DRAFT RED HERRING PROSPECTUS
Dated: March 30, 2011
Please read Section 60B of the Companies Act, 1956
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Issue

RELCON INFRAPROJECTS LIMITED

(Our Company was incorporated as a private limited Company. The erstwhile partnership firm M/s Reliance Construction Company which was originally formed by a partnership deed dated February 5, 1973 was converted into a private limited company under Part IX of the Companies Act, 1956 and incorporated on December 4, 2006 with the Registrar of Companies, Mumbai, Maharashtra. Pursuant to a special resolution passed by the shareholders of our Company at the Extra Ordinary General Meeting held on June 9, 2010, our Company was converted into a Public Limited Company under section Sec. 44 of the Companies Act, 1956 and subsequently the name of our Company was changed to Relcon Infraprojects Limited. A fresh Certificate of Incorporation reflecting the new name was issued by the Registrar of Companies, Mumbai, Maharashtra on July 20, 2010. The Corporate Identification Number of our Company is U45201MH2006PLC165973. (For details of changes in the Registered Office of our Company, please refer to page no. 103 of this Draft Red Herring Prospectus)

Registered Office: 105/C, Shyam Kamal, Agarwal Market, Vile Parle (E), Mumbai – 400057
Tel.: +91 22 61273601, Fax: +91 22 61273609
Corporate Office: A 01/101, Krishna Co-operative Housing Society Ltd., Opp. Mahavir Jain Vidyalaya, C. D. Barfiwala Marg, Juhu Cross Lane, Andheri (W), Mumbai – 400 058
Tel.: +91 22 6733 9999, Fax: +91 22 6733 9900
Contact Person and Compliance Officer: Mr. Hoshang F Kapadia, Company Secretary
E-mail: ipo@relcon.co.in; Website: www.relcon.co.in

Promoters of our Company: Mr. Rakesh P Shah, Mr. Tejas P Shah, Mr. Jainendra P Shah and Mr. Dipan P Shah

INITIAL PUBLIC ISSUE OF 40,00,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH ("EQUITY SHARES") OF RELCON INFRAPROJECTS LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE (INCLUDING SHARE PREMIUM OF RS. [●] PER EQUITY SHARE) AGGREGATING UPTO RS. [●] LAKHS (THE "ISSUE"). THE ISSUE COMPRISES A RESERVATION FOR ELIGIBLE EMPLOYEES OF UPTO 60,000 EQUITY SHARES OF RS. 10/- EACH (THE "EMPLOYEE RESERVATION PORTION") AGGREGATING TO RS. [●] LAKHS AND THE NET ISSUE TO THE PUBLIC OF 39,40,000 EQUITY SHARES OF RS. 10/- EACH (THE "NET ISSUE") AGGREGATING TO RS. [●] LAKHS. THE ISSUE WOULD CONSTITUTE 30.77 % OF THE FULLY DILUTED POST-ISSUE PAID-UP CAPITAL OF OUR COMPANY. THE NET ISSUE TO PUBLIC WOULD CONSTITUTE 30.31% OF THE FULLY DILUTED POST ISSUE PAID UP CAPITAL OF OUR COMPANY.

* Our Company is considering a Pre – IPO Placement of up to 5,00,000 Equity Shares aggregating up to Rs. 1000 Lacs with some investors. The Pre – IPO Placement, if any, will be completed before the filing of the Red Herring Prospectus with the RoC. The number of Equity Shares in the Issue will be reduced to the extent of the Equity Shares proposed to be allotted in the Pre – IPO Placement, if any, subject to the Issue to the public being at least 25% of the fully diluted Post – Issue paid up capital of our Company.

THE FACE VALUE OF THE EQUITY SHARES IS RS. 10/- EACH

THE PRICE BAND AND THE MINIMUM BID LOT SIZE WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND WILL BE ADVERTISED AT LEAST TWO WORKING DAYS PRIOR TO THE BID OPENING DATE

In case of revision in the Price Band, the Bid/Issue Period shall be extended for three additional working days after such revision, subject to the Bid/Issue Period not exceeding 10 working days. Any revision in the Price Band, and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Self Certified Syndicate banks ("**SCSBs**"), 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 website of the Book Running Lead Manager ("**BRLM**") and the terminals of the other member(s) of the Syndicate.

