL	Condequip / Schwing Stetter	30cum	4	0-3years
Caterpiller Motor Grader	Caterpillar	120 H	4	0-1 year
Concrete Batching Plant	Schwing Stetter	30cum	4	0-3years
Concrete Pump	Schwing Stetter		4	0-3years
Drum Mix Plants	Maxmech, Kaushik	100-200 TPH	2	0-5 years
Mobile Dispenser-Elgi-AL-6 No	V.K. Pneumatic (ELGI)		6	0-1 year
Paver	Sany, Bitelli, Appollo		10	0-3years
PMB-Massenza-1(A)	Massenza , Italy		1	0-1 year
PTR Roller	Bitelli		5	0-1 year
WMM Plant -200TPH (Maxmech-1 No)	Maxmech, Kaushik	100-200 TPH	5	0-5 years

Equipment Name	Manufacturer & Model	Capacity	Nos	Age in years
BITUMENOUS CONSTRUCTION				
Bitu Containers	Ashoka Leylond Chais		3	0-3years
Bitumen Bouzer	Apollo Construction	6000 KL	7	0-1 year
Bitumen Decontainors	Ashoka Leylond Chais		1	0-1 year
Bitumen Pressure Distributor (febrication & driver Cabin)	Ashoka Leylond Chais/Gujrat Appollo DN		6	0-2 years
Bitumen Sparayer	Gujrat Appollo DN/Ashoka Leylond Chais		3	0-3years
Bitumen Tank Complete with Bentone	Gujrat Appollo DN, ALL Chasis	15 Ton	7	0-5 years
Hot Mix Plant	Gujrat Appollo DN, ALL Chasis		2	0-3years
CRUSHING WORK				
Chips Spreader -1(A)	Phoenix		3	0-2 years
Conveyor	Chintpurni		11	0-5years
Crusher	Puzzlona	TPH	19	0-5 years
Feeder VMO 17.5/8, screen for VFO,RF	Metso	17.5/8	11	0-5 years
Screed-(A)	Bitelli		15	0-3years
Vibrating Screen,	Metso		9	0-3years
BRIDGE & CULVERT WORK				
Structures & Conveyors	Chintpurni		11	0-2 years
Transit Mixer (AL-20 No)	Schwing Steter	AL-20	26	0-3years

The total value of the plant and machinery owned by our joint venture BSC C&C 'JV' as on October 31, 2006 was Rs. 1.55 billion

Performance Guarantees

Our Company is required to issue performance guarantees varying from 5-10% of the contract value at the time of commencement of the contract, pursuant to the award of the contract. These performance guarantees are typically valid up to twelve months post the completion of the contract.

Our Properties

Leased Properties

New Delhi

Our Registered Office is located at Flat no G-11, Hemkunt Chamber, Nehru Place, New Delhi 110 019, India. We have entered into a lease agreement with Mrs. Rita Ahuja for this property admeasuring 480 sq. ft in consideration of a monthly rent of Rs. 16,000. We have taken this premise on lease for a term of five years w.e.f August 15, 2006.

Gurgaon

Our corporate office (in total) admeasuring 4616 sq feet is located at Jay Plaza Clearview Building, C-1/B, Old DLF Colony, Gurgaon 122 001, India. We have entered into two lease agreements regarding this property. The first lease deed is with Mr. Tule Singh Lambe whereby the property located at "Clearview Building" C-1/B, Old DLF Colony, Gurgaon, admeasuring 2,636 sq. feet was leased to our Company in consideration of a monthly rent of Rs. 18.38 per sq. feet exclusive of water and electricity charges. The second lease deed is with Mr. Sanjay Lamba and Mr. Vijay Lamba whereby the property located at Jay Plaza, Old DLF Colony, Gurgaon 122 001, India admeasuring 1980 sq. feet was leased to our Company in consideration of a monthly rent of 18.38 per sq. feet exclusive of water and electricity charges. Both the leases are valid till 31st January 2007.

Owned Properties

We own four properties, in Madhya Pradesh and Gurgaon.

Madhya Pradesh

We have purchased a property situated at Plot No. 26/1 at village Vilangawa, Udayapura Tehsil District Raisen, Madhya Pradesh, measuring 7.78 acres, for a consideration of Rs. 242,000. Additionally we have also purchased the property situated at Plot No. 24/1 at village Vilangawa, Udayapura Tehsil, Madhya Pradesh, measuring 1.58 acres, for a consideration of Rs. 49,000.

Gurgaon

We also own the property situated at Plot No. 70 at Sector 32 Gurgaon, Haryana measuring 216,790 sq. meters, which we bought at a consideration of Rs.14,260,400. We are in the process of shifting our corporate office to this premise in Gurgaon, which is under construction currently.

Our Intellectual Property

We have filed a trademark application (Application No. 1466957) on July 5, 2006 with the Trademarks Registry, New Delhi, for registration of our logo in class 37, under the Trademarks Act, 1999. The application is currently pending. We have been using our logo since July 16, 1996.

Human Resources and Employee Training

Our Company as of December 31, 2006, has 1,694 employees working directly in our Company as well as with our various joint ventures for the execution of our joint-venture agreements. Out of the total number of employees, 177 employees, comprising of 73 technical and 104 non-technical staff, are on our rolls and the remaining 1,517 employees, comprising of 738 technical and 779 non-technical staff, are on the rolls of our joint ventures. These employees are employed in various capacities and cadres in the divisions of our Company, which inter alia range from such professionals like that of engineers, accountants to machine operators and workers. Additionally, as of December 31, 2006, our Company engaged 2,950 contract labourers.

The details of employees on the rolls of our Company as on December 31, 2006 are given below:

Category	No. of employees
Technical & skilled personnel	
Engineers	8
Machine Operator	61
Supervisory	9
Unskilled personnel	
Driver	37
Cooks	6

Category	No. of employees
Support Functions	
Accounts	30
Administration	14
Purchase	7
Human Resources	2
Personal Secretary	3
Total	**177**

The details of employees on the rolls of our joint venture with BSCPL as on December 31, 2006 are given below:

Position	Afghanistan	India
Technical & Skilled personnel		
Engineer	80	225
Machine Operator	232	289
Supervisory	117	167
Other personnel		
Cooks	48	95
Support Functions		
Accounts	33	75
Security	38	78
Administration	7	28
Doctor	2	1
Electronic Data Processor	2	-
Contract Labour	2000	950
Total employees in the JV (excluding contract labour)	559	958
Total no. of employees on the rolls of our company and the JV (excluding the contract labour)	1694	-
Total employees (including contract labour)	4644	-

For the purposes of recruiting employees we advertise in national dailies, use recruitment web-sites and conduct campus interviews at regular periods. Recruitment of personnel in different categories is carried out by the human resources department of our Company. We also provide training to our employees at various project sites.

Our emoluments for our staff are performance based. Employees are evaluated on a yearly basis for their performance on specified parameters.

Employee Benefits

We provide employees with benefits as prescribed by law, such as provident fund, and employee state insurance. We also maintain three types of insurance policies for most of our employees and workers in the form of workmen's compensation insurance, , and group personnel accident insurances. Additionally most of our workers in Afghanistan are covered by the Pravasi Bharatiya Yojana policy which, inter alia, provides for insurance coverage for accidental death, permanent total disability and repatriation and transportation expenses.

As of December 31, 2006, the aggregate sum under the two types of policies (excluding the sum insured under the Pravasi Bharatiya Yojana policy and Keyman Insurance Policy) is Rs. 1151.89 million.

Secondments to Joint Ventures

We also send our employees on deputation/secondment to our various construction sites as and when the requirement for deputation of personnel arises. We typically send these employees on deputation to the joint venture formed by us and our joint venture partners. During their secondment, all salaries and expenses on these employees are paid by the joint venture.

Insurance

Our operations are subject to hazards inherent in providing engineering and construction services, such as risk of equipment failure, land mine blasts and other work accidents, fire, earthquake, flood and other force majeur events, acts of terrorism and explosions including hazards that may cause injury and loss of life, destruction of property and equipment and environmental damage. We may also be subject to claims resulting from defects arising from engineering, procurement or construction services provided by us.

We obtain specialized insurance for construction risks and third party liabilities for most projects for the duration of the project and the defect liability period. Risks of loss or damage to project works and materials are often insured jointly with our principal and associated sub-contractors to the particular project.

Most of our insurance policies are as per our contracts for execution of various projects. Such project contracts inter alia specifically require us to insure all our projects for risks relating to works, including contract works, whether permanent or temporary, together with materials and plants located therein, contractor's equipment, and physical loss or damage to persons involved in the execution of the projects.

We have taken mainly nine types of insurance policies, out of which two are specifically taken for our workers and employees working at our construction sites.

(a) Contractor's all risk insurance amounting to Rs. 14563.87 million;

(b) Standard fire and special perils insurance amounting to Rs. 61.50 million;

(c) Contractor Plant & Machinery insurance amounting to Rs. 2,218.93 million;

(d) Burglary and Housebreaking insurance amounting to Rs. 61.50 million;

(e) Workmen's Compensation insurance amounting to Rs. 30.49 million;

(f) Public Liability Insurance For Non-Industrial Risks amounting to Rs. 20.00 million;

(g) Group Personal Accident Insurance amounting to Rs. 1121.40 million;

(h) Keyman Insurance for four of our Directors amounting to a total of Rs. 120 million; and

(i) Motor Vehicle Insurance.

The all risks insurance policy taken by our Company provides us with insurance for price escalation and debris removal. Under our general public liability insurance policy, we are indemnified against legal liability to pay damages with respect to claims arising out of accidents occurring during the project in the course of the business excepting inter alia for accidents arising out of pollution, or vehicles for which no compulsory insurance has been obtained.

As mentioned above, we maintain workmen's compensation insurance, and group personnel accident insurances for most of our employees and workers. Additionally most of our workers in Afghanistan are covered by the Pravasi Bharatiya Yojana policy which inter alia provides insurance coverage for accidental death, permanent total disability and repatriation and transportation expenses.

Our Group Personal Accident Policy is a policy of worldwide cover with no limitation to any specific location. The sum insured, under this policy is linked with the income of our employees and covers accidental death, or accidental permanent and partial total disablement which may inter alia arise due to explosion of landmines or kidnapping of insured persons.'.

As of December 31, 2006, the aggregate sum under the above eight types of policies (excluding motor vehicle insurance) is Rs. 18197.70 million.

Environmental Matters

Our constructions and operations are subject to governmental, state and municipal laws and regulations relating to the protection of the environment, including requirements for water discharges, air emissions, the use, management and disposal of solid or hazardous materials or wastes and the cleanup of contamination. However, all the necessary approvals and environmental clearances for the construction of the project are to be procured by the owner and undertakings, as may be required, in this connection are to be given by the owner/developer to the environmental or pollution control agencies.

FINANCIAL INDEBTEDNESS

Set forth below is a brief summary of our outstanding secured borrowings of Rs. 3710 million as of December 31, 2006 together with a brief description of certain important terms of such financing arrangements.

Nature of Borrowing	Amount	Interest	Repayment	Security Created
Fund Based and Non-Fund Based Limits from the State Bank of India, Industrial Finance Branch, New Delhi vide agreement dated July 17, 2002.	Rs. 3,130 million	Ranging between 10.25%-11.25% per annum as applicable to various credit facilities under the sanctions.	Repayment as applicable to various credit facilities under the sanctions.	First charge over entire current assets of our Company. Second charge on fixed assets of our Company for entire working capital credit. Provision for mortgaging certain properties belonging to the Promoters and their relatives. First charge on fixed assets being financed with the assistance of the proposed Rupee Term Loan of 230 million. First charge on all over fixed assets of our Company, excluding specific fixed assets created out of loans availed from other banks. Personal guarantee of five promoter directors. Keyman insurance policies for all five promoter directors.
Term loan vide agreement dated August 16, 2005 with State Bank of India	Rs. 80 million	0.75% below SBAR, i.e., minimum 9.50% p.a. at monthly rests.	12 quarterly instalments commencing from August 1, 2006.	First charge on the corporate office of the Company at Gurgaon being financed with the assistance of the proposed rupee term loan. First charge over entire other unencumbered fixed assets of the Company, excluding fixed assets created at the corporate office. Second charge on current assets of the Company. Personal guarantees of Directors Mr. Gurjeet Singh Johar, Mr. Charanbir Singh Sethi, Mr. Rajbir Singh Sethi, Mr. Amrit Pal Singh Chadha and Mr. Sanjay Gupta.
Redeemable Non-Convertible Debentures issued by our Company to LIC Mutual Fund Asset Management Company Limited on November 3, 2006 which was subscribed on November 6, 2006.	Rs. 500 million being the total face value.	Mumbai Inter bank Offer Rate ("MIBOR") + 300 bps Floor-8.95% CAP-9.10%	364 days from November 6, 2006.	The Company is in the process of creating a charge as per the terms of the debentures.

General Terms of the loan from the State Bank of India

Under the terms of the agreement, our Company shall not during the subsistence of the liability with respect to the facility, without the prior written consent of the Bank, do any of the following:

(a) Change or in any way alter its capital structure;

(b) Effect any scheme of amalgamation and reconstruction;

(c) Implement a new scheme of expansion or take up an allied line of business or manufacture.

(d) Declare a dividend or distribute profits after deductions of taxes, except where the installments of principal and interest payable to the Bank in respect of the credit facilities availed are being paid regularly and there are no irregularities whatsoever in respect of any of the availed credit facilities.

(e) Enlarge the scope of the other manufacturing/trading activities, if any undertaken at the time of the application and notified to the Bank as such;

(f) Withdraw or allow being withdrawn any moneys brought in by the promoters and Directors or Relatives and friends of the Directors of our Company.

(g) Invest any funds by way of deposits or loans or in the share capital of any other concern (including subsidiaries) so long as any money is due to the Bank; our Company will however, be free to deposit funds by way of security, with third parties in the normal course of business or if required for the business.

(h) Borrow or obtain credit facilities of any description from any other bank or credit agency or money lenders or enter into any hire purchase arrangement during the subsistence of the liability of our Company to the Bank.

(i) Compound or release any of the book-debts, whereby the recovery of the same may be impeded, delayed or prevented.

(j) Allow any receiver to be appointed of the undertaking or of the properties, immovable and movable of our Company, which has been mortgaged, pledged and/ or charged to the Bank or any part thereof or allow any distress or execution to be levied upon or against the same or any thereof.

(k) Attempt to make any alterations of its Memorandum or Article of Association or in its capital structure.

(l) Vary the shareholding of the Directors, principal shareholders and promoters.

Other Clauses

During the subsistence of the liability of our Company under or in respect of the credit facilities availed of from the bank, the Bank without prejudice to its rights, shall have a right to appoint and/ or remove, from time to time, a Director or Directors on the Board of Directors of the Borrower as nominee Director(s) to protect the interests of the Bank, subject to however that the Director or Directors so appointed by the Bank shall not be liable to retire by rotation and need not possess any share qualification prescribed by the Articles of Association.

No-objection from SBI

Pursuant to its letter dated September 30, 2006, State Bank of India has granted us their no-objection to our Company for allotment of shares in this Issue.

REGULATIONS AND POLICIES IN INDIA

We carry on business as a project developer and enter into joint ventures for infrastructure projects. We undertake construction and maintenance operations and enter into engineering procurement and construction contracts. The joint ventures established for undertaking these projects are subject to certain statutory regulations in India.

The primary central legislations governing the road sector are the National Highways Act, 1956 and the National Highways Authority of India Act, 1988 ("NHAI Act").

National Highways Act, 1956

Under the National Highways Act, 1956, the Central Government is vested with the power to declare a highway as a national highway and also to acquire land for this purpose. The Central Government is responsible for the development and maintenance of national highways. The Central Government may by notification, declare its intention to acquire any land when it is satisfied, that for a public purpose the building, maintenance, management or operation of a national highway, on such land, should be undertaken. The National Highways Act, 1956 prescribes the procedure for the same.

The National Highways (Collection of Fees by any Person for the use of Section of National Highways/ Permanent Bridge/ Temporary Bridge on National Highways) Rules, 1997 provides that the Central Government may enter into agreements with persons for development and maintenance of the whole or part of a national highway/permanent bridge/ temporary bridge on a national highway. Such person may invest his own funds for development or maintenance and is in turn allowed to collect and retain fees, from users of the new facilities so created, at agreed rates for an agreed period of time. The rates of fees and the period of collection are decided by the Central Government and various factors are taken into account to decide the same. Once the period of collection of fees by the person is completed, all rights pertaining to such facility created would be deemed to have been taken over by the Central Government.

National Highways Authority of India Act, 1988

The NHAI Act provides for the constitution of an authority for the development, maintenance and management of national highways. Pursuant to the NHAI Act, the National Highways Authority of India ("NHAI"), an autonomous body, was set up in the year 1995. The 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 both foreign and domestic private investments, by offering to enter into BOT contracts for construction and maintenance of national highways for a period not exceeding 30 years.

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

1. 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
2. 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 process takes place in consultation and concurrence with the funding organisation. 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 encouraged by the government by undertaking the following initiatives:

1. The government ensures that all preparatory work including land acquisition and utility removal is completed before awarding of the project;
2. Land is made available free from all encumbrances;
3. NHAI / government may provide a grant up to 40% of project cost to enhance viability on a case to case basis;

4. The government also provides tax breaks in the form of 100% tax exemptions for a period of 5 (five) years from the start of operations of the project and 30% relief for next 5 (five) years thereafter. This tax concession is normally available for a period of 20 years from the date of sanction of the project; and

5. Duty free import of specified modern high capacity equipment for highway construction.

Environmental Regulations

Infrastructure projects must also ensure compliance with environmental legislation such as the Water (Prevention and Control of Pollution) Act 1974 ("Water Act"), the Air (Prevention and Control of Pollution) Act, 1981 ("Air Act") and the Environment Protection Act, 1986 ("Environment Act").

The Water Act provides for the constitution of a Central Pollution Control Board ("Central Board") and State Pollution Control Boards ("State Boards"). The Water Act debars any person from establishing any industry, operation or process or any treatment and disposal system, which is likely to discharge trade effluent into a stream, well or sewer without taking prior consent of the State and Central Boards. The Air Act mandates that no person can, without the previous consent of the State Board, establish or operate any industrial plant in an air pollution control area. The Central and State Boards constituted under the Water Pollution Act are also to perform functions as per the Air Pollution Act for the prevention and control of air pollution.

The Environment Act empowers the Central Government to take measures to protect and improve the environment, by laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and also framing rules for regulating emission of pollutants into the environment.

In addition, the Ministry of Environment and Forests mandates that an Environment Impact Assessment be undertaken to assess the environmental impact of a project before granting clearances to the projects.

The Forest (Conservation) Act, 1980 prevents state governments from issuing any directive towards conversion of forest land, in any manner, for non-forest purposes without the approval of the Central Government.

Labour Legislations

The primary central labour-related legislations with which compliance is required include the Payment of Wages Act, 1956, the Minimum Wages Act, 1948, the Employees Provident Funds & Miscellaneous Provisions Act, 1952, and the Contract Labour (Regulation and Abolition) Act, 1970.

Foreign Investment Regime

The new industrial policy was formulated in 1991 to implement the Government's liberalization programme and consequently, the industrial policy reforms relaxed industrial licensing requirements and restrictions on foreign investment. In subsequent years, the Government has further liberalized the foreign investment regime. At present, investments in companies engaged in projects for construction and maintenance of highways, roads, vehicular tunnels, ports and harbors fall under the RBI automatic approval route for Foreign Direct Investment up to 100%.

Foreign Ownership

Under the Industrial Policy and FEMA, FDI up to 100% is permitted in construction and related engineering services. Further, the Industrial Policy now also permits foreign direct investment under the automatic route in projects for construction and maintenance of roads, highways, vehicular bridges, toll roads, vehicular bridges and ports and harbours.

Subject to certain conditions and guidelines, the Industrial Policy and FEMA further permit up to 100% FDI in townships, housing, built-up infrastructure and construction development projects which include, but are not restricted to, housing, commercial, premises, hotels, resorts, hospitals, educational institutions, recreational facilities and city and regional level infrastructure.

In respect of the companies in infrastructure/ service sector, where there is a prescribed cap for foreign investment, only the direct investment is considered for the prescribed cap and foreign investment in an investing company may not be set off against this cap provided the foreign direct investment in such investing company does not exceed 49% and the management of the investing company is with the Indian owners.

The RBI by its A.P. (DIR Series) circular No. 16 dated October 4, 2004 granted general permission for the transfer of shares of an Indian company by Non-Residents to residents and residents to Non-Residents, subject to the terms and conditions, including pricing guidelines, specified in such circular. No approvals of the FIPB or the RBI are required for such Allotment of Equity Shares under this Issue. Our Company will be required to make certain filings with the RBI after the completion of the Issue.

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 the 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 realise capital gains or investments made through the initial amount invested in India, to subscribe or renounce rights issues for shares, to appoint a domestic custodian for custody of investments held and to repatriate the capital, capital gains, dividends, income received by way of interest and any compensation received towards sale or renunciation of rights issues of shares.

Ownership restrictions of FIIs

Under the portfolio investment scheme, the overall issue of equity shares to FIIs on a repatriation basis should not exceed 24% of post-issue paid-up capital of a company. However, the limit of 24% can be raised up to the permitted sectoral cap for that company after approval of the Board of Directors and shareholders of the company. The total holding of a single FII should not exceed 10% of the post-issue paid-up capital of the company or 5% of the total paid-up capital in case such sub-account is a foreign corporate or an individual. In respect of an FII investing in equity shares of a company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital of that company.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated on July 16, 1996 under the Companies Act as a private limited company by the name of "C&C Constructions Private Limited". Subsequently, vide a resolution passed by the shareholders of our Company in their meeting held on August 4, 2006, we were granted approval to convert into a public limited company. Our Company became a public limited company with effect from August 28, 2006 and the name of our Company was changed to "C&C Constructions Limited".

Changes in Registered Office

At the time of incorporation our registered office was situated at BD-62, Janak Puri, New Delhi 110 058. However, on April 1, 1997, our registered office was shifted to 74, Hemkunt Colony, Opposite Nehru Place, New Delhi 110 048 and thereafter to our present registered office at Flat No. G-11, Hemkunt Chambers, Nehru Place, New Delhi 110 019 on August 28, 2006.

Major Events:

Date	Event
1996	• Incorporation of our Company; and • First road construction project awarded by the Punjab Public Works Department for work at Muktsar, Punjab.
1997	• First airport project awarded for sub-contracting work (for Gayatri Projects Limited) at the Calicut airport, Kerala.
1999	• First major contract for extension and strengthening of the airport runway at Port Blair, Andaman & Nicobar Islands awarded for sub-contracting work (for BSCPL).
2000	• Entered into the first contract with the National Highways Authority for the road maintenance project in Durgapur, West Bengal.
2001	• First joint venture agreement executed with BSCPL in relation to improvement and widening of roads in Punjab (awarded by the Punjab Infrastructure Development Board); and • Awarded contract for construction of the Guwahati bypass with certain other parties.
2003	• First oversees project awarded in Afghanistan.
2005	• Awarded three large contracts valued at over Rs.1,000 million (through our joint venture with BSCPL) in Bihar.
2006	• First urban transport project awarded (through our joint venture with BSCPL.) to construct a road of approximately 15 kms for plying of high capacity buses in Delhi. • Awarded the Kurali-Kiratpur BOT project (through our joint venture, BSC-C&C 'JV') for the construction, operation and maintenance of the Kurali-Kiratpur Section of NH 21 from 28.600 to km 73.200 in the State of Punjab. • Preferential allotment for financing our Company's business activities to Blackstone Asia Advisors L.L.C. A/c The India Fund Inc. , Minivet Limited, Galleon International Master Fund SPC Limited and Cross Border Investments Private Limited.

Our Main Objects

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

1. To carry on the business of trade of builders, surveyors, designers, architects, engineers, contractors, decorators, planners and furnishers in India and abroad.
2. To undertake and execute all kinds of contracts for various constructions, roads, sanitary works, electrical works, civil engineering works and furniture and fittings and supplies of all types of building material and labour in India and abroad.
3. To trade in real estate business holding property constituting land building, flats, bungalows, factories, buildings or any other type of immovable property in any land or land and super structure or any super structure and to hold the same as stock-in trade.
4. To construct, carry out, maintain, improve, manage or superintend any markets, reservoirs, water-works, tanks, bridges and works in connection therewith, hydraulic works, electrical works or factories, modern houses for labour and working classes and other works and conveniences.
5. To acquire by purchase, lease, exchange or otherwise, lands buildings, estates and hereditaments of any tenure or description and any rights over or connected with land and either to retain the same for company's business or turn the same to account as may seem expedient.
6. To purchase acquire, land for residential purpose or for commercial as well as industrial purposes and to construct, build houses, flats, apartments and industrial sheds and to let out the same on rental or licence basis thereon or to sell the same on hire purchase or installments system and to provide for tenants and occupiers, thereof all or any of the convenience commonly provide to them.

Changes in Memorandum of Association

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

Date of amendment	Amendment
March 21, 1997	Authorised share capital of our Company was increased from Rs. 1,000, 000 divided into 100,000 Equity Shares of Rs. 10 each to Rs. 3, 000, 000 divided into 300,000 Equity Shares of Rs. 10 each.
January 31, 1998	The Authorised share capital of our Company was increased from Rs. 3,000, 000 divided into 300,000 Equity Shares of Rs. 10 each to Rs. 6, 000,000 divided into 500,000 Equity Shares of Rs. 10 each and 100,000 Preference Shares of Rs.10 each.
February 28, 2000	The Authorised share capital of our Company was increased from Rs. 6,000,000 divided into 500,000 Equity Shares of Rs. 10 each and 100,000 Preference Shares of Rs.10 each to Rs. 12,000,000 divided into 10,000,000 Equity Shares of Rs. 10 each and 200,000 Preference Shares of Rs.10 each.
March 1, 2001	The Authorised share capital of our Company was increased from Rs. 12,000,000 divided into 10,000,000 Equity Shares of Rs. 10 each and 200,000 Preference Shares of Rs.10 each to Rs. 25,000,000 divided into 2,300,000 Equity Shares of Rs. 10 each and 200,000 Preference Shares of Rs.10 each.
June 25, 2001	The Authorised share capital of our Company was increased from Rs. 25,000,000 divided into 2,300,000 Equity Shares of Rs. 10 each and 200,000 Preference Shares of Rs.10 each to Rs. 35,000,000 divided into 3,300,000 Equity Shares of Rs. 10 each and 200,000 Preference Shares of Rs.10 each.

Date of amendment	Amendment
March 30, 2002	The Authorised share capital of our Company was increased from Rs. 35,000,000 divided into 3,300,000 Equity Shares of Rs. 10 each and 200,000 Preference Shares of Rs.10 each to Rs. 50,000,000 divided into 4,800,000 Equity Shares of Rs. 10 each and 200,000 Preference Shares of Rs.10 each.
June 21, 2006	Authorised share capital of our Company was increased from Rs. 50, 000,000 divided into 4,800,000 Equity Shares of Rs. 10 each and 200,000 Preference Shares of Rs.10 each to Rs. 200,000,000 divided into 19,800,000 Equity Shares of Rs. 10 each and 200,000 Preference Shares of Rs. 10 each.

Our Joint Ventures

We enter into joint ventures with third parties to combine expertise and resources to enable us to obtain larger projects. We, along with our joint venture partners, bid and tender for projects in the name of the joint venture. Joint venture agreements are either project specific or general in nature. Project specific joint venture agreements typically terminate in the event the joint venture is not awarded the project, or in the event the joint venture does not obtain permission to tender for the project or on cancellation of the project and general joint venture agreements terminate after a pre-determined time. Additionally, project specific joint venture agreements remain valid until the project is completed and automatically terminate once all work in relation to execution of the project is complete.

The joint venture agreements set forth the terms and conditions governing the relationship between our Company and our joint venture partner(s). The joint venture agreement provides that the parties have joint and several responsibilities for the execution of the contract, once awarded. The financial responsibility and participation of each party with respect to finances, planning, construction equipment, key personnel and execution of works is typically in the ratio of 50:50. The joint venture operates under the instructions of a management board which comprises of a chairman, nominated by the lead partner and a vice-chairman, nominated by the other partner and one director appointed by each party. Presently, a majority of our joint venture agreements have been entered into with BSCPL, Hyderabad.

A brief summary of all our joint venture agreements subsisting currently are set forth below.

I. Project Specific Joint Ventures

A. Joint Venture Agreement with BSCPL for the urban infrastructure project in Delhi

Our Company has entered into a joint venture agreement with BSCPL on October 25, 2005 for the purpose of making a pre-qualification application and tendering for construction work in relation to widening/upgrading of roads in order to convert the existing carriageway to multilane facility for the high capacity bus system including street lighting and drainage works in Delhi called by RITES Limited on behalf of the Transport Department, Government of the National Capital Territory of Delhi. Our Company and BSCPL have been awarded this contract by RITES Limited. BSCPL is the lead partner of the joint venture. The joint venture shall operate under the instructions of a management board which comprises of a chairman, nominated by the BSCPL and a vice-chairman, nominated by our Company and one director appointed by each party.

B. Joint Venture with BSCPL for the improvement/ upgradation project of Ircon International Limited, New Delhi.

Our Company has entered into a joint venture agreement with BSCPL on October 13, 2006 for the purposes of preparing and submitting tenders for the work of improvement and upgradation of the State Highways into 2 lane roads in Madhubani District for the roads at Phulparas-Khautana-Laukaha road in Madhubani District from 66 kms to 97.70 kms. Our Company has bid for an award of this contract, along with BSCPL and in this connection have formed a joint venture in the name BSC-C&C 'JV'. BSCPL is the lead partner of the joint venture. The joint venture shall operate under the instructions of a management board which comprises of a chairman, nominated by the BSCPL and a vice-chairman, nominated by our Company and one director appointed by each party.

C Joint Venture with BSCPL for the improvement/ upgradation project of Ircon International Limited, New Delhi.

Our Company has enterd into a joint venture agreement with BSCPL on November 23, 2006 for the work of preparing and submitting tenders in relation to the certain works as detailed hereunder. Our Company has bid for an award of this contract, along with BSCPL and in this connection have formed a joint venture in the name BSC-C&C 'JV'. BSCPL is the lead partner of the joint venture. The joint venture shall operate under the instructions of a management board which comprises of a chairman, nominated by the BSCPL and a vice-chairman, nominated by our Company and one director appointed by each party. As earlier mentioned our Company and BSCPL have been awarded the following projects pursuant to this joint venture agreement by which the parties have agreed to prepare and submit tenders for the following works:-

- Hajipur (Ch.0.00 km) to Basudeopur (Ch.31.00 km).
- Basudeopur (Ch.31.00 km) to Samastipur (Ch. 63.482 km)
- Darbhanga (Ch.00.00 km to Shivnagar Ghat (Ch.35.40 km)
- Shivnagar Ghat (Ch.35.40 km) to Kusheshwavathan(Ch. 64.274 km)
- Pupri (Ch. 39.65 km) to Benipatti (Ch.14.72 km)
- Benipatti (Ch.14.72 km)- Rahika (Ch.0.00)-Madhubani (Thanachauk)-Saurath-Pokhraini Road (2.89 km) & Madhubani to Ranti (4.00 km)
- Ranti to Jhanjharpur (Lengara Chouk) exclusing Kamla river portion.

D. Joint Venture Agreement with BSCPL for the infrastructure project in Ludhiana, Punjab.

Our Company has entered into a joint venture agreement with BSCPL on November 28, 2006 for the work of submitting tenders in relation to the "widening and strengthening of the Ludhiana-Marlerkotta-Sangrur Road from 5-938 km to 77-290 km called by the Executive Engineer, Central Works Division, Ludhiana, Punjab. Our Company has bid for an award of this contract, along with BSCPL and in this connection have formed a joint venture in the name BSC-C&C 'JV'. BSCPL is the lead partner of the joint venture. The joint venture shall operate under the instructions of a management board which comprises of a chairman, nominated by the BSCPL and a vice-chairman, nominated by our Company and one director appointed by each party.

E. Joint Venture Agreement with BSCPL for the Kandahar to Herat Highway project in Afghanistan

Our Company has entered into a joint venture agreement with BSCPL on May 8, 2004 for the work of preparing and submitting tenders in relation to the "Kandahar to Herat Highway Improvement Project" called by the Louis Berger Group, Inc. (LBGI) for the rehabilitation of economic facilities and services taken up by the United States Agency for International Development (USAID) in Afghanistan. Our Company along with BSCPL have been awarded the project, pursuant to this joint venture agreement.

F. Joint Venture Agreement with BSCPL for the Kandahar-Herat project in Afghanistan

Our Company has entered into a joint venture agreement with BSCPL on July 20, 2006 to bid and tender for the work of improvement of the trunk road from Kandahar toward Herat called by the Japan International Co-operation System on behalf of the Ministry of Public Works, Islamic Republic of Afghanistan. Our Company has bid for an award of this contract, along with BSCPL and in this connection have formed a joint venture in the name BSC-C&C 'JV'. BSCPL is the lead partner of the joint venture. The joint venture shall operate under the instructions of a management board which comprises of a chairman, nominated by the BSCPL and a vice-chairman, nominated by our Company and one director appointed by each party.

G Joint Venture Agreement with BSCPL for the Herat project at Afghanistan.

Our Company has entered into a joint venture agreement with BSCPL on August 1, 2006 to bid and tender for designing and building 122 kms of road from Herat as part of the rehabilitation and reconstruction programme in

Afghanistan. The project has been undertaken by the Afghan Reconstruction and Development Services Unit on behalf of the Ministry of Public Works, Islamic Republic of Afghanistan. Our Company has bid for an award of this contract, along with BSCPL and in this connection have formed a joint venture in the name BSC-C&C 'JV'. BSCPL is the lead partner of the joint venture. The joint venture shall operate under the instructions of a management board which comprises of a chairman, nominated by the BSCPL and a vice-chairman, nominated by our Company and one director appointed by each party.

H. *Joint Venture Agreement with BSCPL for the NH-57 project in Bihar*

Our Company has entered into a joint venture agreement with BSCPL on April 26, 2005 for the purpose of bidding and tendering for widening to four-lanes and strengthening of the existing/intermediate carriageway of National Highway section on NH-57 in the state of Bihar on East West Corridor under Phase-II programme of NHDP called by the National Highways Authority of India. Our Company has formed a joint venture along with BSCPL in the name BSC-C&C 'JV' to bid for the NH-57 highway projects under this joint venture agreement. BSCPL is the lead partner of the joint venture. The joint venture shall operate under the instructions of a management board which comprises of a chairman, nominated by the BSCPL and a vice-chairman, nominated by our Company and one director appointed by each party. Our Company and BSCPL have been awarded the following projects pursuant to this joint venture agreement:

- Rehabilitation and upgrading of the existing road to four lanes in 190 km to 165 km and 155 km 110 km from Simrahi to Jhanjharpur (excluding Kosi Bridge and approaches) section of NH-57 in the State of Bihar;
- Rehabilitation and upgrading to 4/6 lane divided carriageway configuration from 69.80 km to 37.75 km of Darbhanga-Muzaffarpur section of NH-57 in the State of Bihar under Phase-II programme of North-South and East West Corridor Project; and
- Rehabilitation and upgrading to 4/6 lane divided carriageway configuration from 37.75 km 0.00 km of Darbhanga-Muzaffarpur section of NH-57 in the state of Bihar under Phase-II programme of North-South and East West Corridor Project.

I *Joint Venture Agreement with BSCPL for the Trincomalee Integrated Infrastructures Project in Sri Lanka.*

Our Company has entered into a joint venture agreement with BSCPL on June 28, 2006 for the purpose of applying for pre-qualification and tendering for work on the "Trincomalee Integrated Infrastructures Project" called by the Road Development Authority of the Ministry of Highways, Sri Lanka. Our Company has bid for an award of this contract, along with BSCPL and in this connection have formed a joint venture in the name BSC-C&C 'JV'. BSCPL is the lead partner of the joint venture. The joint venture shall operate under the instructions of a management board which comprises of a chairman, nominated by the BSCPL and a vice-chairman, nominated by our Company and one director appointed by each party.

J. *Joint Venture Agreement with BSCPL for the Banda Aceh to Calang Segment Project in Indonesia*

Our Company has entered into a joint venture agreement with BSCPL on November 23, 2006 for the work of preparing and submitting tenders in relation to the "Aceh Road/Bridge Reconstruction and Rehabilitation Project for the Banda Aceh to Calang Segment" called by USAID/Indonesia. Our Company has bid for an award of this contract, along with BSCPL and in this connection have formed a joint venture in the name BSC-C&C 'JV'. BSCPL is the lead partner of the joint venture. The joint venture shall operate under the instructions of a management board which comprises of a chairman, nominated by the BSCPL and a vice-chairman, nominated by our Company and one director appointed by each party.

K. *Joint Venture with BSCPL for the work of "Keshim-Faizabad Road" in Badakhshan Province Afghanistan.*

Our company has entered into a joint venture agreement with BSCPL on December 30, 2006 for the purposes of preparing and submitting tenders for the work "Keshim-Faizabad Road" in Badakhshan Province, Afghanistan called by the Louis Berger Group, Inc. (LBGI) Black and Veatch Special Projects Corporation. The joint venture is being assisted by the United States Agency for International Development (USAID) for Afghanistan. Our Company has bid for an award of this contract, along with BSCPL and in this connection have formed a joint venture in the name of BSC-C&C 'JV'. BSCPL is the lead partner of the joint venture. The joint venture shall operate under the instrutions of a management board which comprises of a chairman, nominated by the BSCPL and vice-chairman, nominated by our Company and one director appointed by each party.

II. General Joint Ventures

A. *Joint Venture Agreement with BSCPL for projects funded by multilateral funding agencies in Afghanistan*

Our Company has entered into a joint venture agreement with BSCPL on November 25, 2003 for the purpose of making applications for pre-qualification, tendering and obtaining works from various agencies, private or government or multilateral funding agencies in the Islamic Republic of Afghanistan such as Ministry of Public Works and/or Ministry of civil aviation and tourism or any other ministry of public works and any other Ministry in Kabul, Afghanistan, USAID, Asian Development Bank, World Bank and International Bank for Reconstruction and Development. BSC-C&C 'JV' has been awarded the Lashkargah to Ring Road project, pursuant to this joint venture agreement.

B. *Joint Venture Agreement with BSCPL for projects funded by multilateral funding agencies in Afghanistan*

Our Company has entered into a joint venture agreement with BSCPL on June 11, 2005 for the purpose of making applications for pre-qualification, tendering and obtaining works from various agencies, private or government or multilateral funding agencies in Afghanistan including the Ministry of Public Works and/or Ministry of Civil Aviation and Tourism, USAID, Asian Development Bank, World Bank, International Bank for Reconstruction and Development, UNOPS. BSC-C&C 'JV' has been awarded the Taloqan-Kishem transport rehabilitation project and the Jalabad to Asmar Road project, pursuant to this joint venture agreement.

Other material agreements

Memorandum of Understanding with Gill Aqua Power Generation for setting up hydro power projects on a build, operate and own basis in Punjab.

Our Company has entered into a memorandum of understanding with Gill Aqua Power Generation on December 22, 2005 and amended on March 3, 2006 to bid for setting up hydro power projects on a build, operate and own basis in Punjab. In this connection, our Company and its joint venture partner propose to incorporate a SPV for the execution and performance of the proposed contract. Each party's share in the share capital of the SPV shall be 50% each and shall be governed by a shareholder's agreement in respect of the SPV.

The parties shall be jointly and severally liable for obligations arising in connection with the performance of the project. Our Company has been designated as the partner-in-charge of the joint venture for the performance of the project. The joint venture agreement shall remain valid until three years from the successful commissioning of the project. Under this joint venture agreement, our Company along with its joint venture partner are proposing to bid for the following projects:

- Upper Bari Doab Canal System, Kasur Branch Upper, Tibri-I, Manchopra having a potential of 1,346 KW;
- Upper Bari Doab Canal System, Kasur Branch Upper, Tibri-II, Manchopra having a potential of 332 KW; and
- Upper Bari Doab Canal System, Kasur Branch Upper, Manchopra having a potential of 516 KW.

Memorandum of Understanding with M/s Satish Aggarwal & Company, for the execution of the work (if awarded) in relation to the raising, widening and strengthening of the Ajnala Fatehgarh Churian Road in Amritsar District in Punjab.

Our Company has entered into a memorandum of understanding with M/s. Satish Aggarwal & Company ("Second Party") on October 31, 2006, and has agreed that it would submit tender for the work in relation to the raising, widening and strengthening of the Ajnala Fatehgarh Churian Road in Amritsar District in Punjab and in case such work is awarded to our Company, then the same would be executed by the Second Party on the following terms and conditions:

- The liability of the Second Party towads the project would continue for the whole period of the contract that is upto the clearance of the defect liability period.
- Our Company would provide supervisory support for preparation of claims and for handling contract correspondence etc. to the Second Party. If any claims are realised, the proceeds of the same would be shared in the ration of 25:75.
- Execution of the work as per the satisfaction of the Punjab PWD as per provisions of the contract agreement and acceptable performance level shall be the sole responsibility of the Second Party. As a performance surety a cheque of Rs. 5 million would be deposited by the Second Party to our Company which would be utilised only in case of non-performance by the Second Party, otherwise this cheque would be released only after clearance of the defect liability period.

The memorandum of understanding would expire amongst other things upon our Company giving a 10 day notice to the Second Party when it is of the opinion that the Second Party is lacking either in the application of resources or management or any other cause and is slipping behind the schedule or has slipped any of the milestone. In such a case the Second Party, would have no claim whatsoever on our Company for any losses incurred by them.

Memorandum of Understanding with BSCPL, for the construction, operation and maintenance of Kurali-Kiratpur Section of NH 21 from 28.600 to km 73.200 in the State of Punjab.

Our Company has entered into a memorandum of understanding with BSCPL, for the construction, operation and maintenance of the Kurali-Kiratpur Section of NH 21 from 28.600 to km 73.200 in the State of Punjab on May 22, 2006. Our Company and BSCPL have agreed to form a Special Purpose Vehicle (SPV) with their respective shareholding commitments and that the aggregate equity share holding of BSCPL and our Company and other associates in the issued and paid up capital of the SPV shall not be less than (a) 51% during the construction period and for three years following commercial operation date date and (b) 26% during the balance remaining operation period. BSCPL is the lead partner of the joint venture and has committed to hold a mimimum equity stake equal to 51% of the aggregate shareholding of the consortium in the SPV at all times during the concession period of 20 years including construction period of 30 months. Our Company along with its associates have committed to hold a minimum equity stake equal to 10% of the aggregate shareholding of the consortium in the SPV at all times during the concession period. The equity holding of BSCPL and our Company shall be in the ratio of 51:49.

Private Placement

The Board of Directors vide resolutions dated October 30, 2006 and December 14, 2006 consented to a fresh issue by way of a preferential allotment for financing our Company's business activities to Blackstone Asia Advisors L.L.C. A/c The India Fund Inc., Minivet Limited, Galleon International Master Fund SPC Limited and Cross Border Investments Private Limited. Pursuant to the Private Placement, we entered into placing letters with Blackstone Asia Advisors L.L.C. A/c The India Fund Inc, dated October 25, 2006, Minivet Limited dated November 24, 2006, Galleon International Master Fund SPC Limited dated November 30, 2006 and Crossborder Investments Private Limted, dated November 27, 2006. Additionally, we also entered into an exit option agreement with Minivet Limited on November 30, 2006. Details of exit option agreement with Minivet Limited and the private placement confirmation letter executed are as follows:

Exit Option Agreement with Minivet Limited

Our Company has entered into an exit option agreement with Minivet Limited ("Minivet") on November 30, 2006 by way of which Minivet has agreed to subscribe to 327,273 Equity Shares of the Company, for a price of Rs. 275 per equity share. Subject to any lock in provision of SEBI, Minivet has a right to sell its shareholding in part or full at any point of time at its sole discretion. The exit option(s) that Minivet may exercise for divesting its stake in our Company can be either one or in a combination of the following methods:

- *Exit through IPO*

  An IPO would be the preferred route for exit of Minivet. The issue is required to be made at any time before 24 months from the date of the first allotment of Equity Shares to Minivet. The Promoters and our Company are required to obtain all relevant approvals, statutory or otherwise for the IPO. Expenses towards the public issue and listing of Equity Shares are required to be borne by the Company.

- *Offer for Sale*

  In case our Company is unable to make the public offering within 24 months from the date of the allotment of Equity Shares to Minivet, the Promoters and our Company are required to render all necessary help in making an offer for sale of Minivet's equity shareholding at such time as Minivet decides. The Promoters are further required to offer for sale such further number of shares as may be required by law to be offered to the public as a condition for obataining listing on any registered stock exchange.

- Tag along provisions

  In the event the IPO of our Company does not take place within 24 months from the date of allotment of shares to Minivet and in the event the Promoters propose to transfer and/ or sell any part of their shareholding of our Company, then the Promoters are required to arrange for a pro rata tag along option for Minivet.

- *Buy back*

  In the event the IPO of our Company does not take place within 24 months from the date of allotment of shares to Minivet, Minivet shall be entitled at its discretion to require the Promoters to buy back all the Equity Shares held by Minvet after conversion at the time in our Company at such price that ensures a minimum return of 10% to Minivet on the amount invested or at the value as may be decided by an independent firm of chartered accountant appointed by Minivet in consultation with the Promoters, whichever is higher. Upon determination of such value by the chartered accountant and before requiring the Promoters to buy back the shares, Minivet shall offer the Promoters the opportunity to procure and offer from a third party to purchase all the shares held by Minivet at the stated value. Minivet is further required to refrain under all circumstances to sell its shares to a third party which is a competitor of our Company until the IPO.