The Issue is being made through the 100% Book Building Process in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "**SEBI Regulations**"), wherein up to 50% of the Net Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIB**" **Portion**).Such number of Equity Shares representing 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 98,500 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to QIBs in proportion to their Bids. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price. Further, upto 60,000 Equity Shares shall be available for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received at or above the Issue Price. All Investors may participate in this Issue though the Application Supported by Blocked Amount ("**ASBA**") process by providing the details of their respective bank accounts in which the corresponding Bid Amounts will be blocked by the SCSBs. Specific attention of investors is invited to "Issue Procedure" on page no. 203

RISKS IN RELATION TO THE FIRST ISSUE

This being the first public issue of Equity Shares of the issuer, there has been no formal market for the Equity Shares. The face value of the Equity Shares is Rs.10/-. The Floor Price is [●] times of the face value and the Cap Price is [●] times of the face value. The Issue Price is [●] times of the Face Value. The price band (has been determined and justified by the BRLM and the Issuer as stated under the section titled "Basis for Issue Price" beginning on page 39 of the Draft Red Herring Prospectus) 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 or sustained trading in the Equity Shares of the Issuer nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue including the risk involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**") nor does the SEBI guarantee the accuracy or adequacy of this document. Specific attention of the investors is invited to the section titled 'Risk Factors' beginning on Page no. xi of the Draft Red Herring Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

IPO GRADING

Credit Analysis and Research Limited ("**CARE**") has been appointed for grading the Issue. The details of grades obtained will be disclosed in the Red herring Prospectus.

LISTING ARRANGEMENT

The Equity Shares issued through the Draft Red Herring Prospectus are proposed to be listed on Bombay Stock Exchange Limited (BSE) and on The National Stock Exchange of India Limited (NSE). In-principle approvals have been received from BSE and NSE for the listing of the Equity Shares vide their letters dated [●] and [●] respectively. For the purposes of this Issue, BSE shall be the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
SREI CAPITAL MARKETS LIMITED 'Vishwakarma', 86C, Topsia Road (South) Kolkata – 700 046, West Bengal, India Tel : +91 33 6602 3845; Fax: +91 33 6602 3861 E-Mail: capital@srei.com, Investors Grievance E-mail: scmlinvestors@srei.com Website: www.srei.com SEBI Regn. No.: INM 000003762	**BIGSHARE SERVICES PVT. LTD.** E/2, Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Andheri (E), Mumbai - 400 072. Tel : +9122 4043 0200; Fax: + 9122 2847 5207, E-mail : ipo@bigshareonline.com, Investor Grievance Email:investor@bigshareonline.com Website: www.bigshareonline.com SEBI Regn. No.: INR000001385

BID / ISSUE PROGRAMME

BID/ISSUE OPENS ON	[●]	BID/ISSUE CLOSES ON*	[●]

**Our company may in consultation with the BRLM consider closing the Bid / Issue period by QIB Bidders one working day prior to the Bid / Issue Closing date.*

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SECTION I – DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, requires or implies, the following terms shall have the following meanings in this Draft Red Herring Prospectus. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto from time to time.

COMPANY RELATED TERMS

Term	Description
"Relcon Infraprojects Limited" or "Relcon " or "RIL" or "our Company" or "the Issuer" or "We" or "Us"	Unless the context otherwise requires, refers to, Relcon Infraprojects Limited, a public limited company incorporated under the Companies Act, 1956
Articles/ Articles of Association/AOA	The Articles of Association of Relcon Infraprojects Limited
Auditors	The Statutory Auditors of our Company being , M/s Jogish Mehta & Co., Chartered Accountants
Board / Board of Directors/Our Board	The Board of Directors of Relcon Infraprojects Limited unless otherwise specified or any committee constituted thereof
Director(s)	The director(s) of our Company, unless otherwise specified
Equity Shares	The Equity Shares of our Company of the face value of Rs. 10 each unless specified
Group Companies	Companies, firms, ventures etc. promoted by our promoters irrespective of whether such entities are covered under Section 370(1) (b) of the Companies Act, 1956 as described in the chapter "Our Promoters, Promoter Group and Group Companies" on page no. 129
Joint Ventures	The Joint Ventures of our Company as disclosed in the section titled "Subsidiaries and Joint Ventures" on page no. 124 of this Draft Red Herring Prospectus.
Memorandum/ Memorandum of Association/MOA	The Memorandum of Association of Relcon Infraprojects Limited.
Promoter(s)	The promoters of our Company being Mr. Rakesh P Shah, Mr. Tejas P Shah, Mr. Jainendra P Shah and Mr. Dipan P Shah
Promoter Group	Individuals, Companies and entities forming part of our Promoter Group as per the SEBI Regulations. For details please see "Our Promoters, Promoter Group and Group Companies" on page no. 129
RoC	Office of Registrar of Companies, Mumbai Maharashtra
Registered Office	The registered office of our Company presently located at 105/C, Shyam Kamal, Agarwal Market, Vile Parle (E), Mumbai – 400057
Subsidiaries	The subsidiaries of our Company as disclosed in the section titled "Subsidiaries and Joint Ventures" on page no. 124 of this Draft Red Herring Prospectus.
You, Your, Your's	Unless the context otherwise requires, refers to, investors