- *Drag Along Rights*

  In the event the IPO of our Company does not take place within 24 months from the date of allotment of shares to Minivet or no exit option is exercised by Minivet and the promoters fail to buy back the shares of the Minivet, then Minivet would have the right to sell the shares to any third party as a strategic investor.

  Additionally if an offer is received by Minivet for sale to a strategic investor and on a right of first refusal, if the Promoters do not accept the offer, then Minivet would have the option to sell the shares to the strategic investor. In such an event, promoters are required to sell along with Minivet, such quantum of their shareholding as may be required, but not more than the shareholdings held by Minivet, to enable Minivet sell all or part of its shareholding in our Company to complete the transaction as agreed with the strategic investor at the agreed price.

Placing Letter

As mentioned above, on page 95 of this Red Herring Prospectus, our Company has entered into private placement confirmation letters with all the investors subscribing to the Pre-IPO placement. A summary of terms and conditions of the placement letter has been provided herein below:

1. That the participant in the private placement, apart from the rights provided to a shareholder under the Companies Act, does not have any right including:

   i) rights under a shareholders agreement or voting agreement entered into with the Promoters or persons related to the Promoters of our Company; or

   ii) veto rights; or

   iii) right to appoint any nominee director on the Board of our Company.

2. That the participant accepts that if the Offering does not proceed for any reasons whatsoever, neither the Merchant Bankers nor our Company shall have any liability whatsoever to the participant except to the extent of returning any subscription monies received prior to such time without interest and the participant's right under the placing letter would cease and no claims may be made by the participant in this regard.

3. In the event our Company does not complete the Issue vide the initial public offer within 24 months from the date of the signing of this Placement Letter, our Promoters namely Mr. Gurjeet Singh Johar, Mr. Charanbir Singh Sethi, Mr. Rajbir Singh, Mr. Sanjay Gupta and Mr. Amrit Pal Singh Chadha agree and undertake at the participant's option to acquire up all of the Equity Shares purchased by the participant at such a price that shall provide the participant with a return of 10% per annum on the investment.

OUR MANAGEMENT

Board of Directors

Under our Articles of Association we are required to have at least three Directors and cannot have more than 12 Directors. We currently have 12 Directors on our Board.

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

Name, Father's/ Husband's Name, Designation and Occupation	Age	Address	Other Directorships
Mr. Gurjeet Singh Johar S/o Late Mr. Sohan Singh Johar Designation: Chairman Occupation: Chartered Accountant	56 years	362, Kailash Tower-I East of Kailash, New Delhi 110 065, India. *	• Case Cold Roll Forming Private Limited; • S. J. Leasing & Investment Private Limited; • Case Components Limited; • Case Components Industries Limited; • Frontline Innovation Private Limited; and • Sonar Infosys Limited.
Mr. Charanbir Singh Sethi S/o Late Mr. Jagjit Singh Sethi Designation: Managing Director Occupation: Business	48 years	1136, Sector 8-C, Chandigarh, 160 018, India.**	• Case Cold Roll Forming Private Limited; • Frontline Innovation Private Limited; • Jeet Properties Private Limited; • Case Components Industries Limited; • Case Components Limited; • Kims Wardak Diagnostic Centre Private Limited; and • Frontier Services LLC.
Mr. Rajbir Singh S/o Mr. Jagjit Singh Designation: Director Occupation: Business	50 years	1136, Sector 8-C, Chandigarh, 160 018, India.***	• Case Cold Roll Forming Private Limited; • Case Components Industries Limited; • Case Components Limited; • Frontline Innovation Private Limited; and • Jeet Properties Private Limited.
Mr. Sanjay Gupta S/o Mr. J P Gupta Designation: Director Occupation: Business	46 years	004, Siddhartha Apartments, Civil Court Compound, P.O. Civil Lines, New Agra, Uttar Pradesh, 282 002,	• Case Cold Roll Forming Private Limited; • Case Components Industries Limited; • Case Components Limited; • Bags Registry Services Private Limited; • Frontline Innovation Private Limited; and • Grace Developers LLC.
Mr. Amrit Pal Singh Chadha S/o Mr. Sardar Singh Chadha Designation: Director Occupation: Business	43 years	4410, DLF, Qutab Enclave, Phase IV, Gurgaon, Haryana 122 001, India.	• Case Cold Roll Forming Private Limited; • Case Components Industries Limited; • Case Components Limited; • Frontline Innovation Private Limited; and • BSC-C&C JV Nepal Private Limited

Name, Father's/ Husband's Name, Designation and Occupation	Age	Address	Other Directorships
Mr. Rajendra Mohan Aggarwal S/o Mr. M. M. Aggarwal Designation: Director (Technical) Occupation: Professional	61 years	571-D, Sector 15, Part-I, Gurgaon, Haryana, 122 001, India.	• Nil
Mr. Deepak Dasgupta S/o Sachidulal Dasgupta Designation: Independent Director Occupation: Retired Civil Servant	64 years	C-604, Central Park-I, Sector-42, Gurgaon, Haryana, 122 002, India.	• Second Vivekananda Bridge Tollway Company (Private) Limited; • Road Infrastructure Development Company of Rajasthan Limited; and • IJM-India Infrastructure Limited.
Mr. Anand Bordia S/o Mr. Kesari Lal Bordia. Designation: Independent Director Occupation: Professional	62 years	B-4, Sector-27, NOIDA, Uttar Pradesh 201 301, India.	• Birla Corporation Limited.
Mr. Ramesh Chandra Rekhi S/o Mr. Iqbal Nath Rekhi Designation: Independent Director Occupation: Professional	69 years	M-18, Vikas Puri, New Delhi 110 018, India.	• Nil
Lt. Gen Harbans Singh Kanwar (Retd.) S/o Mr. Babu Ram Thakur Designation: Independent Director Occupation: Retired Army Officer	62 years	House No. 666, Sector- 21, Gurgaon 122 001, Haryana, India.	• Nil
Mr. Kanwal Monga S/o Mr. Burmanand Monga Designation: Independent Director Occupation: Business	61 years	18, Chelmsford Country Club, Ghitorni, New Delhi, 110 030, India.	• Virgo Marketing Private Limited; • Virgo Consultants Private Limited; • Monga Holdings Private Limited; • M&M Estates Private Limited; • Virgo Components Limited; • Telecom Finance India Limited; and • Rico Auto Industries Limited.
Mr. Tarlochan Singh S/o Mr. Balwant Singh Designation: Independent Director Occupation: Member of Parliament	73 years	B-5, Dr. Zakir Hussain Marg, New Delhi, 110 001, India.	• Nil

Apart from Mr. Gurjeet Singh Johar, Mr. Charanbir Singh Sethi and Mr. Rajbir Singh Sethi, none of our Directors are related to each other.

* Mr. Gurjeet Singh Johar's present address is 11, Club Drive, M.G. Road, Ghitorni, New Delhi 110 030, India.

** Mr. Charanbir Singh Sethi's present address is C-20, Hauz Khas, New Delhi 110 016, India

***Mr. Rajbir Singh's present address is A-11/2 DLF Phase-I, Gurgaon, Haryana 122 001, India.

**** Mr. Sanjay Gupta's present address is 86, Sector 17A, Gurgaon, Haryana 122 001, India.

Details of Directors

Mr. Gurjeet Singh Johar, 56 years, is the Chairman of our Company. He holds a bachelor's degree in commerce from Meerut University. He is a chartered accountant registered with the Institute of Chartered Accountants of India and has over 30 years of professional experience. He is a member on the Working Committee of Projects Exports Promotion Council of India. Prior to joining our Company, Mr. Johar worked for DCM Limited and thereafter established G. S. Johar & Co., a firm of Chartered Accountants in 1978. Mr. Johar joined our Company as a Director on March 6, 1997 and was appointed as the Chairman of our Company on April 1, 1997. He is also Chairman on the Board of Trustees of the Dhyan Foundation, an NGO dedicated to the spiritual development of mankind through ancient Indian sciences. His leadership abilities and expertise in the area of finance have been instrumental in the growth and success of our Company. He oversees the finance function in our Company, is responsible for strategic planning and conceptualisation of all new project initiatives and also looks after our human resource department.

Mr. Charanbir Singh Sethi, 48 years, is our Managing Director. He holds a bachelor's degree in commerce from Punjab University. Mr. Sethi has more than 25 years of experience in the infrastructure sector and has successfully handled execution of many airport runway and road projects in India and in Afghanistan. He is a member of the Sub Group on Public Participation in the road sector for the formulation of the Eleventh Five Year Plan (2007-2012). He joined our Company as an Additional Director on June 1, 2001 and became our Managing Director on December 20, 2001. Prior to joining our Company, he was working with Oriental Structural Engineers Limited. He oversees all the construction activities of our Company and also is in-charge of our operations in Afghanistan.

Mr. Rajbir Singh, 50 years, is a Director in our Company. He holds a bachelor's degree in economics from Punjab University. He has ten years of experience in the infrastructure industry, He served in the Indian army for a period of nine years from 1978 to 1987 after which he was involved in handling his family business of petroleum retailing. He joined our Board on March 6, 1997. He is in-charge of the quarrying initiative of our Company and also handles all administrative aspects in our Company.

Mr. Sanjay Gupta, 46 years, is a Director in our Company. He holds a bachelor's degree in civil engineering from Regional Engineering College, Rourkela and has 20 years of experience in the infrastructure industry. Prior to joining our Company on August 4, 2003, he was working with Oriental Structural Engineers Limited. He is currently in-charge of implementation of the high capacity bus system road project in Delhi and the Afghanistan projects.

Mr. Amrit Pal Singh Chadha, 43 years, is a Director in our Company. He holds a bachelor's degree in commerce from Punjab University and a master's degree in commerce from Shimla University. He has 20 years of experience in the infrastructure sector and has been instrumental in execution of a number of road and airport linked infrastructure projects in our Company. Mr. Chadha has been a Director in our Company since incorporation. Prior to joining our Company on July 16, 1996, he was working with Oriental Structural Engineers Limited. He is currently in-charge of execution of all our infrastructure projects in Bihar.

Mr. Rajinder Mohan Aggarwal, 61 years, is a Director in our Company. He holds a bachelor's degree in civil engineering from Thapar Engineering College, Patiala and a post graduate diploma for Management from the Indira Gandhi National Open University. He has about four decades of experience in the construction sector, in India and abroad and has worked for both the private as well as public sector. He has been associated with the ONGC Limited, NPCC Limited, Central Public Works Department, RITES Limited, Government of Libya and Oriental Structural Engineers Limited previously. He joined our Company on June 1, 2001. He is in-charge of overseeing all activities in relation to the tendering process and also handles technical support in our Company.

Mr. Deepak Dasgupta, 64 years, is an independent Director in our Company. He holds a bachelor's and a master's degree in science from the Delhi University. He is a retired Indian Administrative Services Officer. He has 35 years of professional experience and has held senior positions in the government. He has also served as the Chairman of the National Highway Authority of India. He has also served as a full time member on the Task Force for interlinking rivers. He has also worked as an advisor to the Asian Development Bank on a consulting assignment on an intermittent basis for disseminating the national highways experience in South Asia region. He joined our Board on October 6, 2006.

Mr. Anand Bordia, 62 years, is an Independent Director in our Company. He holds a bachelor's degree and a master's degree in arts from St. Stephens College. He has 35 years of work experience in policy formulation, programme implementation and organisational development with the Government of India and has also worked for various international organisations such as the World Customs Organisation, Harvard Institute for International Development and the UNDCP. He has been with the Indian Customs and Excise Department and has held the post of Collector of Customs, Delhi. He was also appointed as the First Secretary, Trade High Commission of India in London. He has also worked in the Secretariat of World Customs Organisation, Brussels for seven years. He has conducted technical assistance programmes in Asian, African and South American countries for the Harvard Institute for International Development, UNDCP and the World Customs Organisation. Most recently, he was appointed as a Member (Finance), National Highway Authority of India and has been instrumental in taking a number of initiatives in innovative financing, resource mobilisation, public-private partnership and expenditure control in implementation of the national highway development project, an ambitious highway development project for the Government of India. He joined our Board on October 6, 2006.

Mr. Ramesh Chandra Rekhi, 69 years, is an independent Director in our Company. He holds a bachelor's degree in civil engineering from the Delhi College of Engineering and a post graduate diploma in construction management from the Indian Institute of Technology, New Delhi. He has over 40 years of experience in the aviation and construction industry and has been involved in the design, development and implementation of major engineering installations at airports since 1963. He has been a Chief Engineer with New Delhi Muncipal Corporation, Chief Engineer with the International Airports Authority of India and has also held the post of Airport Director, Delhi Airport. He has also been a Director of the International Airports Authority of India. He has also served the United Nations Development Programme/International Civil Aviation Organization (ICAO) on a number of assignments relating to planning, design development and implementation of airport projects in various countries such as Kenya, Laos, Vietnam, Nigeria, Uganda, Afghanistan, Nepal and Australia. He is on the ICAO panel of consultants for airport planning and development works. Currently, he is the head of the Aviation Division of EMA Unihorn Private Limited. He joined our Board on October 6, 2006.

Lt. General Harbans Singh Kanwar (Retd.), 62 years, is an independent Director in our Company. He is a retired official of the Defence Services. He holds a master's degree in Defence Studies. He attended the Defence Services Staff College, Intelligence Staff Officer Course, Royal College of Defence Studies (U.K.). He was in the Indian Army for 40 years and has commanded various divisions of the armed forces. He has been awarded the Param Vishisht Seva Medal, Ati Vishisht Seva Medal and the Vishisht Seva Medal for consistent and distinguished service, spanning four decades to the nation. He has also served as the Director General of the Assam Rifles wherein he commanded over 70,000 personnel and was responsible to plan and expend budgets of nearly Rs. 10,000 million in each financial year. He joined our Board on October 6, 2006.

Mr. Kanwal Monga, 61 years, is an independent Director in our Company. He holds a bachelor's degree in science from Punjab University. He has promoted the Virgo Group of Companies which assist high technology companies primarily from Europe and Japan in transfer of technology for the telecommunication sector. He has been instrumental in introducing fibre optic cables into India and CNG into Delhi. He joined our Board on October 6, 2006.

Mr. Tarlochan Singh, 73 years, is an independent Director in our Company. He holds a master's degree in economics from Punjab University. He is currently a sitting member of the Rajya Sabha, the Parliamentary Advisory Committee of the Ministry of Civil Aviation, Parliamentary Standing Committee of the Ministry of Social Justice and Empowerment. Previously, he has been the Chairman of the National Minority Commission, Government of India, Delhi Tourism and Transportation Development Corporation. He has been a member of the National Human Rights Commission. He joined our Board on October 6, 2006.

Borrowing Powers of the Directors in our Company

Pursuant to a resolution passed by our shareholders on October 6, 2006 in accordance with provisions of the Companies Act, our Board has been authorised to borrow sums of money for the purpose of our Company upon such terms and conditions and with or without security as the Board of Directors may think fit, provided that the money or money's to be borrowed together with the money's already borrowed by our Company shall not exceed, at any time, a sum of Rs. 5,000 million.

Details of Appointment and Compensation of our Directors

Name of Directors	Contract/ Appointment Letter/ Resolution	Term
Mr. Gurjeet Singh Johar	Re-appointed as Director through resolution of the Board of Directors dated October 6, 2006.	Five years with effect from September 1, 2006.
Mr. Charanbir Singh Sethi	Re-appointed as Managing Director vide board resolution dated October 6, 2006. We are in process of taking permission from the Central Government for his appointment and remuneration since he has not been a resident of India in the last financial year.	Five years with effect from September 1, 2006.
Mr. Rajbir Singh	Re-appointed as a whole time Director vide resolution of the Board of Directors dated October 6, 2006.	Five years with effect from September 1, 2006.
Mr. Sanjay Gupta	Re-appointed as a whole time Director vide resolution of the Board of Directors dated October 6, 2006. We are in process of taking permission from the Central Government for his appointment and remuneration since he has not been a resident of India in the last financial year.	Five years with effect from September 1, 2006.
Mr. Amrit Pal Singh Chadha	Re-appointed as a whole time Director vide resolution of the Board of Directors dated October 6, 2006.	Five years with effect from September 1, 2006.
Mr. Rajinder Mohan Aggarwal	Re-appointed as a whole time Director vide resolution of the Board of Directors dated October 6, 2006.	Five years with effect from September 1, 2006.
Mr. Deepak Dasgupta	Appointed as an Independent Director vide resolution of the Board of Directors dated October 6, 2006.	Liable to retire by rotation.
Mr. Anand Bordia	Appointed as an Independent Director vide resolution of the Board of Directors dated October 6, 2006.	Liable to retire by rotation.
Mr. Ramesh Chandra Rekhi	Appointed as an Independent Director vide resolution of the Board of Directors dated October 6, 2006.	Liable to retire by rotation.
Lt. General Harbans Singh Kanwar (Retd.)	Appointed as an Independent Director vide resolution of the Board of Directors dated October 6, 2006.	Liable to retire by rotation.
Mr. Kanwal Monga	Appointed as an Independent Director vide resolution of the Board of Directors dated October 6, 2006.	Liable to retire by rotation.

Name of Directors	Contract/ Appointment Letter/ Resolution	Term
Mr. Tarlochan Singh	Appointed as an Independent Director vide resolution of the Board of Directors dated October 6, 2006.	Liable to retire by rotation.

Terms and conditions of the appointment of our whole-time Directors

The terms and conditions of appointment of all our whole-time Directors, namely Mr. Gurjeet Singh Johar, Mr. Charanbir Singh Sethi, Mr. Rajbir Singh, Mr. Sanjay Gupta, Mr. Amrit Pal Singh Chadha and Mr. R.M. Agarwal are set out in the resolution dated October 6, 2006 passed by the shareholders of our Company, which are as under:

Term	For a period of five years commencing from September 1, 2006.
Salary (per month)	Starting salary of Rs. 250,000 per month with an increment of upto Rs. 50,000 per annum as per the policy of our Company.
Allowances	Such other allowances as are applicable to the members of the staff under the staff rules of our Company including city compensatory allowance, value allowance, etc subject to the terms and conditions approved by the remuneration committee of our Company from time to time.
Housing	Furnished accommodation or house rent allowance not exceeding 60% of the salary.
Medical	Reimbursement of all medical and hospitalisation expenses for self and family as per the staff rules of our Company.
Leave travel benefit	Leave travel benefit as per the staff rules of our Company.
Mediclaim and accidental insurance	Premium in respect of mediclaim and accidental insurance policies as per the staff rules of our Company.
Provident Fund and Superannuation Fund	Contribution to provident and superannuation funds as per the staff rules of our Company.
Leave, gratuity and leave encashment	As per the staff rules of our Company.
Provision for car	Provision of car with driver (subject to the recovery of an amount from the salary under the provisions of the Income Tax Act for personal use of the car) or conveyance allowance not exceeding Rs. 50,000 per month or official vehicle with allowances as per the vehicle scheme of our Company.
Provision for telephone at residence	Telephone at residence for use on Company business.
Club Fees	Annual fees of upto three clubs, excluding admission and membership fees.
Minimum remuneration	Where in any financial year, during the currency of the tenure, our Company has no profits or its profits are inadequate, the remuneration by way of salary and perquisites shall not exceed the limits specified in Schedule XIII of the Companies Act, or any subsequent modification thereof.
Termination of appointment	The appointment shall be terminable by three month's notice or by three month's salary in lieu of notice by either party.

We also pay all our independent directors a sitting fee of Rs. 5,000 per meeting.

Corporate Governance

Our Company is in compliance of the provisions for corporate governance as stipulated in the listing agreements with the Stock Exchanges, including with respect to broad basing of our Board to appoint independent Directors to our Board and the constitution of the audit committee, investor grievance committee and compensation committee.

We have constituted the following committees of our Board of Directors for compliance with corporate governance requirements:

(a) Audit Committee;

(b) Shareholders'/ Investors' Grievance Committee;

(c) Remuneration Committee;

Audit Committee

The members of the Audit Committee are Mr. Anand Bordia, Chairman, Mr. Kanwal Monga, Mr. Ramesh Chandra Rekhi and Mr. Gurjeet Singh Johar, of which Mr. Anand Bordia, Mr. Kanwal Monga and Mr. Ramesh Chandra Rekhi are independent Directors. The Company Secretary of our Company shall be the secretary of this committee. The quorum shall be two members or one-third of the members of the committee; whichever is higher, so long as at least two members are independent Directors. The audit committee shall meet at least four times in a year and not more than four months shall elapse between two meetings.

The responsibilities of the audit committee include:

- Overseeing our financial reporting process and the disclosure of our financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services;
- Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
  - Any changes in accounting policies and practices
  - Major accounting entries based on exercise of judgement by management
  - Qualifications in draft audit report
  - Significant adjustments arising out of audit
  - The going concern assumption
  - Compliance with accounting standards
  - Compliance with stock exchange and legal requirements concerning financial statements
- Any related party transactions i.e. transactions of our Company of material nature, with our Promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of our Company at large;
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems;
- Reviewing the adequacy of internal audit function, 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;
- Discussing with internal auditors any significant findings and follow up there on;

- 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;
- Discussing with external auditors before the audit commences on the nature and scope of audit and after the audit to ascertain any area of concern;
- Reviewing our Company's financial and risk management policies;
- 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;
- To monitor the utilisation of funds to be raised pursuant to the Issue.

Investors' Grievance Committee

The members of the Investors' Grievance Committee are Mr. Tarlochan Singh, Mr. Deepak Dasgupta and Mr. Sanjay Gupta. Our Company Secretary shall act as the secretary to the committee. The terms of reference of the investor grievance committee includes:

- Approving/authenticating all Equity Share transfers/transposition/transmission requests received from shareholders/ investors in our Company;
- Resolving all the complaints received from the investors/shareholders;
- Placing before the Board the status of various complaints received by the committee.

The investor grievance committee shall meet at least once in every quarter of the year.

Remuneration Committee

The members of the Remuneration Committee are Mr. Deepak Dasgupta, Mr. Kanwal Monga and Mr. Anand Bordia. All members of the Remuneration Committee are independent Directors. Our Company Secretary shall act as the secretary to the committee. The remuneration committee shall have powers to decide, inter alia, the following:

- Remuneration payable to our Managing Director/whole time Directors;
- Sitting fee payable to our non executive Directors;
- Our remuneration policy covering policies on remuneration payable to our senior executives.

The committee shall meet at least once in every quarter of the year. The quorum for the committee shall be the presence of any two members.

Shareholding of Directors in our Company

The following table details the shareholding of our Directors in our Company prior to the Issue:

Name of Director	Number of Equity Shares	% of Equity Share capital
Mr. Rajbir Singh	2,517,900	19.70
Mr. Charanbir Singh Sethi	2,218,800	17.36
Mr. Amrit Pal Singh Chadha	2,141,286	16.75
Mr. R.M. Aggarwal	186,900	1.46

All our Directors, including independent Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them. The Chairman, Managing Director and our whole-time Directors are interested to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

All our Directors, including independent Directors, may also be deemed to be interested to the extent of Equity Shares, if any, already held by them or that may be subscribed for and allotted to them, out of the 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. Our Directors, including independent Directors, may also be regarded as interested in the Equity Shares, if any, held by or that may be subscribed by and allotted to the companies, firms and trust, in which they are interested as directors, members, partners or trustees.

Interest of our Directors

All of our Directors, including independent Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association. The executive Directors are interested to the extent of remuneration paid to them for services rendered as an officer or employee of our Company and the terms of such remuneration are set forth in contracts executed between our executive Directors and our Company.

Mr. Rajbir Singh, Mr. Charanbir Singh Sethi and Mr. Amrit Pal Singh Chadha and Mr. R.M. Aggarwal hold Equity Shares and hence they may be deemed to be interested to the extent of their shareholding in our Company. Further, all our Directors, may also be deemed to be interested to the extent of Equity Shares, that may be subscribed for and allotted to them, out of the Issue in terms of this Red Herring Prospectus. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Our Directors have no interest in any property acquired by us within two years of the date of filing of this Red Herring Prospectus.

For details of the related party transactions, see section titled "Financial Statements - Related Party Transactions" beginning on page 152.

Changes in our Board of Directors during the last three years

The changes in our Board of Directors during the last three years are as follows:

Name	Date of Appointment	Date of Cessation	Reason
Mr. Deepak Dasgupta	October 6, 2006	-	Appointed
Mr. Anand Bordia	October 6, 2006	-	Appointed
Mr. Ramesh Chandra Rekhi	October 6, 2006	-	Appointed
Lt. General Harbans Singh Kanwar	October 6, 2006	-	Appointed
Mr. Kanwal Monga	October 6, 2006	-	Appointed
Mr. Tarlochan Singh	October 6, 2006	-	Appointed

Remuneration of Whole-Time Directors

The following table sets forth the details of the remuneration for our Directors for the fiscal year ended June 30, 2006.

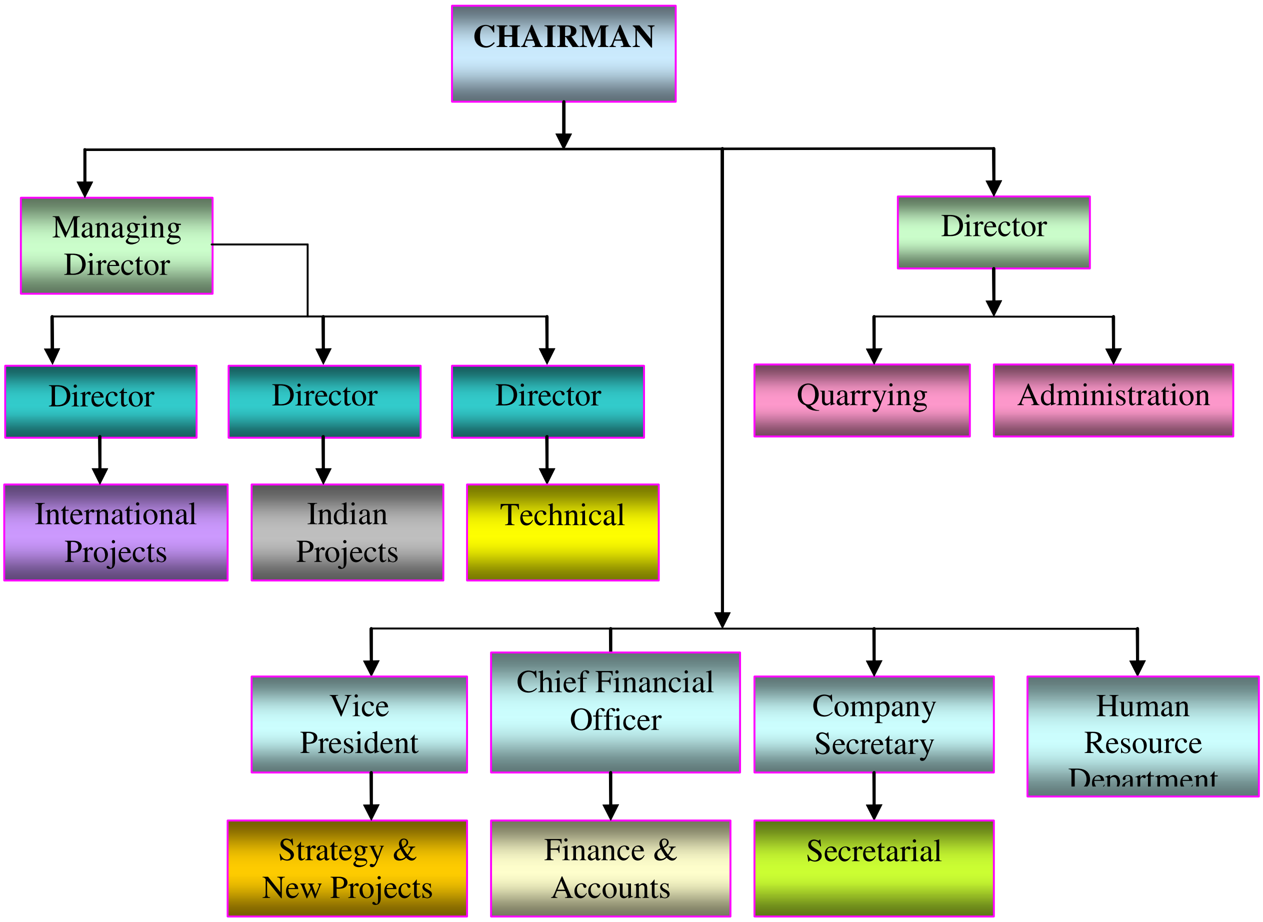
(In Rs.)

Name	Basic Salary	Housing and Furnishing	Commission	Total
Mr. Gurjeet Singh Johar	1,425,000	675,000	-	2,100,000
Mr. Charanbir Singh Sethi*	4,725,000	-	31,970,232	36,695,232
Mr. Rajbir Singh	1,425,000	675,000	-	2,100,000
Mr. Sanjay Gupta*	4,725,000	-	15,261,937	19,986,937
Mr. Amrit Pal Singh Chadha	1,425,000	675,000	-	2,100,000
Mr. Rajendra Mohan Aggarwal	1,425,000	675,000	-	2,100,000

** The remuneration paid to Mr. Charanbir Singh Sethi and Mr. Sanjay Gupta for the fiscal year ended June 30, 2006 was paid by the BSC-C&C 'JV' on account of their deputation to Afghanistan.*

Management Organisation Structure

Our management organisation structure is set forth below:



Key Managerial Employees

The following are our key managerial employees.

Mr. Harish Jaggi, 46 years, is the Vice President (Commercial) of our Company. He holds a bachelor's degree in marine engineering from the Directorate of Marine Engineering Training, Kolkata. He has over 26 years of professional experience in engineering and commerce. He has been previously employed with Shipping Corporation of India and Proline Sportswear Limited. He was appointed as the Vice President of Proline Sportswear Limited. He joined our Company as Executive Director (Commercial) on November 1, 2001. He is in-charge of overseeing the new projects initiative in our Company and also looks after the human resource functions of our Company. His remuneration for the year ended June 30, 2006 was Rs. 941,004.

Mr. H. L. Khurana, 59 years, is the General Manager (Technical) of our Company. He holds a bachelor's degree in civil engineering from Punjab University. He has over 35 years of experience in the construction industry. Prior to joining our Company, he was employed with the Public Works Department, Punjab as a superintendent Engineer. He joined our Company on September 7, 2005. He is in-charge of looking after all the technical aspects of our Company. His remuneration for the year ended June 30, 2006 is was Rs. 803,800.

Mr. Anil Bhatia, 50 years, is the General Manager (Technical) of our Company. Mr. Bhatia holds a degree in civil engineering and is a post graduate from IIT New Delhi. He has over 30 years of experience in planning, designing and construction management of various highways and airport pavements. He joined our Company as General Manager (Technical) on May 4, 2000. Previously he was the Senior Highway Design Consultant with Engineers and Management Associate, New Delhi. Presently, he has been sent on deputation to handle our Company's projects in Afghanistan. His remuneration for the year ended June 30, 2006 was 4,896,889 and this amount was paid to him by the BSC-C&C 'JV'.

Mr. Tapash Kumar Majumdar, 49, is the Chief Financial Officer of our Company. Mr. Majumdar holds a bachelors degree in Economics (Hons.) from Delhi University and is a fellow member of the Institute of Chartered Accounts of India. He has over 21 years of experience in finance, accounts, strategic planning and corporate affairs. Prior to joining our Company he was Vice-President (Finance) in Pertech Computers Limited and Director in Cornerstone Securities Limited. He joined our Company on November 10, 2006 and is in charge of the financial affairs of the Company.

Mr. Umesh Mehrotra, 38 years, is the Deputy Project Manager of our Company. Mr. Mehrotra holds a degree in civil engineering from Poona University and has over 12 years of experience in the construction industry. He joined our Company as Deputy Project Manager on September 27, 1997. Previously, he was a Project Engineer in Suresh Construction Company, Pratapgarh. Presently, he has been sent on deputation to handle our Company's projects in Bihar. His remuneration for the year ended June 30, 2006 was Rs. 567,846 and this amount was paid to him by the BSC-C&C 'JV'.

Mr. B. K. Jha, 43 years, is the Project Manager of our Company. Mr. Jha holds a degree in civil engineering from Bangalore University and has over 16 years of experience in Construction Industry. He joined our Company on July 28, 2000. Previously, he was held the position of Senior Project Engineer in Oriental Structural Engineers Limited, New Delhi. He has been sent on deputation to handle our Company's project in Bihar. His remuneration for the year ended June 30, 2006 was Rs. 777,903 and this amount was paid to him by the BSC-C&C 'JV'.

Mr. Santosh Kumar Pradhan, 32 years, is the Company Secretary of our Company. He holds a bachelor's degree in science from Utkal University, Orissa. He has more than four years of experience in the secretarial and legal field. He joined our Company on January 8, 2007. Mr. Pradhan handles all our secretarial matters.

Mr. Rajendra Prasad Singh, 41 years, is the Senior Project Manager of our Company. Mr. Singh holds a degree in civil engineering from MIT, Muzaffarpur and masters degree in technology from the University of Rookee. He has over 18 years of experience, out of which he has 13 years of experience in the construction industry. He joined our Company on August 20, 2006. Previously, he was in the position of Manager (Civil) in RITES Limited, Gurgaon. He handles the Delhi projects of our Company.

Mr. Ashok Kumar, 40 years, is the Senior Project Manager of our Company. Mr. Kumar holds a degree in civil engineering from REC, Nagpur and M.E. (Civil) from Faculty of Technology and Engineering and has over 16 years of experience out of which he has 14 years of experience in the construction industry. He joined our Company on December 21, 2005. Previously, he was working as the Senior Bridge Engineer in LBG, Gurgaon. He has been sent on deputation to handle our Company's projects in Bihar. His remuneration for the year ended June 30, 2006 was Rs. 635,483 and this amount was paid to him by the BSC-C&C 'JV'.

Mr. Ajay Kumar Sinha, 47 years, is the Project Manager (Mechanical) of our Company. Mr. Sinha holds a diploma in automobile engineering from the Institute of Motor Industries, Chennai. He has over 23 years of experience in the construction and cement industry. He joined our Company on March 27, 2006. Previously, he was Manager Product Support, in TIL Limited, Ghaziabad, Uttar Pradesh. Presently, he has been sent on deputation to handle our Company's projects in Bihar where he handles all equipment maintenance operations. His remuneration for the FY ended June 30, 2006 was Rs. 172,000 and this amount was paid to him by the BSC-C&C 'JV'.

All our key managerial employees are permanent employees of our Company.

None of our key managerial personnel are related to each other or to the management of our Company.

Shareholding of the Key Managerial Employees

None of our key managerial personnel hold any Equity Shares of our Company.

Bonus or Profit Sharing Plan for our Key Managerial Employees

There is no bonus or profit sharing plan for our key managerial employees.

Interest of Key Managerial Personnel

None of our key managerial employees have any interest in our Company except to the extent of remuneration and reimbursement of expenses.

The changes in our key managerial employees during the last three years are as follows:

Name	Designation	Date of appointment as key managerial employees	Whether continuing, if not, date of cessation	Reason
Mr. H.L. Khurana	General Manager (Technical)	September 7, 2005	-	Appointment
Mr. Rajeev Kumar	General Manager (Technical)	December 6, 2005	October 10, 2006	Resignation
Mr. Manoj Bhatt	Company Secretary	March 31, 2003	December 1, 2003	Resignation
Mr. Amaresh Pradhan	Company Secretary	December 1, 2003	-	Appointment
Mr. Amit Roy Chaudhry	General Manager (Corporate Affairs)	February 12, 2002	April 3, 2004	Resignation
Maj. General Surendra Shah	General Manager (Administration)	September 1, 2002	April 30, 2004	Resignation
Mr. Kapil Jain	General Manager (Finance)	October 3, 2001	August 10, 2006	Resignation
Mr. Rajendra Prasad Singh	Senior Project Manager	August 20, 2006	-	Appointment
Mr. Ashok Kumar	Senior Project Manager	December 21, 2005	-	Appointment
Mr. Ajay Kumar Sinha	Project Manager (Mechanical)	March 27, 2006	-	Appointment
Mr. Tapash Kumar Majumdar.	Chief Financial Officer.	November 10, 2006	-	Appointment
Mr. Amaresh Pradhan	Company Secretary	December 1, 2003	January 8, 2007	Resignation
Mr. Santosh Kumar Pradhan.	Company Secretary	January 8, 2007	-	Appointment

Employees Share Purchase Scheme/Employee Stock Option Scheme

We do not have any stock option scheme or stock purchase scheme for the employees of our Company.

Payment or benefit to officers of our Company

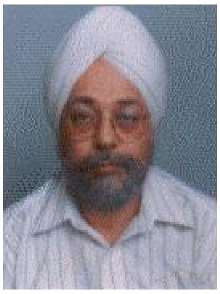
Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company.

OUR PROMOTERS AND GROUP COMPANIES

The Promoters of our Company are five natural persons and two companies. The natural persons who are our Promoters are:

1. Mr. Gurjeet Singh Johar;
2. Mr. Charanbir Singh Sethi;
3. Mr. Rajbir Singh;
4. Mr. Sanjay Gupta; and
5. Mr. Amrit Pal Singh Chadha

The details of our Promoters are as follows



Mr. Gurjeet Singh Johar, 56 years, (passport number: Z-1397318, voter identity number: DL/02/008/174540, driving license number: P03062004410497) is the Chairman of our Company. He holds a bachelor's degree in commerce from Meerut University. He is a chartered accountant registered with the Institute of Chartered Accountants of India and has over 30 years of professional experience. He is a member on the Working Committee of Projects Exports Promotion Council of India. Prior to joining our Company, Mr. Johar worked for DCM Limited and thereafter established G. S. Johar & Co., a firm of Chartered Accountants in 1978. Mr. Johar joined our Company as a Director on March 6, 1997 and was appointed as the Chairman of our Company on April 1, 1997. He is also Chairman on the Board of Trustees of the Dhyan Foundation, an NGO dedicated to the spiritual development of mankind through the ancient Indian sciences. His leadership abilities and expertise in the area of finance have been instrumental in the growth and success of our Company. He oversees the finance function in our Company, is responsible for strategic planning and conceptualisation of all new project initiatives and also looks after our human resource department.

Mr. Charanbir Singh Sethi, 48 years, (passport number B3691061, permanent account number: AASPS9437K, voter identity number PBA3952751, driving license number RDLN0344/999) is the Managing Director of our Company. He holds a bachelor's degree in commerce from Punjab University. Mr. Sethi has more than 25 years of experience in the infrastructure sector and has successfully handled execution of many airport runway and road projects in India and in Afghanistan. He is a member of the Sub Group on Public Participation in the road sector for the formulation of the Eleventh Five Year Plan (2007-2012). He joined our Company as an Additional Director on June 1, 2001 and became our Managing Director on December 20, 2001. Prior to joining our Company, he was working with Oriental Structural Engineers Limited. He oversees all the construction activities of our Company and also is in-charge of our operations in Afghanistan.

Mr. Rajbir Singh, 50 years, (passport number A3353344, permanent account number: AAUPS2176H, voter identity number (not available), driving license number 37506/ VNS/PC/DC) is also a Director of our Company. He holds a bachelor's degree in economics from Punjab University. He has ten years of experience in the infrastructure industry, He served in the Indian army for a period of nine years from 1978 to 1987 after which he was involved in handling his family business of petroleum retailing. He joined our Board on March 6, 1997. He is in-charge of the quarrying initiative of our Company and also handles all administrative aspects in our Company.

Mr. Sanjay Gupta, 46 years, (passport number A8321575, permanent account number: AEMPG6773J, voter identity number KT/22/171/099142, driving license number (not available) is a Director in our Company. He holds a bachelor's degree in civil engineering from Regional Engineering College, Rourkela and has 20 years of experience in the infrastructure industry. Prior to joining our Company on August 4, 2003, he was working with Oriental Structural Engineers Limited. He is currently in-charge of implementation of the high capacity bus system road project in Delhi and the Afghanistan projects.

Mr. Amrit Pal Singh Chadha, 43 years, (Passport number B3691042, permanent account number: AEWPC3215P, voter identity number [not available], driving license number 19265/R/98) is a Director in our Company. He holds a bachelor's degree in commerce from Punjab University and a master's degree in commerce from Shimla University. He has 20 years of experience in the infrastructure sector and has been instrumental in execution of a number of road and airport linked infrastructure projects in our Company. Mr. Chadha has been a Director in our Company since incorporation. Prior to joining our Company on July 16, 1996, he was working with Oriental Structural Engineers Limited. He is currently in-charge of execution of our all our infrastructure projects in Bihar.

The Companies that form a part of our Promoters are as under:

1. S.J. Leasing & Investment Private Limited

Corporate Information

S.J. Leasing and Investment Private Limited was incorporated under the Companies Act on October 6, 1986 in New Delhi. Its registered office is located at 74, Hemkunt Colony, Opposite Nehru Place, New Delhi 110 048. It is primarily engaged in finance, investment and trading, hire-purchase leasing, chartering, renting, repairing and financing lease operations. It also provides investment advisory and counselling services to other entities.

S.J Leasing and Investment Private Limited was promoted by Mr. Gurjeet Singh Johar.

Shareholding Pattern as of December 31, 2006

Sr. No.	**Name of shareholder**	**No. of Equity Shares**	**Percentage of Issued Equity Share Capital**
1.	Mr. Gurjeet Singh Johar	32,502	83.33
2.	Mr. G.S. Johar (HUF)	6,500	16.66
3.	Mrs. Sumeet Johar	1	0.01
	Total	**39,003**	**100**

There has been no change in the capital structure of S.J. Leasing and Investment Private Limited in the last six months.

Board of Directors

As of December 31, 2006, the board of directors of S.J. Leasing and Investment Private Limited consists of:

1. Mr. Gurjeet Singh Johar; and
2. Mrs. Sumeet Johar

Financial Performance

The audited financial results of S.J. Leasing and Investment Private Limited for the last three financial years are as follows:

(Rs. in million, except share data)

Particulars	**Year ended March 31**		
	March 31, 2006	**March 31, 2005**	**March 31, 2004**
Sales	-	-	-
Other income	8.400	2.625	2.100
Profit After Tax	8.383	2.596	2.076
Equity Share Capital	0.390	0.390	0.390
Reserves and Surplus (excluding revaluation reserve and deferred tax reserve)	11.079	2.696	0.100
Earnings per share (Rs.)	214.93	66.56	53.23
Book value per share (Rs.)	294.06	79.13	12.57
Net worth	11.469	3.086	0.490

This company is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company under the meaning of SICA and it is not under winding up.

2. Bags Registry Services Private Limited

Corporate Information

Bags Registry Services Private Limited was incorporated under the Companies Act on July 8, 1994 in New Delhi. Its registered office is located at 74, Hemkunt Colony, Opposite Nehru Place, New Delhi 110 048. It is primarily engaged in the business of share registry and develop software in relation to its business besides investment related activities.

Bags Registry Services Private Limited was promoted by Mr. Sanjay Gupta.

Shareholding Pattern as of December 31, 2006

Sr. No.	Name of shareholder	No. of Equity Shares	Percentage of Issued Equity Share Capital
1.	Mr. Sanjay Gupta	10,000	99.80
2.	Mr. Gurjeet Singh Johar	10	0.10
3.	Mr. Bhagwan Das Khurana	10	0.10
	Total	**10,020**	**100**

There has been no change in the capital structure of Bags Registry Services Private Limited in the last six months.

Board of Directors

As of December 31, 2006, the board of directors of Bags Registry Services Private Limited consists of:

1. Mr. Sanjay Gupta; and
2. Mrs. Seema Gupta

Financial Performance

The audited financial results of Bags Registry Services Private Limited for the last three financial years are as follows:

(Rs. in million, except share data)

Particulars	**Year ended March 31**		
	March 31, 2006	**March 31, 2005**	**March 31, 2004**
Sales	-	-	-
Other income	6.046	1.961	1.511
Profit After Tax	6.046	1.954	1.505
Equity Share Capital	0.100	0.100	0.100
Reserves and Surplus (excluding revaluation reserve and deferred tax reserve)	12.113	6.067	4.113
Earnings per share (Rs.)	603.48	194.97	150.17
Book value per share (Rs.)	1,218.94	615.44	420.50
Net worth	12.214	6.167	4.213

This company is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company under the meaning of SICA and it is not under winding up.

Interest of our Promoters

Our Promoters are interested in our Company to the extent that they have promoted our Company, their shareholding and to the extent of them being directors of our Company.

For further details on the interest of our Directors, see the section titled "Our Management- Interests of Directors" beginning on page 98 of this Red Herring Prospectus.

Interest in any property acquired by our Company within two years or proposed to be acquired by it

The Promoters and the Promoter Group have no interest in any property acquired in the past two years or proposed to be acquired by our Company.

Common pursuits

J.D. Resorts Private Limited, Jeet Properties Private Limited, Grace Developers, LLC, Akal Builders and Contractors and Divine Developers are in a line of business that is similar to ours. At present we have not entered into any related party transactions with these entities. However, we shall adopt the necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise. For further details on the related party transactions, to the extent which our Company is involved, see the section titled "Related Party Transactions" beginning on page 131 of this Red Herring Prospectus.

Payment of benefits to our Promoters during the last two years

Except as stated in the section titled "Financial Statements-Related Party Transactions" beginning on page 152 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

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

Further, our Promoters and Promoter group entities, including relatives of the Promoters have confirmed that they have not been detained as wilful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are pending against them.

None of our Promoters have been restricted from accessing the capital markets.

Promoter Group

In addition to the Promoters named above, the following natural persons, HUFs, companies, firms and proprietorships are part of our Promoter group.

The natural persons who are part of our Promoter group (due to their relationship with our Promoters), other than the Promoters named above are as follows:-

S. No.	Name	Relation to promoter
1.	Ms. Sumeet Johar	Wife of Mr. Gurjeet Singh Johar and sister of Mr. Charanbir Singh Sethi and Mr. Rajbir Singh
2.	Ms. Divya Johar	Daughter of Mr. Gurjeet Singh Johar
3.	Ms. Simrita Johar	Daughter of Mr. Gurjeet Singh Johar
4.	Mr. Jaideep Singh Johar	Son of Mr. Gurjeet Singh Johar
5.	Ms. Sukhvinder Kaur	Wife of Mr. Rajbir Singh
6.	Ms. Jesica Singh	Daughter of Mr. Rajbir Singh
7.	Mr. Harjeev Singh	Son of Mr. Rajbir Singh
8.	Mr. Lakhbir Singh Sethi	Brother of Mr. Rajbir Singh and Mr. Charanbir Singh Sethi
9.	Ms. Suneeta Singh Sethi	Wife of Mr. Charanbir Singh Sethi
10.	Ms. Pranavi Sethi	Daughter of Mr. Charanbir Singh Sethi
11.	Mr. Gobind Sethi	Son of Mr. Charanbir Singh Sethi
12.	Mr. Jwala Prasad Gupta	Father of Mr. Sanjay Gupta

S. No.	Name	Relation to promoter
13.	Ms. Kamla Gupta	Mother of Mr. Sanjay Gupta
14.	Ms. Seema Gupta	Wife of Mr. Sanjay Gupta
15.	Ms. Prerna Gupta	Daughter of Mr. Sanjay Gupta
16.	Mr. Ujjwal Gupta	Son of Mr. Sanjay Gupta
17.	Mr. Sardar Singh Chadha	Father of Mr. Amrit Pal Singh Chadha
18.	Ms. Pritpal Kaur	Mother of Mr. Amrit Pal Singh Chadha
19.	Ms. Inderjeet Kaur Chadha	Wife of Mr. Amrit Pal Singh Chadha
20.	Mr. H. P. S. Chadha	Brother of Mr. Amrit Pal Singh Chadha
21.	Mr. Sunny Chadha	Brother of Mr. Amrit Pal Singh Chadha
22.	Mr. Hitpreet Singh Chadha	Son of Mr. Amrit Pal Singh Chadha

The companies which are part of our Promoter group are as follows:

1. Case Cold Roll Forming Private Limited;
2. Frontline Innovation Private Limited;
3. Case Components Limited;
4. Case Components Industries Limited;
5. T.E.L Systems Limited;
6. J.D. Resorts Private Limited;
7. Jeet Properties Private Limited;
8. Sonar Infosys Limited;
9. Grace Developers LLC;
10. Frontier Services LLC;
11. BSC-C&C (JV) Nepal Private Limited; and
12. KIMS Wardak Diagnostic Centre Private Limited

The partnership firms which are a part of our Promoter group are Akal Builders and Contractors, S & S Bulls and Bears, Sukhvinder Service Station and Divine Developers.

The HUFs that form part of our Promoter group are G.S. Johar, HUF and C.S. Sethi, HUF.

The details of the companies which are part of our Promoter group are as follows:

1. Case Cold Roll Forming Private Limited

Corporate Information

Case Cold Roll Forming Private Limited was incorporated under the Companies Act on February 14, 2000 in New Delhi. Its registered office is located at 74, Hemkunt Colony, Opposite Nehru Place, New Delhi 110 048. It is primarily engaged in the business of manufacturing, designing, assembling, importing and exporting all types of cold roll forming components, products and devices. Of the aforesaid activities the company is specifically engaged in the business of manufacturing and trading of steel structures and road safety furniture items.

Shareholding Pattern as of December 31, 2006

Sr. No.	Name of shareholder	No. of Equity Shares	Percentage of Issued Equity Share Capital
1.	Frontline Innovation Private Limited	156,500	50.00
2.	Mr. Gurjeet Singh Johar	39,125	12.50
3.	Mr. Rajbir Singh	31,300	10.00
4.	Mr. Charanbir Singh Sethi	31,300	10.00
5.	Mr. Sanjay Gupta	28,170	9.00
6.	Mr. Amritpal Singh Chadha	26,605	8.50
	Total	**313,000**	**100**

There has been no change in the capital structure of Case Cold Roll Forming Private Limited in the last six months.

Board of Directors

As of December 31, 2006, the board of directors of Case Cold Roll Forming Private Limited consists of:

1. Mr. Gurjeet Singh Johar;
2. Mr. Charanbir Singh Sethi;
3. Mr. Rajbir Singh;
4. Mr. Sanjay Gupta; and
5. Mr. Amrit Pal Singh Chadha

Financial Performance

The audited financial results of Case Cold Roll Forming Private Limited for the last three financial years are as follows:

(Rs. in million, except share data)

Particulars	Year ended March 31		
	March 31, 2006	**March 31, 2005**	**March 31, 2004**
Sales	86.016	120.519	107.441
Other income	0.355	0.718	0.866
Profit After Tax	2.543	3.442	1.753
Equity Share Capital	3.130	3.130	3.130
Reserves and Surplus (excluding revaluation reserve and deferred tax reserve)	10.148	8.345	5.644
Earnings per share (Rs.)	6.76	9.63	5.46
Book value per share (Rs.)	39.51	36.64	28.00
Net worth	15.736	14.840	12.137

This company is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company under the meaning of SICA and it is not under winding up.

2. Frontline Innovation Private Limited

Corporate Information

Frontline Innovation Private Limited was incorporated under the Companies Act on April 17, 1995 in New Delhi. Its registered office is located at 74, Hemkunt Colony, Opposite Nehru Place, New Delhi 110 048. It is primarily engaged in the business of processing, buying, selling, importing, exporting of engineering goods, machine tools, etc. besides investment related activities.

Shareholding Pattern as of December 31, 2006

Sr. No.	Name of shareholder	No. of Equity Shares	Percentage of ssued Equity Share Capital
1.	Mr. Rajbir Singh	200,000	20.00
2.	Mr. Amrit Pal Singh Chadha	200,000	20.00
3.	Mr. Sanjay Gupta	200,000	20.00
4.	Mr. Charanbir Singh Sethi	194,800	19.48
5.	Mr. Gurjeet Singh Johar	161,410	16.14
6.	S.J. Leasing and Investment Private Limited	38,590	3.86
7.	Ms. Suneeta Singh Sethi	5,200	0.52
	Total	**1,000,000**	**100**

There has been no change in the capital structure of Frontline Innovation Private Limited in the last six months.

Board of Directors

As of December 31, 2006, the board of directors of Frontline Innovation Private Limited consists of:

1. Mr. Gurjeet Singh Johar;
2. Mr. Charanbir Singh Sethi;
3. Mr. Rajbir Singh;
4. Mr. Sanjay Gupta; and
5. Mr. Amrit Pal Singh Chadha

Financial Performance

The audited financial results of Frontline Innovation Private Limited for the last three financial years are as follows:

(Rs. in million, except share data)

Particulars	Year ended March 31		
	March 31, 2006	**March 31, 2005**	**March 31, 2004**
Sales	7.192	-	3.362
Other income	0.493	0.337	0.337
Profit After Tax	1.655	.089	.856
Equity Share Capital	10.000	1.530	1.530
Reserves and Surplus (excluding revaluation reserve and deferred tax reserve)	2.679	1.023	.935
Earnings per share (Rs.)	1.655	0.58	5.60
Book value per share (Rs.)	12.57	15.79	16.11
Net worth	12.576	2.416	2.465

This company is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company under the meaning of SICA and it is not under winding up.

3. Case Components Limited

Corporate Information

Case Components Limited was incorporated under the Companies Act on July 17, 1995 in New Delhi. It received its certificate for commencement of business on August 8, 1995. Its registered office is located at 74, Hemkunt Colony, Opposite Nehru Place, New Delhi 110 048, India. It is primarily engaged in the business of designing, assembling, machine, test, details and trade in sheet metal components.

Shareholding Pattern as of December 31, 2006

Sr. No.	Name of shareholder	No. of Equity Shares	Percentage of Issued Equity Share Capital
1.	Mr. Gurjeet Singh Johar	10,035	20.06
2.	Mr. Rajbir Singh	10,000	19.99
3.	Mr. Amrit Pal Singh Chadha	8,500	16.98
4.	Mr. Charanbir Singh Sethi	8,500	16.98
5.	Mr. Sanjay Gupta	9,000	17.99
6.	S.J. Leasing & Investment Private Limited	2,500	5.00
7.	Ms. Suneeta Singh Sethi	1,500	3.00
	Total	**50,035**	**100**

There has been no change in the capital structure of Case Components Limited in the last six months.

Board of Directors

As of December 31, 2006, the board of directors of Case Components Limited consists of:

1. Mr. Gurjeet Singh Johar;
2. Mr. Charanbir Singh Sethi;
3. Mr. Rajbir Singh;
4. Mr. Sanjay Gupta; and
5. Mr. Amrit Pal Singh Chadha

Financial Performance

The audited financial results of Case Components Limited for the last three financial years are as follows:

(Rs. in million, except share data)

Particulars	**Year ended March 31**		
	March 31, 2006	**March 31, 2005**	**March 31, 2004**
Sales	Nil	0.049	0.045
Other income	Nil	Nil	Nil
Profit After Tax	(.057)	(.004)	(.020)
Equity Share Capital	.500	.500	.500
Reserves and Surplus (excluding revaluation reserve and deferred tax reserve)	2.697	2.754	2.758
Earnings per share (Rs.)	(1.141)	(0.073)	(0.39)
Book value per share (Rs.)	63.38	64.44	64.42
Net worth	3.171	3.224	3.223

This company is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company under the meaning of SICA and it is not under winding up.

4. Case Components Industries Limited

Corporate Information

Case Components Industries Limited was incorporated under the Companies Act on October 3, 1997 in New Delhi. It received its certificate for commencement of business on November 13, 1997. Its registered office is located at 74, Hemkunt Colony, Opposite Nehru Place, New Delhi 110 048, India. It is primarily engaged in the business of manufacturing, designing, assembling, machine, test, import, export, etc.besides engaging in the business of trading in steel sheets and steel structures.

Shareholding Pattern (as of December 31, 2006)

Sr. No.	Name of shareholder	No. of Equity Shares	Percentage of Issued Equity Share Capital
1.	S.J. Leasing & Investment Private Limited	90,005	22.50
2.	Mr. Rajbir Singh	80,001	20.00
3.	Bags Registry Services Private Limited	64,800	16.20
4.	Mr. Amrit Pal Singh Chadha	68,000	17.00
5.	Mr. Charanbir Singh Sethi	62,000	15.50
6.	Ms. Suneeta Singh Sethi	18,000	4.50
7.	Mr. Gurjeet Singh Johar	10, 001	2.50
8.	Mr. Sanjay Gupta	7,200	1.80
	Total	**400,007**	**100**

There has been no change in the capital structure of Case Components Industries Limited in the last six months.

Board of Directors

As of December 31, 2006, the board of directors of Case Components Industries Limited consists of:

1. Mr. Gurjeet Singh Johar;
2. Mr. Charanbir Singh Sethi;
3. Mr. Rajbir Singh;
4. Mr. Sanjay Gupta; and
5. Mr. Amrit Pal Singh Chadha

Financial Performance

The audited financial results of Case Components Industries Limited for the last three financial years are as follows:

(Rs. in million, exc ept share data)

Particulars	Year ended March 31		
	March 31, 2006	March 31, 2005	March 31, 2004
Sales	Nil	Nil	
	46.394		
Other income	0.007	Nil	0.001
Profit After Tax	(.064)	(.067)	.083
Equity Share Capital	4.000	4.000	4.000
Reserves and Surplus (excluding revaluation reserve and deferred tax reserve)	(1.537)	(1.474)	(1.407)
Earnings per share (Rs.)	(.16)	(0.17)	0.21
Book value per share (Rs.)	6.14	6.29	6.45
Net worth	2.458	2.517	2.579

This company is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company under the meaning of SICA and it is not under winding up.

5. T.E.L Systems Limited

Corporate Information

T.E.L Systems Limited was incorporated under the Companies Act on January 21, 1988 in New Delhi as a private limited company under the name of "T.L Systems Private Limited". Subsequently, it converted into a public company and received a fresh certificate of incorporation upon change of name on conversion to a public limited company on August 9, 1995, and its name was changed to "T.L. Systems Limited". It further changed its name to "T.E.L Systems Limited" and received a fresh certificate of incorporation on October 517, 1995. Its registered office is located at 74, Hemkunt Colony, Opposite Nehru Place, New Delhi 110 048, India. It is primarily engaged in the business of developing, importing, exporting, selling, repairing all kinds of electronic products. The objects of the Company also includes trading in steel sheets and steel structures which is the primary source of revenues of the Company.

Shareholding Pattern as of December 31, 2006

Sr. No.	Name of shareholder	No. of Equity Shares	Percentage of Issued Equity Share Capital
1.	S.J. Leasing & Investment Private Limited	253,001	36.18
2.	Mr. Gurjeet Singh Johar	207,444	29.67
3.	Mr. Sanjeev Nanda	103,345	14.78
4.	Mrs. Sumeet Johar	35,130	5.02
5.	Victory Financial Services Limited	50,000	7.15
6.	Poorva Investments Private Limited	25,000	3.58
7.	Shiven Investments Private Limited	25,000	3.58
8.	G.S. Johar (HUF)	250	0.04
	Total	**699,170**	**100**

There has been no change in the capital structure of T.E.L Systems Limited in the last six months.

Board of Directors

As of December 31, 2006, the board of directors of T.E.L Systems Limited consists of:

1. Mr. Sanjeev Nanda;
2. Mr. Amarjeet Singh Maini; and
3. Mr. Sandeep Sahni

Financial Performance

The audited financial results of T.E.L Systems Limited for the last three financial years are as follows:

(Rs. In million, except share data)

Particulars	Year ended March 31		
	March 31, 2006	March 31, 2005	March 31, 2004
Sales	Nil	Nil	49.988
Other income	Nil	Nil	Nil
Profit After Tax	(.243)	(.449)	.061
Equity Share Capital	6.992	6.992	6.992
Reserves and Surplus (excluding revaluation reserve and deferred tax reserve)	(.786)	(.542)	(.093)
Earnings per share (Rs.)	(.349)	(0.64)	0.088
Book value per share (Rs.)	8.876	9.22	9.87
Net worth	6.206	6.450	6.898

This company is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company under the meaning of SICA and it is not under winding up.

6. J.D. Resorts Private Limited

Corporate Information

J.D. Resorts Private Limited was incorporated under the Companies Act on January 11, 2005 in Himachal Pradesh. Its registered office is located at Mansa, Sunnyside, Near Tip Top Hotel, Solan Himachal Pradesh. It is primarily engaged in the business of hotels, resorts and hospitality.

Shareholding Pattern as of December 31, 2006

Sr. No.	Name of shareholder	No. of Equity Shares	Percentage of Issued Equity Share Capital
1.	Mrs. Sumeet Johar	5,000	50
2.	Ms. Arti Gaur	5,000	50
	Total	**10,000**	**100**

There has been no change in the capital structure of J.D. Resorts Private Limited in the last six months.

Board of Directors

As of December 31, 2006, the board of directors of J.D. Resorts Private Limited consists of:

1. Mrs. Sumeet Johar; and
2. Ms. Arti Gaur

Financial Performance

The audited financial results of J.D. Resorts Private Limited for the last two financial years are as follows:

(Rs. in million, except share data)

Particulars	Year ended March 31	
	March 31, 2006	March 31, 2005
Sales	Nil	Nil
Other income	Nil	Nil
Profit After Tax	(.009)	(.011)
Equity Share Capital	0.100	0.100
Reserves and Surplus (excluding revaluation reserve and deferred tax reserve)	(.020)	(.011)
Earnings per share (Rs.)	(.86)	(1.13)
Book value per share (Rs.)	5.65	5.73
Net worth	0.056	0.057

Common Pursuits

The objects of J.D. Resorts Private Limited enable it to undertake business similar to our objects. However, at present we have not entered into any related party transactions with J.D. Resorts Private Limited.

Other confirmations

This company is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company under the meaning of SICA and it is not under winding up.

7. Jeet Properties Private Limited

Corporate Information

Jeet Properties Private Limited was incorporated under the Companies Act on March 3, 1988 in New Delhi. Its registered office is located at 74, Hemkunt Colony, Opposite Nehru Place, New Delhi 110 048. It is primarily engaged in the business of building, contracting and working as a land and property agent.

Shareholding Pattern as of December 31, 2006

Sr. No.	Name of shareholder	No. of Equity Shares	Percentage of Issued Equity Share Capital
1.	Mr. Charanbir Singh Sethi	5,001	50.01
2.	Dr. Suneeta Singh Sethi	4,998	49.98
3.	Mr. Lakhbir Singh Sethi	1	0.01
	Total	**10,000**	**100**

There has been no change in the capital structure of Jeet Properties Private Limited in the last six months.

Board of Directors

As of December 31, 2006, the board of directors of Jeet Properties Private Limited consists of:

1. Mr. Charanbir Singh Sethi;
2. Mr. Rajbir Singh; and
3. Mr. Parmeet Singh Oberoi.

Financial Performance

The audited financial results of Jeet Properties Private Limited for the last three financial years are as follows:

(Rs. in million, except share data)

Particulars	Year ended March 31		
	March 31, 2006	March 31, 2005	March 31, 2004
Sales	Nil	Nil	Nil
Other income	Nil	Nil	Nil
Profit After Tax	0.003	0.055	(.046)
Equity Share Capital	0.100	0.100	.100
Reserves and Surplus (excluding revaluation reserve and deferred tax reserve)	(.052)	(.054)	(.046)
Earnings per share (Rs.)	0.25	(5.46)	(4.62)
Book value per share (Rs.)	4.68	4.40	5.22
Net worth	0.047	0.044	0.052

Common Pursuits

The objects of Jeet Properties Private Limited enable it to undertake business similar to our objects. However, at present we have not entered into any related party transactions with Jeet Properties Private Limited.

Other confirmations

This company is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company under the meaning of SICA and it is not under winding up.

8. Sonar Infosys Limited

Corporate Information

Sonar Infosys Limited was incorporated under the Companies Act on September 17, 1998 in New Delhi. Its registered office is located at 74, Hemkunt Colony, Opposite Nehru Place, New Delhi 110 048. It is primarily engaged in the business of computer consultancy services in the field of computer hardware, software, word processing, feasibility study and all related services.

Shareholding Pattern as of December 31, 2006

Sr. No.	Name of shareholder	No. of Equity Shares	Percentage of Issued Equity Share Capital
1.	S.J. Leasing and Investment Private Limited	21,246	42.49
2.	Mr. Gurjeet Singh Johar	20,612	41.22
3.	Mr. Sanjeev Nanda	8,138	16.29
4.	Mrs. Sumeet Johar	1	Negligible
5.	Mr. K.M. Varghese	1	Negligible
6.	Mrs. Ambika Nanda	1	Negligible
7.	Mr. Amarjeet Singh	1	Negligible
	Total	**50,000**	**100**

There has been no change in the capital structure of Sonar Infosys Limited in the last six months.

Board of Directors

As of December 31, 2006, the board of directors of Sonar Infosys Limited consists of:

1. Mr. Gurjeet Singh Johar;
2. Mrs. Sumeet Johar; and
3. Mr. Sanjeev Nanda

Financial Performance

The audited financial results of Sonar Infosys Limited for the last three financial years are as follows:

(Rs. in million, except share data)

Particulars	Year ended March 31		
	March 31, 2006	**March 31, 2005**	**March 31, 2004**
Sales	Nil	Nil	Nil
Other income	Nil	Nil	Nil
Profit After Tax	(0.123)	(.024)	(.036)
Equity Share Capital	0.500	0.500	0.500
Reserves and Surplus (excluding revaluation reserve and deferred tax reserve)	(0.484)	(.360)	(.336)
Earnings per share (Rs.)	(2.47)	(0.48)	(0.72)
Book value per share (Rs.)	0.32	2.79	3.27
Net worth	0.016	0.139	0.164

This company is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company under the meaning of SICA and it is not under winding up.

9. Grace Developers LLC

Corporate Information

Grace Developers LLC was incorporated as a limited liability company on February 16, 2005 in the Commonwealth of Bahamas. Its registered office is located at Ansbacher House, East & Shireley Street, North, Nassau, Bahamas. As per its incorporation documents, it can engage in all legal activities permitted under the laws of the Commonwealth of Bahamas. It was incorporated primarily to engage in trading of construction equipment.

Shareholding Pattern as of December 31, 2006

(In US Dollars)

Sr. No.	Name of shareholder	No. of Equity Shares	Percentage of Issued Equity Share Capital
1.	Mr. Sanjay Gupta	4,000	100
	Total	**4,000**	**100**

There has been no change in the capital structure of Grace Developers LLC in the last six months.

Board of Directors

As of December 31, 2006, the board of directors of Grace Developers LLC consists of Mr. Sanjay Gupta.

Financial Performance

The audited financial results of Grace Developers LLC for the last financial year is as follows:

(In US Dollars)

Particulars	Year ended March 31, 2006
Sales and other income	Nil
Profit After Tax	Nil
Equity Share Capital	4,000
Reserves and Surplus (excluding revaluation reserve and deferred tax reserve)	(-)7,145

This company is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company under the meaning of SICA and it is not under winding up.

10. Frontier Services LLC

Corporate Information

Frontier Services LLC was incorporated as a limited liability company on August 24, 2005 in the Commonwealth of Bahamas. Its registered office is located in Ansbacher House, East & Shireley Street, North, Nassau, Bahamas. As per its incorporation documents, it can engage in all legal activities permitted under the laws of the Commonwealth of Bahamas. It was incorporated primarily to engage in trading of construction equipment.

Shareholding Pattern as of December 31, 2006

(In US Dollars)

Sr. No.	Name of shareholder	No. of Equity Shares	Percentage of Issued Equity Share Capital
1.	Mr. Charanbir Singh Sethi	4,000	100
	Total	**4,000**	**100**

There has been no change in the capital structure of Frontier Services LLC in the last six months.

Board of Directors

As of December 31, 2006, the board of directors of Frontier Services LLC consists of Mr. Charanbir Singh Sethi.

Financial Performance

The audited financial results of Frontier Services LLC for the last financial year is as follows:

(In US Dollars)

Particulars	Year ended March 31, 2006
Sales and other income	Nil
Profit After Tax	Nil
Equity Share Capital	4,000
Reserves and Surplus (excluding revaluation reserve and deferred tax reserve)	(-)7,145

This company is an unlisted company and it has not made any public or rights issue in the preceding three years. It is not under winding up.

11. BSC-C&C (JV) Nepal Private Limited

Corporate Information

BSC-C&C (JV) Nepal Private Limited was incorporated under the Private /Public Limited Companies Ordinance 2006 on February 20, 2006 in Kathmandu, Nepal. Its registered office is located at Dharmapath- 23, New Road, Kathmandu. It is primarily engaged in establishing the industry of stone aggregate production to be utilised in various sectors, to maintain the qualitative standard of the civil engineers and to sell the stone aggregate produced by the industry.

Shareholding Pattern as of December 31, 2006

Sr. No.	Name of shareholder	No. of Equity Shares	Percentage of Issued Equity Share Capital
1.	Mr. Amrit Pal Singh Chadha (as a nominee of our Company)	200,000	50
2.	Mr. Talluru Dayakar (as a nominee of BSCPL)	200,000	50

iThere has been no change in the capital structure of BSC-C&C (JV) Nepal Private Limited in the last six months.

Board of Directors

As of December 31, 2006, the board of directors of BSC-C&C (JV) Nepal Private Limited consists of:

1. Mr. Amrit Pal Singh Chadha; and
2. Mr. Talluru Dayakar

Financial Performance

There are no audited financial results available of BSC-C&C (JV) Nepal Private Limited since company was incorporated on February 20, 2006.

Other confirmations

This company is an unlisted company and it has not made any public or rights issue in the preceding three years. It is not under winding up.

12. KIMS Wardak Diagnostic Centre Private Limited

Corporate Information

KIMS Wardak Diagnostic Centre Private Limited was granted a license (No. I-10701) from the Afghanistan Investment Support Agency on March 7, 2006 as a registered enterprise in accordance with and subject to the laws on private investment in Afghanistan. Its registered office is located at Karte Parwan, Dharam Shal on Duha Road, District-04, Kabul. It is primarily engaged in developing, establishing and operating state of the art diagnostic centres in Afghanistan.

Shareholding Pattern as of December 31, 2006

Sr. No.	Name of shareholder	No. of Equity Shares	Percentage of Issued Equity Share Capital
1.	Krishna Institute of Medical Sciences Limited	125,000	25
2.	Frontline Institute of Medical Sciences Limited	125,000	25
3.	Dr. Mussa Wardak	125,000	25
4.	Dr. P.D.S Kohli	125,000	25
	Total	**1,000,000**	**100**

There has been no change in the capital structure of KIMS Wardak Diagnostic Centre Private Limited in the last six months.

Board of Directors

As of December 31, 2006, the President and Vice President of KIMS Wardak Diagnostic Centre Private Limited are Mr. Mussa Wardak and Mr. Charanbir Singh Sethi respectively.

Financial Performance

There are no audited financial results available of KIMS Wardak Diagnostic Centre Private Limited since company was incorporated on March 7, 2006.

This company is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company under the meaning of SICA and it is not under winding up.

Promoter Group: Partnership Firms

1. Akal Builders and Contractors

Akal Builders and Contractors is a partnership firm and was formed pursuant to a Deed of Partnership dated April 1, 2002 and modified by a supplemental deed dated April 2, 2002. The main business of Akal Builders and Contractors is to construct roads, bridges, buildings and to run the tippers and other equipments involved in constructions of roads, bridges, buildings and other infrastructural activity.

Profit and Loss Sharing Ratios

The ratio for sharing of profits and losses in the firm is as provided below:

Sr. No.	Name of Partner	Profit/Loss Sharing Percentage
1.	Mr. Sardar Singh Chadha	30
2.	Mr. S. Harvinder Pal Singh	30
3.	Mr. S. Baljit Singh Kohli	40
	Total	**100**

Financial Performance

The audited financial results of Akal Builders and Contractors for the financial years ending March 31, 2005, 2004 and 2003 are as follows:

(Rs. in million)

Particulars	Year ended March 31		
	March 31, 2005	**March 31, 2004**	**March 31, 2003**
Sales	6.834	8.178	9.007
Other income	0.008	0.007	Nil
Profit/Loss After Tax	0.077	0.066	0.042
Capital	1.665	1.827	1.648

Common Pursuits

The main business of Akal Builders and Contractors enables it to undertake business similar to our objects. However, at present we have not entered into any related party transactions with Akal Builders and Contractors.

2. Sukhvinder Service Station

Sukhvinder Service Station is a partnership firm and was formed pursuant to a Deed of Partnership dated January 24, 1991. The main business of the Sukhvinder Service Station is to purchase and sale petrol oil, diesel and lubricants oil.

Profit and Loss Sharing Ratios

The ratio for sharing of profits and losses in the firm is as provided below:

Sr. No.	Name of Partner	Profit/Loss Sharing Percentage
1.	Mrs. Rajinder Kaur	20
2.	Mrs. Malwinder Pahwa	20
3.	Mrs. Sukhvinder Kaur	20
4.	Mrs. Inderpal Duggal	20
5.	Ms. Perminder Bhasin	20
	Total	**100**

Financial Performance

The audited financial results of Sukhvinder Service Station for the financial years ending March 31, 2005, 2004 and 2003 are as follows:

(Rs. in million)

Particulars	Year ended March 31		
	March 31, 2005	March 31, 2004	March 31, 2003
Sales	58.093	66.751	78.695
Other income	0.444	0.493	0.529
Profit/Loss After Tax	0.053	0.067	0.043
Capital	5.501	5.296	4.706

3. S & S Bulls and Bears

S & S Bulls and Bears is a partnership firm and was formed pursuant to a Deed of Partnership dated April 6, 2005. The main business of S & S Bulls and Bears is to deal and invest in shares, stocks, commodities, derivatives, futures and options, mutual funds and other stock market related instruments in India or abroad.

Profit and Loss Sharing Ratios

The ratio for sharing of profits and losses in the firm is as provided below:

Sr. No.	Name of Partner	Profit/Loss Sharing Percentage
1.	Mrs. Sumeet Johar	50
2.	Mr. Sanjeev Nanda	50
	Total	**100**

Further, under the aforesaid partnership deed, Mr. Sanjeev Nanda is also entitled to a remuneration of 10% of the profits of the partnership firm before determining the profits for allocation.

Financial Performance

The financial statements for S&S Bulls and Bears for the last financial are as follows:

(Rs. in million)

Particulars	Year ended March 31, 2006
Sales	7.64
Other income	Nil
Profit/Loss After Tax	0.14
Capital	0.60

4. Divine Developers

Divine Developers is a partnership firm and was formed pursuant to a Deed of Partnership dated December 2, 2005. Divine Developers is engaged in the business of real estate development and other related activities.

Profit and Loss Sharing Ratios

The ratio for sharing of profits and losses in the firm is as provided below:

Sr. No.	Name of Partner	Profit/Loss Sharing Percentage
1.	Mr. Nand Kishore	50
2.	Mr. Charanbir Singh Sethi	25
3.	Mr. Rajbir Singh	25
	Total	**100**

Financial Performance

At present, there are no financial statements for Divine Developers, since the partnership was formed on December 2, 2005.

Common Pursuits

The main business of Divine Developers enables it to undertake business similar to our objects. However, at present we have not entered into any related party transactions with Divine Developers.

Promoter Group: Proprietorship Firms/HUFs

1. G.S. Johar HUF

Mr. Gurjeet Singh Johar is the karta of the G.S. Johar HUF.

Financial Performance

The unaudited financial results of G.S. Johar HUF for the last three financial years are as follows:

(Rs. in million)

Particulars	Year ended March 31		
	March 31, 2006	March 31, 2005	March 31, 2004
Total income	0.102	0.082	0.113
Capital	N.A.	N.A.	N.A.

The financial statements of G.S. Johar HUF are unaudited, since it does not fall within the criteria laid down under the Income Tax Act, 1961 to have its financial statements audited.

2. C.S. Sethi HUF

Mr. Charanbir Singh Sethi is the karta of the C.S. Sethi HUF.

Financial Performance

The unaudited financial results of the C.S.Sethi HUF for the last three financial years are as follows:

(Rs. in million)

Particulars	Year ended March 31		
	2006	2005	2004
Total income	0.012	0.002	0.003
Capital	N.A.	N.A.	N.A.

The financial statements of C.S. Sethi HUF are unaudited, since it does not fall within the criteria laid down under the Income Tax Act, 1961 to have its financial statements audited.

Companies with which the Promoters/Promoter Group have disassociated in the last three years

Our Company has disassociated with International Trenching Private Limited pursuant to an agreement dated September 2, 2005. International Trenching Private Limited is engaged in the business of trenching of all kinds and is also engaged in the trade of building, surveying, contracting including the trade of building, civil engineering and real estate development.

Whilst, our Company has disassociated with International Trenching Private Limited pursuant to the aforesaid agreement, there is an amount of 4.5 million recoverable from them as per our restated financial statements as on June 30, 2006.

Disassociation by the Promoters with their relatives in the last three years

Mr. Gurjeet Singh Johar has disassociated with his brother, Mr. Gurmeet Singh Johar, vide a deed of separation dated September 27, 2006 as they share no common business interests in any venture promoted by either parties.

Mr. Sanjay Gupta has disassociated with his brother, Mr. Ajay Gupta, vide a deed of separation dated September 30, 2006 as they share no common business interests in any venture promoted by either parties.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, see the section titled "Financial Statements-Related Party Transactions" on page 152 of this Red Herring Prospectus.

DIVIDEND POLICY

The declaration and payment of dividends on our equity shares will be recommended by our Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition. The dividend and dividend tax paid by our company during the last five fiscal years is presented below.

Particulars	**Fiscal 2006**	**Fiscal 2005**	**Fiscal 2004**	**Fiscal 2003**	**Fiscal 2002**
Number of Equity Shares of (million shares)*	127.81	42.60	42.20	42.05	42.05
Rate of Dividend (%)	100	30	25	20	25
Interim	100	-	-	-	-
Final	-	30	25	20	25
Amount of Dividend on Equity Shares (Rs. million)					
Interim	42.60	-	-	-	-
Final	-	12.78	10.55	8.41	7.92
Total Dividend Tax relating to Equity Shares (Rs. million)	5.98	1.79	1.38	1.08	0.79

The amounts paid as dividends in the past are not necessarily indicative of our dividend policy or dividend amounts, if any, in the future.

Pursuant to the terms of our loan agreements with State Bank of India, we cannot declare or pay any dividend to our shareholders during any financial year unless we have paid all the dues to the respective lenders or paid or have made satisfactory provisions thereof or if we are in default of the terms and conditions of such loan agreements.

FINANCIAL STATEMENTS

AUDITORS' REPORT

The Board of Directors,
C & C Constructions Limited
Flat No. G-11, Hemkunt Chamber,
Nehru Place,
New Delhi - 110019

Dear Sirs,

1. We have examined the financial information of C & C Constructions Limited as attached to this report stamped and initialled by us for identification, which has been prepared in accordance with Paragraph B (1) of Part I of Schedule II to the Companies Act, 1956 ("the Act") and the Securities and Exchange Board of India (Disclosures and Investor Protection) Guidelines, 2000 as amended vide Circular No. 14 on 25th January 2005 ("the SEBI Guidelines") issued by the Securities and Exchange Board of India ("SEBI") on January 19, 2000 in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related clarifications, and in accordance with your letter dated July 22, 2006 requesting us to examine financial information referred to above and proposed to be included in the Offer Document being issued by the Company in connection with its proposed Issue of Equity Shares.

2. We have reviewed the books and accounts of C & C Constructions Limited, for the five financial years ended June 30, 2002, 2003, 2004, 2005, 2006 and four month period ended 31st October 2006 being the last date to which the accounts of the Company have been made up and audited by a firm of Chartered accountants other than ASG & Associates for the financial year ended June 30, 2002, 2003, 2004 and by us for the financial years ended June 30, 2005, 2006 and four month period ended 31st October 2006 for presentation to the members.

3. In accordance with the requirements of Paragraph B (1) of Part II of Schedule II to the Act and the SEBI Guidelines for the purpose of the Offer Document as aforesaid, we report that:

   (a) The restated profits of the Company for the Financial years ended June 30, 2002, 2003, 2004, 2005, 2006 and four month period ended 31st October 2006 are as set out in **Annexure-I** to this report. These profits have been arrived at after charging all expenses including depreciation and after making such adjustments and regroupings as in our opinion are appropriate and read with the Significant Accounting Policies and Notes on Accounts appearing in **Annexure-III** of this report.

   (b) The restated assets and liabilities of the Company as at June 30, 2002, 2003, 2004, 2005, 2006 and four month period ended 31st October 2006 are as set out in Annexure-II to this report after making such adjustments and regroupings as in our opinion are appropriate and read with the Significant Accounting Policies and Notes on Accounts appearing in **Annexure-III** to this report.

   (c) The rates of dividend paid by the Company in respect of the financial year ended on June 30, 2002, 2003, 2004, 2005, 2006 and four month period ended 31st October 2006 are as shown in **Annexure-IV**.

4. We have also reviewed the following financial information relating to the Company for the purpose of inclusion in the Offer Document: -

   a. Statement of Cash Flows of the Company for the year ended June 30, 2002, 2003, 2004, 2005, 2006 and four month period ended 31st October 2006 as appearing in **Annexure-V.**

   b. Accounting Ratios as appearing in **Annexure-VI.**

   c. Capitalisation Statement as at October 31, 2006 as appearing in **Annexure-VII.**

   d. Statement of Tax Shelter for the years ended June 30, 2002, 2003, 2004, 2005, 2006 and four month period ended 31st October 2006 as appearing in **Annexure-VIII.**

e. Details of Other Income as appearing in **Annexure-IX.**

f. Details of Sundry Debtors as appearing in **Annexure-X.**

g. Details of Loans and Advances as appearing in **Annexure-XI.**

h. Details of Secured Loans as appearing in **Annexure-XII.**

i. Details of Transactions with Related Parties as appearing in **Annexure-XIII.**

j. Details of Contingent Liabilities as appearing in **Annexure-XIV.**

k. Details of Financial Interest in Joint Ventures as appearing in **Annexure-XV.**

In our opinion the above financial information of the Company read with Significant Accounting Policies and Notes on Account attached in Annexure-III to this report, after making adjustments and regroupings as considered appropriate has been prepared in accordance with Part II of Schedule II to the Companies Act, 1956 and the SEBI Guidelines.

This report is intended solely for the information and for inclusion in the offer document in connection with the specific Issue of Equity Shares of the Company and is not to be used, referred to or distributed for any other purpose without our written consent.

For **ASG & Associates**
Chartered Accountants

(Amar Jeet Singh)
Partner
M.No. 089285

Dated: 05.12.2006

Annexure-I

STATEMENT OF PROFIT AND LOSS ACCOUNT-RESTATED

(Rs. in Million)

Particulars	**For Four months ended October 31,2006**	**For the year ended**				
		June 30,2006	**June 30,2005**	**June 30,2004**	**June 30,2003**	**June 30, 2002**
INCOME						
Sales & Services						
Contract Revenue	542.39	1,779.56	1,645.32	1,583.47	816.68	559.28
Supply of Construction Material	27.82	337.76	74.39	52.66	38.23	-
Total	**570.21**	**2,117.32**	**1,719.71**	**1,636.12**	**854.91**	**559.28**
Other Income	5.55	96.32	8.94	8.49	1.25	2.39
Increase (Decrease) in Inventories	79.79	166.73	30.08	70.96	8.03	12.39
TOTAL INCOME	**655.55**	**2,380.37**	**1,758.73**	**1,715.58**	**864.18**	**573.99**
EXPENDITURE						
Material Consumed	254.34	1,038.28	776.64	816.65	340.89	309.18
Project Execution Charges	138.54	420.63	320.41	308.42	275.81	137.11
Staff Cost	74.19	193.70	116.72	74.70	21.57	17.85
Administration & Other Expenses	58.63	135.33	105.38	107.72	45.50	29.91
Interest	33.24	41.64	21.80	20.67	18.63	11.46
Depreciation	35.86	148.81	89.54	71.62	17.34	8.96
Total	**594.80**	**1,978.39**	**1,430.49**	**1,399.77**	**719.74**	**514.48**
Net Profit before tax	**60.75**	**401.98**	**328.24**	**315.81**	**144.44**	**59.51**
Taxation						
Current tax	-	95.75	37.08	31.34	6.50	3.99
Deferred tax	-	(3.91)	3.00	2.07	7.08	-
Fringe benefit tax	0.32	1.11	-	-	-	-
Net Profit after tax	**60.43**	**309.03**	**288.16**	**282.40**	**130.86**	**55.53**
Adjustment on account of prior period expenses/(income)	-	-	0.38	(0.54)	0.70	(0.53)
Net Profit	**60.43**	**309.03**	**287.78**	**282.93**	**130.16**	**56.06**
Proposed Dividend & Dividend Tax	-	48.58	14.74	12.10	9.66	8.88

Annexure-II

STATEMENT OF ASSETS AND LIABILITIES - RESTATED

(Rs. in Million)

Particulars		For Four months ended October 31, 2006	As at June 30, 2006	As at June 30, 2005	As at June 30, 2004	As at June 30, 2003	As at June 30, 2002
A.	**Fixed Assets:**						
	Gross Block	1,098.61	1,007.55	653.42	461.88	215.09	188.34
	Less : Depreciation	359.03	323.88	191.10	104.33	32.71	15.37
	Net Block	**739.59**	**683.67**	**462.32**	**357.55**	**182.38**	**172.97**
	Capital Work in Progress	240.86	200.22	102.45	28.50	27.10	6.64
	Total Fixed Assets	**980.45**	**883.89**	**564.77**	**386.05**	**209.48**	**179.61**
B.	**Investments**	0.13	0.13	0.13	0.13	0.11	0.11
C.	**Current Assets, Loans & Advances**						
	Inventories	540.15	470.58	198.13	137.68	71.48	50.75
	Sundry Debtors	538.38	745.53	512.08	331.10	240.34	68.58
	Cash and Bank Balances	243.93	216.56	163.36	77.11	28.71	38.54
	Loans and Advances	823.53	576.20	257.33	123.20	138.37	54.99
	Total Current Assets	**2,145.99**	**2,008.87**	**1,130.90**	**669.09**	**478.90**	**212.86**
D.	**Total Assets (A+B+C)**	**3,126.57**	**2,892.89**	**1,695.80**	**1,055.27**	**688.49**	**392.58**
E.	**Liabilities& Provisions**						
	Secured Loans	1,095.69	981.97	325.23	122.57	135.99	133.94
	Current Liabilities and Provisions	711.52	837.98	554.17	392.27	284.58	119.01
	Deferred Tax	17.28	17.28	21.19	18.19	16.12	-
	Total Liabilities & Provisions	**1,824.49**	**1,837.23**	**900.59**	**533.03**	**436.69**	**252.94**
F.	**Networth (D-E)**	**1,302.08**	**1,055.66**	**795.21**	**522.24**	**251.80**	**139.64**
	Represented by Shareholder's Fund :						
G	Share Capital	134.57	127.81	42.60	43.05	42.90	42.90
H.	Reserves and Surplus	1167.51	927.85	752.61	479.19	208.90	96.74
I.	**Net Worth (G+H)**	**1,302.08**	**1,055.66**	**795.21**	**522.24**	**251.80**	**139.64**

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Convention

The financial statements are prepared under the historical cost convention, in accordance with applicable accounting standards and relevant provisions of the Companies Act, 1956.

2. Fixed Assets

Fixed assets are stated at cost of acquisition less accumulated depreciation.

3. Depreciation

a) Depreciation on the assets of the Company is charged on straight line method at the rates prescribed in Schedule XIV of Companies Act, 1956 except Plant & Machinery deployed at Afghanistan Projects

b) Depreciation on Plant & Machinery deployed at Afghanistan Projects is being charged at a rate higher than the rate prescribed in Schedule XIV of the Companies Act 1956, based on the useful life of the Asset, as estimated by the Management. The useful life of such assets is as follows:

Assets	Years
Plant & Machinery (Crusher, WMM, HMP & Batching Plant)	2
Plant & Machinery	7
Tipper & Tractor (Second Hand)	2

c) Assets costing less than Rs. 5,000/- have been depreciated at hundred percent.

4. Investments

Long Term Investments are valued at cost of acquisition.

5. Inventories

a) Raw Materials,Stores, Spares & Consumablesare stated at lower of cost or net realisable value.

In determining the cost of raw materials, stores,spares & Consumables FIFO method used.

b) Work-in-progress are valued on the basis of percentage completion method at the rates provided in the contract reduced by an estimated percentage towards expected profit.

6. Retirement Benefits to Employees

Company's contribution to provident fund is charged to profit and loss account on actual liability basis. Provision for Gratuity and Leave encashment benefit is determined on actuarial basis at the year end.

7. Revenue Recognition

i) **Revenue is recognised as follows:**

Fixed price contracts received up to March 31, 2003: Contract revenue is recognised by applying percentage of completion to the contract value. Percentage of completion is determined in the case of item rate contracts, as a proportion of the progress billing to contract value.

Fixed price contracts received on or after April 1, 2003: Contract revenue is recognised by adding the aggregate cost and proportionate margin, using the percentage completion method. Percentage of completion is determined as a proportion of cost incurred-to-date to the total estimated contract cost.

Full provision is made for any loss in the year in which it is foreseen.

ii) Revenue from contracts executed in Joint Ventures (Jointly Controlled Operations, in terms of Accounting Standard (AS) 27 "Financial Reporting of Interests in Joint Ventures"), is recognised on the same basis as similar contracts independently executed by the Company.

8. **Borrowing Cost**

Borrowing Costs that are attributable to the acquisition, construction of qualifying assets are capitalised as part of cost of such assets upto the date the assets are ready for its intended use. All other borrowing costs are recognised as an expense in the year in which they are incurred.

9. **Taxation**

a) Tax on income for the current year is determined on the basis of taxable income and tax credit computed in accordance with the provisions of the Income Tax Act 1961 subject to the following:

Provision for taxation has been made on the taxable income up to 31st March. Provision for tax, if any, in respect of income accrued during the subsequent period i.e. 1st April to 31st October, would be determined and provided with reference to the profit, if any, for the next year ended 31st March.

b) Deferred Tax is recognised, subject to consideration of prudence, on timing differences, representing the difference between the taxable income/(loss) and the accounting income/(loss) that originated in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets and liabilities are measured using tax rates and the tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred Tax assets viz. unabsorbed depreciation and carry forward losses are recognised if there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

10. **Foreign Currency Transactions, Foreign Operations, and Forward Contracts**

a) The reporting currency of the Company is Indian Rupee.

b) Foreign currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items, are reported using the closing rate. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expense in the period in which they arise.

c) Financial statements of foreign operations comprising jobs contracted prior to April 1, 2004, are translated as follows:

i) Closing Inventories at rates prevailing at the end of the year.

ii) Fixed assets at rates prevailing at the end of the year in which additions were made. Depreciation is accounted at the same rate at which assets are converted.

iii) Other assets and liabilities at rates prevailing at the end of the year.

iv) Net revenues at the average rate for the year.

d) Financial statements of foreign operations comprising job contracted on or after April 1, 2004 are treated as Integral Operations and translated in the same manner as foreign currency transactions, described above. Exchange difference arising on such transaction are recognised as income or expense of the period in which they arise.

e) Where forward contracts are entered into, the exchange differences are dealt with in the Profit and Loss Account over the period of the contract.

11. **Accounting of Joint Ventures**

Jointly Controlled Operations: Company's share of revenues, expenses, assets & liabilities in the Joint Venture are included in the revenues, expenses, assets and liabilities respectively in the financial statements.

12. **Segment Accounting Policies**

Segment accounting policies are in line with the accounting policies of the Company, However, the following specific accounting policies have been followed for segment reporting:

a) Segment Revenue includes Sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.

b) Expenses that are directly identifiable with / allocable to segments are considered for determining the Segment Result. The expenses, which relate to the Company as a whole and not allocable to segments are included under "Other Unallocable expenditure".

c) Income which relates to the Company as a whole and is not allocable to segments is included in "Unallocable Corporate Income".

d) Segment Result includes margins on inter-segment jobs, which are reduced in arriving at the profit before tax of the Company.

e) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment. Unallocable assets mainly comprise of current and fixed assets of Head Office. Unallocable liabilities include mainly loan funds, provisions for employee retirement benefits and proposed dividend.

13. **Impairment of Assets**

As at each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine,

a) the provision for impairment loss, if any, required or

b) the reversal, if any, required of impairment loss recognised in previous periods.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount,

Recoverable amount is determined

a) in the case of an individual asset, at the higher of the net selling price and the value in use.

b) in the case of a cash generating unit (a group of assets that generates identified independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life).

14. **Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if,

a) the company has a present obligation as a result of past event,

b) a probable outflow of resources is expected to settle the obligation and

c) the amount of the obligation can be reliably estimated.

Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received, Contingent Liability is disclosed in the case of

a) a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.

b) a possible obligation, unless the probability of outflow of resources is remote.

Contingent Assets are neither recognised, nor disclosed.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

Project Warranties: The Company gives warranties on certain services, undertaking to repair or replace the items that fail to perform satisfactorily during the defect liability period. Provision made as at October 31, represents the amount of the expected cost of meeting such obligations of rectification /replacement. The timing of the outflows is expected to be within a period of one year.

Notes to Accounts on restated Financial Statements

1. As per the practice followed in preparation of financial statements by the Company:

   i) Gain/Loss on Foreign exchange fluctuation was being grouped with the Miscellaneous Expenses and no separate disclosure made in the financial statements as required by Accounting Standard-11 (Revised) issued by the Institute of Chartered Accountants of India.

   ii) interest paid was being grouped with Finance charges and no separate disclosure made in the financial statements as per the presentational requirement of the Schedule VI of the Companies Act.

   iii) Joint Venture Balances disclosed net, irrespective of individual debit or credit balance, in the loans & advances or current liabilities as the case may be.

   Therefore, in the Profit & Loss Account and Assets & Liabilities Statement, as restated, the above non compliance has been complied with as per the presentational requirements of the Companies Act and the Accounting Standards issued by the Institute of Chartered Accountants of India.

2. Prior Period Income/Expenses has been adjusted in the respective years to which they relate.

3. Sundry Debtors, Creditors and Loans & Advances as on 31st October 2006 are generally subject to confirmation/ adjustment and reconciliation.

4. Figures in restated financial statements are regrouped/rearranged wherever necessary.

5. Provision for Gratuity and Leave Encashment has made on the basis of actual liability in the year 2001-02 & 2002-03 and for the year 2003-04 onwards on the basis of acturial valuation at the year end.

6. In accordance with Accounting Standard-22 (Accounting for Taxes on Income) issued by the Institute of Chartered Accountants of India, the Company has adjusted the deferred tax liabilities (net) for the period up to March 31, 2002 of Rs. 9.04 million by a corresponding charge against General Reserve.

STATEMENT OF DIVIDEND PAID

(Rs. in Million)

Particulars	For Four months ended October 31,2006	For the year ended				
		June 30,2006	June 30,2005	June 30,2004	June 30,2003	June 30, 2002
On Equity Share Capital						
Paid up share capital	134.57	127.81	42.60	42.20	42.05	42.05
Face value (Rs.)	10.00	10.00	10.00	10.00	10.00	10.00
Rate of Proposed Dividend %	-	100.00*	30.00	25.00	20.00	25.00
Amount of Proposed Dividend	-	42.60	12.78	10.55	8.41	7.92
Tax on Proposed Dividend	-	5.97	1.79	1.37	1.07	0.78

* Including interim dividend & based on the share capital held on 01.07.2005

Annexure-V

STATEMENT OF CASH FLOWS - RESTATED

(Rs. in Million)

Particulars	**For Four months ended Oct-2006**	**For the year ended**				
		2005-06	**2004-05**	**2003-04**	**2002-03**	**2001-02**
A. CASH FLOW FROM OPERATING ACTIVITIES						
Net profit before tax and extraordinary items	60.75	401.98	328.24	315.80	144.44	59.51
Adjustment for :						
Depreciation	35.85	148.81	89.54	71.62	17.34	8.96
Interest	10.16	41.64	21.81	20.67	18.63	11.46
Interest Received	(1.65)	(7.82)	(2.55)	(3.21)	(1.11)	(1.35)
Loss on fluctuation of Exchange Rate	2.22	-	-	-	-	-
Loss on sale of Investments	-	-	-	-	-	0.02
(Profit)/Loss on sale of Assets-net	-	14.75	0.05	0.78	-	-
Operating Profit before Working Capital changes	107.33	599.36	437.08	405.66	179.30	78.61
Adjustment for :						
Trade and other receivables	(40.18)	(556.35)	(328.95)	(47.17)	(253.42)	(80.87)
Inventories	(69.58)	(272.44)	(60.46)	(66.20)	(20.72)	(26.18)
Trade payable and provision	(126.65)	289.51	179.73	89.46	170.60	73.28
Cash Generated from Operations	(129.08)	60.07	227.41	381.75	75.76	44.84
Direct Taxes paid	(0.12)	(98.53)	(41.07)	(41.53)	(13.25)	(2.92)
TOTAL (A)	**(129.20)**	**(38.46)**	**186.34**	**340.22**	**62.52**	**41.92**
B. CASH FLOW FROM INVESTING ACTIVITIES						
Purchase of fixed assets	(159.41)	(520.06)	(274.77)	(250.40)	(47.22)	(142.08)
Sale of fixed assets	24.77	37.38	6.47	1.44	-	-
Interest received	1.65	7.82	2.55	3.21	1.11	1.35
Investments	-	-	-	(0.03)	-	0.06
TOTAL (B)	132.99	(474.87)	(265.75)	(245.78)	(46.11)	(140.67)

(Rs. in Million)

Particulars	For Four months ended Oct-2006	For the year ended 2005-06	2004-05	2003-04	2002-03	2001-02
C. CASH FLOW FROM FINANCING ACTIVITIES						
Proceeds from long term borrowings	236.77	751.90	202.66	208.20	86.73	143.02
Repayment of long term loans	-	(173.16)	-	(241.30)	(109.43)	(21.57)
Proceeds/(Repayment) of short term loans	(123.05)	78.01	-	19.68	24.76	5.00
Proceeds from share capital	186.00	-	0.40	0.15	-	10.37
Redemption of Preference Share	-	-	(0.85)	-	-	-
Dividend and Dividend Tax paid	-	(48.58)	(14.74)	(12.10)	(9.66)	(8.88)
Interest Paid	(10.16)	(41.64)	(21.81)	(20.67)	(18.63)	(11.46)
TOTAL ©	289.56	566.53	165.66	(46.05)	(26.24)	116.47
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	27.37	53.20	86.25	48.40	(9.83)	17.72
Cash & Cash Equivalents end of the year	243.93	216.56	163.36	77.11	28.71	38.54
Cash & Cash Equivalents beginning of the year	216.56	163.36	77.11	28.71	38.54	20.82
Net Increase/(Decrease) in Cash and Cash Equivalents	27.37	53.20	86.25	48.40	(9.83)	17.72

Annexure-VI

ACCOUNTING RATIOS

Ratio	For Four months ended October 31,2006*	For the year ended				
		June 30 2006	June 30, 2005	June 30, 2004	June 30, 2003	June 30, 2002
Earning Per Share (Rs.) (Basic and Diluted)	4.72	24.18	22.52	22.14	10.18	4.39
Return on net worth (%)	4.64	29.27	36.19	54.18	51.69	40.15
Net Asset Value per share (Rs.)	87.60	72.41	154.63	91.71	46.54	26.43

EPS Computed in accordance with AS - 20 after considering the bonus shares issued during the year.

* Not Annualised

Notes:

1) Earnings per share (Rs.) = Profit available to equity shareholders/ Weighted average no. of equity shares.

2) Return on Net Worth (%) =Restated profit after Tax / Net Worth at the end of the year / relevant period*100

3) Net Asset value/Book value per share (Rs.) = Average Net Worth / No. of equity shares.

CAPITALISATION STATEMENT

(Rs. in Million)

Particulars	**Pre-issue as at Oct 31, 2006**	**Pre-issue as at June 30, 2006**	**Post-issue**
Borrowing			
Short term Debt	77.39	200.45	200.45
Long Term Debt	1,018.30	781.53	781.53
Total Debt	1,095.69	981.98	981.98
Shareholders' Funds:			
Share Capital	134.57	127.81	**
Reserves & Surplus	1,167.52	927.85	**
Less Misc. Expenditure	-	-	**
Less Revaluation Reserve	-	-	**
Total Shareholders funds/Net worth	1,302.09	1,055.66	
Total Debt/Shareholders funds	0.84	0.93	
Long-Term debt/Equity	0.78	0.74	

'** These figures will be known only after finalisation of the issue price by the Lead Manager to the issue and approval of the same by SEBI and other authorities, if any involved therein.

Annexure - VIII

STATEMENT OF TAX SHELTER

(Rs. in Million)

	For Four months ended October 31, 2006	Financial Year Ended March 31				
		2006	2005	2004	2003	2002
Tax Rates						
Normal Tax Rates	33.66%	33.66%	36.59%	35.88%	36.75%	35.70%
Minimum Alternative Tax (MAT) u/s 115JB of the Income-tax Act,1961	11.22%	8.41%	7.84%	7.68%	7.88%	7.65%
Tax payable on Normal Income						
Profits before tax as per Audited Accounts for the year ended March 31	-	266.02	135.97	171.48	47.39	37.88
Adjustments on account of Timing Differences	-	(11.12)	(33.66)	(92.06)	(28.24)	(26.26)
Set-off of Unabsorbed Losses/ depreciation to the extent utilised	-	-	-	-	-	-
Tax on Normal Income	-	89.73	40.03	32.82	6.41	3.99
Minimum Alternative Tax(MAT) paid as per the provisions of Section 115JB as per rates applicable	-	-	-	-	-	-
Normal Tax Paid	-	72.38	41.61	33.63	11.94	5.85
MAT Credit available	-	-	-	-	-	-
Refund Due	-	17.35	(1.58)	(0.81)	(5.53)	(1.86)

Note : Provision for taxation has been made on the taxable income up to 31st March of the relevant year. provision for tax, if any, in respect of income accrue during the period 1st April, 2006 to 31st October, 2006 would be determined and provided with reference to the profit, if any, for the year ended 31st March 2007.

Annexure - IX

DETAILS OF OTHER INCOME

(Rs. in Million)

Particulars	For Four months ended October 31,2006	For the year ended				
		June 30,2006	June 30,2005	June 30,2004	June 30,2003	June 30,2002
Interest Received	2.11	7.82	2.55	1.52	1.09	1.35
Scrap/Waste Sale	3.27	11.56	2.54	1.74	0.12	1.04
Sale -Sand	-	0.44	-	-	-	-
Machinery hire Charges	0.17	0.66	0.03	0.01	-	-
Sale of Aggregate	-	2.97	-	-	-	-
Insurance Claims	-	4.55	3.82	0.02	0.04	-
Foreign Currency Flucuation	-	68.30	-	5.20	-	-
TOTAL	**5.55**	**96.32**	**8.94**	**8.49**	**1.25**	**2.39**

Annexure- X

STATEMENT OF SUNDRY DEBTORS

(Rs. in Million)

Particulars	**For Four months ended October 31, 2006**	**For the year ended**				
		June 30, 2006	**June 30, 2005**	**June 30, 2004**	**June 30, 2003**	**June 30,2002**
Debtors outstanding for a period exceeding six months	63.03	70.71	9.15	7.51	0.24	0.26
Other Debts	475.35	674.82	502.93	323.59	240.10	68.33
Total	**538.38**	**745.53**	**512.08**	**331.10**	**240.34**	**68.59**
Debts due from Companies under same management or companies in which directors are interested						
Amount Outstanding at the year end	17.78	27.20	8.72	8.11	-	-

DETAILS OF LOANS AND ADVANCES

(Rs. in Million)

Particulars	For Four months ended October 31, 2006	As at				
		June 30, 2006	June 30, 2005	June 30, 2004	June 30, 2003	June 30,2002
Security Deposits	4.03	3.75	6.35	16.48	21.35	17.64
Balance with Joint Ventures	293.69	215.97	34.00	2.85	-	-
Advance Income Tax (Net of Provisions)	8.12	7.30	5.63	4.64	-	-
Advance recoverable in cash or in kind or value to be received	517.69	344.21	200.68	73.73	115.30	37.35
Total	**825.53**	**571.23**	**246.66**	**97.70**	**136.65**	**54.99**
Debts due from companies under the same management or from promoter/ director.	83.80	74.08	34.81	33.59	28.55	0.73

Annexure - XII

SECURED LOANS

(Rs. in Million)

Description	Sanctioned Amount	Amount outstanding as on October 31, 2006	Rate of Interest (%) p.a.	Repayment Schedule
A) Banks				
UTI Bank Ltd.	308.60	111.74	7.90%	Six equal instalments
SBI	80.00	73.98	9.50%	12 Qtrly. Instalments
Working Capital Loan (Cash Credit)				
SBI	200.00	77.39	10.25%	
Hire purchase finance				
Hire purchase finance	-	397.74	7.17% to 9.75%	
B) Others				
Advance Received from Employers To be adjusted in bills	-	434.83	Interest free	
TOTAL	**588.60**	**1095.68**		

Principal Terms of Sanctioned Loans and Assets Charged as Security

a) Bank Borrowings along with non-fund based facilities from bank is secured by Ist charge over entire current assets of the company, including stocks and book debts, IInd charge over fixed assets of the company, equitable morgtage over land of an associate company, Corporate guarantee of an associate company and personal guarantee of directors.

b) Term loan is secured by Ist charge on the land & building being financed with the assistance of the Rupee Term Loan, II nd charge on the current assets of the company and personal guarantee of directors.

c) Foreign Currency Term Loan from UTI Bank Ltd, availed in a Joint Venture with M/s. B Seenaiah & Company (Projects) Ltd, is secured by first hypothecation charge on the equipment procured from the sanctioned facilities. The said term loan is further secured by second charge on the entire unencumbered fixed assets of M/s. B Seenaiah & Company (Projects) Ltd, personal guarantees of directors of the joint venture partners and small corporate guarantee of M/s. B Seenaiah & Company (Projects) Ltd.

d) Corporate Loan from UTI Bank Ltd, availed in a Joint Venture with M/s. B Seenaiah & Company (Projects) Ltd, is secured by first hypothecation charge on the equipment procured out of the earlier sanctioned facilities to the JV and other unencumbered fixed assets of the JV. The said term loan is further secured by second charge on the entire unencumbered fixed assets of M/s. B Seenaiah & Company (Projects) Ltd, exclusive charge on the receivable pertaining to the projects being done by the JV in Afghanistan wherein the EEFC accounts are with UTI Bank, personal guarantees of directors of the joint venture partners and small corporate guarantee of JV partners..

e) Hire Purchase Finance are secured by hypothecation of specific assets procured under the respective hire purchase and personal guarantees of some promoter directors..

f) Advance from employers are guaranteed by banks which are in turn secured as detailed under note (a) above.

g) Hire Purchase Finance includes Rs.114.25 million (Rs.118.49 million) falling due for payment within 8 months.

h) Term Loans includes Rs.56.74 million (Rs.62.17 million) falling due for payment within 8 months.

SECURED LOANS

(Rs. in Million)

Description	For Four months ended October 31, 2006	Outstanding as on				
		June 30, 2006	June 30, 2005	June 30, 2004	June 30, 2003	June 30, 2002
A) Banks						
Term Loans						
UTI Bank Ltd.	111.74	35.51	70.94	-	-	-
IDBI Bank Ltd.	-	-	16.81	-	-	-
SBI	73.98	56.52	-	-	-	-
Working Capital Loan (Cash Credit)						
SBI	77.39	200.45	122.44	49.43	29.75	5.00
Hire purchase finance						
Hire purchase finance	397.74	293.13	109.49	60.78	75.75	91.68
B) Others						
Advance Received from Employers	434.84	396.37	5.55	12.36	30.49	37.26
TOTAL	**1,095.68**	**981.97**	**325.23**	**122.57**	**135.99**	**133.94**

Annexure - XIII

STATEMENT OF RELATED PARTY TRANSACTION

Disclosure of Related Parties & Related Party Transactions

Associate Companies	Joint Venture	Key managerial personnel	Relatives of Key managerial personnel
- Case Cold Roll forming (P) Limited	- BLA-CISC- C&C 'JV'	- G.S.Johar	- C.S. Sethi (HUF)
- Case Components Limited	- BSC- C&C 'JV'	- C.S. Sethi	- Sunita Singh Sethi
- Case Components Industries Limited	- C&C-YFC 'JV'	- Capt. Rajbir Singh	- Sanjiv Kanwar
- G.S.Johar & Co.	- Sanjay Gupta	Sumeet Johar	
- S.J. Leasing & Investment (P) Limited	- A.P.S. Chadha	Inderjit Kaur Chadha	
- Bags Registry Services (P) Limited	- R.M. Aggarwal	Sukhwinder Kaur	
- International Trenching (P) Limited	Jaideep Singh Johar		
- Jeet Properties (P) Limited			
- Frontline Innovation (P) Ltd.			
- Kims Wardak Diagnostic Centre (P) Ltd.			
- BSC-C&C 'JV' Nepal (P) Limited			

(Rs. in Million)

Name of Related Parties	'Relationship	Nature of Transaction	For four months ended October 31,2006	For the year ended June 30,2006	June 30,2005	June 30,2004	June 30,2003	June 30,2002
	Associates							
G. S. Johar & Co.								
		General & Administration	-	-	-	-	-	1.04
S. J. Leasing & Investment (P) Limited								
		Dividend	-	10.50	3.15	2.63	2.10	1.98
Bags Registry Services (P) Limited								
		Dividend	-	7.56	2.27	1.89	1.51	1.43
Case Cold Roll Forming (P) Limited								
		Corporate Guarantee	125.50	125.50	42.50	21.50	21.50	21.50
		Bank Guarantee	15.00	15.00	16.60	-	-	-
		Sales & Services	3.28	-	69.98	13.61	-	-
		Accounts Receivable	12.26	-	8.72	-	-	-
		Advance Recoverable	63.98	52.36	-	-	-	-
Case Components Limited								
		Sales & Services	-	-	-	38.69	-	-
		Advance Recoverable	14.48	17.14	-	-	-	-

(Rs. in Million)

Name of Related Parties	'Relationship	Nature of Transaction	For four months ended October 31, 2006	For the year ended				
				June 30, 2006	June 30, 2005	June 30, 2004	June 30, 2003	June 30, 2002
International Trenching (P) Limited								
		Advance Recoverable	2.69	4.58	-	17.62	-	-
Others								
		Sales & Services	-	24.87	-	0.36	38.23	3.60
		Material & Project Execution Expenses	-	17.63	17.07	7.29	-	2.32
		General Administration	-	-	0.11	2.67	-	-
		Accounts Receivable	5.51	27.20	-	8.11	-	-
		Advance Recoverable	2.66	-	34.81	15.97	-	-
		Current Liabilities	-	9.46	1.22	1.82	-	-

(Rs. in Million)

Name of Related Parties	'Relationship	Nature of Transaction	For four months ended October 31, 2006	For the year ended				
				June 30, 2006	June 30, 2005	June 30, 2004	June 30, 2003	June 30, 2002
	Joint Venture							
BLA-CISC-C&C JV								
		Work Executed /Sales & Services	-	0.43	11.80	148.30	106.69	63.53
		Other Income	-	0.39	0.21	0.05	-	-
		Salary & Wages	-	0.01	1.22	5.86	6.28	2.72
		Material & Project Execution Expenses	-	1.00	21.26	126.49	30.35	21.82
		General A dministration	0.20	10.38	1.53	234.47	13.43	4.33
		Depreciation	-	0.30	1.17	1.16	0.73	0.33
		Interest	-	48.79	0.72	2.02	9.14	1.31
		Purchase of Fixed Assets	-	-	-	7.68	17.90	5.88
		Accounts Receivables	0.07	0.07	0.15	31.60	3.60	0.34
		Advance Recoverable	3.09	0.93	1.14	0.99	42.88	8.81
		Current Liabilities	0.05	0.05	1.87	96.92	14.69	7.73
		Bank Guarantee	-	-	-	-	47.26	-
BSC-C&C JV								
		Work Executed/ Sales & Services	523.56	1,658.94	1,298.95	1,125.91	306.23	204.20
		Other Income	2.81	87.37	7.66	2.55	-	0.35
		Salary & Wages	56.56	137.84	91.15	46.90	3.74	3.68
		Material & Project Execution Expenses	356.48	1,036.25	655.61	651.01	49.33	66.81
		General Administration	73.05	72.78	61.93	43.19	15.33	3.17
		Depreciation	32.29	137.78	78.74	61.58	3.28	2.80
		Interest	-	-	2.54	20.74	-	5.82
		Purchase of Fixed Assets	99.75	351.93	237.61	235.57	7.49	48.96
		Accounts Receivables	443.80	659.13	459.29	221.44	183.79	-
		Advance Recoverable	311.43	254.35	144.52	100.88	50.95	20.05

(Rs. in Million)

Name of Related Parties	'Relationship	Nature of Transaction	For four months ended October 31, 2006	For the year ended June 30, 2006	June 30, 2005	June 30, 2004	June 30, 2003	June 30, 2002
		Current Liabilities	465.27	602.75	408.27	576.90	95.87	32.61
		Bank Guarantee	955.90	864.42	367.30	227.74	196.39	40.89
Others								
		Work Executed /Sales & Services	-	-	-	-	-	10.85
		Salary & Wages	-	-	-	-	-	0.05
		Material & Project Execution Expenses	-	-	-	-	-	3.34
		General Administration	-	-	-	-	-	0.09
		Advance Recoverable	-	-	-	-	-	2.54
	Key Management Personnel							
G. S. Johar		Salary & Wages	1.30	2.33	-	-	-	-
Capt. Rajbir Singh								
		Preference Dividend	-	-	0.04	0.04	0.04	0.04
		Dividend	-	8.39	2.52	2.10	1.68	1.58
		Salary & Wages	1.30	2.33	-	-	-	-
A. P. S. Chada								
		Dividend	-	7.14	2.14	1.78	1.43	1.35
		Salary & Wages	1.30	2.33	-	-	-	-
C. S. Sethi								
		Dividend	-	7.40	2.22	1.85	1.48	1.40
		Salary & Wages	1.36	2.36	-	-	-	-
		Commission	-	3.20	-	-	-	-
Sajay Gupta								
		Salary & Wages	1.36	2.36	-	-	-	-
		Commission	-	15.26	-	-	-	-
R. M. Agarwal								
		Salary & Wages	1.30	2.33	-	-	-	-

(Rs. in Million)

Name of Related Parties	'Relationship	Nature of Transaction	For four months ended October 31, 2006	For the year ended June 30, 2006	June 30, 2005	June 30, 2004	June 30, 2003	June 30, 2002
Others								
		Dividend	-	0.62	0.19	0.06	0.02	-
		Current Liabilities	56.02	56.74	26.05	-	-	-
		Salary & Wages	-	-	6.21	5.68	3.98	3.35
		General Administration	-	-	0.90	13.10	-	-
	Relatives of Key Management Personnel							
Sunita Singh Sethi								
		Preference Dividend	-	-	0.03	0.03	0.03	0.03
C. S. Sethi (HUF)								
		Preference Dividend	-	-	0.07	0.07	0.07	0.07
Sanjiv Kanwar								
		Preference Dividend	-	-	0.02	0.02	0.02	-
Others								
		Dividend	-	1.00	0.30	0.25	0.20	0.18
		Salary & Wages	0.18	0.41	-	-	-	-
		General Administration	0.30	0.63	0.14	-	-	-

Annexure- XIV

STATEMENT OF CONTINGENT LIABILITIES

(Rs. In Million)

	Particulars	For four months ended October 31, 2006	For the year ended				
			June 30, 2006	June 30, 2005	June 30, 2004	June 30, 2003	June 30,2002
1.	Corporate Guarantee	125.50	125.50	42.50	21.50	21.50	21.50
2.	Bank Guarantees	1,003.75	889.28	443.37	284.53	270.90	58.51
3.	Claims not acknowledge as debts	66.92	66.92	66.92	-	-	-
4.	Demands against the Company not acknowledged as debts and not	-	-	-	-	-	-
	provided for in respect of which the Company is in appeal	-	-	-	-	-	-
	- Sales Tax	1.17	1.41	3.61	4.19	-	-
	Income Tax	2.39	2.39				

Annexure- XV

STATEMENT OF FINANCIAL INTEREST IN JOINT VENTURES

Description of Interest: Jointly Controlled Operations (Construction of road & runways)

(Rs. in Million)

	Name of joint Venture	For four months ended October 31,2006		As At June 30,2006		June 30,2005		June 30,2004		June 30,2003		June 30,2002	
		Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
1.	BSC-C&C JV	2046.73	2046.73	2,033.63	2,033.63	1,211.85	1,211.85	683.67	683.67	339.75	339.75	109.18	109.18
2.	BLA-CISC-C&C JV	10.00	10.00	5.20	5.20	35.33	35.33	61.48	61.48	71.83	14.69	38.40	2.06

		For four months ended October 31, 2006			For the year ended June 30,2006			June 30,2005			June 30,2004			June 30,2003			June 30,2002		
		Income	Expenses	Tax	Income	Expenses	Tax	Income	Expenses	Tax	Income	Expenses	Tax	Income	Expenses	Tax	Income	Expenses	Tax
1.	BSC-C&C JV	606.17	518.39	0.08	1,746.31	1,475.18	93.62	1,306.61	912.87	34.00	1,128.46	825.41	26.50	306.26	185.01	0.90	204.55	177.93	0.07
2.	BLA-CISC-C&C JV	-	0.40	-	0.82	11.68	1.12	12.01	25.90	0.28	148.35	156.96	1.04	106.71	79.71	-	63.53	51.70	-

INDEPENDENT AUDITORS' REPORT

The Board of Directors,
C & C Constructions Limited
Jay Plaza-Clear View Building,
C1/B, Old DLF Colony,
Gurgaon (Haryana)

Dear Sirs,

1. We have examined the financial information of C & C Constructions Private Limited as attached to this report stamped and initialled by us for identification, which has been prepared in accordance with Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ("the Act") and the Securities and Exchange Board of India (Disclosures and Investor Protection) Guidelines, 2000 as amended vide Circular No. 14 on 25th January 2005 ("the SEBI Guidelines") issued by the Securities and Exchange Board of India ("SEBI") on January 19, 2000 in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related clarifications, and in accordance with your letter dated July 22, 2006 requesting us to examine financial information referred to above and proposed to be included in the Offer Document being issued by the Company in connection with its proposed Issue of Equity Shares.

2. We have reviewed the books and accounts of C & C Constructions Private Limited, for the five financial years ended June 30, 2002, 2003, 2004, 2005 and 2006 being the last date to which the accounts of the Company have been made up and audited by a firm of Chartered accountants other than S.N Dhawan & Co. for the financial year ended June 30, 2002, 2003, 2004 and by us for the financial years ended June 30, 2005 and 2006 for presentation to the members.

3. In accordance with the requirements of Paragraph B (1) of Part II of Schedule II to the Act and the SEBI Guidelines for the purpose of the Offer Document as aforesaid, we report that:

   (a) The restated profits of the Company for the Financial years ended June 30, 2002, 2003, 2004, 2005 and 2006 are as set out in **Annexure-I** to this report. These profits have been arrived at after charging all expenses including depreciation and after making such adjustments and regroupings as in our opinion are appropriate and read with the Significant Accounting Policies and Notes on Accounts appearing in **Annexure-III** of this report.

   (b) The restated assets and liabilities of the Company as at June 30, 2002, 2003, 2004, 2005 and 2006 are as set out in **Annexure-II** to this report after making such adjustments and regroupings as in our opinion are appropriate and read with the Significant Accounting Policies and Notes on Accounts appearing in **Annexure-III** to this report.

   (c) The rates of dividend paid by the Company in respect of the financial year ended on June 30, 2002, 2003, 2004, 2005 and 2006 are as shown in **Annexure-IV.**

4. We have also reviewed the following financial information relating to the Company for the purpose of inclusion in the Offer Document: -

   (a) Statement of Cash Flows of the Company for the year ended June 30, 2002, 2003, 2004, 2005 and 2006 as appearing in **Annexure-V.**

   (b) Accounting Ratios as appearing in **Annexure-VI**.

   (c) Capitalisation Statement as at June 30, 2006 as appearing in **Annexure-VII.**

   (d) Statement of Tax Shelter for the years ended June 30, 2002, 2003, 2004, 2005 and 2006 as appearing in **Annexure-VIII.**

(e) Details of Other Income as appearing in **Annexure-IX.**

(f) Details of Sundry Debtors as appearing in **Annexure-X.**

(g) Details of Loans and Advances as appearing in **Annexure-XI.**

(h) Details of Secured Loans as appearing in **Annexure-XII.**

(i) Details of Transactions with Related Parties as appearing in **Annexure-XIII.**

(j) Details of Contingent Liabilities as appearing in **Annexure-XIV.**

(k) Details of Financial Interest in Joint Ventures as appearing in **Annexure-XV.**

5. In our opinion the above financial information of the Company read with Significant Accounting Policies and Notes on Account attached in **Annexure-III** to this report, after making adjustments and regroupings as considered appropriate has been prepared in accordance with Part II of Schedule II to the Companies Act, 1956 and the SEBI Guidelines.

6. This report is intended solely for the information and for inclusion in the offer document in connection with the specific Issue of Equity Shares of the Company and is not to be used, referred to or distributed for any other purpose without our written consent.

For S.N Dhawan & Co.
Chartered Accountants

(Suresh Seth)
Partner

M.No. 10577
Dated: October 11, 2006

Annexure-I

STATEMENT OF PROFIT AND LOSS ACCOUNT-RESTATED

(Rs. in Million)

Particulars	For the year ended				
	June 30, 2006	June 30, 2005	June 30, 2004	June 30, 2003	June 30, 2002
INCOME					
Sales & Services					
Contract Revenue	1,779.56	1,645.32	1,583.47	816.68	559.28
Supply of Construction Material	337.76	74.39	52.66	38.23	-
Total	**2,117.32**	**1,719.71**	**1,636.12**	**854.91**	**559.28**
Other Income	96.32	8.94	8.49	1.25	2.39
Increase (Decrease) in Inventories	166.73	30.08	70.96	8.03	12.39
TOTAL INCOME	**2,380.37**	**1,758.73**	**1,715.58**	**864.18**	**573.99**
EXPENDITURE					
Material Consumed	1,038.28	776.64	816.65	340.89	309.18
Project Execution Charges	420.63	320.41	308.42	275.81	137.11
Staff Cost	193.70	116.72	74.70	21.57	17.85
Administration & Other Expenses	135.33	105.38	107.72	45.50	29.91
Interest	41.64	21.80	20.67	18.63	11.46
Depreciation	148.81	89.54	71.62	17.34	8.96
Total	**1,978.39**	**1,430.49**	**1,399.77**	**719.74**	**514.48**
Net Profit before tax	**401.98**	**328.24**	**315.81**	**144.44**	**59.51**
Taxation					
Current tax	95.75	37.08	31.34	6.50	3.99
Deferred tax	(3.91)	3.00	2.07	7.08	-
Fringe benefit tax	1.11	-	-	-	-
Net Profit after tax	**309.03**	**288.16**	**282.40**	**130.86**	**55.53**
Adjustment on account of prior period expenses/(income)	-	0.38	(0.54)	0.70	(0.53)
Net Profit	**309.03**	**287.78**	**282.93**	**130.16**	**56.06**
Proposed Dividend & Dividend Tax	48.58	14.74	12.10	9.66	8.88

Annexure-II

STATEMENT OF ASSETS AND LIABILITIES - RESTATED

(Rs. in Million)

Particulars		As at				
		June 30, 2006	June 30, 2005	June 30, 2004	June 30, 2003	June 30, 2002
A.	**Fixed Assets:**					
	Gross Block	1,007.55	653.42	461.88	215.09	188.34
	Less : Depreciation	323.88	191.10	104.33	32.71	15.37
	Net Block	**683.67**	**462.32**	**357.55**	**182.38**	**172.97**
	Capital Work in Progress	200.22	102.45	28.50	27.10	6.64
	Total Fixed Assets	883.89	564.77	386.05	209.48	179.61
B.	**Investments**	0.13	0.13	0.13	0.11	0.11
C.	**Current Assets, Loans & Advances**					
	Inventories	470.58	198.13	137.68	71.48	50.75
	Sundry Debtors	745.53	512.08	331.10	240.34	68.58
	Cash and Bank Balances	216.56	163.36	77.11	28.71	38.54
	Loans and Advances	576.20	257.33	123.20	138.37	54.99
	Total Current Assets	**2,008.87**	**1,130.90**	**669.09**	**478.90**	**212.86**
D.	**Total Assets (A+B+C)**	**2,892.89**	**1,695.80**	**1,055.27**	**688.49**	**392.58**
E.	**Liabilities& Provisions**					
	Secured Loans	981.97	325.23	122.57	135.99	133.94
	Current Liabilities and Provisions	837.98	554.17	392.27	284.58	119.01
	Deferred Tax	17.28	21.19	18.19	16.12	-
	Total Liabilities & Provisions	**1,837.23**	**900.59**	**533.03**	**436.69**	**252.94**
F.	**Networth (D-E)**	**1,055.66**	**795.21**	**522.24**	**251.80**	**139.64**
	Represented by Shareholder's Fund :					
G	Share Capital	127.81	42.60	43.05	42.90	42.90
	Reserves and Surplus	927.85	752.61	479.19	208.90	96.74
	Net Worth (G+H-I)	**1,055.66**	**795.21**	**522.24**	**251.80**	**139.64**

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Convention

The financial statements are prepared under the historical cost convention, in accordance with applicable accounting standards and relevant provisions of the Companies Act, 1956.

2. Fixed Assets

Fixed assets are stated at cost of acquisition less accumulated depreciation.

3. Depreciation

a) Depreciation on the assets of the Company is charged on straight line method at the rates prescribed in Schedule XIV of Companies Act, 1956 except Plant & Machinery deployed at Afghanistan Projects

b) Depreciation on Plant & Machinery deployed at Afghanistan Projects is being charged at a rate higher than the rate prescribed in Schedule XIV of the Companies Act 1956, based on the useful life of the Asset, as estimated by the Management. The useful life of such assets is as follows:

Assets	Years
Plant & Machinery (Crusher, WMM, HMP & Batching Plant)	2
Plant & Machinery	7
Tipper & Tractor (Second Hand)	2

c) Assets costing less than Rs. 5,000/- have been depreciated at hundred percent.

4. Investments

Long Term Investments are valued at cost of acquisition.

5. Inventories

a) Raw Materials,Stores, Spares & Consumablesare stated at lower of cost or net realisable value.

In determining the cost of raw materials, stores,spares & Consumables latest purchase price method is used.

b) Work-in-progress are valued on the basis of percentage completion method at the rates provided in the contract reduced by an estimated percentage towards expected profit.

6. Retirement Benefits to Employees

Company's contribution to provident fund is charged to profit and loss account on actual liability basis. Provision for Gratuity and Leave encashment benefit is determined on actuarial basis at the year end.

7. Revenue Recognition

i) Revenue is recognised as follows:

Fixed price contracts received up to March 31, 2003: Contract revenue is recognised by applying percentage of completion to the contract value. Percentage of completion is determined in the case of item rate contracts, as a proportion of the progress billing to contract value.

Fixed price contracts received on or after April 1, 2003: Contract revenue is recognised by adding the aggregate cost and proportionate margin, using the percentage completion method. Percentage of completion is determined as a proportion of cost incurred-to-date to the total estimated contract cost.

Full provision is made for any loss in the year in which it is foreseen.

ii) Revenue from contracts executed in Joint Ventures (Jointly Controlled Operations, in terms of Accounting Standard (AS) 27 "Financial Reporting of Interests in Joint Ventures"), is recognised on the same basis as similar contracts independently executed by the Company.

8. Borrowing Cost

Borrowing Costs that are attributable to the acquisition, construction of qualifying assets are capitalised as part of cost of such assets upto the date the assets are ready for its intended use. All other borrowing costs are recognised as an expense in the year in which they are incurred.

9. Taxation

a) Tax on income for the current year is determined on the basis of taxable income and tax credit computed in accordance with the provisions of the Income Tax Act 1961 subject to the following:

Provision for taxation has been made on the taxable income up to 31st March. Provision for tax, if any, in respect of income accrued during the subsequent quarter i.e. 1st April to 30th June, would be determined and provided with reference to the profit, if any, for the next year ended 31st March.

b) Deferred Tax is recognised, subject to consideration of prudence, on timing differences, representing the difference between the taxable income/(loss) and the accounting income/(loss) that originated in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets and liabilities are measured using tax rates and the tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred Tax assets viz. unabsorbed depreciation and carry forward losses are recognised if there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

10. Foreign Currency Transactions, Foreign Operations, and Forward Contracts

a) The reporting currency of the Company is Indian Rupee.

b) Foreign currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items, are reported using the closing rate. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expense in the period in which they arise.

c) Financial statements of foreign operations comprising jobs contracted prior to April 1, 2004, are translated as follows:

i) Closing Inventories at rates prevailing at the end of the year.

ii) Fixed assets at rates prevailing at the end of the year in which additions were made. Depreciation is accounted at the same rate at which assets are converted.

iii) Other assets and liabilities at rates prevailing at the end of the year.

iv) Net revenues at the average rate for the year.

d) Financial statements of foreign operations comprising job contracted on or after April 1, 2004 are treated as Integral Operations and translated in the same manner as foreign currency transactions, described above. Exchange difference arising on such transaction are recognised as income or expense of the period in which they arise.

e) Where forward contracts are entered into, the exchange differences are dealt with in the Profit and Loss Account over the period of the contract.

11. Accounting of Joint Ventures

Jointly Controlled Operations: Company's share of revenues, expenses, assets & liabilities in the Joint Venture are included in the revenues, expenses, assets and liabilities respectively in the financial statements.

12. Segment Accounting Policies

Segment accounting policies are in line with the accounting policies of the Company, However, the following specific accounting policies have been followed for segment reporting:

a) Segment Revenue includes Sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.

b) Expenses that are directly identifiable with / allocable to segments are considered for determining the Segment Result. The expenses, which relate to the Company as a whole and not allocable to segments are included under "Other Unallocable expenditure".

c) Income which relates to the Company as a whole and is not allocable to segments is included in "Unallocable Corporate Income".

d) Segment Result includes margins on inter-segment jobs, which are reduced in arriving at the profit before tax of the Company.

f) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment. Unallocable assets mainly comprise of current and fixed assets of Head Office. Unallocable liabilities include mainly loan funds, provisions for employee retirement benefits and proposed dividend.

13. Impairment of Assets

As at each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine,

a) the provision for impairment loss, if any, required or

b) the reversal, if any, required of impairment loss recognised in previous periods.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount,

Recoverable amount is determined

a) in the case of an individual asset, at the higher of the net selling price and the value in use.

b) in the case of a cash generating unit (a group of assets that generates identified independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life).

14. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if,

a) the company has a present obligation as a result of past event,

b) a probable outflow of resources is expected to settle the obligation and

c) the amount of the obligation can be reliably estimated.

Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received,

Contingent Liability is disclosed in the case of

a) a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.

b) a possible obligation, unless the probability of outflow of resources is remote.

Contingent Assets are neither recognised, nor disclosed.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

Project Warranties: The Company gives warranties on certain services, undertaking to repair or replace the items that fail to perform satisfactorily during the defect liability period. Provision made as at June 30, represents the amount of the expected cost of meeting such obligations of rectification /replacement. The timing of the outflows is expected to be within a period of one year.

Notes to Accounts on restated Financial Statements

1. As per the practice followed in preparation of financial statements by the Company:

   i) Gain/Loss on Foreign exchange fluctuation was being grouped with the Miscellaneous Expenses and no separate disclosure made in the financial statements as required by Accounting Standard-11 (Revised) issued by the Institute of Chartered Accountants of India except for the financial year ending June 30, 2006.

   ii) Interest paid was being grouped with Finance charges and no separate disclosure made in the financial statements as per the presentational requirement of the Schedule VI of the Companies Act.

   iii) Joint Venture Balances disclosed net, irrespective of individual debit or credit balance, in the loans & advances or current liabilities as the case may be.

   Therefore, in the Profit & Loss Account and Assets & Liabilities Statement, as restated, the above non compliance has been complied with as per the presentational requirements of the Companies Act and the Accounting Standards issued by the Institute of Chartered Accountants of India.

2. Prior Period Income/Expenses has been adjusted in the respective years to which they relate.

3. Sundry Debtors, Creditors and Loans & Advances as on 30th June 2006 are generally subject to confirmation/ adjustment and reconciliation.

4. Figures in restated financial statements are regrouped/rearranged wherever necessary.

5. Provision for Gratuity and Leave Encashment has made on the basis of actual liability in the year 2001-02 & 2002-03 and for the year 2003-04 onwards on the basis of acturial valuation at the year-end.

6. In accordance with Accounting Standard-22 (Accounting for Taxes on Income) issued by the Institute of Chartered Accountants of India, the Company has adjusted the deferred tax liabilities (net) for the period up to March 31, 2002 of Rs. 9.04 million by a corresponding charge against General Reserve.

Annexure- IV

STATEMENT OF DIVIDEND PAID

(Rs. in Million)

Particulars	For the year ended				
	June 30, 2006	June 30, 2005	June 30, 2004	June 30, 2003	June 30, 2002
On Equity Share Capital					
Paid up share capital	127.81	42.60	42.20	42.05	42.05
Face value (Rs.)	10.00	10.00	10.00	10.00	10.00
Rate of Proposed Dividend %	100.00*	30.00	25.00	20.00	25.00
Amount of Proposed Dividend	42.60	12.78	10.55	8.41	7.92
Tax on Proposed Dividend	5.97	1.79	1.37	1.07	0.78

* Including interim dividend & based on the share capital held on 01.07.2005

Annexure-V

STATEMENT OF CASH FLOWS - RESTATED

(Rs. in Million)

		2005-06	2004-05	2003-04	2002-03	2001-02
A.	**CASH FLOW FROM OPERATING ACTIVITIES**					
	Net profit before tax and extraordinary items	401.98	328.24	315.80	144.44	59.51
	Adjustment for :					
	Depreciation	148.81	89.54	71.62	17.34	8.96
	Interest	41.64	21.81	20.67	18.63	11.46
	Interest Received	(7.82)	(2.55)	(3.21)	(1.11)	(1.35)
	Loss on sale of Investments	-	-	-	-	0.02
	(Profit)/Loss on sale of Assets-net	14.75	0.05	0.78	-	-
	Operating Profit before Working Capital changes	599.36	437.08	405.66	179.30	78.61
	Adjustment for :					
	Trade and other receivables	(556.35)	(328.95)	(47.17)	(253.42)	(80.87)
	Inventories	(272.44)	(60.46)	(66.20)	(20.72)	(26.18)
	Trade payable and provision	289.51	179.73	89.46	170.60	73.28
	Cash Generated from Operations	60.07	227.41	381.75	75.76	44.84
	Direct Taxes paid	(98.53)	(41.07)	(41.53)	(13.25)	(2.92)
	TOTAL (A)	(38.46)	186.34	340.22	62.52	41.92
B.	**CASH FLOW FROM INVESTING ACTIVITIES**					
	Purchase of fixed assets	(520.06)	(274.77)	(250.40)	(47.22)	(142.08)
	Sale of fixed assets	37.38	6.47	1.44	-	-
	Interest received	7.82	2.55	3.21	1.11	1.35
	Investments	-	-	(0.03)	-	0.06
	TOTAL (B)	(474.87)	(265.75)	(245.78)	(46.11)	(140.67)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**					
	Proceeds from long term borrowings	751.90	202.66	208.20	86.73	143.02
	Repayment of long term loans	(173.16)	-	(241.30)	(109.43)	(21.57)
	Proceeds/(Repayment) of short term loans	78.01	-	19.68	24.76	5.00
	Proceeds from share capital	-	0.40	0.15	-	10.37
	Redemption of Preference Share	-	(0.85)	-	-	-
	Dividend and Dividend Tax paid	(48.58)	(14.74)	(12.10)	(9.66)	(8.88)
	Interest Paid	(41.64)	(21.81)	(20.67)	(18.63)	(11.46)
	TOTAL (C)	566.53	165.66	(46.05)	(26.24)	116.47
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**53.20**	**86.25**	**48.40**	**(9.83)**	**17.72**
	Cash & Cash Equivalents end of the year	216.56	163.36	77.11	28.71	38.54
	Cash & Cash Equivalents beginning of the year	163.36	77.11	28.71	38.54	20.82
	Net Increase/(Decrease) in Cash and Cash Equivalents	**53.20**	**86.25**	**48.40**	**(9.83)**	**17.72**

ACCOUNTING RATIOS

Ratio	For the year ended				
	June 30, 2006	June 30, 2005	June 30, 2004	June 30, 2003	June 30, 2002
Earning Per Share (Rs.) (Basic and Diluted)	24.18	22.52	22.14	10.18	4.39
Return on net worth (%)	29.27	36.19	54.18	51.69	40.15
Net Asset Value per share (Rs.)	72.41	154.63	91.71	46.54	26.43

'* EPS Computed in accordance with AS - 20 after considering the bonus shares issued during the year 2005-06.

Notes:

1) Earnings per share (Rs.) = Profit available to equity shareholders/ Weighted average no. of equity shares.

2) Return on Net Worth (%) =Restated profit after Tax / Net Worth at the end of the relevant period*100

3) Net Asset value/Book value per share (Rs.) = Average Net Worth / No. of equity shares.

Annexure-VII

CAPITALISATION STATEMENT

(Rs. in Million)

Particulars	**Pre-issue as at June 30, 2006**	**Post-issue**
Borrowing		
Short term Debt	200.45	200.45
Long Term Debt	781.53	781.53
Total Debt	981.98	981.98
Shareholders' Funds:		
Share Capital	127.81	**
Reserves & Surplus	927.85	**
Less Misc. Expenditure	-	**
Less Revaluation Reserve	-	**
Total Shareholders funds/Net worth	1055.66	
Total Debt/Shareholders funds	0.93	
Long-Term debt/Equity	0.74	

'** These figures will be known only after finalisation of the issue price by the Lead Manager to the issue and approval of the same by SEBI and other authorities, if any involved therein.

Annexure - VIII

STATEMENT OF TAX SHELTER

(Rs. in Million)

	Financial Year Ended March 31				
	2006	2005	2004	2003	2002
Tax Rates					
Normal Tax Rates	33.66%	36.59%	35.88%	36.75%	35.70%
Minimum Alternative Tax (MAT) u/s 115JB of the Income-tax Act,1961	8.41%	7.84%	7.68%	7.88%	7.65%
Tax payable on Normal Income					
Profits before tax as per Audited Accounts for the year ended March 31	266.02	135.97	171.48	47.39	37.88
Adjustments on account of Timing Differences	(11.12)	(33.66)	(92.06)	(28.24)	(26.26)
Set-off of Unabsorbed Losses/depreciation to the extent utilised	-	-	-	-	-
Tax on Normal Income	89.73	40.03	32.82	6.41	3.99
Minimum Alternative Tax(MAT) paid as per the provisions of Section 115JB as per rates applicable	-	-	-	-	-
Normal Tax Paid	72.38	41.61	33.63	11.94	5.85
MAT Credit available	-	-	-	-	-
Refund Due	17.35	(1.58)	(0.81)	(5.53)	(1.86)

Note : Provision for taxation has been made on the taxable income up to 31st March of the relevant year. provision for tax, if any, in respect of income accrue during the period 1st April, 2006 to 31st October, 2006 would be determined and provided with reference to the profit, if any, for the year ended 31st March 2007.

Annexure - IX

DETAILS OF OTHER INCOME

(Rs. in Million)

Particulars	For the year ended				
	June 30, 2006	June 30, 2005	June 30, 2004	June 30, 2003	June 30, 2002
Interest Received	7.82	2.55	1.52	1.09	1.35
Scrap/Waste Sale	11.56	2.54	1.74	0.12	1.04
Sale -Sand	0.44	-	-	-	-
Machinery hire Charges	0.66	0.03	0.01	-	-
Sale of Aggregate	2.97	-	-	-	-
Insurance Claims	4.55	3.82	0.02	0.04	-
Foreign Currency Flucuation	68.30	-	5.20	-	-
TOTAL	**96.32**	**8.94**	**8.49**	**1.25**	**2.39**

Annexure- X

STATEMENT OF SUNDRY DEBTORS

(Rs. in Million)

Particulars	**As at**				
	June 30, 2006	**June 30, 2005**	**June 30, 2004**	**June 30, 2003**	**June 30, 2002**
Debtors outstanding for a period exceeding six months	70.71	9.15	7.51	0.24	0.26
Other Debts	674.82	502.93	323.59	240.10	68.33
Total	**745.53**	**512.08**	**331.10**	**240.34**	**68.59**
Debts due from Companies under same management or companies in which directors are interested					
Amount Outstanding at the year end	27.20	8.72	8.11	-	-

Annexure - XI

DETAILS OF LOANS AND ADVANCES

(Rs. in Million)

Particulars	As at				
	June 30, 2006	June 30, 2005	June 30, 2004	June 30, 2003	June 30, 2002
Security Deposits	3.75	6.35	16.48	21.35	17.64
Balance with Joint Ventures	215.97	34.00	2.85	-	-
Advance Income Tax (Net of Provisions)	7.30	5.63	4.64	-	-
Advance recoverable in cash or in kind or value to be received	344.21	200.68	73.73	115.30	37.35
Total	**571.23**	**246.66**	**97.70**	**136.65**	**54.99**
Debts due from companies under the same management or from promoter/director.	74.08	34.81	33.59	28.55	0.73

Annexure - XII

SECURED LOANS

(Rs. in Million)

Description	Sanctioned Amount	Amount outstanding as on June 30,2006	Rate of Interest (%) p.a.	Repayment Schedule
A) Banks				
UTI Bank Ltd.	208.60	35.51	7.90%	Six equal installments
SBI	80.00	56.52	9.50%	12 Qtrly. Installments
Working Capital Loan (Cash Credit)				
SBI	200.00	200.45	10.25%	
Hire purchase finance				
Hire purchase finance	-	293.13	7.17% to 9.75%	
B) Others				
Advance Received from Employers To be adjusted in bills	-	396.37	Interest free	
TOTAL	**488.60**	**981.97**		

Principal Terms of Sanctioned Loans and Assets Charged as Security

1. Bank borrowings along with non-fund based facilities from bank is secured by I st charge over entire current assets of the company, including stocks and book debts, II nd charge over fixed assets of the company, equitable mortgage over land of an associate company, Corporate guarantee of an associate company and personal guarantee of directors.
2. Term loan is secured by Ist charge on the land & building being financed with the assistance of the Rupee Term Loan, IInd charge on the current assets of the company and personal guarantee of directors.
3. Foreign Currency Term Loan from UTI Bank Ltd, availed in a Joint Venture with M/S. B. Seenaiah & Company (Projects) Ltd, is secured by first hypothecation charge on the equipment procured from the sanctioned facilities. The said term loan is further secured by second charge on the entire unencumbered fixed assets of M/S. B. Seenaiah & Company (Projects) Ltd., personal guarantees of directors of the joint venture partners and small corporate guarantee of M/S. B. Seenaiah & Company (Projects) Ltd.
4. Hire Purchase Finance is secured by hypothecation of specific assets procured under the respective hire purchase and personal grantees of some promoter's directors.
5. Advance from employers are guaranteed by banks, which are in turn secured as detailed under note (a) above.
6. Hire Purchase Finance includes Rs.11,84,90,488/- (Rs.10,50,43,100/-) falling due for payment within one year.
7. Term Loans includes Rs.6,21,78,404/-(Rs.5,22,80,656/-) falling due for payment within one year.

SECURED LOANS

(Rs. in Million)

Particulars	Outstanding as on				
	June 30, 2006	June 30, 2005	June 30, 2004	June 30, 2003	June 30, 2002
A) Banks					
Term Loans					
UTI Bank Ltd.	35.51	70.94	-	-	-
IDBI Bank Ltd.	-	16.81	-	-	-
SBI	56.52	-	-	-	-
Working Capital Loan (Cash Credit)					
SBI	200.45	122.44	49.43	29.75	5.00
Hire purchase finance					
Hire purchase finance	293.13	109.49	60.78	75.75	91.68
B) Others					
Advance Received from Employers	396.37	5.55	12.36	30.49	37.26
TOTAL	**981.97**	**325.23**	**122.57**	**135.99**	**133.94**

Annexure - XIII

STATEMENT OF RELATED PARTY TRANSACTION

Disclosure of Related Parties & Related Party Transactions

Associate Companies	Joint Venture	Key managerial personnel	Relatives of Key managerial personnel
- Case Cold Roll forming (P) Limited	- BLA-CISC- C&C 'JV'	- G.S.Johar	- C.S. Sethi (HUF)
- Case Components Limited	- BSC- C&C 'JV'	- C.S. Sethi	- Sunita Singh Sethi
- Case Components Industries Limited	- C&C-YFC 'JV'	- Capt. Rajbir Singh	-Sanjiv Kanwar
- G.S.Johar & Co.		- Sanjay Gupta	Sumeet Johar
- S.J. Leasing & Investment (P) Limited		- A.P.S. Chadha	Inderjit Kaur Chadha
- Bags Registry Services (P) Limited		- R.M. Aggarwal	Sukhwinder Kaur
- International Trenching (P) Limited			Jaideep Singh Johar
- Jeet Properties (P) Limited			
- Frontline Innovation (P) Ltd.			
- Kims Wardak Diagnostic Centre (P) Ltd.			
- BSC-C&C 'JV' Nepal (P) Limited			

(Rs. in Million)

Name of Related Parties	'Relationship	Nature of Transaction	For the year ended				
			June 30, 2006	June 30, 2005	June 30, 2004	June 30, 2003	June 30, 2002
	Associates						
G. S. Johar & Co.		General & Administration	-	-	-	-	1.04
S. J. Leasing & Investment (P) Limited		Dividend	10.50	3.15	2.63	2.10	1.98
Bags Registry Services (P) Limited		Dividend	7.56	2.27	1.89	1.51	1.43
Case Cold Roll Forming (P) Limited		Corporate Guarantee	125.50	42.50	21.50	21.50	21.50
		Bank Guarantee	15.00	16.60	-	-	-
		Sales & Services	-	69.98	13.61	-	-
		Accounts Receivable	-	8.72	-	-	-
		Advance Recoverable	52.36	-	-	-	-
Case Components Limited		Sales & Services	-	-	38.69	-	-
		Advance Recoverable	17.14	-	-	-	-
International Trenching (P) Limited		Advance Recoverable	4.58	-	17.62	-	-
Others		Sales & Services	24.87	-	0.36	38.23	3.60
		Material & Project Execution Expenses	17.63	17.07	7.29	-	2.32
		General Administration	-	0.11	2.67	-	-
		Accounts Receivable	27.20	-	8.11	-	-
		Advance Recoverable	-	34.81	15.97	-	-
		Current Liabilities	9.46	1.22	1.82	-	-
	Joint Venture						
BLA-CISC-C&C JV		Work Executed/Sales & Services	0.43	11.80	148.30	106.69	63.53
		Other Income	0.39	0.21	0.05	-	-
		Salary & Wages	0.01	1.22	5.86	6.28	2.72
		Material & Project Execution Expenses	1.00	21.26	126.49	30.35	21.82
		General Administration	10.38	1.53	234.47	13.43	4.33
		Depreciation	0.30	1.17	1.16	0.73	0.33
		Interest	48.79	0.72	2.02	9.14	1.31
		Purchase of Fixed Assets	-	-	7.68	17.90	5.88

(Rs. in Million)

Name of Related Parties	'Relationship	Nature of Transaction	For the year ended				
			June 30, 2006	June 30, 2005	June 30, 2004	June 30, 2003	June 30, 2002
		Accounts Receivables	0.07	0.15	31.60	3.60	0.34
		Advance Recoverable	0.93	1.14	0.99	42.88	8.81
		Current Liabilities	0.05	1.87	96.92	14.69	7.73
		Bank Guarantee	-	-	-	47.26	-
BSC-C&C JV		Work Executed/Sales & Services	1,658.94	1,298.95	1,125.91	306.23	204.20
		Other Income	87.37	7.66	2.55	-	0.35
		Salary & Wages	137.84	91.15	46.90	3.74	3.68
		Material & Project Execution Expenses	1,036.25	655.61	651.01	49.33	66.81
		General Administration	72.78	61.93	43.19	15.33	3.17
		Depreciation	137.78	78.74	61.58	3.28	2.80
		Interest	-	2.54	20.74	-	5.82
		Purchase of Fixed Assets	351.93	237.61	235.57	7.49	48.96
		Accounts Receivables	659.13	459.29	221.44	183.79	-
		Advance Recoverable	254.35	144.52	100.88	50.95	20.05
		Current Liabilities	602.75	408.27	576.90	95.87	32.61
		Bank Guarantee	864.42	367.30	227.74	196.39	40.89
Others		Work Executed/Sales & Services	-	-	-	-	10.85
		Salary & Wages	-	-	-	-	0.05
		Material & Project Execution Expenses	-	-	-	-	3.34
		General Administration	-	-	-	-	0.09
		Advance Recoverable	-	-	-	-	2.54
	Key Management Personnel						
G. S. Johar		Salary & Wages	2.33	-	-	-	-
Capt. Rajbir Singh		Preference Dividend	-	0.04	0.04	0.04	0.04
		Dividend	8.39	2.52	2.10	1.68	1.58
		Salary & Wages	2.33	-	-	-	-

(Rs. in Million)

Name of Related Parties	'Relationship	Nature of Transaction	For the year ended				
			June 30, 2006	June 30, 2005	June 30, 2004	June 30, 2003	June 30, 2002
A. P. S. Chada		Dividend	7.14	2.14	1.78	1.43	1.35
		Salary & Wages	2.33	-	-	-	-
C. S. Sethi		Dividend	7.40	2.22	1.85	1.48	1.40
		Salary & Wages	2.36	-	-	-	-
		Commission	3.20	-	-	-	-
Sanjay Gupta		Salary & Wages	2.36	-	-	-	-
		Commission	15.98	-	-	-	-
R. M. Agarwal		Salary & Wages	2.33	-	-	-	-
Others		Dividend	0.62	0.19	0.06	0.02	-
		Current Liabilities	56.74	26.05	-	-	-
		Salary & Wages	-	6.21	5.68	3.98	3.35
		General Administration	-	0.90	13.10	-	-
	Relatives of Key Management Personnel						
Sunita Singh Sethi		Preference Dividend	-	0.03	0.03	0.03	0.03
C. S. Sethi (HUF)		Preference Dividend	-	0.07	0.07	0.07	0.07
Sanjiv Kanwar		Preference Dividend	-	0.02	0.02	0.02	-
Others		Dividend	1.00	0.30	0.25	0.20	0.18
		Salary & Wages	0.41	-	-	-	-
		General Administration	0.63	0.14	-	-	-

Annexure- XIV

STATEMENT OF CONTINGENT LIABILITIES

(Rs. in Million)

	Particulars	For the year ended				
		June 30, 2006	June 30, 2005	June 30, 2004	June 30, 2003	June 30, 2002
1.	Corporate Guarantee	125.50	42.50	21.50	21.50	21.50
2.	Bank Guarantees	889.28	443.37	284.53	270.90	58.51
3.	Claims not acknowledge as debts	66.92	66.92	-	-	-
4.	Demands against the Company not acknowledged as debts and not provided for in respect of which the Company is in appeal					
	- Sales Tax	1.41	3.61	4.19	-	-

Annexure- XV

STATEMENT OF FINANCIAL INTEREST IN JOINT VENTURES

Description of Interest: Jointly Controlled Operations (Construction of road & runways)

(Rs. in Million)

Name of joint Venture	As At									
	June 30,2006		June 30,2005		June 30,2004		June 30,2003		June 30,2002	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
1. BSC-C&C JV	2,033.63	2,033.63	1,211.85	1,211.85	683.67	683.67	339.75	339.75	109.18	109.18
2. BLA-CISC-C&C JV	5.20	5.20	35.33	35.33	61.48	61.48	98.02	98.02	44.67	44.67

	For the year ended														
	June 30,2006			June 30,2005			June 30,2004			June 30,2003			June 30,2002		
	Income	Expenses	Tax	Income	Expenses	Tax	Income	Expenses	Tax	Income	Expenses	Tax	Income	Expenses	Tax
BSC-C&C JV	1,746.31	1,475.18	93.62	1,306.61	912.87	34.00	1,128.46	825.41	26.50	306.26	185.01	0.90	204.55	177.93	0.07
BLA-CISC-C&C JV	0.82	11.68	1.12	12.01	25.90	0.28	148.35	156.96	1.04	106.71	79.71	-	63.53	51.70	-

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS ON AN UNCONSOLIDATED BASIS

You should read the following discussion of our financial condition and results of operations together with our audited restated financial statements for the fiscal years ended June 30, 2004, 2005 and 2006 included the Schedules, Annexure and Notes thereto and the Reports thereon which appear in the section titled "Financial Statements" beginning on page 133 of this Red Herring Prospectus. You should also read the section titled "Risk Factors" beginning on page xiii, which discusses a number a number of factors and contingencies that could impact our financial condition, results of operations and cash flows.

The following discussion relates to our Company and is based on our Company's financial statements, which have been prepared in accordance with Indian GAAP, the accounting standards referred to in Section 211(3C) of the Companies Act and other relevant provisions of the Companies Act in addition to the SEBI Guidelines. Unless otherwise stated "Fiscal" refers to the twelve month period ending June 30 of that year.

OVERVIEW

We are an infrastructure project development company that provides engineering, procurement and construction services for infrastructure projects in India and Afghanistan. Our project expertise is primarily in transportation engineering projects including roads, bridges flyovers and airport runways.

We were incorporated in July 1996 by professionals having experience in the field of infrastructure development. Since our incorporation about a decade ago, we have acquired expertise in EPC contracts, and have also recently forayed into urban infrastructure projects.

We have executed infrastructure projects in the past independently and in joint ventures. Currently, all projects under execution are with our joint venture partner, BSCPL Hyderabad. We have been working with BSCPL for the past five years.

As part of our international operations, we have been present in Afghanistan since 2003. After years of civil strife, various multilateral agencies such as USAID, World Bank, ADB, etc. took upon themselves the reconstruction of Afghanistan. We have since 2003 executed projects funded by such agencies. A highlight of our operations is that we have throughout functioned under inclement operating and adverse security conditions.

Our major clients include:

- National Highways Authority of India;
- Airports Authority of India;
- Public Works Department of various State Governments;
- Punjab Infrastructure Development Board;
- Public Works Department, Afghanistan;
- The Louis Berger Group, Inc;
- RITES Limited; and
- UNOPS.

Our existing projects include:

- Three projects on the East West Corridor in Bihar involving widening and strengthening of the existing single/ intermediate lane into a 4 lane road under NHDP, Phase II;
- Two projects in Afghanistan involving construction, rehabilitation and upgradation of various road stretches including construction of culverts, bridges and drainage works;

- Widening and upgrading the existing carriageways to multilane carriageway for a High Capacity Bus System in Delhi; and
- Design, Engineering, Finance, Construction, Operation and Maintenance of Kurali - Kiratpur Section from km 28.600 to km 73.200 of NH-21 under NHDP Phase IIIA on Build, Operate and Transfer basis

As on December 31, 2006, we had about 1,694 employees including those of our joint ventures, of which 313 were engineers. Out of the total number of employees, 177 employees, comprising of 73 technical and 104 non-technical staff, are on our rolls and the remaining 1,517 employees, comprising of 738 technical and 779 non-technical staff, are on the rolls of our joint ventures. We have a large fleet of sophisticated construction equipment, including crushers, excavators, cranes, batching plants, pavers, all of which are owned directly by us or are owned through our joint ventures. We believe that our employee resources and fleet of equipment, along with our engineering skills and capabilities, enable us to successfully implement a wide variety of construction projects that involve varying degrees of complexity. We have also received accolades and appreciation certificates for some of our projects, such as the resurfacing and extension of runway at Amritsar Airport, construction of the Kandahar-Spinboldak road project, etc.

In the years ended June 30, 2004, 2005 and 2006, our contract revenues were Rs. 1,636.12 million, Rs. 1,719.71 million and Rs. 2,117.32 million, respectively. In the years ended June 30, 2004, 2005 and 2006, we earned profit after tax of Rs. 282.40 million, Rs. 288.16 million and Rs. 309.03 million, respectively. Our contract revenues and profit after tax for the period from July 1, 2006 to August 31, 2006 were Rs. 570.21 million and Rs. 60.43 million. Our order book, which includes un-commenced projects and the unfinished and uncertified portions of our projects, was Rs. 5,737.31 million as of October 31, 2006 compared to Rs. 1,087.24 million as of June 30, 2005.

Factors Affecting our Results of Operations

As an infrastructure project development company, our financial condition and results of operations are affected by numerous factors and the following are of particular importance:

- General economic and business conditions: As a company operating in India, we are affected by the general economic conditions in the country and in particular the factors affecting the infrastructure industry in general and the projects we develop in particular. The Indian economy has grown steadily over the past three years. This economic growth was propelled by the growth in industrial activity and robust services sector. Quality infrastructure, covering the services of transportation, energy, urban infrastructure and industrial and commercial infrastructure is one of the important necessities for promoting and sustaining this economic growth. Growth in the industrial and manufacturing activity and services sector leads to growth in demand for infrastructure facilities which translates into new proposals for construction, up-gradation and maintenance of infrastructure facilities. Also, improvements in infrastructure facilities in turn have a strong impact upon GDP growth. The overall economic growth will therefore impact the results of our operations. The growth prospects of our business and our ability to implement our strategies will be influenced by macro-economic growth.
- Dependence on government policy and regulation towards Infrastructure: The growth of the infrastructure industry in India and our business is dependent on the establishment of stable government policies and prudent regulation. Infrastructure development in India has historically been the preserve of the central and state governments, and has been constrained by various factors such as shortages of public funding, political considerations and issues of transparency and accountability. Changes in government policies, which began in the 1990s, facilitated the entry of private capital into infrastructure and have led to rapid growth in certain sectors. More recently, policy changes in the transportation, energy, urban infrastructure and industrial and commercial infrastructure sectors have begun to attract private sector interest. We believe that with the policy and regulatory reforms continuing to move in the right direction, our growth and financial conditions and operations will be positively impacted.
- Competition: Despite the fact that we are not affected by competition in the short-term due to our arrangements under our concession and license agreements, our results of operations could be affected by competition in the infrastructure sector in India in the future. We expect competition to intensify due to possible new entrants in the market, existing competitors further expanding their operations and our entry into new markets where we may

compete with well-established infrastructure companies. This we believe may impact our financial condition and operations.

- Our bidding and execution capability. Infrastructure project development on a public private partnership basis in India involves pre-qualifying interested companies based on their technical and financial strengths. The nature of the Government's process is such that the pre-qualifications obtained in the past play an important role in allowing companies to bid for the new projects. Further, the ability to strategically partner with other players will also determine the success in award of projects for which we bid. The project management capability will also affect our financial condition and operations.
- Availability of cost effective funding sources. Our ability to grow in the infrastructure sectors we are focused on depends largely on cost effective avenues of funding and will be primarily met through funding by increased borrowing from external sources and the issuance of new debt. Our debt service costs as well as our overall cost of funds depends on many external factors, including developments in the Indian credit market and, in particular, interest rate movements and the existence of adequate liquidity in the debt markets. With the growth of our operations we have had to increasingly access the debt capital markets and commercial borrowings and we have benefited from lower interest rates on our borrowings. We believe that going forward the availability of cost effective funding sources could affect our business operations and financial performance.
- Tax benefits and incentives. We have benefited from, and continue to benefit from, certain tax regulations and incentives that accord favourable treatment to infrastructure-related activities. Moving forward, we believe that any change in the existing tax benefits and incentives can affect our financial condition and operations.

Significant Accounting Policies

We maintain our accounts on accrual basis and in accordance with the accounting standards referred to in Section 211(3C) and other provisions of the Companies Act. We seek to apply our accounting policies consistently from period to period.

- *Fixed Assets*

  Fixed assets are stated at cost of acquisition less accumulated depreciation.

- *Depreciation*

  Depreciation on the assets of the Company is charged on straight line method at the rates prescribed in Schedule XIV of Companies Act, 1956 except Plant & Machinery deployed at Afghanistan Projects. Assets costing less than Rs. 5,000/- have been depreciated at hundred percent.

  Depreciation on Plant & Machinery deployed at Afghanistan Projects is being charged at a rate higher than the rate prescribed in Schedule XIV of the Companies Act 1956, based on the useful life of the Asset, as estimated by the Management.

- *Investments*

  Long Term Investments are valued at cost of acquisition.

- *Inventories*

  Raw Materials, Stores, Spares & Consumables are stated at lower of cost or net realisable value. In determining the cost of raw materials, stores, spares & Consumables latest purchase price method is used. Work-in-progress is valued on the basis of percentage completion method at the rates provided in the contract reduced by an estimated percentage towards expected profit.

- *Retirement benefits to Employees*

  Company's contribution to provident fund is charged to profit and loss account on actual liability basis. Provision for Gratuity and Leave encashment benefit is determined on actuarial basis at the year end.

- *Revenue Recognition*

  Revenue is recognised as follows:

  Fixed price contracts received up to March 31, 2003: Contract revenue is recognised by applying percentage of completion to the contract value. Percentage of completion is determined in the case of item rate contracts, as a proportion of the progress billing to contract value. Fixed price contracts received on or after April 1, 2003: Contract revenue is recognised by adding the aggregate cost and proportionate margin, using the percentage completion method. Percentage of completion is determined as a proportion of cost incurred-to-date to the total estimated contract cost. Full provision is made for any loss in the year in which it is foreseen.

  Revenue from contracts executed in Joint Ventures (Jointly Controlled Operations, in terms of Accounting Standard (AS) 27 "Financial Reporting of Interests in Joint Ventures"), is recognised on the same basis as similar contracts independently executed by the Company.

- *Borrowing Costs*

  Borrowing Costs that are attributable to the acquisition, construction of qualifying assets are capitalised as part of cost of such assets upto the date the assets are ready for its intended use. All other borrowing costs are recognised as an expense in the year in which they are incurred.

- *Taxation*

  Tax on income for the current year is determined on the basis of taxable income and tax credit computed in accordance with the provisions of the Income Tax Act 1961 subject to the following:

  Provision for taxation has been made on the taxable income up to 31st March. Provision for tax, if any, in respect of income accrued during the subsequent quarter i.e. 1st April to 30th June, would be determined and provided with reference to the profit, if any, for the next year ended 31st March.

  Deferred Tax is recognised, subject to consideration of prudence, on timing differences, representing the difference between the taxable income/(loss) and the accounting income/(loss) that originated in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets and liabilities are measured using tax rates and the tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred Tax assets viz. unabsorbed depreciation and carry forward losses are recognised if there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

- *Foreign Currency Transactions, Foreign Operations, and Forward Contracts*

  The reporting currency of the Company is Indian Rupee. Foreign currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items, are reported using the closing rate. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expense in the period in which they arise.

  Financial statements of foreign operations comprising jobs contracted prior to April 1, 2004, are translated as follows: Closing Inventories at rates prevailing at the end of the year. Fixed assets at rates prevailing at the end of the year in which additions were made. Depreciation is accounted at the same rate at which assets are converted.

  Other assets and liabilities at rates prevailing at the end of the year. Net revenues at the average rate for the year. Financial statements of foreign operations comprising job contracted on or after April 1, 2004. are treated as Integral Operations and translated in the same manner as foreign currency transactions, described above. Exchange difference arising on such transaction are recognised as income or expense of the period in which they arise. Where forward contracts are entered into, the exchange differences are dealt with in the Profit and Loss Account over the period of the contract.

- *Accounting of Joint Ventures*

  Jointly Controlled Operations: Company's share of revenues, expenses, assets & liabilities in the Joint Venture are included in the revenues, expenses, assets and liabilities respectively in the financial statements.

- *Segment Accounting Policies*

  Segment accounting policies are in line with the accounting policies of the Company, However, the following specific accounting policies have been followed for segment reporting: Segment Revenue includes Sales and other income directly identifiable with / allocable to the segment including inter-segment revenue. Expenses that are directly identifiable with / allocable to segments are considered for determining the Segment Result. The expenses, which relate to the Company as a whole and not allocable to segments are included under "Other Unallocable expenditure". Income which relates to the Company as a whole and is not allocable to segments is included in "Unallocable Corporate Income". Segment Result includes margins on inter-segment jobs, which are reduced in arriving at the profit before tax of the Company. Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment. Unallocable assets mainly comprise of current and fixed assets of Head Office. Unallocable liabilities include mainly loan funds, provisions for employee retirement benefits and proposed dividend.

- *Impairment of Assets*

  As at each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine, the provision for impairment loss, if any, required or the reversal, if any, required of impairment loss recognised in previous periods. Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined in the case of an individual asset, at the higher of the net selling price and the value in use and in the case of a cash generating unit (a group of assets that generates identified independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

Material Developments after October 31, 2006

There have been no material developments after the date of the last balance sheet, i.e. October 31, 2006 except those detailed below:

We have been adjudged as the L1 bidder for the project of supply of 132KV Transmission Lines Tower Package (including supply of conductors and insulators) associated with the Bihar Sub Transmission System, Phase-II Project of Bihar State Electricity Board ("BSEB") under the Vendor Development Program, initiated by the Power Grid Corporation of India Limited.

- We have made a preferential allotment for financing our Company's business activities to Blackstone Asia Advisors L.L.C. A/c The India Fund Inc., Minivet Limited, Galleon International Master Fund SPC Limited and Cross Border Investments Private Limited.For details, refer to the section titled "Our Business" beginning on page 58 of this Red Herring Prospectus.

- We have issued redeemable non-convertible debentures to LIC Mutual Fund Asset Management Company Limited on November 3, 2006, for a total face value of Rs. 500 million which was subscribed on November 6, 2006.

- We have received a letter of acceptance dated December 1, 2006 from the NHAI informing us that our joint bid with our joint venture partner BSCPL has been declared as the successful bidder for the construction, operation and maintenance of Kurali-Kiratpur section from 28.6 to 73.2 km of NH-21 under the NHDP Phase III on a BOT basis. . The total value of this project is estimated to be Rs. 3,800 million out of which we will receive a grant of Rs. 439.2 million from NHAI and the remaining is to be financed by debt and equity to be contributed by the joint venture., Under the terms and conditions of the Letter of Acceptance our Company is required to incorporate a SPV for the purpose of domiciling the project. The estimated cost of our equity contribution to the SPV is about Rs. 850 million. For details see section titled "Our Business" - BOT based Projects" on page 64 of this Red Herring Prospectus.

Other than as stated herein our directors hereby state that in their opinion there is no material development after the date of the last financial statements disclosed in this Red Herring Prospectus which is likely to materially and adversely affect or is likely to affect the trading or profitability of our company or the value of our assets, or our ability to pay our liabilities within the next twelve months.

ANALYSIS OF REVENUES

Our revenues, referred to in our financial statements as total income, consist principally of (i) operating income; (ii) inventories adjustments; and (iii) other income.

Our operating income consists of contract revenue from engineering, procurement and construction services provided to our clients independently and through our un-incorporated joint venture with BSCPL, Hyderabad where we hold 50% share. We account for our revenue in the JV Company on a line by line basis wherein 50% of each revenue item is included as our revenue.

We have other additional sources of income, such as (i) interest on fixed deposits, (ii) foreign exchange fluctuations, and (iii) miscellaneous income such as the sale of scrap and hiring charges. Our total income has increased from Rs. 573.99 million in Fiscal 2002 to Rs. 2,380.37 million in Fiscal 2006, primarily due to increased contract revenue.

The table below provides a breakdown of our total income for the Fiscal years 2006, 2005 and 2004 and the four months period ended October 31, 2006:

Rs. in million

Particulars	Period from July 1, 2006 to Oct 31, 2006	Year Ended June 30		
		2006	2005	2004
Contract Revenue				
Executed Independently	-	286.92	333.95	336.22
Share in Joint venture	542.39	1,492.64	1,311.37	1,247.25
Supply of construction material	27.82	337.76	74.39	52.66
Total	570.21	2,117.32	1,719.71	1,636.12
% Growth	23.12%	5.11%	91.38%	
Stock Adjustments	79.79	166.73	30.08	70.96
Operating income	**650.00**	**2,284.05**	**1,749.79**	**1,707.09**
Operating income as a % to Total Income	99.15%	95.95%	99.49%	99.51%
Other Income	5.55	96.32	8.94	8.49
Other income as a % to Total Income	0.85%	4.05%	0.51%	0.49%
Total Income	**655.55**	**2,380.37**	**1,758.73**	**1,715.58**

Contracts which are executed independently by us have mainly comprised of projects awarded by agencies such as NHAI, AAI, PWD, etc. and certain works which have been sub contracted to us. Income derived through our Joint venture includes our Afghanistan projects which have commenced in 2003. The growth in revenue as seen above is primarily due the Afghanistan operations. We also supply certain construction material such as spares, steel, etc. to our Joint Venture and to certain other entities which are procured locally

Other Income primarily comprises of gains arising on foreign exchange conversion as on the balance sheet date. The increase in the other income at Rs. 96.32 million in FY06 as against Rs. 8.94 million in FY05 is due to the appreciation of the Indian rupee vis-à-vis the US Dollar. Other income for the period July 1, 2006 to October 31, 2006 stood at Rs. 5.55 million.

Geographical breakdown of our Revenues

The table below provides a breakdown of our contract revenue by geographic region for the Fiscal years 2006, 2005 and 2004 and the four months period ended October 31, 2006:

Rs. in million

	Period from July 1, 2006 to Oct 31, 2006	**Year Ended June 30**		
		2006	**2005**	**2004**
India	43.75	728.96	504.61	636.22
% to Contract revenue	7.67%	34.43%	29.34%	38.89%
Afghanistan	526.46	1,388.36	1,215.10	999.90
% to Contract revenue	92.33%	65.57%	70.66%	61.11%
Contract Revenue	570.21	2,117.32	1,719.71	1,636.12

From 2003 onwards, we have focused on our Afghanistan operations which provide us with high operating margins. However, a number of road construction projects were awarded by NHAI from FY2005 onwards of which we have bagged 3 projects aggregating Rs. 5,208 million and certain revenue there for has been realized in FY2006.

Order Book/Backlog

Rs. in million

Particulars	**Period from July 1, 2006 to Oct 31, 2006**	**Year Ended June 30**		
		2006	**2005**	**2004**
Opening backlog	6,179.05	1,087.24	737.79	1,668.25
Backlog added during the year	128.47	7,209.14	2,067.59	705.66
Work executed during the year	570.21	2,117.32	1,718.15	1,636.12
Closing backlog	5,737.31	6,179.05	1,087.24	737.79
Total Income	**655.56**	**2,380.37**	**1,758.73**	**1,715.58**
Order Book/backlog to Sales ratio	**Not applicable**	**2.60**	**0.62**	**0.43**

We have been continuously winning new projects in India and Afghanistan which is evidenced by the increasing Backlog to sales ratio at 2.6 in FY2006. The rise in the Backlog to sales ratio in FY2006 is attributable to the NHAI road construction projects and the urban infrastructure project which we have bagged in FYF2006.

Geographical breakdown of backlog

Indian operations

Rs. in million

Particulars	**Period from July 1, 2006 to Oct 31, 2006**	**Year Ended June 30**		
		2006	**2005**	**2004**
Opening backlog	5,140.67	87.46	412.59	868.27
Backlog added during the year	49.15	5,782.16	177.92	180.54
Work executed during the year	43.75	728.96	503.04	636.22
Closing backlog	5,146.07	5,140.67	87.46	412.59
Revenue from our Indian operations	**43.75**	**728.96**	**503.04**	**636.22**
Backlog to sales	**Not applicable**	**7.05**	**0.17**	**0.65**

Upto FY2005, we had restricted our Indian operations since the projects which were on offer were relatively smaller in size and had lower profitability margins. However, a number of NHAI projects were on offer from FY2005 onwards, which we bid for and won in FY2006 leading to a rise in the Closing Backlog for FY2006 and the Backlog to sales ratio.

Afghanistan operations

Rs. in million

Particulars	**Period from July 1, 2006 to Oct 31, 2006**	**Year Ended June 30**		
		2006	**2005**	**2004**
Opening backlog	1,038.38	999.77	325.20	799.99
Backlog added during the year	79.32	1,426.97	1,889.68	525.12
Work executed during the year	526.46	1,388.36	1,215.10	999.90
Closing backlog	591.24	1,038.38	999.77	325.20
Revenue from our Afghan operations	**526.46**	**1,388.36**	**1,215.10**	**999.90**
Backlog to sales	**Not applicable**	**0.75**	**0.82**	**0.33**

We commenced our Afghanistan operations with projects which ranged between 10 - 15 million USD and were mostly for the US Army. These projects required faster execution which led to a lower Backlog to sales ratio In FY2004. We have, in FY2005 and FY2006 secured relatively larger projects which has led to an increased Backlog to sales ratio in FY2005 and FY2006 at 0.82 and 0.75 respectively.

ANALYSIS OF COSTS

Operating expenses

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

Rs. in million

Particulars	**Period from July 1, 2006 to Oct 31, 2006**	**Year Ended June 30**		
		2006	**2005**	**2004**
Material costs	254.34	1,038.28	776.64	816.65
% of total income	38.79%	43.62%	44.16%	47.60%
Operating expenses/ Project execution charges	138.55	420.63	320.41	308.42
% of total income	21.13%	17.67%	18.22%	17.98%
Wages	74.19	193.70	116.72	74.70
% of total income	11.32%	8.14%	6.64%	4.35%
Total operating expenses	467.08	1,652.61	1,213.77	1,199.76
% of total income	71.24%	69.43%	69.01%	69.93%

As seen above material costs and operating expenses as a percentage to total income has not witnessed substantial changes. Wages have increased from FY04 to FY06 primarily due to an increase in the number of personnel employed.

Other expenses

Other expenses include administrative expenses, depreciation and interest costs.

Administrative expenses consist of rent paid for facilities, insurance charges, travelling and conveyance charges, communication costs, fees and taxes paid, consultancy and professional charges paid, auditor's remuneration and other miscellaneous administrative expenses).

Depreciation on our fixed assets is charged on the rates specified in Schedule XIV of the Companies Act, which are based on the useful lives of the assets. However, depreciation on assets which are in Afghanistan are charged at a rate higher than the rates specified in Schedule XIV of the Companies Act.

Finance charges include (i) interest payable on term loans and working capital loans and interest payable on vehicle and equipment financing by banks and financial institutions, (ii) interest payable on mobilization advances and other advances received from clients and (iii) charges payable on letters of credit and bank guarantees and other miscellaneous bank charges. We also provide for any loss arising out of foreign exchange fluctuations under this item.

Rs. in million

Particulars	**Period from July 1, 2006 to Oct 31, 2006**	**Year Ended June 30**		
		2006	**2005**	**2004**
Administrative and other expenses	81.71	135.33	105.38	107.72
% of total income	12.46%	5.69%	5.99%	6.28%
Interest	10.16	41.64	21.81	20.67
% of total income	1.54%	1.75%	1.24%	1.21%
Depreciation	35.86	148.81	89.54	71.62
% of total income	5.47%	6.25%	5.09%	4.17%

As evident above, there are no substantial variances during the past 3 financial years.

Analysis of Productivity Parameters

Rs. in million

Particulars	**Period from July 1, 2006 to Oct 31, 2006**	**Year Ended June 30**		
		2006	**2005**	**2004**
Fixed assets (gross)	1098.61	1,007.55	653.42	461.88
Asset Turnover	0.59	2.27	2.68	3.70
EBITDA Margin	16.28%	24.89%	24.99%	24.39%
% increase	Not applicable	(0.43)	2.46	16.85
PBT Margin	9.27%	16.89%	18.66%	19.01%
% increase	Not applicable	(9.52)	(1.84)	13.76
Net Profit Margins	9.22%	12.98%	16.38%	17.07%
% increase	Not applicable	(20.76)	(4.00)	12.71

We have acquired a substantial amount of capital assets in FY2006 for our Bihar projects which have been put to use towards the year end which has led to a decline in the asset turnover ratio. As evident from the above table, we have been able to sustain higher EBIDTA margins; our EBIDTA margins have remained at over 24% during the preceding three fiscal years, which is primarily due to our Afghanistan operations. The decline in the PAT margin in FY2006 is due to higher depreciation charge on our Afghanistan assets.

Liquidity and Capital Resources

Summary of Cash flows & Working Capital Requirements

Particulars	Period from July 1, 2006 to Oct 31, 2006	Year Ended June 30		
		2006	2005	2004
Cash flows from:				
Operating activities	(131.41)	(38.46)	186.34	340.22
Investing activities	(130.76)	(474.87)	(265.75)	(245.78)
Financing activities	289.54	566.53	165.66	(46.05)
Net increase (decrease) in cash	27.37	53.20	86.25	48.40
Cash at beginning of year	216.56	163.36	77.11	28.71
Cash at end of period	243.93	216.56	163.36	77.11

The negative cash flow from operating activities is primarily due to higher deployment of funds towards inventory on account of our Bihar projects.

Working Capital

Particulars	Period from July 1, 2006 to Oct 31, 2006	Year Ended June 30		
		2006	2005	2004
Current Ratio	3.04	2.40	2.04	1.71
Net working capital	1,434.48	1,170.89	576.73	276.82
Net working capital to sales	0.46	2.03	3.05	6.20

The increasing trend in the current ratio is primarily due to increase in the level of inventory and debtors attributable mainly to our Bihar projects.

Long Term Debt

Particulars	Period from July 1, 2006 to Oct 31, 2006	Year Ended June 30		
		2006	2005	2004
Secured debt	1,095.69	981.97	325.23	122.57
Debt Equity ratio	0.84	0.93	0.41	0.23

Our debt has increased in line with the increase in our business.

Adverse Events

There has been no adverse event affecting the operations of our Company occurring within one year prior to the date of filing of this Red Herring Prospectus with SEBI.

Defaults

We have not defaulted in meeting any statutory dues, institutional dues or bank dues. We have never accepted fixed deposits from the public.

Details of any encumbrances over the property of our company and guarantees given by our company to any other party:

There are no encumbrances over the property of our Company except as disclosed in the Auditors report included in this Red Herring Prospectus.

Operating Results

Set forth below is a table showing our major revenues and expenditure items, EBITDA, profit before tax and profit after tax for fiscal 2006, fiscal 2005, fiscal 2004,fiscal 2003 and the four months period ended October 31, 2006.

Particulars	Period from July 1, 2006 to Oct 31, 2006*	Year ended June 30, 2006	Year ended June 30, 2005	Year ended June 30, 2004	Year ended June 30, 2003
Contract revenue	542.39	1,779.56	1,645.32	1,583.47	854.91
% to Total Income	82.74	74.76	93.55	92.30	98.93
% increase	8.16	3.91	85.22	-	
Supply of construction material	27.82	337.76	74.39	52.66	-
% to Total Income	4.24	14.19	4.23	3.07	-
Other Income	5.56	96.32	8.94	8.49	1.25
% to Total Income	0.85	4.05	0.51	0.49	0.14
% increase	977.24	5.31	578.12	-	
Increase in Inventories	79.79	166.73	30.08	70.96	8.03
% to Total Income	12.17	7.00	1.71	4.14	0.93
Total Income	**655.56**	**2,380.37**	**1,758.73**	**1,715.58**	**864.18**
% Increase	35.35	2.52	98.52	-	
Total Operating expenses	467.08	1,652.61	1,213.77	1,199.76	638.28
% to Total Income	71.24	69.43	69.01	69.93	73.86
Administrative and other charges	81.70	135.33	105.38	107.72	45.50
% to Total Income	12.46	5.69	5.99	6.28	5.26
EBITDA	**106.77**	**592.43**	**439.58**	**408.10**	**180.41**
% to Total Income	16.28	24.89	24.99	23.79	20.88
Financial Expenses	10.16	41.64	21.81	20.67	18.63
% to Total Income	1.54	1.75	1.24	1.21	2.16
Depreciation	35.86	148.81	89.54	71.62	17.34
% to Total Income	5.47	6.25	5.09	4.17	2.01
Profit Before Tax	**60.75**	**401.98**	**328.24**	**315.81**	**144.44**
% to Total Income	9.27	16.89	18.66	18.41	16.71
Taxation	0.32	92.95	40.08	33.41	33.41
Profit After tax	**60.43**	**309.03**	**288.16**	**282.40**	**282.40**

*The results for the 4 month period ended October 31, 2006 cannot be compared to the previous corresponding period as we have not carried out the audit exercise for that period.

During the 4 month period ended October 31, 2006, our total income stood at Rs. 655.56 million with profit after tax of Rs. 60.43 million. The total operating expenses for the 4 month period ended October 31, 2006 as a % to total income was 71.24% and EBIDTA was 16.28% of total income.

a. Comparison of Performance and Analysis of Developments for the Financial year ended June 30, 2006 vis-à-vis Financial year ended June 30, 2005

Major Events during the year

For details of major events during FY06, refer the heading titled "Material Developments" in this section on page no. 205 of this Red Herring Prospectus.

Total Income

Total Income increased from Rs. 1,758.73 million in fiscal 2005 to Rs. 2,380.37 million in fiscal 2006 registering a growth rate 35.35%.

Other Income

Other income has increased from Rs. 8.94 million in fiscal 2005 to Rs. 96.32 million in fiscal 2006 which reflects a growth of 977.24%.

Expenditure

Operating expenses

Operating expenses have increased from Rs. 1,213.77 million in fiscal 2005 to Rs. 1,652.61 million in fiscal 2006. As a % to total income, our operating expenses have increased marginally from 69.01% to 69.43% during the same period.

Administrative and other charges

Administrative and other charges have increased from Rs. 105.38 million in fiscal 2005 to Rs. 135.33 million in fiscal 2006 which reflects a growth of 28.42%.

Financial expenses

Financial expenses have increased from Rs. 21.81 million in fiscal 2005 to Rs. 41.64 million in fiscal 2006 which reflects a growth of 90.94%.

Depreciation

Depreciation has increased from Rs.89.54 million in fiscal 2005 to Rs. 148.81 million in fiscal 2006 which reflects a growth of 66.20%.

Profit after tax

Profit before tax has increased from Rs. 288.16 million in fiscal 2005 to Rs. 309.03 million in fiscal 2006 which reflects a growth of 7.24%.

b. Comparison of Performance and Analysis of Developments for the Financial year ended June 30, 2005 vis-à-vis Financial year ended June 30, 2004

Major Events during the year

There were no significant events during the year except contracts which were awarded to our Company in the normal course of business and as mentioned in this Red Herring Prospectus.

Total Income

Total Income increased from Rs. 1,715.58 million in fiscal 2004 to Rs. 1,758.73 million in fiscal 2005 registering a growth rate 2.52%.

Other Income

Other income has increased from Rs. 8.49 million in fiscal 2004 to Rs. 8.94 million in fiscal 2005 which reflects a growth of 0.51%.

Expenditure

Operating expenses

Operating expenses have increased from Rs. 1,199.76 million in fiscal 2004 to Rs. 1,213.77 million in fiscal 2005. As a % to total income, our operating expenses have declined marginally from 69.93% to 69.01% during the same period.

Administrative and other charges

Administrative and other charges have marginally decreased from Rs. 107.72 million in fiscal 2004 to Rs. 105.38 million in fiscal 2005 which reflects a growth of 8.28%.

Financial expenses

Financial expenses have increased from Rs. 20.67 million in fiscal 2004 to Rs. 21.81 million in fiscal 2005 which reflects a decline of 2.17%.

Depreciation

Depreciation has increased from Rs. 71.62 million in fiscal 2004 to Rs. 89.54 million in fiscal 2005 which reflects a growth of 25.02%.

Profit after tax

Profit before tax has increased from Rs. 282.40 million in fiscal 2004 to Rs. 288.16 million in fiscal 2005 which reflects a growth of 2.04%.

c. Comparison of Performance and Analysis of Developments for the Financial year ended June 30, 2004 vis-à-vis Financial year ended June 30, 2003

Major Events during the year

There were no significant events during the year except contracts which were awarded to our Company in the normal course of business and as mentioned in this Red Herring Prospectus.

Total Income

Total Income increased from Rs. 864.18 million in fiscal 2003 to Rs. 1,715.58 million in fiscal 2004 registering a growth rate 98.52%.

Other Income

Other income has increased from Rs. 1.25 million in fiscal 2003 to Rs. 8.49 million in fiscal 2004 which reflects a growth of 578.12%.

Expenditure

Operating expenses

Operating expenses have increased from Rs. 638.28 million in fiscal 2003 to Rs. 1,199.76 million in fiscal 2004. As a % to total income, our operating expenses have declined from 73.86% to 69.93% during the same period.

Administrative and other charges

Administrative and other charges have increased from Rs. 45.50 million in fiscal 2003 to Rs. 107.72 million in fiscal 2004 which reflects a growth of 136.75%.

Financial expenses

Financial expenses have increased from Rs. 18.63 million in fiscal 2003 to Rs. 20.67 million in fiscal 2004 which reflects a growth of 10.98%.

Depreciation

Depreciation has increased from Rs. 17.34 million in fiscal 2003 to Rs. 71.62 million in fiscal 2004 which reflects a growth of 313.09%.

Profit after tax

Profit before tax has increased from Rs. 130.86 million in fiscal 2003 to Rs. 282.40 million in fiscal 2004 which reflects a growth of 115.80%.

Unusual or infrequent events or transactions:

Except as described in this Red Herring Prospectus, there have been no events or transactions that may be termed as "unusual" or "infrequent".

Significant Economic changes that materially affected or are likely to affect income from continuing operations:

Government polices governing the sector including taxation, FDI and provisions relating to multilateral financial institutions have major bearing on the companies involved in construction and in infrastructure sector. Any major changes in policies of the Government affecting economic growth would have an impact on the profitability of our Company.

Except the above, there are no significant economic changes that may materially affect or likely to affect income from continuing operations.

Known trends or uncertainties

Except as disclosed in this section and the section titled "Risk factors" and elsewhere in this Red Herring Prospectus, to our knowledge, there are no known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

Future relationship between costs and revenues

Except as disclosed in this section and the sections titled "Our Business" and "Risk Factors", to our knowledge there are no known relationships between costs and revenues.

Seasonality of business

Our business operations may be materially and adversely affected by severe weather, which may require us to evacuate personnel or curtail services and may result in damage to a portion of our fleet of equipment or facilities resulting in the suspension of operations and, may further prevent us from delivering materials to our project sites in accordance with contract schedules or generally reduce our productivity. Our operations are also adversely affected by difficult working conditions and extremely high temperatures during summer months and during monsoon, which restrict our ability to carry on construction activities and fully utilize our resources. We record revenues for those stages of a project that we complete, after we receive certification from the client that such stage has been successfully completed. Revenues recorded between April and September, are traditionally substantially lower compared to revenues recorded October and March due to the peak summer and monsoon seasons falling in the April to September period. During periods of curtailed activity due to adverse weather conditions, we may continue to incur operating expenses, but our revenues from operations may be delayed or reduced.

Reason for increase in sales/revenue

The increase in turnover is on account of increase in sales volume.

Total turnover of the Industry in which we operate

We are operating only in one segment namely construction industry. Relevant published data, as available, for the industry turnover has been included in the heading entitled "Industry" on page 46.

New products introduced in FY 2006

We have not introduced any new products in FY2006.

Over dependence on Single supplier/Customer

We source our raw materials from a number of suppliers and we are not under threat from excessive dependence on any single supplier.

Similarly, our Company is engaged in diversified construction activities including commercial, industrial and residential construction for a number of private sector companies.

Competitive conditions

We face competition both from larger and well-established players and smaller proprietary firms. We have also been securing repeat business from the private sector companies to whom we have been catering.

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as described below, there are no outstanding litigations, suits or criminal or civil prosecutions, proceedings or tax liabilities against our Company, our Directors, our Promoters, Promoter group companies, our joint ventures and there are no defaults, non-payment or overdue of statutory dues, institutional/bank dues and dues payable to holders of any debentures, bonds and fixed deposits other than unclaimed liabilities against our Company or Directors or Promoters or Promoter group companies or joint ventures and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, our Directors, our Promoters and our joint ventures.

I. LITIGATION AGAINST OUR COMPANY

A. Contingent liabilities not provided for as of October 31, 2006 and details of contingent liabilities for preceding 5 years are as follows:

(Rs. In Million)

Particulars	Four months ended Oct. 31, 2006	Year Ended June 30				
		2006	2005	2004	2003	2002
Corporate Guarantee	125.50	125.50	42.50	21.50	21.50	21.50
Bank Guarantees	1,003.75	889.28	443.37	284.53	270.90	58.51
Claims not acknowledge as debts	66.92	66.92	66.92	-	-	-
Demands against our Company not acknowledged as debts and not provided for in respect of which our Company is in appeal- Sales Tax	1.41	1.41	3.61	4.19	-	-
Total	**1,197.58**	**1,083.11**	**556.40**	**310.22**	**292.40**	**80.01**

B. PENDING LITIGATION AGAINST OUR COMPANY

1. Income Tax Cases

There is one income tax litigation pending against our Company. The details of the case are as follows:

The Income Tax Officer, Ward 3(1), New Delhi has vide its assessment order dated March 28, 2006 under section 143(3) of the Income Tax Act, 1961 disallowed expenditure of Rs. 4,549,436 claimed by our Company on account of depreciation, miscellaneous expenses, provident fund and assessed our income for the year 2003-2004 as Rs. 19,549,690. Pursuant to the order, the Income Tax Officer, Ward 3(1), New Delhi has issued a notice of demand on March 28, 2006 under section 156 of the Income-Tax Act, 1961 against our Company for the assessment year 2003-2004 for Rs. 2,395,329. Our Company has filed an appeal under section 246A of the Income Tax Act, 1961 before the Commissioner (Appeals)-VI, New Delhi challenging the above orders. The matter is still pending.

2. Sales Tax Cases

There are three cases relating to sales tax pending against our Company. The aggregate amount of sales tax duty in these cases is Rs. 1,171,218 approximately. A brief summary of the said cases are as follows:

2.1 *Uttar Pradesh*

(a) The Assessing Authority, Trade Tax Department, Noida, Uttar Pradesh issued a demand notice (Letter No. 670) under section 45 of the Uttar Pradesh Trade Act, 1948 for payment of an amount of Rs. 330,997 as trade tax on January 21, 2004 for the assessment year 2001-2002. We deposited the said amount with the authorities under protest. Our Company filed an appeal with the Joint Commissioner Appeals, Noida, Uttar Pradesh vide letter No. 342/04 (01-02) on the grounds that a sub-contractor is not liable to pay any trade tax and the liability of taxation lies with the principal contractor. The Joint Commissioner Appeals, Noida vide its order (No. 201) dated March 16, 2005 upheld the demand of the Assessing Authority on the grounds that we could not establish that we were sub-contractors. Separately, the Assessing Authority, Trade Tax Department, Noida re-assessed our Company and issued an order (No. 488) dated December 13, 2005 under section 21(2) of the Uttar Pradesh Trade Tax Act, 1948 of a fresh demand of Rs. 719,912 (adjusting the Rs. 330,997 paid by our Company previously). Our Company filed an appeal (No. 525/06 [01-02]) before the Joint Commissioner Appeals, Noida, Uttar Pradesh against the re-assessment on the grounds that we had submitted all evidence to establish that we were sub-contractors and therefore, our Company was not liable for payment of tax and requested for a stay on payment pending settlement of the dispute. The Joint Commissioner Appeals, Noida has partly accepted our request for stay vide its order (No. 300) dated July 6, 2006 and ordered us to deposit Rs. 215,974 only. Our Company has deposited the amount on September 28, 2006. The appeal is still pending.

(b) The Assessing Authority, Trade Tax Department, Noida, Uttar Pradesh has issued our Company with a notice of demand (Letter No. 376) dated March 21, 2005 under section 41(8) of the Uttar Pradesh Trade Act, 1948 demanding payment of an amount of Rs. 304,766 on account of trade tax assessment for the year 2002-2003. Our Company has deposited Rs. 304,766 under protest with the Assessing Authority on August 8, 2005. Our Company has filed an appeal (No. RN/309) dated May 24, 2005 with the Joint Commissioner Appeals, Noida, Uttar Pradesh on the grounds that our Company was not liable to pay trade tax since our Company was a sub-contractor and the tax liability would lie with the principal contractor. The Joint Commissioner Appeals up held the decision of the Assessing Authority vide their order No. 608 dated September 25, 2006. We have subsequently filed an appeal dated December 11, 2006 before the Trade Tax Tribunal, Uttar Pradesh contesting the order. The appeal is currently pending.

(c) The Assessing Authority, Trade Tax Department, Noida, Uttar Pradesh has issued a demand notice (Letter No. 989) on March 30, 2006 for payment of an amount of Rs. 667,280 on account of trade tax assessment for the year 2003-2004. Our Company has filed a writ petition (Writ Tax No. 963/ 2006) before the Allahabad High Court against the State of U.P, Commissioner of Trade Tax, Lucknow and Deputy Commissioner (Assessment) IV Trade Tax, Gautam Budh Nagar contesting the demand notice issued by the Assessing Authority. The High Court has vide its order dated May 26, 2006 passed an interim order and stayed the recovery of Rs. 667,280 pending final decision from the court. The writ petition is still pending.

3. Labour Disputes

There is one labour disputes pending against our Company. The aggregate amount of claims in this case is approximately Rs. 754,000.

(a) Mrs. Sumitra Devi has, vide her advocate, issued a legal notice dated August 17, 2005 to our Company for compensation on account of the death of her husband, Mr. Dhan Bahadur by electrocution during the course of his employment at our hot mix plant in Faridabad. The claimant had demanded compensation of Rs. 1,000,000 along with penalty and interest, failing which she would initiate action under the Workmen's Compensation Act. Our Company has paid a sum of Rs. 246,000 as final settlement to the Commissioner under the Workmen's Compensation Act, 1923 on December 5, 2005.

C. CASES FILED AGAINST BSC-C&C 'JV'

1. Labour Disputes

There is one show cause notice pending against BSC-C&C 'JV'. The details of the show cause notice are as follows:

(a) The Labour Department of the Directorate of Industrial Safety and Health, Faridabad has issued a show cause notice (No. INS-1512/ADFBD(FBD-4)-23/Rg-33714-1/2005/8761) dated August 8, 2005 to the BSC-C&C 'JV' in relation to certain violations noticed during an inspection by the Assistant Director Industrial Safety & Health, Faridabad. The matter is still pending.

2. Civil Cases

There is one civil case pending against BSC-C&C 'JV' for recovery of Rs. 232,313.07. The details of the case are as follows:

(a) Suresh Tractor Company Limited, Ludhiana has filed a suit for recovery (No. 241/2005) against BSC C & C 'JV' in the court of Civil Judge, Senior Division, Ludhiana, claiming non-payment of Rs. 232,313.07, along with interest on account of certain purchases made by the BSC C&C 'JV'. The next date of hearing is on February 27, 2007 for submission of our evidence.

3. Motor Accident Claims

There are six cases pending against our Company before the Motor Accidents Claims Tribunal ("MACT") wherein the aggregate amount of compensation claimed is approximately Rs. 18, 657, 088. The details of these cases are as follows.

(a) Mrs. Kiran and others filed a claim (Case No. 6 of 2003) against Mr. Tarsem Singh, B.S.C C&C 'JV' and the United India Insurance Company Limited before the MACT, Nawanshahar under section 166 of the Motor Vehicles Act, 1988, for grant of compensation of Rs. 1,000,000 on September 17, 2002 on account of the death of her son, Mr. Karamvir in a road accident caused by the driver of the car, Mr. Tarsem Singh employed by BSC-C&C 'JV'. The MACT vide its order dated March 11, 2006 awarded a sum of Rs. 336,000 to the claimants, along with Rs. 1,088 as costs and directed that the claim amount be paid jointly and severally by the respondents within three months of the date of the order. However, the compensation has not yet been paid to the claimants till date.

(b) Mrs. Tripta Devi has filed a petition (No. 48/2005) against Rajiv Kumar, BSC C&C 'JV', National Insurance Company, Sarup Singh and others before the Motor Accidents Claim Tribunal, Nawanshahar under section 166 of the Motor Vehicles Act, 1988 on April 15, 2004 for grant of compensation of Rs. 1.8 million on account of the death of her son, one Mr. Kumar along with four others in a road accident on March 29, 2004. The claimant has contended that the driver was rash and negligent while driving and failed to exercise reasonable care and caution. The matter is still pending. The next date of hearing is on February 10, 2007.

(c) Ms. Seema Rahelu and others have filed a petition (No. 47/2005) against Rajiv Kumar, BSC C&C Company, National Insurance Company, Sarup Singh and others before the Motor Accidents Claim Tribunal, Nawanshahar under section 166 of the Motor Vehicles Act, 1988 on May 6, 2004 for grant of compensation of Rs. 8 million on account of the death of her father Mr. Lehmber Singh Rahelu, and Rs. 5 million on account of death of her mother, Mrs. Sukhwinder Kaur Rahelu along with three others in a road accident on March 29, 2004. The claimant has contended that the driver was rash and negligent while driving and failed to exercise reasonable care and caution. The matter is still pending. The next date of hearing is on February 10, 2007.

(d) Mrs. Phuleshwari Devi and Mr. Shatrudhan Thakur have filed a claim (No. 96/2006) against BSC-C&C 'JV' and Reliance General Insurance Company Limited before the Motor Accidents Claim Tribunal, Muzaffarpur under section 166 of the Motor Vehicles Act, 1988 on May 25, 2006 for grant of compensation of Rs. 420,000 along with costs and interest on account of the death of her son, Mr. Shankar Kumar in a road accident caused by the truck driver employed by BSC-C&C 'JV' on April 20, 2006. The applicants have claimed to have suffered irreparable loss and injury. The MACT vide its order dated January 12, 2007 has granted an interim compensation of Rs. 50000 payable by the insurance company to the complainant. The matter is yet pending.

(e) Mr. Mange Ram has filed a claim (MACT Petition No. 77 of 2005) dated August 13, 2005 under sections 166 and 140 of the Motor Vehicles Act, 1988 before the Motor Accident Claims Tribunal, Faridabad against Mr. Bhim Singh, the driver of a vehicle registered in the name of the BSC-C&C 'JV' on the ground that Mr. Mange Ram's son Mr. Junesh had been killed in a motor vehicle accident due to the rash and negligent driving by Mr. Bhim Singh. BSC-C&C 'JV' has been impleaded as the second respondent. The total compensation demanded from the BSC-C&C 'JV' in this case amount to Rs. 1,550,000. The matter has been posted for hearing on January 21, 2007.

(f) Mr. Gian Chand has filed a claim (MACT Petition No. 78 of 2005) dated August 13, 2005 under sections 166 and 140 of the Motor Vehicles Act, 1988 before the Motor Accident Claims Tribunal, Faridabad against Mr. Bhim Singh, the driver of a vehicle registered in the name of the BSC-C&C 'JV' on the ground that Mr. Gian Chand's son Mr. Deepak had been killed in a motor vehicle accident due to the rash and negligent driving by Mr. Bhim Singh. BSC-C&C 'JV' has been impleaded as the second respondent. The total compensation demanded from the BSC-C&C 'JV' in this case amount to Rs. 1,550,000. The matter has been posted for hearing on January 21, 2007.

D. CASES FILED BY OUR COMPANY/ BSC-C&C 'JV'

There are two cases filed by our Company/BSC-C&C 'JV'. The details of the cases are as follows:

(a) Our Company has filed a suit (No. 28/2004) against the Union of India, Military Engineer Services and another for a declaration that the cancellation of the runway project contract by the Military Engineer Services was due to mala fide on part of the Military Engineer Services and prayed for an injunction to restrain the respondents from giving effect to the cancellation of the contract and from awarding fresh tenders and also prayed for a decree of mandatory injunction directing the Military Engineer Services to allow our Company to execute and complete the project in accordance with the terms and conditions of the contract. The defendants filed an application for settlement of the dispute vide arbitration under section 8(1) of the Arbitration and Conciliation Act, 1996 before the High Court of Gauhati which was rejected by the Court vide its order dated July 12, 2004. Aggrieved by the order of the court, the defendants filed a civil revision petition (No. 17/2005) before the High Court of Gauhati seeking quashing of the orders dated July 12, 2004. The High Court vide its order dated March 7, 2005 issued notice in response to the defendants' civil revision petition and passed interim orders directing suspension of further proceedings in suit (No. 28/2004) until pendency of civil revision petition (No. 17/2005). The High Court vide its order dated August 11, 2006 dismissed the civil revision petition. However, on January 13, 2006 the court dismissed our suit (No. 28/2004) in default. Our Company has filed an application for restoration dated September 25, 2006 under section 5 of the Limitation Act, 1963 for condoning the delay in filing the restoration petition under order 9 of the Code of Civil Procedure, 1908 against the order dated January 3, 2006 passed by the Civil Judge (Senior Division), Dibrugarh. The matter is still pending.

(b) BSC-C&C 'JV' has filed a criminal complaint (No. 16 of 2006) against Mr. Anand Dutta in his capacity as director of Dutta & Dutta Construction Company under sections 138, 141 and 142 of the Negotiable Instruments Act, 1881 before the District Magistrate, Gurgaon on January 17, 2006 on account of dishonour of a cheque of Rs. 259,331 issued by Dutta & Dutta Construction Company in settlement of its dues to our joint venture. The next date of hearing is on January 19, 2007.

II. LITIGATION AGAINST OUR DIRECTORS

Our Directors have no outstanding litigation towards tax liabilities, criminal/civil prosecution for any offences (irrespective or whether they are specified under paragraph (i) of Part I of Schedule XIII of the Companies Act), disputes, defaults, non payment of statutory dues, proceedings initiated for economic offences, in their individual capacity or in connection with our Company and other companies with which the Directors are associated, except as below:

(a) The State Bank of Travancore ("the bank") has filed a criminal compliant (Complaint Case No. 38/1 of 2000) under section 200 of the Criminal Procedure Code, 1973 before the Chief Metropolitan Magistrate, Tis Hazari Courts, New Delhi against Altos India Limited and others including our Director, Mr. Gurjeet Singh Johar on the grounds of cheating and misrepresenting certain facts in the financial statements while availing financial assistance of approximately Rs. 220 million from the bank. The bank has accused Altos India Limited and certain accountancy firms of fabricating the balance sheets during certain years and also impleaded Mr. Gurjeet Singh Johar in his capacity as partner of one of the chartered accountancy firms, which had audited the financial statements of Altos India Limited. The bank has prayed for the Magistrate to take cognisance of the offences committed by the accused under section 34, 415, 418 and 420 of the Indian Penal Code, 1860. The learned Metropolitan Magistrate vide its order dated October 31, 2000, issued process against Mr. Gurjeet Singh Johar. Mr. Gurjeet Singh Johar has filed an application (Criminal Misc (Main No. 1406/2001) under section 482 of the Code of Criminal Procedure, 1973 before the Delhi High Court for setting aside the order dated October 31, 2000 and quashing of proceedings along with an application for stay of the impugned order and proceedings on April 19, 2001. The matter is currently pending.

(b) The State Bank of Mysore has filed a complaint against Mr. Gurjeet Singh Johar and others before the Institute of Chartered Accountants of India on December 12, 2000. The complaint has been filed against Mr. G. S. Johar as partner of G. S. Johar & Co., which was the statutory auditor of Pertech Computers Limited ("PCL"), a company which had been sanctioned financial assistance from various banks and financial institutions including the complainant bank. On account of alleged discrepancies in the accounts of Altos India Limited, a special audit of the stocks of PCL was carried out by G. Jai & Associates wherein it was found out that the respondents as statutory auditors had audited the balance sheet of PCL by overlooking certain aspects and failed to disclose certain facts which ought to have been disclosed by them as the statutory auditors. Based on the audit the State Bank of Mysore has accused G.S. Johar & Co, and others of having committed various irregularities in discharge of their statutory duties and has accused Mr. G.S Johar of gross negligence and misconduct under the Chartered Accountants Act, 1949 and rules thereunder. Vide its letter No. 25-CA(38)/2003/DC dated August 4, 2005, the Institute of Chartered Accountants of India stated that on a prima facie basis that Mr. Gurjeet Singh Johar was guilty of professional and other misconduct and ordered an enquiry to be made in the matter before the Disciplinary Committee. The matter is has been listed for a hearing on January 23, 2007.

(c) A first information report (No. 132/2004) was filed on June 1, 2004 by Kentech Construction Private Limited, in the police station, Mansarovar, Jaipur against Case Cold Roll Forming Private Limited and Mr. G. S. Johar, Mr. Rajbir Singh and others under sections 403, 406, 409, 420 and 120B of the IPC on charges of misappropriation of government funds by Case Cold Roll Forming Private Limited as it had deducted Rs. 247,629 from Kentech Construction Private Limited on account of works contract tax liability for work done as its sub-contractor in relation to the contract for fixing metal barriers at the Chennai Bypass, awarded by the National Highway Authority of India. The investigating officer issued notice to the accused parties on July 27, 2004. The matter is listed for hearing before the Additional Chief Judicial Magistrate, Jaipur.on the next date of hearing is on January 29, 2007. Separately, Case Cold Roll Forming Private Limited has also filed a claim to settle the dispute through arbitration. For details of the arbitration proceedings, please see the section on "Arbitration Claims" below.

(d) Mr. Surinder Singh Bhatia and others have filed a suit for mandatory injunction and a suit for permanent injunction (No. 15 of 2006) before the Civil Judge (Senior Division), Jagadhri against Guru Nanak Khalsa College, Mr. Gurjeet Singh Johar, Mr. Charanbir Singh Sethi, Mr. Rajbir Singh, and others on January 10, 2006. The plaintiff has contended that the defendants had not been managing the affairs of the college properly and have prayed for a decree for mandatory injunction, directing the Management Committee to produce the income and expenditure account during the last three years of the college and to furnish the latest list of the duly enrolled members of the Management Committee. The plaintiff has also contended that our Directors and certain others were not duly enrolled on the Management Committee and were illegally attending meetings of the Management Committee. The plaintiffs have prayed for a permanent injunction against our Directors and certain others, restraining them from participating in any meeting, till they are duly enrolled as members. The matter has been posted on January 16, 2007 for further hearing.

(e) Mr. Kiran Choudhury has filed an election petition (No.1 of 2004) under sections 80, 80A, 81, 84, 100(a) of the Representation of the People Act, 1951, before the High Court of Punjab and Haryana at Chandigarh against Mr. Ajay Singh Chautala and our independent Director, Mr. Tarlochan Singh. The petitioner has prayed for an order declaring the election held on June 28, 2004 of the respondents including our independent Director, Mr. Tarlochan Singh to the biennial elections of the Council of States from the State of Haryana as void and for a further declaration to declare the petitioner as duly elected from the Council of States from the State of Haryana. The matter is still pending.

(f) Mr. Akhilesh Prasad has filed a criminal complaint (No.875 of 2004) against our Director, Mr. Rajbir Singh and others under sections 409, 420 and 34 of the Indian Penal Code, 1860 before the Judicial Magistrate, Dhanbad. Mr. Akhilesh Prasad has alleged that he was wrongfully terminated from employment and that his wages earned were withheld by BSC-C&C 'JV'. The trial court vide its order dated September 4, 2004, has taken cognizance of the offence and issued summons to the accused for appearance before the court. The accused have filed a petition (Cr. M.P. No. 1285/2005) to quash the order dated September 4, 2004 before the High Court of Jharkhand, Ranchi. The matter is still pending.

III. LITIGATION AGAINST OUR PROMOTERS AND PROMOTER GROUP COMPANIES

For details of cases against our Promoter-Directors, please refer to the section titled "Litigation against our Directors above."

A. Case Cold Roll Forming Private Limited

1. Criminal Cases

There is one criminal case pending against Case Cold Roll Forming Private Limited. The details of the case are as follows:

(a) A first information report (No. 132/2004) was filed on June 1, 2004 by Kentech Construction Private Limited, in the police station, Mansarovar, Jaipur against Case Cold Roll Forming Private Limited and Mr. Gurjeet Singh Johar, Mr. Rajbir Singh and others under sections 403, 406, 409, 420 and 120B of the IPC on account of deductions of Rs. 247,629 made by Case Cold Roll Forming Private Limited from Kentech Construction Private Limited in relation to works contract tax liability for work done as its sub-contractor in relation to the contract for fixing metal barriers at the Chennai Bypass, awarded by the NHAI. The investigating officer issued notice to the accused parties on July 27, 2004. The matter is listed for hearing before the Additional Chief Judicial Magistrate, Jaipur. The next dated of hearing is on January 29, 2007. Separately, Case Cold Roll Forming Private Limited has also filed a claim to settle the dispute through arbitration. For details of the arbitration proceedings, please see the section on "Arbitration Claims" below.

2. Civil Cases

There is one civil recovery suit pending against Case Cold Roll Forming Private Limited. The aggregate claim amount in this case is Rs. 231,097 approximately. The details of the case are as follows:

(a) Kunwar Singh has filed a recovery suit (Suit No. 15/2005) on March 5, 2005 against Case Cold Roll Forming Private Limited before the Upper District and Sessions Court, Jaipur in relation to recovery of Rs. 231,097 due on account of work done in his capacity as a sub-contractor for Case Cold Roll Forming (Private) Limited. The next date of hearing is on February 13, 2007.

3. Arbitration Claims

There is one arbitration claim pending against Case Cold Roll Forming Private Limited. The details of the case are as follows:

(a) Case Cold Roll Forming (Private) Limited has filed a claim for Rs. 3,352,758 against Kentech Constructions Private Limited before an arbitral tribunal with respect to certain disputes arisen out of a sub-contract awarded to the respondent by Case Cold Roll Forming (Private) Limited for providing and fixing access control fencing on the Chennai Bypass. The Claimant has claimed Rs. 3,352,758 along with interest and costs, inter alia, on account of work tax, insurance expenses, interest cost debited by the National Highway Authority of India and expenses incurred on workers on account of delay on part of the respondents. The respondents have filed a counter-claim before the arbitral tribunal on April 3, 2006 of Rs. 2,969,222.46 along with interests and costs on account of extra expenses incurred for re-shifting of access control fencing from road to road, extra labour for erection of access control fencing from road solder to right of way area, idling labour, staffs and machinery, interest in delayed payment and outstanding amounts. The next date of hearing is January 22, 2007.

4. Contingent Liabilities as of October 31, 2006: Rs. 5.30 million

B. Frontline Innovation Private Limited

1. Cases filed by or against Frontline Innovation Private Limited: Nil
2. Contingent Liability as of October 31, 2006: Nil

C. Case Components Limited

1. Cases filed by or against Case Components Limited: Nil
2. Contingent Liability as of October 31, 2006: Nil

D. Case Components Industries Limited

1. Cases filed by or against Case Components Industries Limited

   Nil
2. Contingent Liability as of October31, 2006: Nil

E. T.EL Systems Limited

1. Cases filed by or against T.E.L Systems Limited: Nil
2. Contingent Liability as of October 31, 2006: Nil

F. J.D. Resorts Private Limited

1. Cases filed by or against J.D. Resorts Private Limited: Nil
2. Contingent Liability as of October 31, 2006: Nil

G Jeet Properties Private Limited

1. Cases filed by or against Jeet Properties Private Limited: Nil
2. Contingent Liability as of October 31, 2006: Nil

H. Sonar Infosys Limited

1. Cases filed by or against Sonar Infosys Limited: Nil
2. Contingent Liability as of October 31, 2006: Nil

I. Grace Developers LLC

1. Cases filed by or against Grace Developers LLC: Nil
2. Contingent Liability as of October 31, 2006: Nil

J. Frontier Services LLC

1. Cases filed by or against Frontier Services LLC: Nil
2. Contingent Liability as of October 31, 2006: Nil

K. BSC-C&C(JV) Nepal Private Limited

1. Cases filed by or against BSC-C&C (JV) Nepal Private Limited: Nil
2. Contingent Liability as of October 31, 2006: Nil

L. KIMS Wardak Diagnostic Centre Private Limited

1. Cases filed by or against KIMS Wardak Diagnostic Centre Private Limited: Nil
2. Contingent Liability as of October 31, 2006: Nil

Promoter Group: Partnership Firms

A. Akal Builders and Contractors

1. Cases filed by or against Akal Builders and Contractors: Nil
2. Contingent Liability as of October 31, 2006: Nil

B. Sukhvinder Service Station

1. Cases filed by or against Sukhvinder Service Station: Nil
2. Contingent Liability as of October 31, 2006: Nil

C. S & S Bulls and Bears

1. Cases filed by or against S & S Bulls and Bears: Nil
2. Contingent Liability as of October 31, 2006: Nil

D. Divine Developers

1. Cases filed by or against Divine Developers: Nil
2. Contingent Liability as of October 31, 2006: Nil

Promoter Group: Proprietorship Firms/HUFs

A. G.S. Johar HUF

1. Cases filed by or against G.S. Johar HUF: Nil
2. Contingent Liability as of October 31, 2006: Nil

B. C.S. Sethi HUF

1. Cases filed by or against C.S.Sethi HUF: Nil
2. Contingent Liability as of October 31, 2006: Nil

IV. MATERIAL DEVELOPMENTS

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 our consolidated assets or our ability to pay our material liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

In view of the approvals listed below, we can undertake this Issue and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to undertake the Issue or continue our business activities.

A. APPROVALS FOR THE ISSUE

The Board of Directors has, pursuant to resolutions passed at its meeting held on October 6, 2006, authorised the Issue, subject to the approval by the shareholders of our Company under section 81(1A) of the Companies Act.

The shareholders have, pursuant to a resolution dated October 6, 2006 under Section 81(1A) of the Companies Act, authorised the Issue.

B. APPROVALS FOR OUR BUSINESS

I. C & C Construction Limited

1. SALES TAX REGISTRATIONS

Haryana

S. No.	Description	Reference/ License No.	Issue Date	Expiry Date/ Period of Validity
1.	Certificate of Registration under \Section 11 of the Haryana Value Added Tax Act, 2003.	TIN 06541925787	March 8, 2004.	Valid until cancelled.
2.	Certificate of Registration under Sections 7 (1)/ 7 (2) of the Central Sales Tax Act, 1956.	06541925787	March 12, 2004.	Valid from March 8, 2004 until cancelled.

Delhi

S. No.	Description	Reference/ License No.	Issue Date	Expiry Date/ Period of Validity
1.	Certificate of Registration under the Delhi Sales Tax on Works Contract Act 1999.	WC/4/752010000/0102	August 19, 2002.	Valid until cancelled.
2.	Certificate of Registration under the Delhi Sales Tax Rules 1975.	LC/087/7200254945/ 0802	February 18, 2003	Valid until cancelled.

Punjab

S. No.	Description	Reference/ License No.	Issue Date	Expiry Date/ Period of Validity
1.	Certificate of Registration under the Punjab Value Added Tax Act, 2005.	VRN/ TRN 03441106193	June 8, 2005	Valid until cancelled.
2.	Certificate of Registration under Section 7(1) 7 (2) Central Sales Tax Act 1956.	21117213	August 29, 2002.	Valid from September 4, 2002 until cancelled.

Himachal Pradesh

S. No.	Description	Reference/ License No.	Issue Date	Expiry Date/ Period of Validity
1.	Certificate of Registration under the Himachal Pradesh General Sales Tax Act, 1970.	GST-UNA-III-5122	May 29, 2006	Valid from May 22, 2006 until cancelled.
2.	Certificate of Registration under Section 7 (1), 7 (2) of the Central Sales Tax, 1956	CST-4954	May 29, 2006	Valid from May 22, 2006 until cancelled.

West Bengal

S. No.	Description	Reference/ License No.	Issue Date	Expiry Date/ Period of Validity
1.	Certificate of Registration under West Bengal Value Added Tax Act, 2003	19702185071	March 22, 2006	Valid until cancelled

2. CENTRAL EXCISE REGISTRATION

Haryana

S. No.	Description	Reference/ License No.	Issue Date	Expiry Date/ Period of Validity
1.	Certificate of Registration under Rule 9 of the Central Excise Rules, 2002. (Haryana) for operating as a dealer of excisable goods.	AAACC4543RXD002	March 9, 2004	Valid till our Company carries on activity for which it has been issued, or surrenders it or till it is revoked or suspended.

3. SERVICE TAX REGISTRATION

Haryana

S. No.	Description	Reference/ License No.	Issue Date	Expiry Date/ Period of Validity
1.	Certificate of Registration under Section 69 of the Finance Act, 1994 for payment of service tax on services of maintenance and repair.	D-III/ST/R-IV/MRS/ 109/2003/8749	March 9, 2004	Valid till the holder carries on the activity for which the certificate has been issued or where surrender of the certificate is accepted by the Central Excise Officer.

4. LABOUR REGISTRATION

S. No.	Description	Reference/ License No.	Issue Date	Expiry Date/ Period of Validity
1.	Registration under the Employees State Insurance Act, 1948.	13/31861/101	June 27, 2003	Not Applicable
2.	Registration granted by the Regional Provident Fund Commissioner, under the Employees Provident Funds & Miscellaneous Provisions Act, 1952.	Comp./Cov./HR/GGN/ 26085/4094/10367	January 1, 2004 with effect from November 1, 2003	Not Applicable

5. MISCELLANEOUS APPROVALS

S. No.	Description	Reference/ License No.	Issue Date	Expiry Date/ Period of Validity
1.	Permanent Account Number Not Applicable	AAACC4543R	July 16, 1996.	
2.	Registration under the Shops and Establishment Act, 1958 for our Gurgaon office.	GGN/2006/8/112	September 4, 2006	March 31, 2009
3.	Certificate of Importer-Exporter Code.	0500054533	December 6, 2000	Not Applicable

Approvals/ Licenses for which grant/ renewals have been applied

(a) A trademark application (Application No. 1466957) dated July 5, 2006 has been filed before the Trademarks Registry, New Delhi, for the trademark of our logo in C & C Constructions Limited, in class 37 in respect of services, under the Trademarks Act, 1999.

II BSC C&C 'JV'

1. SALES TAX REGISTRATIONS

Bihar

S. No.	Description	Reference/ License No.	Issue Date	Expiry Date/ Period of Validity
1.	Certificate of Registration under Section 19 of the Bihar Value Added Tax Act, 2005.	10305147014	December 1, 2005	Valid from November 29, 2005 until cancelled.
2.	Certificate of Registration under Section 7(1)/ 7 (2) Central Sales Tax Act 1947.	TIN CST 10305147111	December 16, 2005	Valid from November 29, 2005 until cancelled.
3.	Certificate under Section 5 of the Bihar Tax on Entry of Goods into Local Areas for consumption use or sale therein Ordinance, 1993 issued by the Deputy Commissioner of Commercial Taxes, Muzaffarpur Rajasthan	TIN(ET) 10305147208	December 16, 2005	Valid from November 30, 2005, until cancelled.

S. No.	Description	Reference/ License No.	Issue Date	Expiry Date/ Period of Validity
4.	Certificate of Registration under the Rajasthan Sales Tax Act 1994.	08872157451	January 6, 2005	Valid from January 6, 2005 until cancelled.

Haryana

S. No.	Description	Reference/ License No.	Issue Date	Expiry Date/ Period of Validity
1.	Certificate of Registration under Section 11 of the Haryana Value Added Tax Act, 2003.	TIN 06961924974	July 24, 2003	Valid until cancelled.
2.	Certificate of Registration under Section 7(1)/ 7(2) of the Central Sales Tax Act, 1956	06961924974	July 24, 2003	Valid until cancelled.

Delhi

S. No.	Description	Reference/ License No.	Issue Date	Expiry Date/ Period of Validity
1.	Certificate of Registration under the Delhi Value Added Tax Act, 2004.	07620315963	May 9, 2006	Valid until cancelled.
2.	Certificate of Registration under Section 7(1)/7(2) of the Central Sales Tax Act, 1956 (Delhi)	07620315963	September 5, 2006.	Valid from September 4, 2006 until cancelled.

Punjab

S. No.	Description	Reference/ License No.	Issue Date	Expiry Date/ Period of Validity
1.	Certificate of Registration under Section 7(1) 7 (2) Central Sales Tax Act 1956.	21053710 until cancelled.	June 19, 2001	Valid from May 10, 2001
2.	Certificate of Registration under the Punjab Value Added Tax Act, 2005	03241149953	Effective from April 1, 2005.	Valid until cancelled

2. SERVICE TAX REGISTRATION

Haryana

S. No.	Description	Reference/ License No.	Issue Date	Expiry Date/ Period of Validity
1.	Service Tax Code Number for registered premises and office location code SE0302	AADFB8115GST001	August 5, 2005.	Valid until cancelled.
2.	Certificate of Registration under Section 69 of the Finance Act, 1994 for payment of Service Tax as a goods transport agency.	D-III/ST/R-II/GTA/ 664/2005	August 5, 2005.	Valid till the holder carries on activity for which the certificate has been issued or where surrender of the certificate is accepted by the Service Tax/Central Excise Officer.

3. MISCELLANEOUS APPROVAL

S. No.	Description	Reference/ License No.	Issue Date	Expiry Date/ Period of Validity
1.	Certificate of Importer-Exporter Code.	0501024000	July 23, 2001	Not Applicable.

Rajasthan

S. No.	Description	Reference/ License No.	Issue Date	Expiry Date/ Period of Validity
1.	Certificate of Registration under Section 11 of the Rajasthan Tax Entry of Goods into Local Areas Act, 1999.	RET/1422/No. 1058	February 16, 2005	Valid until cancelled.
2.	Registration under the Regional Provident Fund Commissioner, under the Employees Provident Funds & Miscellaneous Provisions Act, 1952.	HR/GGN/27841	April 19, 2006.	Not Applicable.

D. APPROVALS FOR OUR PROJECTS TO BSC C& C 'JV'

Certificate of Operation

S. No.	Description	Reference/ License No.	Issue Date	Expiry Date/ Period of Validity
1.	Certificate of Registration as a duly Registered Enterprise by the Private Investment Support Agency in Afghanistan.	I-4569	March 4, 2006	March 3, 2007

Approval for extraction of quarry products for Nawadah

S. No.	Description	Reference/ License No.	Issue Date	Expiry Date/ Period of Validity
1.	No Objection Certificate granted to BSC C & C 'JV' under sections 25 and 26 of the Water (Prevention & control of Pollution) Act, 1974 and under section 21 of the Air (Prevention & control of Pollution) Act, 1981 for setting up a crushing plant er with capacity of 6,000 C.F.T stone chips/day, at Plot No. 4256 Khata No. 888 Mauza Bhadhokhra, Dist., Nawadah	PT (NOC)-629/06-T-2116	December 30, 2006	June 29, 2007.

Approval for crushing plant at Nawadah

S. No.	Description	Reference/ License No.	Issue Date	Expiry Date/ Period of Validity
1.	Permission granted to BSC C & C 'JV' under section 21 of the Air (Prevention & Control of Pollution) Act, 1981 to operate a crushing plant at Pathra English, Nawadah	T-185	January 9, 2007	March 31, 2007.

Approval for mining and extraction of stones from Village- Lehsar, Tehsil- Kama, Distt.: Bharatpur:

S. No.	Description	Reference/ License No.	Issue Date	Expiry Date/ Period of Validity
1	Permission granted to BSC C & C 'JV' for mining and extraction of stones by the Mining Department, Bharatpur Village- Lehsar, Tehsil- Kama, District Bharatpur	57/2000	October 13, 2006	September 28, 2026.

Labour Registrations for all operations in India

Project for widening and strengthening to 4-lane of existing single/intermediate lane carriageway from Km 155 to Km 110, Bihar under NHDP-Phase II (C-II/BR-6)

S. No.	Description	Reference/ License No.	Issue Date	Expiry Date/ Period of Validity
1.	License granted by the Regional Labour Commissioner, Patna under the Contract Labour (Regulation & Abolition) Act, 1970	L-12/2006/ALC-II	January 27, 2006	January 26, 2007

Project for widening and strengthening to 4-lane of existing single/intermediate lane carriageway from Km 69.80 to Km 37.75 (Darbhanga), Bihar under NHDP-Phase II (C-II/BR-8)

S. No.	Description	Reference/ License No.	Issue Date	Expiry Date/ Period of Validity
1.	License granted by the Regional Labour Commissioner, Patna under the Contract Labour (Regulation & Abolition) Act, 1970	L-13/2006/ALC-II	January 27, 2006	January 26, 2007

Project for widening and strengthening to 4-lane of existing single/intermediate lane carriageway from Km 37.75 to Km 0.00 (Muzaffarpur), Bihar under NHDP-Phase II (C-II/BR-9)

S. No.	Description	Reference/ License No.	Issue Date	Expiry Date/ Period of Validity
1.	License granted by the Regional Labour Commissioner, Patna under the Contract Labour (Regulation & Abolition) Act, 1970	L-14/2006/ALC-II	January 27, 2006	January 26, 2007

Project for construction works related to widening/modification of roads to create multiple lanes of existing carriage way for High Capacity Bus System (HCBS) in Delhi (Section: Ambedkar Nagar to Delhi Gate.)

S. No.	Description	Reference/ License No.	Issue Date	Expiry Date/ Period of Validity
1	License granted by the Registering Officer, New Delhi under the Contract Labour (Regulation & Abolition) Act, 1970	CLA/PE/60/2006 DLC (S)	December 26, 2006 August 31, 2007.	

Approvals for Storage of Petroleum and Explosives

Project for widening and strengthening to 4-lane of existing single/intermediate lane carriageway from Km 69.80 to Km 37.75 (Darbhanga), Bihar under NHDP-Phase II (C-II/BR-8)

S. No.	Description	Reference/ License No.	Issue Date	Expiry Date/ Period of Validity
1.	Certificate of Registration granted by the Regional Labour Commissioner, Patna under section 7(3) of the Building and other Construction work (Regulation of Employment of Conditions of Service) Act, 1996	BCWR-7/2006/ALC-II	February 1, 2006	Valid until cancelled.
2.	License issued by the Joint Chief Controller of Explosives, Kolkata under the Petroleum Rules, 2002 for storage of 20 KL of Petroleum Class A and Class B at the Mauza-Simri, Plot No. 5489, Khata No. 960 Service Station at Darbhanga.	P/EC/BI/14/1488 (P171661)	July 19, 2006	December 31, 2008

Project for widening and strengthening to 4-lane of existing single/intermediate lane carriageway from Km 155 to Km 110, Bihar under NHDP-Phase II (C-II/BR-6)

S. No.	Description	Reference/ License No.	Issue Date	Expiry Date/ Period of Validity
1	Certificate of Registration granted by the Regional Labour Commissioner, Patna under section 7(3) of the Building and other Construction work (Regulation of Employment of Conditions of Service) Act, 1996	BCWR-5/2006/ALC-II	February 1, 2006	Valid until cancelled
2.	License issued by the Joint Chief Controller of Explosives, Kolkata under the Petroleum Rules, 2002 for storage of 20 KL of Petroleum Class A and Class B at the Mauza-Barabhaupur, Khasra No. 4011, Khata No. 101 Service Station at Madhubani.	P/EC/BI/14/1490 (P171647)	July 19, 2006	December 31, 2008

Project for widening and strengthening to 4-lane of existing single/intermediate lane carriageway from Km 37.75 to Km 0.00 (Muzaffarpur), Bihar under NHDP-Phase II (C-II/BR-9)

S. No.	Description	Reference/ License No.	Issue Date	Expiry Date/ Period of Validity
1.	Certificate of Registration granted by the Regional Labour Commissioner, Patna under section 7(3) of the Building and other Construction work (Regulation of Employment of Conditions of Service) Act, 1996.	BCWR-6/2006/ALC-II	February 1, 2006	Valid until cancelled
2.	License issued by the Joint Chief Controller of Explosives, Kolkata under the Petroleum Rules, 2002 for storage of 20 KL of Petroleum Class A and Class B at the Mauza-Garhan, Plot No. 157(P), Khata No. 260 Service Station at Muzaffarppur.	P/EC/BI/14/1489 (P171656)	July 19, 2006	December 31, 2008

Approvals for deployment of personnel

Taloqan to Kushem Road Project in Kabul

Kandahar to Herat Highway Improvement Road Project-II, Package-V

S. No.	Description	Reference/ License No.	Issue Date	Expiry Date/ Period of Validity
1.	Extension of permission Ministry of Overseas Indian Affairs/ Pravasi Bharatiya Karya Mantralaya. (Officer of the Protector General of Emigrants)for deployment of 174 out of 447 personnel of different categories for construction in Afghanistan	P-11012/26/2004-PGE-I	November 24, 2006	May 31, 2007(*)

(*) The Ministry of Overseas Indian Affairs has inadvertently mentioned the expiry date in the renewal letter to be May 31, 2006 instead of May 31, 2007. We have vide our letter (Ref. No. HRD/008/12) dated November 28, 2006 to the Ministry of Overseas Indian Affairs requested that a fresh letter with the correct expiry date, i.e May 31, 2007 be issued in our name.

Approval for Road Construction Project in Afghanistan

Lashkargah to Ring Road, Project

S. No.	Description	Reference/ License No.	Issue Date	Expiry Date/ Period of Validity
1.	Post Award Approval from State Bank of India to our Company for reconstruction project of road.	MidCorp:IFBND: 2004-05/4699	May 2, 2005	Not Applicable

Taloqan to Kishem Road, Project

S. No.	Description	Reference/ License No.	Issue Date	Expiry Date/ Period of Validity
1.	Post Award Approval from the State Bank of India for rehabilitation project.	MidCorp:2004-05/197	October 26, 2005	Not Applicable

Jalalabad to Asmar Road, Project.

S. No.	Description	Reference/ License No.	Issue Date	Expiry Date/ Period of Validity
1.	Post Award Approval from UTI Bank Limited for reconstruction project.	UTIB/HYD/FOREX/ 05-06	November 9, 2005	Not Applicable

Kandahar - Herat Highway Improvement Road Project

S. No.	Description	Reference/ License No.	Issue Date	Expiry Date/ Period of Validity
1.	Post Award Approval from UTI Bank Limited for construction of road project in Afghanistan	UTIB/HYD/FOREX/ 04-05/70A	October 21, 2004	Not Applicable

Approvals/ Licenses for which grant/ renewals have been applied

(a) An application (Ref. No. HRD/006/06) dated March 9, 2006 has been made to the Protector General of Emigrants by the BSC C&C 'JV' for deployment of 210 personnel of different categories for reconstruction of the road from Jalalbad to Asmar in Afghanistan.

(b) An application dated September 27, 2006 has been made to the Regional Officer, Bihar State Pollution Control Board, Patna by the BSC-C&C 'JV' for grant of a non-objection certificate for consent for emission/construction of emission under section 21 of the Air (Prevention and Control of Pollution) Act, 1981 for our hot mix plant at Darbhanga, Bihar.

(c) An application dated September 27, 2006 has been made to the Regional Officer, Bihar State Pollution Control Board, Patna by the BSC-C&C 'JV' for grant of a non-objection certificate for consent for emission/construction of emission under section 21 of the Air (Prevention and Control of Pollution) Act, 1981 for our hot mix plant at Muzaffarpur, Bihar.

(d) An application dated September 27, 2006 has been made to the Regional Officer, Bihar State Pollution Control Board, Patna by the BSC-C&C 'JV' for grant of a non-objection certificate for consent for emission/construction of emission under section 21 of the Air (Prevention and Control of Pollution) Act, 1981 for our hot mix plant at Madhubani, Bihar.

(e) An application dated October 9, 2006 has been made to the Bihar State Pollution Control Board, Patna by the BSC-C&C 'JV' for renewal of a non-objection certificate under Sections 25 and 26 of the Water (Prevention & Control of Pollution) Act, 1974 and under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 granted to the BSC-C&C 'JV' vide Certificate No. T-2254 dated April 13, 2006 for setting up a stone crushing plant (5,000 Cft/day capacity) at Plot No. 4256, Khata No. 888, Mauza Bhadokhra, District Nawadah. BSC-C&C 'JV' has applied for a renewal of the non-objection certificate for a period of three years.

(f) An application dated November 20, 2006 has been made to the Deputy Labour Commissioner New Delhi, by the BSC-C&C 'JV' for registration employ contract labourers in relation to the project for construction works for widening/modification of roads so as to create multiple lanes of existing carriage way for High Capacity Bus System ("HCBS") in New Delhi (Section: Ambedkar Nagar to Delhi Gate).

(g) An application dated November, 6 2006 has been made to the Director Mines & Safety Ghaziabad, by the BSC-C&C 'JV' for permission to use explosives at the (ML No. 57/ 2000) crusher unit in Kaman, Bharatpur Rajasthan.

(h) An application for renewal (No. HRD/006/07) dated December 21, 2006 has been made by the BSC_C&C"JV" to the Protector General of Emigrants, Ministry of Overseas Indian Affairs, Government of India for extension of permission for the deployment of 100 personnel of different categories for construction of the Taloqan to Kishem Road project in Afghanistan.

(i) An application dated December 12, 2006 has been made to the Regional Officer, Rajasthan Pollution Control Board for permission to operate a crushing unit under section 21 of the Air (Prevention and Control of Pollution) Act, 1981 by BSC-C&C 'JV' in relation to the HCBS project.

(j) An application (Application No. 3646) dated January 8, 2007 has been made by BSC-C&C 'JV' to the Regional Officer, Rajasthan Pollution Control Board for permission to operate a crushing unit under section 21 of the Air (Prevention and Control of Pollution) Act, 1981 for our crusher unit at Bolkhera District, Bharatpur Rajasthan to be used in the HCBS project in New Delhi.

(k) An application (Application No. 1393) dated January 8, 2007 has been made by BSC-C&C 'JV' to the Regional Officer, Rajasthan Pollution Control Board for permission to operate a crushing unit under section 21 of the Air (Prevention and Control of Pollution) Act, 1981 for our crusher unit at Kaman, Bharatpur Rajasthan to be used in the HCBS project in New Delhi.

(l) An application dated January 9, 2007, has been made by BSC-C&C 'JV' to the Deputy Labour Commissioner, New Delhi for registration of establishments employing building workers under the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996

(m) An application dated December 28, 2006 has has been made by BSC-C&C 'JV' to Explosives Department , for setting up a tank and dispensing unit at Bolkera, Kaman, Bharatpur, Rajasthan in relation to the HCBS project in Delhi.

(n) An application dated January 5, 2007 has been made by BSC-C&C 'JV' to the Regional Officer, Bihar State Pollution Control Board for extension of the expiry date of the No Objection Certificate previously issued under Sections 25 and 26 of the Water (Prevention & Control of Pollution) Act, 1974 and under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 for setting up a hot mix plant (200TPH capacity) at Garaha, Muzzaffarpur.

(o) An application dated December 28, 2006 has has been made by BSC-C&C 'JV' to the Indian Oil Corporation Bhiwadi, for setting up a tank and dispensing unit at Bolkera, Kaman, Bharatpur, Rajasthan in relation to the HCBS project in Delhi.

(p) An application dated January 5, 2007 has been made by BSC-C&C 'JV' to the Regional Officer, Bihar State Pollution Control Board for extension of the expiry date of the No Objection Certificate previously issued under Sections 25 and 26 of the Water (Prevention & Control of Pollution) Act, 1974 and under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 for setting up a hot mix plant (200TPH capacity) at Madhubani.

(q) An application dated January 5, 2007 has been made by BSC-C&C 'JV' to the Regional Officer, Bihar State Pollution Control Board for extension of the expiry date of the No Objection Certificate previously issued under Sections 25 and 26 of the Water (Prevention & Control of Pollution) Act, 1974 and under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 for setting up a hot mix plant (200TPH capacity) at at Suwan, Darbhanga, Bihar.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board of Directors has, pursuant to resolution passed at its meeting held on October 6, 2006, authorised the Issue subject to the approval by the shareholders of our Company under section 81(1A) of the Companies Act.

Our shareholders have authorised the Issue by a special resolution in accordance with section 81(1A) of the Companies Act, passed at the extra ordinary general meeting of our Company held on October 6, 2006 at the registered office of our Company.

Our Board has approved the Red Herring Prospectus at a meeting held on January 19, 2007.

Prohibition by SEBI

Our Company, our Directors, our Promoters and companies in which our Directors are associated with as directors, have not been prohibited from accessing or operating in capital markets or or restrained from buying, selling or dealing under any order or direction passed by SEBI.

Further, our Promoters have confirmed that they have not been detained as wilful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are pending against them.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Clause 2.2.1 of the SEBI Guidelines as explained under the eligibility criteria calculated in accordance with financial statements under Indian GAAP:

- Our Company has net tangible assets of at least Rs. 30 million in each of the preceding three full years of which not more than 50% is held in monetary assets and is compliant with Clause 2.1.1(a) of the SEBI Guidelines;
- Our Company has a track record of distributable profits in accordance with Section 205 of the Companies Act, for at least three of the immediately preceding five years and is complaint with Clause 2.1.1(b) of the SEBI Guidelines;
- Our Company has a net worth of at least Rs. 10 million in each of the three preceding full years and is complaint with Clause 2.1.1(c) of the SEBI Guidelines; and
- The aggregate of the proposed Issue size and all previous issues made in the same financial year is not expected to exceed five times the pre-Issue net worth of our Company and is compliant with Clause 2.1.1(e) of the SEBI Guidelines.

Our Company's net profit, dividend, net worth, net tangible assets and monetary assets derived from the Auditor's Report included in this Red Herring Prospectus under the section titled "Financial Statements", as at, and for the last five years ended fiscal 2006 are set forth below:

Rs. (in million)

	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2003	Fiscal 2002
Net Tangible Assets*	2,054.78	1,141.49	662.87	403.80	273.46
Monetary Assets**	216.55	163.35	77.10	28.71	38.54
Net profits, as restated	309.03	287.78	282.93	130.16	56.06
Net worth, as restated	1,055.66	795.21	522.24	251.80	139.64

*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),

**Monetary assets include cash on hand and bank. Detailed figures are given in the section titled "Financial Statements" on page 133 of this Red Herring Prospectus.

*** The distributable profits of our Company as per section 205 of the Companies Act have been calculated from the audited financial statements of the respective years/period before making adjustments for restatement of Financial Statements.

Disclaimer Clause

AS REQUIRED, A COPY OF THE RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. 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, EDELWEISS CAPITAL LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE RED HERRING PROSPECTUS, 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, EDELWEISS CAPITAL LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED OCTOBER 12, 2006 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 WHICH READS AS FOLLOWS:

"(I) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS IN CONNECTION WITH THE FINALISATION OF THE RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE.

(II) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:

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 SAID ISSUE AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY SEBI, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

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.

BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID.

WHEN UNDERWRITTEN, WE SHALL SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.

WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS 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 THE 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 SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE RED HERRING PROSPECTUS."

The filing of the Red Herring Prospectus does not, however, absolve our Company from any liabilities under section 63 and section 68 of the Companies Act or from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the proposed 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 RoC in terms of section 60B of the Companies Act. All legal requirements pertaining to the issue will be complied with at the time of registration of the Prospectus with the RoC in terms of section 56, section 60 and section 60B of the Companies Act.

Disclaimer from our Company and the BRLM

Our Company, our Directors and the BRLM accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at instance of the above mentioned entities and anyone placing reliance on any other source of information, including our website, www.candcinfrastructure.com would be doing so at his or her own risk.

Investors that bid in the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not Issue, sell, pledge, or transfer the Equity Shares of our Company to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

The BRLM accepts no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into among the BRLM and us dated October 6, 2006 and the Underwriting Agreement to be entered into among the Underwriters and us.

All information shall be made available by us and BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at bidding centres etc.

We shall not be liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to Persons resident in India (including Indian nationals resident in India) who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in Section 4A of the Companies Act, venture capital funds registered with SEBI, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million, and to permitted non-residents, FVCIs, FIIs registered with SEBI and Eligible NRIs provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Red Herring Prospectus does not, however, constitute an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in New Delhi only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Red Herring Prospectus has been filed with SEBI for observations. 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 our affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 ("the Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. Persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States to certain Persons in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Disclaimer Clause of the NSE

As required, a copy of this Red Herring Prospectus has been submitted to NSE. NSE has given vide its letters dated November 28, 2006 permission to us to use NSE's name in this Red Herring Prospectus as one of the stock exchanges on which our further securities are proposed to be listed. The NSE has scrutinised this Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to us. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed to mean that this 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 this Red Herring Prospectus; nor does it warrant that our securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of this Company.

Every Person who desires to apply for or otherwise acquires any of our securities may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against NSE whatsoever by reason of any loss which may be suffered by such Person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Disclaimer Clause of the BSE

As required, a copy of this Red Herring Prospectus has been submitted to BSE. BSE has given vide its letter dated November 27, 2006, permission to our Company to use BSE's name in this Red Herring Prospectus as one of the stock exchanges on which our further securities are proposed to be listed. BSE has scrutinised this Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to us. BSE does not in any manner:

(i) warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; or

(ii) warrant that this Company's securities will be listed or will continue to be listed on 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 to mean that this Red Herring Prospectus has been cleared or approved by BSE. Every Person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such Person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Filing

A copy of this Red Herring Prospectus has been filed with SEBI at the Division of Issues and Listing, SEBI Bhawan, C-4G, Bandra Kurla Complex, Bandra (East), Mumbai Mumbai 400 051.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, will be delivered for registration to the RoC and a copy of the Prospectus required to be filed under Section 60 of the Companies Act will be delivered for registration to the RoC.

Listing

Applications have been made to the NSE and BSE for permission to deal in and for an official quotation of the Equity Shares. NSE shall be the Designated Stock Exchange with which the basis of allocation will be finalised for the Issue.

If the permission to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchanges, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Red Herring Prospectus. If such money is not repaid within eight days after our Company becomes liable to repay it (i.e., from the date of refusal or within 15 days from the date of Bid/Issue Closing Date, whichever is earlier), then our Company and every Director of the Company who is an officer in default, shall, on and from expiry of eight days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at both the Stock Exchanges mentioned above are taken within seven working days of finalisation of the basis of allotment for the Issue.

Consents

Consents in writing of: (a) our Directors, the Company Secretary and Compliance Officer, the Auditors, the Legal Advisors, the Bankers to the Issue; and (b) the Book Running Lead Manager, the Syndicate Members, the Escrow Collection Bankers, the Bankers to the Company and the Registrar to the Issue to act in their respective capacities, have been obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under Sections 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

ASG Associates & Company, our Auditors and S.N. Dhawan & Co., our Independent 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 with the RoC.

Expert Opinion

Except as stated in the section titled "Financial Statements" beginning on page 133 of this Red Herring Prospectus, we have not obtained any expert opinions.

Expenses of the Issue

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

Activity	Expense (Rs. in Millions)
Lead management, underwriting and selling commission*	[●]
Advertisement & Marketing expenses**	[●]
Printing, stationery including transportation of the same**	[●]
Others (Registrar's fees, Legal fees, listing fees, etc.)**	[●]
Total estimated Issue expenses	[●]

* Will be incorporated after finalisation of Issue Price

** Will be incorporated at the time of filing of the Prospectus.

All expenses with respect to the Issue will be borne by our Company.

Fees Payable to the Book Running Lead Manager and Syndicate Members

The total fees payable to the Book Running Lead Manager and Syndicate Members (including underwriting commission and selling commission) will be as stated in the Engagement Letter with the BRLM, a copy of which is available for inspection at the corporate office.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Memorandum of Understanding signed between us and the Registrar, a copy of which is available for inspection at the corporate office of our Company. Our Company shall bear such expenses.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post/speed post/under certificate of posting.

Particulars regarding Public or Rights Issues during the Last Five Years

There have been no public or rights issue by our Company during the last five years.

Issues otherwise than for Cash

Our Company has issued sweat equity shares to Mr. R.M Aggarwal, our Director. Our Company has allotted Equity Shares as fully paid-up, otherwise than in cash to Mr. R.M Aggarwal as provided below.

Date of Shareholders Resolution	Number of Equity Shares of Rs. 10 each allotted
March 30, 2002	7,250
June 30, 2004	15,030
June 30, 2005	40,020
Total	**62,300**

Except for the sweat equity shares issued to Mr. R.M. Aggarwal, our Director, and we have not issued any Equity Shares for consideration other than cash.

Commission and Brokerage paid on Previous Issues of our Equity Shares

Since this is the initial public offer of our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

Companies under the Same Management

We do not have any other company under the same management within the meaning of erstwhile Section 370 (1B) of the Companies Act.

Promise vs. Performance - Last Three Issues

There has not been any previous public issue of our Equity Shares.

Promise vs. Performance - Last Issue of Group/Associate Companies

All our Promoter and Promoter group companies are unlisted and have not made a public issue of shares.

Outstanding Debentures or Bonds

Except as described in the section titled, "Financial Indebtedness" beginning on page 84 of this Red Herring Prospectus, our Company does not have any outstanding debentures or bonds.

Outstanding Preference Shares

Except as described in the section titled "Capital Structure" beginning on page 19 of this Red Herring Prospectus, there are no outstanding preference shares issued by our Company.

Stock Market Data of our Equity Shares

The Equity Shares are not listed on any stock exchange.

Other Disclosures

Except as disclosed in the section titled "Capital Structure" beginning on page 19 of this Red Herring Prospectus, our Directors have not purchased or sold any securities of our Company during a period of six months preceding the date on which this Red Herring Prospectus is filed with SEBI.

Mechanism for Redressal of Investor Grievances by our Company

The Memorandum of Understanding between the Registrar to the Issue and us, will provide for retention of records with the Registrar to the Issue for a period of at least one year from the last date of dispatch of letters of allotment, demat credit, refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of shares applied for, amount paid on application, Depository Participant, and the bank branch or collection center where the application was submitted.

Disposal of Investor Grievances by our Company

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances shall be seven days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

We have appointed Mr. Santosh Kumar Pradhan, our Company Secretary as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue-related problems. He can be contacted at the following address:

Jay Plaza-Clearview Building,
C-1/B, Old DLF Colony, Gurgaon 122 001, India
Tel: +91 124 4080661, Fax: +91 124 4080663
E-mail: santosh@candcinfrastructure.com

Mechanism for Redressal of Investor Grievances by Companies under the Same Management

We do not have any other company under the same management within the meaning of erstwhile Section 370 (1B) of the Companies Act.

Changes in Auditors

Except for appointment of ASG Associates & Company: on November 21, 2005 and resignation of N.K Mittal & Co our previous auditors, there has been no change in the auditors of our Company in the last five years.

Capitalisation of Reserves or Profits

Except as disclosed in the section titled "Capital Structure" beginning on page 19 of this Red Herring Prospectus, we have not capitalised our reserves or profits at any time during last five years.

Revaluation of Assets

There has been no revaluation of assets of our Company since incorporation.

Payment or Benefit to officers of our Company

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

Except as stated in the section titled "Related Party Transactions" beginning on page 152 of this Red Herring Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of the Company.

ISSUE STRUCTURE

The Issue of 4,269,451 Equity Shares is being made through the 100% Book Building Process. The Issue will constitute 23.38 % of the fully diluted post Issue paid-up capital of our Company. Our Company is considering the private placement of certain Equity Shares with certain investors, prior to the completion of this Issue. In such a case, the Issue size offered to the public would be reduced to the extent of such private placement, subject to a minimum Issue size of 10% of the post Issue capital being offered to the public.

	QIB Bidders	**Non-Institutional Bidders**	**Retail Individual Bidders**
Number of Equity Shares available for allocation*	At least 2,561,671 Equity Shares or Issue less allocation to Non-Institutional Bidders and Retail Individual Bidders. **	Up to 426,945 Equity Shares or Issue less allocation to QIB Bidders and Retail Individual Bidders.	Up to 1,280,835 Equity Shares or Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Percentage of Issue Size available for allocation	At least 60% of the Issue or Issue less allocation to Non Institutional Bidders and Retail Individual Bidders	Up to 10% of the Issue or Issue less allocation to QIB Bidders and Retail Individual Bidders.	Up to 30% of the Issue or Issue less allocation to QIB Bidders and Non Institutional Bidders.
Basis of Allocation if respective category is oversubscribed	Proportionate.	Proportionate.	Proportionate.
Minimum Bid	Such number of Equity Shares in multiples of 20 Equity Shares so that the Bid Amount exceeds Rs 100,000.	Such number of Equity Shares in multiples of 20 Equity Shares so that the Bid Amount exceeds Rs 100,000.	20 Equity Shares.
Maximum Bid	Such number of Equity Shares in multiples of 20 Equity Shares so that the Bid does not exceed the Issue, subject to applicable limits.	Such number of Equity Shares in multiples of 20 Equity Shares so that the Bid does not exceed the Issue, subject to applicable limits.	Such number of Equity Shares in multiples of 20 Equity Shares so that the Bid Amount does not exceed Rs. 100,000.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Market/Allotment Lot	20 Equity Shares in multiples of 1 Equity Shares	20 Equity Shares in multiples of 1 Equity Shares	20 Equity Shares in multiples of 1 Equity Shares
Trading Lot	One Equity Share.	One Equity Share.	One Equity Share.
Who can Apply ***	Public financial institutions, as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds registered with SEBI, foreign institutional investors registered with SEBI, multilateral and lilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, State Industrial Development Corporations, permitted insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of	Resident Indian individuals, HUFs (in the name of Karta), companies, corporate bodies, Eligible NRIs, scientific institutions societies and trusts.	Resident Indian Individuals, HUFs (in the name of the Karta) and Eligible NRIs applying for Equity Shares such that the Bid Amount does not exceed Rs. 100,000 in value.

	QIB Bidders	Non-Institutional Bidders	Retail Individual Bidders
	Rs. 250 million and pension funds with minimum corpus of Rs. 250 million in accordance with applicable law.		
Terms of Payment	Margin Amount applicable to QIB Bidders at the time of submission of Bid cum Application Form to the Syndicate Members.#	Margin Amount applicable to Non Institutional Bidders at the time of submission of Bid cum Application Form to the Syndicate Members.	Margin Amount applicable to Retail Individual Bidders at the time of submission of Bid cum Application Form to the Syndicate Members.
Margin Amount#	10% of Bid Amount.	100% of Bid Amount.	100% of Bid Amount.

* Subject to valid Bids being received at or above the Issue Price. Under subscription, if any, in the Non-Institutional Portion or Retail Individual Portion would be met with spill over from other categories at the sole discretion of our Company in consultation with the BRLM. Our Company is considering the private placement of certain Equity Shares with certain investors, prior to the completion of this Issue. In such a case, the Issue size offered to the public would be reduced to the extent of such private placement, subject to a minimum Issue size of 10% of the post Issue being offered to the public.

** In terms of Rule 19(2)(b) of the SCRR, this being an Issue for less than 25% of the post-Issue capital if at least 60% of the Issue cannot be allocated to QIB Bidders, then the entire application money will be refunded forthwith

*** In case the Bid Cum Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid Cum Application Form.

\# After the Bid/Issue Closing Date, depending on the level of subscription, additional margin amount, if any, maybe called for from the QIB Bidders.

Withdrawal of the Issue

Our Company, in consultation with the BRLM, reserves the right not to proceed with the Issue at anytime after the Bid/ Issue Opening Date but before Allotment, without assigning any reason therefor.

Letters of Allotment Or Refund Orders

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Guidelines, we undertake that:

- Allotment shall be made only in dematerialised form within 15 days from the Bid/ Issue Closing Date;
- Despatch of refund orders shall be done within 15 days from the Bid/ Issue Closing Date; and
- We shall pay interest at 15% per annum, if Allotment is not made, refund orders are not despatched and/ or demat credits are not made to investors within the 15 day time prescribed above.

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 15 centres where clearing houses are managed by the RBI, will get refunds through ECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit & RTGS. We shall extend the same facility i.e. 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; to those centres where the same is available but not specified by the Board. Further, where such facility is not available, 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 at the sole or First Bidder's sole risk within 15 days of the Bid/Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 days of closure of Issue.

Interest in Case of Delay in Despatch of Allotment Letters/ Refund Orders.

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Guidelines, our Company undertakes that:

- Allotment shall be made only in dematerialised form within 15 days from the Bid/ Issue Closing Date;

Despatch of refund orders, except for Bidders who can receive refunds through Direct Credit, NEFT, RTGS or ECS, shall be done within 15 days from the Bid/ Issue Closing Date; and

Our Company shall pay interest at 15% per annum, if Allotment is not made, refund orders are not despatched and/ or demat credits are not made to investors or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT, RTGS or ECS, the refund instructions have not been given to the clearing system in the disclosed manner within the 15 day time prescribed above.

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 Banks and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Bid/Issue Programme

Bidding Period/Issue Period

BID/ISSUE OPENS ON	**FEBRUARY 5, 2007**
BID/ISSUE CLOSES ON	**FEBRUARY 9, 2007**

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

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

In case of revision in the Price Band, the Bidding/ Issue Period will be extended for three additional working days after revision of Price Band subject to the Bidding/ Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding/ Issue Period, if applicable, will be widely disseminated by notification to the BSE and the 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.

ISSUE PROCEDURE

Book Building Procedure

In terms of Rule 19(2)(b) of the SCRR, this being an Issue for less than 25% of the post Issue capital, the Issue is being made through the 100% Book Building Process with an allocation of at least 60% of the Issue size to QIBs, with a minimum of 2,000,000 securities being offered to the Retail Bidders and the minimum Issue size being at least Rs. 1,000 million. Out of the 60% of Issue allocated to QIBs on a proportionate basis, 5% shall be proportionately allocated to Mutual Funds and the balance to QIBs, including Mutual Funds. Further, up to 10% of the Issue would be available for allocation to Non-Institutional Investors and up to 30% of the Issue would be available for allocation to Retail Bidders on a proportionate basis, subject to valid Bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allotted to QIBs, the entire application money will be refunded.

Bidders are required to submit their Bids through the Syndicate. In case of QIB Bidders, our Company in consultation with the BRLM may reject a Bid at the time of acceptance of the Bid cum Application Form provided that the reasons for rejecting the same are provided to such Bidders in writing. In case of 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 would be allotted to all successful Bidders only in the dematerialized form. Bidders will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

Bid cum Application Form

Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of the Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the ROC, the Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the ROC and as would be required by ROC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid cum Application Form for various categories, is as follows:

Category	Colour of Bid cum Application Form
Indian public and Eligible NRIs applying on a non-repatriation basis	White
Non Residents, NRIs or FIIs applying on a repatriation basis	Blue

Who can Bid?

1. Indian nationals resident in India who are majors in single or joint names (not more than three);
2. Hindu undivided families or HUFs in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs would be considered at par with those from individuals;
3. Eligible NRIs on a repatriation basis or a non-repatriation basis subject to applicable laws. NRIs other than Eligible NRIs are not permitted to participate in this Issue;
4. Companies and corporate bodies registered under the applicable laws in India and authorized to invest in equity shares;
5. 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;

6. Scientific and/or industrial research authorized to invest in equity shares;

7. Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to the RBI regulations and the SEBI guidelines and regulations, as applicable);

8. Mutual funds registered with SEBI;

9. FIIs registered with SEBI, on a repatriation basis;

10. Multilateral and bilateral development financial institutions;

11. Venture capital funds registered with SEBI;

12. Foreign venture capital investors registered with SEBI;

13. State industrial development corporations;

14. Insurance companies registered with the Insurance Regulatory and Development Authority, India;

15. As permitted by the applicable laws, provident funds with minimum corpus of Rs. 250 million and who are authorized under their constitution to invest in equity shares; and

16. Pension funds with a minimum corpus of Rs. 250 million and who are authorized under their constitution to invest in equity shares.

Note:

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 Members:

Associates of BRLM and Syndicate Members may bid and subscribe to Equity Shares in the Issue either in the QIB Portion or in Non Institutional Portion as may be applicable to such investors. Such bidding and subscription may be on their own account or on behalf of their clients. Allotment to all investors including associates of BRLM and Syndicate Members shall be on a proportionate basis.

Further, the BRLM and Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligation.

Maximum and Minimum Bid Size

(a) For Retail Individual Bidders: The Bid must be for a minimum of 20 Equity Shares and in multiples of 20 Equity Shares thereafter and it must be ensured that the Bid Amount payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 100,000. In case the Bid Amount is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of option to bid at Cut-off Price, the Bid would be considered for allocation under the Non Institutional Portion. The option to bid at Cut-off Price is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase Equity Shares at the final Issue Price as determined at the end of the Book Building Process.

(b) For Non-Institutional Bidders and QIB Bidders: The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of 20 Equity Shares. A Bid cannot be submitted for more than the Issue size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI guidelines, a QIB Bidder cannot withdraw its Bid after the Bid /Issue Closing Date.

In case of revision in Bids, the Non Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 100,000 for being considered for allocation in the Non Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non Institutional Bidders and QIB Bidders are not entitled to the option of bidding at Cut-off Price.

Information for the Bidders:

(a) Our Company will file the Red Herring Prospectus with the ROC at least three days before the Bid/Issue Opening Date.

(b) The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid cum Application Form to potential investors.

(c) 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 the Registered Office or from any of the members of the Syndicate.

(d) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms should bear the stamp of a member of the Syndicate. Bid cum Application Forms, which do not bear the stamp of a member of the Syndicate will be rejected.

(e) The Price Band has been fixed at Rs. 270 to Rs. 291 per Equity Share. The Bidders can bid at any price within the Price Band, in multiples of Rs. 1 (One). In accordance with the SEBI Guidelines, our Company, in consultation with the BRLM, 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.

(f) In case the Price Band is revised, the Bidding/ Issue Period may be extended, if required, by an additional three days, subject to the total Bidding/ Issue Period not exceeding 10 working days. The revised Price Band and Bidding/ Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, and by issuing published in two national newspapers (one each in English and Hindi) and a regional language newspaper of wide circulation in the place where our Registered Office is situated and also by indicating the change on the websites of the BRLM and at the terminals of the members of the Syndicate.

(g) We, in consultation with the BRLM, can finalise the Issue Price within the Price Band, without the prior approval of, or intimation to, the Bidders.

Method and Process of Bidding

(a) Our Company and the BRLM shall declare the Bid/Issue Opening Date and the Bid/Issue Closing Date at the time of filing the Red Herring Prospectus with ROC and also publish the same in two widely circulated newspapers (one each in English and Hindi). This advertisement shall contain the minimum disclosures as specified under Schedule XX-A of the SEBI Guidelines. The members of the Syndicate shall accept Bids from the Bidders during the Bidding/Issue Period in accordance with the terms of the Syndicate Agreement. Investors who are interested in subscribing to our Equity Shares should approach any of the members of the Syndicate or their authorized agent(s) to register their Bid.

(b) The Bidding Period shall be a minimum of three working days and shall not exceed seven working days. In case the Price Band is revised, the revised Price Band and Bidding Period will be published in two national newspapers (one each in English and Hindi) and the Bidding Period may be extended, if required, by an additional three days, subject to the total Bidding Period not exceeding 10 working days.

(c) Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details, see the section titled "Issue Procedure - Bids at Different Price Levels" beginning on page 231) within the Price Band and specify the demand (i.e. the number of Equity Shares bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.

(d) The Bidder cannot bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to a 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 section titled "Issue Procedure - Build up of the Book and Revision of Bids" beginning on page 235 of this Red Herring Prospectus.

(e) The members of the Syndicate will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.

(f) During the Bidding Period, Bidders may approach a member of the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients/investors who place orders through them and shall have the right to vet the Bids, subject to the terms of the Syndicate Agreement and this Red Herring Prospectus.

(g) Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph titled "Issue Procedure - Terms of Payment" beginning on page 233 of this Red Herring Prospectus.

Bids at different price levels

(a) The Price Band has been fixed at Rs. 270 to Rs. 291 per Equity Share of Rs. 10 each, Rs. 270 being the Floor Price and Rs. 291 being the Cap Price. The Bidders can bid at any price within the Price Band, in multiples of Re. 1.

(b) In accordance with the SEBI Guidelines, 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 Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a public notice in two national newspapers (one each in English and Hindi) and also by indicating the change on the websites of the BRLM and at the terminals of the members of the Syndicate.

(d) Our Company in consultation with 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.

(e) The Bidder can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000 may bid at Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB Bidders and Non Institutional Bidders in excess of Rs. 100,000 and such Bids from QIBs and Non Institutional Bidders shall be rejected.

(f) Retail Individual Bidders who bid at 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 Cap Price in the Escrow Account. 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 Escrow Account or the Refund Account, as the case may be.

(g) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had bid at Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the cap of the revised Price Band (such that the total amount i.e. original Bid Amount plus additional payment does not exceed Rs. 100,000 if the Bidder wants to continue to bid at Cut-off Price), with the member of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e. original Bid Amount plus additional payment) exceeds Rs. 100,000, the Bid by a Retail Individual Bidder will be considered for allocation under the Non-Institutional Portion in terms of this Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the Cap Price prior to revision, the number of Equity Shares bid for shall be adjusted downwards for the purpose of allotment, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

(h) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have bid at Cut-off Price, could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account or the Refund Account, as the case may be.

(i) The minimum application size shall be in the range of Rs. 5,000 to Rs. 7,000, even in case of revision in the Price Band, if any.

Application in the Issue

Equity Shares being issued through the Red Herring Prospectus can be applied for in the dematerialized form only.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Funds Portion. In the event that the demand is greater than 128,083 Equity Shares, Allocation shall be made to Mutual Funds on proportionate basis to the extent of the Mutual Funds Portion. The remaining demand by Mutual Funds shall, as part of the aggregate demand by QIB Bidders, be made available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Funds Portion.

The Bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

As per the current regulations, the following restrictions are applicable for investments by Mutual Funds:

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations.

Bids by Eligible NRIs

Eligible NRIs are required to comply with the following:

1. Individual Eligible NRIs can obtain the Bid cum Application Form from the Registered Office, our corporate office, members of the Syndicate or the Registrar to the Issue.
2. Eligible NRI Bidders may note that only such Bids as are accompanied by payment in free foreign exchange shall be considered for allotment. Eligible NRIs who intend to make payment through the Non-Resident Ordinary (NRO) accounts shall use the Bid cum Application Form meant for resident Indians (White in colour).

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue issued capital (i.e. 10% of 18,258,780 Equity Shares) Equity Shares. In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual.

We are in the business of infrastructure development and construction. In relation to construction activities, the aggregate FII holding is permitted up to 100%, with the prior approval of the Board of Directors and the shareholders by way of a special resolution, However, as on this date, no such resolution has been recommended to the shareholders of our Company for adoption. For details see the paragraph titled "Restrictions on foreign ownership of Indian Securities" beginning on page 253 of this Red Herring Prospectus. FIIs can presently hold only upto 24% of the total capital under the portfolio investment scheme, subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII or its sub account may issue, deal or hold, off shore derivative instruments such as Participatory Notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "know your client" requirements. to foreign investments in An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

Escrow Mechanism

Our Company shall open Escrow Accounts with the Escrow Collection Banks in whose favour the Bidders shall write 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 would be deposited in the Escrow Account. The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. 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 and the Refund Account as per the terms of the Escrow Agreement.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between us, the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Accounts

Each Bidder, shall pay the applicable Margin Amount, with the submission of the Bid cum Application Form by way of a cheque or demand draft in favour of the Escrow Account (for details please see the section titled "Issue Procedure - Payment Instructions" beginning on page 242 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 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 Account, as per the terms of the Escrow Agreement, into the Issue Account. The balance amount after transfer to the Issue Account shall be transferred to the Refund Account.

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. The Margin Amount payable by each category of Bidders is mentioned in the section titled "Issue Structure" beginning on page 224 of this Red Herring Prospectus. 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. 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 Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled. However, if the members of the Syndicate do not waive such payment, the full amount of payment has to be made at the time of submission of the Bid cum Application Form.

QIB Bidders will be required to deposit the QIB Margin Amount at the time of submitting of their Bids. After the Bid Closing Date, the level of subscription in all categories shall be determined. Based on the level of subscription, additional margin money, if any may be called for from the QIB Bidders. If such additional margin money is not paid into the appropriate Escrow Account within the time and in the manner stipulated above, the Bid of the Bidder is liable to be rejected. Further, we may call for additional Margin Amount over and above the minimum prescribed 10% Margin amount from certain QIBs at our discretion prior to acceptance of the Bid anytime up to the Bid/Issue Closing Date and shall have the right to reject such bids on technical ground in case of non-receipt of such additional margin.

Where the Bidder has been allocated lesser number of Equity Shares than he or she had bid for, the excess amount paid on bidding, if any, after adjustment for allotment, will be refunded to such Bidder within 15 days from the Bid /Issue Closing Date, failing which our Company shall pay interest at 15% per annum for any delay beyond the periods as mentioned above.

Electronic registration of Bids

(a) The members of the Syndicate will register the Bids using the on-line facilities of the BSE and the NSE. There will be at least one on-line connectivity in each city, where a stock exchange is located in India and where Bids are being accepted.

(b) The BSE and the NSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorized agents during the Bidding/Issue Period. The members of the Syndicate can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently download the off-line data file into the on-line facilities for book building on a regular basis. On the Bid /Issue Closing Date, the members of the Syndicate shall upload the Bids till such time as may be permitted by the Stock Exchanges.

(c) The aggregate demand and price for Bids registered on the electronic facilities of the BSE and the NSE will be displayed on-line at all bidding centers and at the websites of BSE and NSE. A graphical representation of consolidated demand and price would be made available at the bidding centers during the Bidding Period.

(d) At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:

- Name of the Bidder(s)
- Investor category - individual, corporate, or Mutual Fund etc.
- Numbers of Equity Shares bid for
- Bid price
- Bid cum Application Form number
- Margin Amount paid upon submission of Bid cum Application Form
- Depository participant identification no. and client identification no. of the beneficiary account of the Bidder

(e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. **It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate.** The registration of the Bid by the member of the Syndicate does not guarantee that the Equity Shares shall be allocated either by the members of the Syndicate or or our Company.

(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 BSE and the NSE 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 are cleared or approved by the BSE and the NSE; 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 Promoters, our management or any scheme or project of our Company.

(h) It is also to be distinctly understood that the approval given by the BSE and the NSE should not in any way be deemed or construed that this Red Herring Prospectus has been cleared or approved by the BSE and the NSE; 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 our Equity Shares will be listed or will continue to be listed on the BSE and the NSE.

(i) In case of QIB Bidders, members of the syndicate have the right to accept the bid or reject it. A rejection can be made only at the time of receiving the bid and only after assigning a reason for such rejection in writing. In case on non-institutional Bidders and Retail Individual Bidders who Bid, Bids should not be rejected except on technical grounds as listed on page 244 of this Red Herring prospectus.

(j) Only Bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for Allocation. In case of discrepancy of data between the BSE or the NSE and the members of the Syndicate, the decision of the BRLMs, based on the physical records of Bid cum Application Forms, shall be final and binding on all concerned.

Build up of the book and revision of Bids

(a) Bids registered through the members of the Syndicate 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 on a regular basis.

(c) During the Bidding/Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band during the Bidding/Issue Period using the printed Revision Form which is a part of the Bid cum Application Form.

(d) Revisions can be made in both the desired number of Equity Shares and the Bid price by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed in the Revision Form. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.

(e) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) 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. 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.

(f) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of 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 for the incremental amount in the QIB Margin Amount, if any, to be paid on account of upward revision of the Bid at the time of one or more revisions by the QIB Bidders.

(g) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.

(h) Only Bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for Allocation. In case of discrepancy of data between the BSE or the NSE and the members of the Syndicate, the decision of the BRLM, based on the physical records of Bid cum Application Forms, shall be final and binding on all concerned.

Price Discovery and Allocation

(a) After the Bid /Issue Closing Date, the BRLM will analyse the demand generated at various price levels.

(b) Our Company, in consultation with the BRLM, shall finalise the "Issue Price" and the number of Equity Shares to be allocated in each investor category.

(c) The allocation under the Issue shall be on proportionate basis, in the manner specified in the SEBI Guidelines and this Red Herring Prospectus and in consultation with Designated Stock Exchange.

(d) Under subscription, if any, in any category of the Issue, other than the QIB portion, would be allowed to be met with spill over from any of the other categories at the discretion of our Company in consultation with the BRLM. However, if the aggregate demand by Mutual Funds is less than 128,083 Equity Shares, the balance Equity Shares available for allocation in the Mutual Funds Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders.

(e) Allocation to Residents applying on a repatriation basis will be subject to the terms and conditions stipulated by the RBI while granting permission for the transfer of Equity Shares to them and to applicable law.

(f) The BRLM, in consultation with us, shall notify the members of the Syndicate of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.

(g) We reserve the right to cancel the Issue any time after the Bid/Issue Opening Date but before the Allotment without assigning any reasons whatsoever.

(h) In terms of the SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.

(i) QIB Bidders will be required to deposit the QIB Margin Amount at the time of submitting of their Bids. After the closure of bidding, the level of subscription in the various categories shall be determined. Based on the level of subscription, additional margin money, if any, shall be called for from the QIB Bidders. The QIB Bidders shall pay such additional margin money within a period of two days from the date of the letter communicating the request for such additional margin money.

(j) Allocation to FIIs and eligible NRIs on repatriation basis will be subject to the applicable law.

Signing of Underwriting Agreement and ROC Filing

(a) We, the BRLM and the Syndicate Members shall enter into an Underwriting Agreement upon finalisation of the Issue Price.

(b) After signing the Underwriting Agreement, we 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 and Issue size and would be complete in all material respects.

(c) 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

After filing of the Prospectus with the ROC, a statutory advertisement will be issued by our Company in a widely circulated

English national newspaper and a Hindi national newspaper of wide circulation. 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 Letter for Additional Margin Money

In case of QIB Bidders, who have submitted their Bids with the QIB Margin Amount, additional Margin Amount may be called for by our Company, in consultation with the BRLM. The amount of such additional Margin Amount called for shall depend on the level of subscription in various categories, as determined on the basis of the electronic registration of Bids. The allotment of shares to QIB Bidders shall be finalized by our Company, in consultation with the BRLM and the Designated Stock Exchange.

Issuance of CAN

(a) Upon approval of the basis of Allotment by the Designated Stock Exchange, the BRLM or the Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated Equity Shares in the Issue. Investors should note that our Company shall ensure that the demat credit of Equity Shares pursuant to Allotment shall be made on the same date to all investors in this Issue;

(b) The BRLM or members of the Syndicate would then send the CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of 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 paid the Margin Amount into the Escrow Account at the time of bidding shall pay the balance amount payable into the Escrow Account by the Pay-in Date specified in the CAN; and

(c) Such Bidders who have been allocated Equity Shares and who have already paid the Margin Amount for the said Equity Shares into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of their cheque or demand draft paid into the Escrow Accounts. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

INVESTORS ARE ADVISED TO INSTRUCT THEIR DEPOSITORY PARTICIPANT TO ACCEPT THE EQUITY SHARES THAT MAY BE ALLOTTED TO THEM PURSUANT TO THIS ISSUE.

Notice to QIBs: Allotment Reconciliation and Revised CANs

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bid applications received. Based on the electronic book, QIBs will be sent a CAN, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the physical book prepared by the Registrar. Subject to SEBI Guidelines, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange and specified in the physical book. As a result, a revised CAN may be sent to QIBs, and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Designated Date and Allotment of Equity Shares

(a) 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 Escrow Account to the Issue Account and the Refund Account on the Designated Date, our Company would ensure the credit to the successful Bidders' depository accounts of the allotted Equity Shares to the allottees shall be within 15 (fifteen) days from the Bid/Issue Closing Date.

(b) As per the SEBI Guidelines, Equity Shares will be issued, transferred and allotted only in the dematerialised form to the allottees. Allottees 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.

Letters of Allotment or Refund Orders

We shall give credit of Equity Shares allotted, if any, to the beneficiary account with Depository Participants within two working days from the date of the Allotment. Applicants residing at 15 centres where clearing houses are managed by the RBI 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, 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 at the sole or First Bidder's sole risk within 15 days of the Bid /Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter (refund advice) through ordinary post intimating them about the mode of credit of refund within 15 working days of the closure of the Issue. Our Company shall ensure dispatch of refund orders/refund advice (for Direct Credit, NEFT, RTGS or ECS), if any, by "Under Certificate of Posting" or registered post or speed post, as applicable, only at the sole or First Bidder's sole risk within 15 days of the Bid/Issue Closing Date and adequate funds for making refunds to applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue.

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Guidelines, we undertake that:

- Allotment and transfer shall be made only in dematerialised form within 15 days from the Bid/Issue Closing Date;
- Dispatch of refund orders shall be done within 15 days from the Bid/Issue Closing Date; and
- 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 dispatched and/or demat credits are not made to investors within the 15 day time period prescribed above.

Our Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Save and except refunds effected through the electronic mode, i.e. Direct Credit, NEFT, RTGS or ECS, refunds will be made by cheques, pay orders or demand drafts drawn on a bank appointed by our Company as an Escrow Collection 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.

GENERAL INSTRUCTIONS

Do's:

a) Check if you are eligible to apply.

b) Read all the instructions carefully and complete the Bid cum Application Form (white, or blue colour) as the case may be.

c) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Equity Shares will be allotted in the dematerialized form only.

d) Ensure that the Bids are submitted at the bidding centers only on forms bearing the stamp of a member of the Syndicate.

e) Ensure that you have been given a TRS for all your Bid options.

f) Submit Revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS.

g) Where Bid(s) is/are for Rs. 50,000 or more, each of the Bidders, should mention their Permanent Account Number (PAN) allotted under the IT Act. The copies of the PAN card or PAN allotment letter should be submitted with the Bid cum Application Form. If you have mentioned "Applied For" or "Not Applicable", in the Bid cum Application Form in the section dealing with PAN number, ensure that you submit Form 60 or 61, as the case may be, together with permissible documents as address proof.

h) Ensure that the 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

i) Ensure that the Demographic Details are updated, true and correct, in all respects.

Don'ts:

(a) Do not Bid for lower than the minimum Bid size.

(b) Do not Bid/revise Bid price to less than Floor Price or higher than the Cap Price.

(c) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate.

(d) Do not pay the Bid amount in cash, by money order or by postal order or by stockinvest.

(e) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate only.

(f) Do not Bid at Cut-off Price (for QIB Bidders and Non-Institutional Bidders)

(g) Do not fill up the Bid cum Application Form such that the Equity Shares bid for exceeds the Issue size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations.

(h) **Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.**

Bids and Revisions of Bids

Bids and revisions of Bids must be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable (white or blue colour).

(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 Bid cum Application Form or in the Revision Form.

(d) The Bids from the Retail Individual Bidders must be for a minimum of 20 Equity Shares and in multiples of 20 Equity Shares thereafter subject to a maximum Bid Amount of Rs. 100,000.

(e) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares in multiples of 20 Equity Shares such that the Bid Amount exceeds Rs. 100,000. Bids cannot be made for more than the Issue. 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.

(f) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bidder's depository account details

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THE 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.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name and identification number and beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository demographic details of the Bidders such as address, bank account details for printing on refund orders or give credit through Direct Credit, NEFT, RTGS or ECS and occupation ("Demographic Details"). Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/ ECS credit or credit through Direct Credit, NEFT or RTGS for refunds/CANs/Allocation advice and printing of Company particulars on the refund order and the Demographic Details given by Bidders in the Bid cum Application Form would not be used for these purposes by the Registrar. Hence, Bidders are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Bid cum Application Form, the Bidder would deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund orders/allocation advices/CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/allocation advice/CANs may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk and neither the 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 account number, then such Bids are liable to be rejected.

Bidder's Bank Details

Bidders should note that on the basis of names 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 will obtain from the Depository the Bidder bank Account details. These bank account details would be printed on the refund order, if any, to be sent to Bidders or used for sending the refund through Direct Credit, NEFT, RTGS or ECS, hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in credit of refund to Bidders at the Bidders sole risk and neither the BRLM nor our Company shall have any responsibility and undertake any liability for the same.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to reject such Bids in whole or in part.

In case of the Bids made pursuant to a power of attorney by FIIs, FVCIs, VCFs and Mutual Funds, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to reject such Bid in whole or in part.

Our Company, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that we/the BRLM may deem fit.

Our Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that for the purpose of printing particulars on the refund order and mailing of the refund order/ CANs/allocation advice, the Demographic Details given on the Bid cum Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar to the Issue shall use Demographic Details as given in the Bid cum Application Form instead of those obtained from the depositories.

Bids made by Insurance Companies

In case of the Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to reject such Bids in whole or in part.

Bids made by Provident Funds

In case of the Bids made by provident funds, subject to applicable law, with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

Bids by Non-Residents, including Eligible NRIs, FIIs and FVCIs on a repatriation basis

Bids and revision to the Bids must be made:

1. On the Bid cum Application Form or the Revision Form, as applicable (blue in color), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

2. In a single name or joint names (not more than three and in the same order as their Depository Participant details).

3. Eligible NRIs for a Bid Amount of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and for a Bid Amount of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation. Other Non-Resident Bidders must Bid for a minimum of such number of Equity Shares and in multiples of 20 that the Bid Amount exceeds Rs. 100,000. For further details, see the section titled "Issue Procedure - Maximum and Minimum Bid Size" beginning on page 229 of this Red Herring Prospectus.

4. In the names of individuals, or in the names of FIIs, FVCIs, etc but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding Eligible NRIs) or their nominees.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only, net of bank charges and/or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their Non-Resident External (NRE) accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

It is to be distinctly understood that there is no reservation for Non-Residents, including Eligible NRIs, FIIs and FVCIs and all Non-Residents will be treated on the same basis with other categories for the purpose of allocation.

As per the existing policy of the government of India, OCBs cannot participate in this Issue. Further, NRIs, who are not Eligible NRIs, are not permitted to participate in this Issue

PAYMENT INSTRUCTIONS

Our 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

(i) The Bidders for whom the applicable margin is equal to 100% shall, with the submission of the Bid cum Application Form draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the members of the Syndicate.

(ii) QIB Bidders will be required to deposit a QIB Margin Amount at the time of submitting of their Bids. After the closure of bidding, the level of subscription in all categories shall be determined. Based on the level of subscription, additional margin money, if any, shall be called for from the QIB Bidders. The QIB Bidders shall pay such additional margin money within a period of two days from the date of the letter communicating the request for such additional margin money.

(iii) 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.

(iv) The payment instruments for payment into the Escrow Account should be drawn in favour of:

(a) In case of resident QIB Bidders: **"Escrow Account - C&C Public Issue-QIB-R"**

(b) In case of Non Resident QIB Bidders: **"Escrow Account C&C Public Issue-QIB-NR"**

(c) In case of resident Bidders (other than QIB Bidders): **"Escrow Account - C&C Public Issue-R"**

(d) In case of Non Resident Bidders (other than QIB Bidders): **"Escrow Account - C&C Public Issue-NR"**

- In case of Bids by Eligible NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE accounts or Foreign Currency Non-Resident (FCNR) accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE or FCNR 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 a Special Rupee Account.

(v) Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Refund Account.

(vi) The monies deposited in the Escrow Account will be held for the benefit of the Bidders till the Designated Date.

(vii) On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Issue Account.

(viii) On the Designated Date and not later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Banks shall refund all amounts payable to unsuccessful Bidders and the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders.

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 banker's clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ stockinvest/money orders/postal orders will not be accepted.

Payment by Stockinvest

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use the stockinvest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn.

SUBMISSION OF BID CUM APPLICATION FORM

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts equivalent to the Margin Amount shall be submitted to the members of the Syndicate at the time of submission of the Bid.

Separate receipts shall not be issued for the money payable on the submission of Bid cum Application 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 case of Individuals

Bids may be made in single or joint names (not more than three). In case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communication 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 which would serve as a multiple master.
2. In this master, a check will be carried out for the same PAN. In cases where the PAN is different, the same will be deleted from this master.
3. The Registrar 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. The addresses of all the applicants in the multiple master will be strung from the address master. This involves putting the addresses in a single line after deleting non-alpha and nonnumeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of addresses and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the application processed. A print-out of the addresses will be taken to check for common names. The application with same name and same address will be treated as multiple applications.

5. The applications will be scrutinized for their DP ID and Beneficiary Account Numbers. In case applications bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple applications.

6. Subsequent to the aforesaid procedures, a print out of multiple master will be taken and applications physically verified to tally signatures as also father's/husband's names. On completion of this, the applications will be identified as multiple applications.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

'PAN' or 'GIR' Number

Where Bid(s) is/are for Rs. 50,000 or more, the Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/her PAN allotted under the I.T. Act. The copy of the PAN card(s) or PAN allotment letter(s) is required to be submitted with the Bid cum Application Form. Applications without this information and documents will be considered incomplete and are liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN, as the Bid is liable to be rejected on this ground. In case the sole/First Bidder and joint Bidder(s) is/are not required to obtain PAN, each of the Bidder(s) shall mention "Not Applicable" and in the event that the sole Bidder and/or the joint Bidder(s) have applied for PAN which has not yet been allotted each of the Bidder(s) should mention "Applied for" in the Bid cum Application Form. Further, where the Bidder(s) has mentioned "Applied for" or "Not Applicable", the sole/First Bidder and each of the joint Bidder(s), as the case may be, would be required to submit Form 60 (form of declaration to be filed by a person who does not have a permanent account number and who enters into any transaction specified in Rule 114B of the Income Tax Rules, 1962), or, Form 61 (form of declaration to be filed by a person who has agricultural income and is not in receipt of any other income chargeable to income-tax in respect of transactions specified in Rule 114B of the Income Tax Rules, 1962), as may be applicable, duly filled along with a copy of any one of the following documents in support of the address: (a) ration card (b) passport (c) driving licence (d) identity card issued by any institution (e) copy of the electricity bill or telephone bill showing residential address (f) any document or communication issued by any authority of the Central Government, state government or local bodies showing residential address (g) any other documentary evidence in support of address given in the declaration. **It may be noted that Form 60 and Form 61 have been amended by a notification issued on December 1, 2004 by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance. All Bidders are requested to furnish, where applicable, the revised Form 60 or Form 61 as the case may be.**

Unique Identification Number ("UIN")

With effect from July 1, 2005, SEBI had decided to suspend all fresh registrations for obtaining UIN and the requirement to contain/quote UIN under the SEBI MAPIN Regulations/Circulars vide its circular MAPIN/Cir-13/2005. However, in a recent press release dated December 30, 2005, SEBI has approved certain policy decisions and has now decided to resume registrations for obtaining UINs in a phased manner. The press release states that the cut off limit for obtaining UIN has been raised from the existing limit of trade order value of Rs.100,000 to Rs.500,000 or more. The limit will be reduced progressively. For trade order value of less than Rs.500,000, an option will be available to investors to obtain either the PAN or UIN. These changes are, however, not effective as of the date of the Red Herring Prospectus and SEBI has stated in the press release that the changes will be implemented only after necessary amendments are made to the SEBI MAPIN Regulations.

Right to Reject Bids

In case of QIB Bidders, our Company in consultation with the BRLM may reject Bids provided that the reason for rejecting the same shall be provided to such Bidders in writing. In case of Non-Institutional Bidders and Retail Individual Bidders our Company has the right to reject Bids based on technical grounds only. Consequent refunds shall be made by cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk.

GROUNDS FOR TECHNICAL REJECTIONS

Bidders are advised to note that Bids are liable to be rejected on, inter alia, the following technical grounds:

1. Amount paid does not tally with the amount payable for the highest value of Equity Shares bid for;
2. Age of first Bidder not given;
3. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no such partnership firm, shall be entitled to apply;
4. Bids by Non Residents, if not in compliance with the appropriate foreign and Indian laws;
5. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors and persons of unsound mind;
6. **PAN not stated if Bid is for Rs. 50,000 or more or copy of PAN, Form 60 or Form 61, as applicable, or GIR number furnished instead of PAN. See the section titled "Issue Procedure-PAN or GIR No" on page 244 of this Red Herring Prospectus;**
7. Bids for lower number of Equity Shares than specified for that category of investors;
8. Bids at a price less than lower end of the Price Band;
9. Bids at a price more than the higher end of the Price Band;
10. Bids at Cut-off Price by Non-Institutional Bidders and QIB Bidders;
11. Bids for number of Equity Shares, which are not in multiples of 20;
12. Category not ticked;
13. Multiple Bids as defined in this Red Herring Prospectus;
14. In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
15. Bids accompanied by stockinvest/money order/postal order/cash;
16. Signature of sole and/or joint Bidders missing;
17. Bid cum Application Form does not have the stamp of the BRLM or the Syndicate Members;
18. Bid cum Application Form does not have the Bidder's depository account details;
19. Bid cum Application Form is not delivered by the Bidder within the time prescribed as per the Bid cum Application Form and this Red Herring Prospectus and as per the instructions in this Red Herring Prospectus and the Bid cum Application Form;
20. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the depositary participant's identity (DP ID) and the beneficiary account number;
21. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations. See the details regarding the same in the section titled "Issue Procedure - Bids at Different Price Levels" beginning on page 231 of this Red Herring Prospectus;
22. Bids by OCBs;
23. Bids by U.S. persons other than in reliance on Regulation S under the Securities Act;
24. Bids by QIBs not submitted through the BRLM or members of the Syndicate; and
25. Bids by any person resident outside India, if not in compliance with applicable foreign and Indian laws.

Equity Shares in dematerialised form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Issue shall be allotted only in a dematerialised form, (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

a) an agreement dated January 19, 2007 between NSDL, us and Registrar to the Issue;

b) an agreement dated January 18, 2007 between CDSL, us and Registrar to the Issue.

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

a) A Bidder applying for Equity Shares must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the Bid.

b) The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.

c) Equity Shares allotted to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

d) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details with the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details with the Depository.

e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.

f) 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.

g) 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.

h) The trading of the Equity Shares would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

COMMUNICATIONS

All future communication in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, details of Depository Participant, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in respective beneficiary accounts, refund orders etc.

Disposal of Investor Grievances by our Company

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances shall be seven 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.

We have appointed Mr. Santosh Kumar Pradhan, Company Secretary as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue-related problems. He can be contacted at the following address:

Jay Plaza-Clearview Building,
C-1/B, Old DLF Colony,
Gurgaon 122 001, India
Tel: +91 124 4080661
Fax: +91 124 4080663
E-mail: santosh@candcinfrastructure.com

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"Any person who:

(a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or

(b) otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years."

Basis of Allocation.

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Retail Individual Bidders will be made at the Issue Price.
- The Issue size less allocation to Non-Institutional Bidders and QIB Bidders shall be available for allocation to Retail Individual Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the valid Bids in this category is for less than or equal to 1,280,835 Equity Shares at or above the Issue Price, full allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.
- If the valid Bids in this category are for more than 1,280,835 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of 20 Equity Shares and in multiples of 1 Equity Shares thereafter. For the method of proportionate basis of allocation, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue size less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation to Non-Institutional Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the valid Bids in this category is for less than or equal to 426,945 Equity Shares at or above the Issue Price, full allotment shall be made to Non-Institutional Bidders to the extent of their valid Bids.
- In case the valid Bids in this category are for more than 426,945 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis up to a minimum of 20 Equity Shares and in multiples of 1 Equity Shares thereafter. For the method of proportionate basis of allocation refer below.

C. For QIB Bidders

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the QIB Bidders will be made at the Issue Price.
- The Issue size less allocation to Non-Institutional Portion and Retail Portion shall be available for proportionate allocation to QIB Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- However, eligible Bids by Mutual Funds only shall first be considered for allocation proportionately in the Mutual Funds Portion. After completing proportionate allocation to Mutual Funds for an amount of up to 128,083 Equity Shares (the Mutual Funds Portion), the remaining demand by Mutual Funds, if any, shall then be considered for allocation proportionately, together with Bids by other QIBs, in the remainder of the QIB Portion (i.e. after excluding the Mutual Funds Portion). For the method of allocation in the QIB Portion, see the paragraph titled "Illustration of Allotment to QIBs" appearing below. If the valid Bids by Mutual Funds are for less than 128,083 Equity Shares, the balance Equity Shares available for allocation in the Mutual Funds Portion will first be added to the QIB Portion and allocated proportionately to the QIB Bidders. For the purposes of this paragraph it has been assumed that the QIB Portion for the purposes of the Issue amounts to 60% of the Issue size, i.e. 2,561.671 Equity Shares.
- Allotment shall be undertaken in the following manner:

  (a) In the first instance allocation to Mutual Funds for 5% of the QIB Portion shall be determined as follows:

    (i) In the event that Mutual Fund Bids exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion.

    (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full allotment to the extent of valid bids received above the Issue Price.

    (iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available to all QIB Bidders as set out in (b) below;

  (b) In the second instance allocation to all QIBs shall be determined as follows:

    (i) In the event that the over subscription in the QIB Portion, all QIB Bidders who have submitted Bids at or above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.

    (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.

    (iii) Under subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

  Except for any Equity Shares allocated to QIB Bidders due to under subscription in the Retail Portion and/ or Non Institutional Portion, the aggregate allocation to QIB Bidders shall be made on a proportionate basis of at least 2,561,671 Equity Shares. For the method of proportionate basis of allocation refer below.

Method of Proportionate basis of allocation in the Issue

In the event of the Issue being oversubscribed, our Company shall finalize the basis of allotment in consultation with the Designated Stock Exchange. The Executive Director (or any other Senior official nominated by them) of the Designated Stock Exchange along with the BRLMs and the Registrar to the Issue shall be responsible for ensuring that basis of allotment is finalized in a fair and proper manner.

Bidders will be categorized according to the number of Equity Shares applied for by them.

(a) 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.

(b) Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over subscription ratio.

In all Bids where the proportionate allotment is less than 20 Equity Shares per Bidder, the allotment shall be made as follows:

- Each successful Bidder shall be allotted a minimum of 20 Equity Shares; and
- The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above.

If the proportionate allotment to a Bidder is a number that is more than 20 but is not a multiple of one (which is the market lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower whole number. All Bidders in such categories would be allotted Equity Shares arrived at after such rounding off.

If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for allotment shall be first adjusted against any other category, where the allotted Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares. The basis of allocation on a proportionate basis shall be finalised in consultation with the Designated Stock Exchange.

Illustration of Allotment to QIBs and Mutual Funds ("MF")

A. Issue details

Sr. No	Particulars	Issue details
1	Issue size	200 million Equity Shares
2	Allocation to QIB (60%)	120 million Equity Shares
	Of which:	
	a. Allocation to Mutual Funds (5%)	6 million Equity Shares
	b. Balance for all QIBs including Mutual Funds	114 million Equity Shares
3	Number of QIB applicants	10
4	Number of Equity Shares applied for	500 million Equity Shares

B. Details of QIB Bids

S.No	Type of QIB bidders#	No. of shares bid for (in million)
1	A1	50
2	A2	20
3	A3	130
4	A4	50
5	A5	50
6	MF1	40
7	MF2	40
8	MF3	80
9	MF4	20
10	MF5	20
	TOTAL	500

A1-A5: (QIB Bidders other than Mutual Funds), MF1-MF5 (QIB Bidders which are Mutual Funds)

C. Details of Allotment to QIB Bidders/Applicants

(Number of equity shares in million)

Type of QIB bidders	Shares bid for	Allocation of 6 million Equity	Allocation of balance 114 million Shares to MF proportionately (please see note 2 below)	Aggregate allocation to MFs Equity Shares to QIBs proportionately (please see note 4 below)
(I)	(II)	(III)	(IV)	(V)
A1	50	0	11.40	0
A2	20	0	4.56	0
A3	130	0	29.64	0
A4	50	0	11.40	0
A5	50	0	11.40	0
MF1	40	1.2	9.12	10.32
MF2	40	1.2	9.12	10.32
MF3	80	2.4	18.24	20.64
MF4	20	0.6	4.56	5.16
MF5	20	0.6	4.56	5.16
	500	**6**	**114**	**51.64**

Please note:

1. The illustration presumes compliance with the requirements specified in this Red Herring Prospectus in the section titled "Issue Structure" beginning on page 224 of this Red Herring Prospectus.
2. Out of 100 million Equity Shares allocated to QIBs, 5 million (i.e. 5%) will be allocated on proportionate basis among five Mutual Fund applicants who applied for 200 shares in the QIB Portion.
3. The balance 95 million Equity Shares [i.e. 100 - 5 (available for Mutual Funds only)] will be allocated on proportionate basis among 10 QIB Bidders who applied for 500 Equity Shares (including 5 Mutual Fund applicants who applied for 200 Equity Shares).
4. The figures in the fourth column titled "Allocation of balance 95 million Equity Shares to QIBs proportionately" in the above illustration are arrived as under:
    1. For QIBs other than Mutual Funds (A1 to A5) = Number of Equity Shares Bid for X 95 /495
    2. For Mutual Funds (MF1 to MF5)= [(No. of shares bid for (i.e., in column II of the table above) less Equity Shares allotted (i.e., column III of the table above)] X 95/495
    3. The numerator and denominator for arriving at allocation of 95 million Equity Shares to the 10 QIBs are reduced by 5 million shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

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 15 centres 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 Guidelines 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 Guidelines. 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 centres will be payable by the Bidders.

Mode of Making Refunds

The payment of refund, if any, would be done through the following methods in the following order of preference

1. 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.
2. ECS - Payment of refund would be done mandatorily through ECS for applicants having an account at any of the 15 centers where clearing houses for ECS are managed by Reserve Bank of India, namely Ahmedabad, Bangalore, Bhubneshwar, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Kolkata, Mumbai, Nagpur, New Delhi, Patna and Thiruvananthapuram. This mode of payment of refunds would be subject to availability of complete bank account details including the nine digit Magnetic Ink Character Recognition (MICR) code as appearing on a cheque leaf, from the depository. The payment of refund through ECS is mandatory for applicants having a bank account at any of the 15 centers named hereinabove, except where applicant is otherwise disclosed as eligible to get refunds through direct credit or RTGS
3. Direct Credit - Applicants having their bank account with the Refund Banker shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to the eligible applicant's bank account with the Refund Banker. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company.
4. RTGS - Applicants having a bank account at any of the 15 centers detailed above, and whose bid amount exceeds Rs, 1 million, shall be eligible to exercise the option to receive refunds, if any, through RTGS. All applicants eligible to exercise this option shall mandatorily provide the IFSC code in the Bid cum Application form. In the event of failure to provide the IFSC code in the Bid cum Application form, the refund shall be made through the ECS or direct credit, if eligibility disclosed. . Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

   Note: Wherever payments cannot be made through NEFT or ECS or direct credit and the refund amount exceeds one million, such applicants shall have the option to receive the refund payment through RTGS.

Please note that only applicants having a bank account at any of the 15 centres where clearing houses for ECS are managed by the RBI are eligible to receive refunds through the modes detailed in (1), (2), (3) and (4) above. For all the other applicants, including applicants who have not updated their bank particulars alongwith the nine digit MICR Code, the refund orders would be despatched "Under Certificate of Posting" for refund orders of value up to Rs. 1,500 and through Speed Post/Registered Post for refund orders of Rs. 1,500 and above.

Undertaking by our Company

We undertake as follows:

- that the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily;
- that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within seven working days of finalisation of the basis of allotment;
- that the 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; and
- that the refund orders or allotment advice to the Eligible NRIs or FIIs shall be dispatched within 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 except as disclosed in the section titled "Capital Structure" beginning on page 19 of this Red Herring Prospectus, 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, under subscription, etc.

Utilisation of Issue proceeds

Our Board of Directors certifies that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- details of all monies utilised out of the Issue referred above shall be disclosed under an appropriate separate 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 our balance sheet indicating the form in which such unutilised monies have been invested;

Our Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

Withdrawal of the Issue

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

Restrictions on Foreign Ownership of Indian Securities

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Under the current foreign investment policy, foreign equity participation up to 100% is permissible.

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public offer without prior RBI approval, so long as the price of equity shares to be issued is not less than the price at which equity shares are issued to residents. In our Company, as of date the aggregate FII holding cannot exceed 24% of the total post-Issue share capital.

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, Indian law does not prohibit an FII or its sub-account to 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 favor of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "Know Your Client" requirements, which stipulate fortnightly disclosures by the FII to SEBI informing them about the name, location, type of investor (hedge fund, corporate, individual, pension fund or trust), quantity and value of investment made on behalf of the investor. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

Note:

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

Pursuant to Schedule II of the Companies Act and SEBI Guidelines, the main provisions of the Articles of Association inter alia relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision hereinbelow is numbered as per the corresponding article number in the Articles of Association and capitalized/defined terms herein have the same meaning given to them in the Articles of Association.

PRELIMINARY

1.1 The Regulations contained in Table "A" in the first schedule of the Companies Act, 1956, shall not apply to the Company, but the regulations for the management of the Company and for the observance for the Members thereof and their representatives shall be subject to any exercise of the statutory powers of the Company, with reference to the repeal or alternation of, or addition to, its regulation by Special Resolution, as prescribed by the said Companies Act, 1956, be such as are contained in these Articles.

SHARE CAPITAL

2. The authorized Share capital of the Company shall be such amount and be divided into such Shares as may, from time to time, be provided in clause V of the Memorandum of Association.

3. The Board may from time to time, with the sanction of the Company in a General Meeting by ordinary resolution increase the authorized Share capital of the Company by such sum, to be divided into Shares of such amount and of such classes with such rights and privileges attached thereto as the General Meeting shall direct by specifying the same in the resolution and if no directions be given as the Board may determine.

4. The Company may, subject to the provisions of Sections 100 to 105 of the Act reduce in any manner, from time to time,

a. by Special Resolution its Share capital;

b. any capital redemption reserve fund or any securities premium account.

5. Subject always to the provisions of these Articles, the Shares shall be under the control of the Board of Directors and the Board may allot, grant, have option over or otherwise deal with or dispose of them to such Person at such times and generally on such terms and conditions, as Board feels proper.

6. Subject to the provisions of these Articles, the Company shall have power to alter the conditions of the Memorandum relating to Share capital as follows, that is to say it may -

(a) increase its Share capital by such amount as it thinks expedient by issuing new Shares;

(b) consolidate and divide all or any of its Equity Share capital into Shares of larger denomination than its existing Shares;

(c) sub-divide its Equity Shares or any of them into Shares of smaller amount than is fixed by the Memorandum in such manner that after the sub-division, the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in the case of the Share, from which the reduced Share is derived;

(d) cancel any Shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any Person and diminish the amount of its Equity Share capital by the amount of the shares as cancelled, provided, however, that the cancellation of Shares in pursuance of the exercise of this power shall not be deemed to be a reduction of Share capital within the meaning of the Act.

SHARES

7. Subject to the provisions of Section 81 of the Act, Applicable Law and these Articles, the Board may issue, allot or otherwise dispose of the shares to such Persons, in such proportion and on such terms and conditions, either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in a General Meeting to give to any Person or Persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Board 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 for Shares shall not be given to any Person or Persons without the sanction of the Company in the General Meeting.

8. An application signed by or on behalf of an applicant for Shares in the Company followed by an allotment of any Shares therein, shall be an acceptance of Shares within the meaning of these Articles and every Person who, thus or otherwise agrees to accept in writing the Shares and whose name is entered on the register of Members shall for the purpose of these Articles, be a Shareholder.

9. If by the conditions of allotment of any Shares, the whole or a part of the amount or issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the Person who, for the time being and from time to time shall be the registered holder of the Shares of his heirs, executors, administrators and legal representatives.

10. Every Member or his heirs, executors, assignees or other representatives shall pay to the Company the portion of the capital represented by his Share or Shares which may for the time being remain unpaid thereon, in such amounts at such time or times and in such manner as the Board shall, from time to time, in accordance with the Company's regulations require or fix for the payment thereof and so long as any monies are due, owing and unpaid to the Company by any Member on any account. However, such Member in default shall not be entitled at the option of the Board, to exercise any rights or privileges available to him.

11. If any Shares stand in the name of two or more Persons, the one first named in the register of Members shall as regards receipt of dividend bonus or service of notice and all or any other matters connected with the Company, except voting at Meetings and the transfer of Shares, be deemed the sole-holder thereof but joint - holder of Shares shall be severally as well as jointly liable for the payment of the installments and calls in respect of such Shares and for all incidents thereof according to the Company's regulations.

TERM OF ISSUE OF DEBENTURES

12. Any Debentures, debenture stock or other securities may be issued at a discount, premium or otherwise and may be issued on the condition that they shall be convertible into Shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of Shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with a right of conversion into or allotment of Shares shall be issued only with consent of the Company in General Meeting by Special Resolution.

REDEEMABLE PREFERENCE SHARES

13. Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue preference Shares, which are liable to be redeemed, and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption.

CALLS

16. 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 monies 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.

17. Fifteen days notice in writing of any call shall be given by the Board specifying the time and place of payment, and the Person or Persons to whom such call shall be paid.

18. A call shall be deemed to have been made at the time when the resolution authorizing such call was passed at a meeting of the Board.

19. A call may be revoked or postponed at the discretion of the Board.

20. The option or right to call of Shares shall not be given to any Person except with the sanction of the Company in a General Meeting.

21. The joint-holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.

22. 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, the Board may deem fairly entitled to such extension, but no Member shall be entitled to such extension save as a matter of grace and favour.

23. If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board, but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member.

24. Any sum, which by the terms of issue of a Share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and payable, on the date on which by the terms of issue 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.

25. 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 subsequent to the date at which the 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.

26. 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.

27. The Board may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any Member willing to advance the same, whole or any part of the monies due upon the Shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance or so much thereof, as from time to time exceed the amount of the calls then made upon the Shares in respect of which such advance has been made. The Company may pay interest at such rate as the Member paying the sum in advance and the Board agrees upon, provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Board may at any time repay the amount so advanced. The Members shall not be entitled to any voting rights in respect of the monies so paid by him until the same would but for such payment become presently payable. The provision of this Article shall mutatis mutandis apply to the calls on Debentures.

BUYBACK OF SHARES

28. Subject to the provisions of sections 77A, 77AA, 77B and 217 (2B) of the Act, the Company is authorized to buy back the Company's Shares or other specified securities out of its free reserves or its securities premium account or from the proceeds of any Shares or other specified securities, provided that no buy -back of any kind of Shares or other specified securities shall be made out of the proceeds of an earlier issue of the same kind of Shares or the same kind of other specified securities.

FORFEITURE OF SHARES

29. The notice aforesaid shall:

    (a) name further day (not being earlier than the expiry of fourteen days from the date of service of the notice) and a place or places on and at which such call or installment and such interest and expenses as aforesaid are to be paid; and

    (b) state that in the event of non-payment on or before the day so named at the place appointed, the shares in respect of which the call was made or instalment is payable will be liable to be forfeited.

30. If the requirements of any such notice as aforesaid are not complied with, any Shares, in respect of which the notice has been given, may, at any time thereafter before the payment required by the notice has been made, be forfeited by the resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited Shares and not actually paid before the forfeiture

31. When any Shares shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the register of Members but no forfeiture shall be in any manner invalidated, by any omission or neglect to give such notice or to make any such entry as aforesaid.

32. Any Share so forfeited shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed off on such terms and in such manner, as the Board may think fit.

33. At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms, as it thinks fit.

34. A Person, whose Shares have been forfeited, shall cease to be the Member in respect of the forfeited Shares but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies, all calls, or installment, interest and expenses, owing in respect of such Shares at the time of the forfeiture, together with interest thereon, from the time of forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment thereof, to any party thereof, without any deduction or allowance for the value of the Shares at the time of forfeiture, but shall not be under any obligation to do so.

35. The forfeiture of a Share involves 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.

36. A duly verified declaration in writing that the declarant is a Director of the Company, and that certain Shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the Shares and such declaration and the receipt of the Company for the consideration, if any, given for the Shares on the sale/ or disposition thereof shall constitute a good title to such Shares; and the Person to whom any such Share as sold shall be registered as the Member in respect of such Share and shall not be bound to see to the application of the purchase money, nor shall his title to such Share be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition.

37. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative Shares shall (unless the same shall on demand by the Company

have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect, and the Directors, shall be entitled to issue a duplicate certificate or certificates in respect of the said Shares to the Person or Persons, entitled thereto.

TRANSFER OF SHARES

38. There shall be a common instrument of transfer which shall be in writing and all the provisions of Section 108 of the Act and of any statutory modification thereof for the time being, shall be duly complied with in respect of all transfer of Shares and the registration thereof.

39. Every instrument of transfer duly stamped must be accompanied by the certificate of Shares proposed to be transferred and such other evidence as the Board may require to, prove the title of the transferor or his right to transfer the Shares.

40. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

41. Every such instrument of transfer shall be executed both by transferor and the transferee and the transferor shall be deemed to remain the holder of such Share until the name of the transferee shall have been entered in the register of Members in respect thereof. The Board shall not issue or register a transfer of any Share in favour of a minor (except in cases when they are fully paid up).

42. The Board shall have power on giving seven days previous notice by advertisement in any Hindi and English newspapers of reasonable large circulation circulating in the district in which the Registered Office is situated, to close the transfer books, the register of Members or register of debenture holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year, as it may deem expedient.

43. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register of Members) to the prejudice of Persons having or claiming any equitable right, title or interest to or in the said Shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or deferred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company; but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Board shall so think fit.

44. Notwithstanding anything stated elsewhere in these Articles, the Directors shall be entitled to take all necessary steps to ensure compliance with Applicable Law and subject to the provisions of Sections 111 and 111A of the Act, Section 22A of the Securities Contracts (Regulation) Act,1956 and the other provisions of Applicable Law, the Board may, at its own absolute and uncontrolled discretion and by giving reasons, inter alia, decline to register or acknowledge any transfer of Shares whether fully paid or not. The right of refusal of the Board shall not be affected by the circumstances that the proposed transferee is already a Member of the Company, but in such cases the Board shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons, indebted to the Company on any account whatsoever, except when the Company has lien on Shares. Transfer of Shares/Debentures in whatever lot shall not be refused.

45. The Company shall keep at its Registered Office the register of Members and therein shall firmly and distinctly enter the particulars of every transfer or transmission of Shares. Subject to the provisions of Section 154 of the Act, the Board shall have power to close the register of Members for such periods, not exceeding forty five days in aggregate in a year and thirty days at any one time, as may seem expedient to them.

DEMATERIALISATION OF SECURITIES

46. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Articles.

a) The Company shall be entitled to dematerialize securities and to offer securities in a dematerialized form pursuant to the Depositories Act, 1996.

b) 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 by law, 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 allottee as the Beneficial Owner of the securities.

c) All securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a Depository in respect of the securities held by on behalf of the Beneficial Owners.

d) (i) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of securities of the Company on behalf of the Beneficial Owner.

(ii) Save as required by the Applicable Law, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

(iii) Every Person holding securities of the Company and whose name is entered as the Beneficial Owner of securities in the record of the Depository shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities which are held by a Depository and shall be deemed to be a Member of the Company.

e) Notwithstanding anything contained in the Act or these Articles to the contrary, where securities of the Company are held in a Depository, the records of the Beneficial Ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

f) Nothing contained in Section 108 of the Act or these Articles, shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

g) Notwithstanding anything contained in the Act or these Articles, where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.

h) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.

i) The register of Members and Index of Beneficial Owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security Holders for the purposes of these Articles.

FURTHER ISSUE OF SHARES

55. 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 unissued capital or out of the increased Share capital then:

(a) Such further Shares shall be offered to the Persons who at the date of the offer, are holders of the Shares of the Company, in proportion, as near as circumstances admit, to the capital paid up on these Shares at the date;

(b) Such offer shall be made by a notice specifying the number of Shares offered and limiting a time not less than fifteen 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 Board 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 expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the Person to whom such notice has been given that he declines to accept the Shares offered, the Board may dispose of them in such manner and to such Person(s) as they may think, in their sole discretion, fit.

56 Notwithstanding anything contained in Article 55 clause (a) hereof, the further Shares aforesaid may be offered to any Person (whether or not those Persons include the Persons referred to in clause (a) of Article 55 hereof) in any manner whatsoever.

(a) If a Special Resolution to that affect 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 by the Members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by Members, so entitled and voting and the Central Government is satisfied on an application made by the Board in this behalf that the proposal is most beneficial to the Company.

57. Nothing in these Articles 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.

Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the Debentures issued or loans raised by the Company;

(i) To convert such Debentures or loans into Shares in the Company; or

(ii) 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 have been approved by the Central Government before the issue of the Debentures, or the raising of the loans is in conformity with rules, if any, made by that Government in this behalf; and

(b) Have also been approved by a Special Resolution passed by the Company in General Meeting before the issue of Debentures or raising of loans, in the case of Debentures or loans, other than Debentures issued to or loans obtained from the Government or any institution specified by the Central Government in this behalf.

LIEN

58. The Company shall have a first and paramount lien upon all the Shares/Debentures (other than fully paid-up Shares/ Debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds

of sale thereof, for all monies (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 condition that this Article will 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/Debentures. The Board may at any time declare any Shares/Debentures wholly or in part to be exempt from the provisions of this clause.

PROCEEDINGS OF GENERAL MEETINGS

1. 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. 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 of Companies 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 Registered Office or at some other place within the city in which the Registered Office is situated as the Board may determine and the notices calling the General Meeting shall specify it as the Annual General Meeting. The Company may in any 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 that concerns him as the auditor. At every Annual General Meeting of the Company there shall be laid on the table the Directors' report (if not already attached to the Audited statement of Accounts), the proxy register with proxies and the register of Directors' share holdings, of which the latter register shall remain open and accessible during the continuance of the General 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 of Companies in accordance with Sections 159, 161 and 220 of the Act.

DIVIDENDS AND RESERVES

128. The profits of the Company, subject to any special rights relating thereto created or authorized to be created by these Articles, and subject to the provisions of these Articles shall be divisible among the Members in proportion to the amount of capital paid-up on the Shares held by them respectively.

129. Subject to the provisions of these Articles, the Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board of Directors but the Company in General Meeting may declare a smaller dividend.

130. Any General Meeting declaring a dividend may make a call on the Members of such amount as the meeting fixes. If the call on each Member does not exceed the dividend payable to him and the call is made payable at the same time as the dividend, the dividend may, if so arranged between the Company and the Member, be set off against the call.

131. No dividends shall be paid otherwise than in cash or out of the profits of the year or any other undistributed profits of earlier years and no dividends shall carry interest as against the Company. The declaration of the Board of Directors as to the amount of the profits of the Company shall be conclusive.

132. Subject to the provisions of these Articles, the Board of Directors may, from time to time, pay to Members such interim dividends as appear to be justified by the profits of the Company.

133. i Subject to the rights of Persons if any, entitled to Shares with special rights as to dividends, it shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividends are paid.

ii No amount paid or credited as paid on Shares in advance of calls shall be treated for the purposes of this Article as "paid on the Share".

iii All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividends are paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.

134 The Board of Directors may, from time to time, before recommending any dividend, set apart such portion of the profits of the Company as they think fit as a reserve fund, equalization fund or depreciation fund to meet contingencies or for the liquidation of any Debentures, debts or other liabilities of the Company or for repairing, improving and maintaining any of the property of the Company and for such other purposes of the Company as the Board of Directors in their absolute discretion think prudent and may invest the sum so set aside in such manner as they may think fit.

The Board of Directors may also carry forward any profits, which it may think prudent not to divide without setting them aside as a reserve.

135. The Board of Directors may retain any dividend or other monies payable in respect of a share on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

136. 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.

137 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 or the Company in 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.

138 Where capital is paid in advance of calls, such capital may carry interest but shall not in respect thereof confer a right to dividend or participate in profits.

139 A transfer of Shares shall not pass the right to any dividend thereon before the registration of the transfer.

140 Any dividend, interest or other monies payable in cash in respect of Shares may be paid by cheque or warrant or by a pay order or receipt having the force of a cheque or warrant, sent through internationally or nationally recognized courier service providers, to the registered address of the Members or Person entitled or in case of joint Shareholders to the registered address of that one of the joint Shareholders who is first named on the register of Members or to such Person and to such address as the Shareholders of the joint Shareholders may in writing direct. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent. The Company shall not be liable or responsible for any cheque warrant, pay order or receipt lost in transmission or for any cheque or warrant or the forged signature of any pay order or receipt or the fraudulent recovery of the dividend by any other means.

141. Any one of two or more joint holders of a Share may give effectual receipts for any dividends or other monies payable in respect of such Share.

142. No Member shall be entitled to receive payments of any interest or dividend in respect of his Share or Shares, while any money may be due or owing from him to the Company in respect of such Share or Shares or otherwise howsoever, either alone or jointly with any other Person or Persons and the Board may deduct from the interest or dividend payable to any Member all sums of money so due from him to the Company.

143. Where the Company has declared a dividend which has not been paid or the dividend warrant in respect thereof has not been posted within thirty days from the date of declaration to any Shareholder entitled to the payment of the dividend the Company shall within seven days from the date of expiry of the said period of thirty days, open a special account seven days from the date of expiry of the said period of thirty days, open a special account in that behalf in any scheduled bank called "Unpaid Dividend of C&C Constructions Limited" and transfer to the said account, the total amount of dividend which remains unpaid or in relation to to which no dividend warrant has been posted.

144. Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the fund known as the Investor Education and Protection Fund established under section 205C of the Act. A claim to any money so transferred to the Investor Education and Protection Fund may be preferred to the Central Government by the Shareholders to whom the money is due.

145. No unclaimed or unpaid dividend shall be forfeited by the Board.

ACCOUNTS

146. The Board shall cause proper Books to be maintained under section 209 of the Act.

147. (i) No Member (not being a Director) shall have any right of inspecting any Books of the Company except as conferred by law or as authorized by the Board of Directors.

(ii) The Board of Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the Books of the Company shall be open to the inspection of Members, not being Directors.

148. The Board shall lay before each Annual General Meeting duly audited profit and loss account for the Financial Year and the balance sheet made up to the end of that year.

149. The Directors shall, if they consider it to be necessary and in the interest of the Company, be entitled to amend the audited accounts of the Company, of any Financial Year which have been laid before the Company in General Meeting. The amendments to the accounts effected by the Directors pursuant to these Articles shall be placed before the Members in the General Meeting for their consideration and approval.

INDEMNIFICATION

158. Subject to the provisions of the Act, every Director, Secretary, Executive Chairman, MD, manager or officer of the Company or any Person (whether an officer of the Company or not) employed by the Company as Auditor, ("Indemnified Person") shall be indemnified out of the funds of the Company against all liability incurred by him as such Director, Secretary, Executive Chairman, manager, officer or Auditor in defending himself against any proceedings, whether civil or criminal in which judgment is given in his favour or on which he is acquitted or in connection with any application under Section 633 of the Act, in which relief is granted to him by the court. This clause is subject to Section 201 of the Act.

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 for registration and also the documents for inspection referred to hereunder, may be inspected at the corporate office of our Company situated at Jay Plaza-Clearview Building, C-1/B, Old DLF Colony, Gurgaon 122 001, India from 10.00 am to 4.00 pm on working days from the date of this Red Herring Prospectus until the Bid/ Issue Closing Date.

Material Contracts

1. Engagement Letters dated February 3, 2006 for appointment of Edelweiss Capital Limited as BRLM.
2. Memorandum of Understanding dated October 6, 2006 amongst our Company and the BRLM.
3. Memorandum of Understanding dated January 13, 2007 executed by our Company with Registrar to the Issue.
4. Escrow Agreement dated January 18, 2007 between our Company, the BRLM, Escrow Collection Banks, and the Registrar to the Issue.
5. Syndicate Agreement dated January 16, 2007 between our Company, the BRLM and Syndicate Members.
6. Underwriting Agreement dated [●] between our Company, the BRLM and Syndicate Members.

Material Documents

1. Our Memorandum and Articles of Association as amended till date.
2. Our certificate of incorporation dated August 28, 2006.
3. Resolutions of the Board dated October 6, 2006 and our shareholders dated October 6, 2006 authorising the Issue.
4. Resolutions of the general body for appointment and remuneration of our whole-time Directors.
5. Resolutions passed by the Board dated October 12, 2006, January 19, 2007, and [●] respectively approving the Draft Red Herring Prospectus, this Red Herring Prospectus and the Prospectus.
6. Report of the Auditors dated December 5, 2006, prepared as per Indian GAAP and mentioned in this Red Herring Prospectus and Report of the Independent Auditors dated October 11, 2006, prepared as per Indian GAAP and mentioned in this Red Herring Prospectus.
7. Copies of annual reports of our Company for the past five financial years.
8. Consents of the Auditors for inclusion of their report on accounts and the Statement on Tax Benefits in the form and context in which they appear in this Red Herring Prospectus.
9. General Powers of Attorney executed by the Directors of our Company in favour of person(s) for signing and making necessary changes to this Red Herring Prospectus and other related documents.
10. Consents of Bankers to the Company, BRLM, Syndicate Members, Registrar to the Issue, Banker to the Issue, Domestic Legal Counsel to the Company, Directors of our Company, Company Secretary and Compliance Officer, as referred to, in their respective capacities.
11. Applications dated October 13, 2006 for in-principle listing approval from BSE and NSE.
12. In-principle listing approval dated November 27, 2006 and November 28, 2006 from the BSE and the NSE respectively.
13. Agreement between NSDL, our Company and the Registrar to the Issue dated January 19, 2007.

14. Agreement between CDSL, our Company and the Registrar to the Issue dated January 18, 2007.

15. Due diligence certificate dated October 12, 2006 to SEBI from Edelweiss Capital Limited.

16. SEBI observation letter CFD/DIL/ISSUES/PB/MKS/83489/2007 dated January 3, 2007 and our in-seriatim reply to the same dated January 16, 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 our 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 the relevant provisions of the Companies Act, 1956 and the guidelines issued by the Government of India or the guidelines issued by the Securities and Exchange Board of India, 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 or guidelines issued thereunder, as the case may be. We further certify that all statements in this Red Herring Prospectus are true and correct.

Signed by all Directors

Mr. Gurjeet Singh Johar

Mr. Charanbir Singh Sethi

Mr. Rajbir Singh

Mr. Sanjay Gupta

Mr. Amrit Pal Singh Chadha

Mr. Rajendra Mohan Aggarwal

Mr. Deepak Dasgupta

Mr. Anand Bordia

Mr. Ramesh Chandra Rekhi

Lt. General Harbans Singh Kanwar (Retd.)

Mr. Kanwal Monga

Mr. Tarlochan Singh

Mr. Tapash K. Majumdar
Chief Financial Officer

Date: January 19, 2007

Place: New Delhi

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