CONVENTIONAL/GENERAL TERMS

Term	Description
Act/ Companies Act	The Companies Act, 1956, as amended from time to time
Depository	A body corporate registered with SEBI under the SEBI (Depositories and Participants) 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, 1996
Indian GAAP	Generally Accepted Accounting Principles in India
Non Resident	A person resident outside India, as defined under FEMA and includes a Non Resident Indian, FIIs registered with SEBI and FVCIs registered with SEBI
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 (Deposit) Regulations, 2000 as amended
Quarter	A period of three continuous months
RBI Act	The Reserve Bank of India Act, 1934
Stock Exchanges	Bombay Stock Exchange Limited (BSE) and The National Stock Exchange of India Limited (NSE), referred to as collectively

ISSUE RELATED TERMS

Term	Description
Allotment/ Allotment of Equity Shares	Unless the context otherwise requires, the allotment of Equity Shares to successful Bidders pursuant to this Issue
Allottee	The successful Bidder to whom the Equity Shares are being/have been allotted
Applications Supported by Blocked Amount (ASBA)	An application (whether physical or electronic) used by ASBA Bidders to amke a Bid authorizing an SCSB to block the Bid Amount in their specified bank account with Self Certified Syndicate Bank
ASBA Account	Account maintained with a SCSB which will be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder
ASBA Bidder/Investor	A Bidder / an Investor, who intends to apply through ASBA process
ASBA Form / ASBA BCAF/ ASBA Bid cum Application Form	The Bid-cum-Application Form, whether physical or electronic, used by an ASBA Bidder to make a Bid, which will be considered as the application for Allotment for the purpose of Red Herring Prospectus and Prospectus
ASBA Revision Form	The form used by the ASBA Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their ASBA Bid cum Application Forms or any prior ASBA Revision Form(s)
Banker(s) to the Issue / Escrow Collection Banks	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account(s) for the Issue will be opened and in this case being [●]
Bid	An indication to make an offer made during the Bidding/Issue Period by a prospective investor to subscribe to the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto.
Bid Lot/ Minimum bid lot	[●] Equity Shares
Bid Amount	The highest value of the optional Bids indicated in the Bid-cum-Application Form and payable by the Bidder on submission of the Bid for this Issue and in the case of ASBA Bidders, the amount mentioned in the ASBA Bid cum Application Form
Bid/ Issue Closing Date	The date after which the Syndicate and the SCSBs will not accept any Bids for this Issue, which shall be notified in a widely circulated English and Hindi national newspapers and a Marathi newspaper, each with wide circulation
Bid/ Issue Opening Date	The date on which the Syndicate and the SCSBs shall start accepting Bids for the Issue, which shall be the date notified in widely circulated English and Hindi national newspapers and a Marathi language newspaper, each with wide circulation
Bid-cum-Application Form / Bid Form	The form in terms of which the Bidder shall make an offer to subscribe to the Equity Shares of our Company and which will be considered as the application for allotment in terms of the Red Herring Prospectus and the Prospectus including an ASBA Form or ASBA BCAF
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid-cum-Application Form, including an ASBA Bidder
Bidding	The process of making a Bid
Bidding Centre	A centre for acceptance of the Bid-cum-Application Form
Bid/ Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids including any revisions thereof
Book Building Process	Book Building Process as provided under Schedule XI of SEBI

Term	Description
	(ICDR) Regulations, 2009, as amended in terms of which this Isue is being made
Book Running Lead Manager/ BRLM	Book Running Lead Manager to this Issue, in this case being Srei Capital Markets Limited
Brokers to this Issue	Brokers registered with any recognized Stock Exchange, appointed by the Members of the Syndicate
CAN/ Confirmation of Allocation Note	The note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process, including any revisions thereof
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalized and above which no Bids will be accepted including any revision thereof. In this case being Rs. [●]
Cut-off /Cut-off Price	The Issue Price as finalised by our Company, in consultation with the BRLM, and it shall be any price within the Price Band. Only Retail Individual Bidder and Eligible Employees whose Bid Amount does not exceed Rs. 2,00,000 are entitled to Bid at the Cut Off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.
Controlling Branches	Such branches of the SCSBs which co-ordinate Bids received under this Issue by the ASBA Bidders with the BRLM, the Registrar to the Issue and the Stock Exchange(s)
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Bid cum Application Form used by ASBA Bidders and a list of which is available on http://www.sebi.gov.in
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account or the Refund Account, as appropriate, or the funds blocked by the SCSBs are transferred from the bank accounts specified by the ASBA Bidders to the Public Issue Account, as the case may be, after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Bidders in the Issue.
Designated Stock Exchange/ DSE	Bombay Stock Exchange Limited
Draft Red Herring Prospectus/ DRHP	The Draft Red Herring Prospectus which does not have complete particulars of the price at which the Equity Shares are offered and size of the Issue, which was filed with the SEBI and issued in accordance with Section 60B of the Companies Act and the SEBI Regulations
Eligible NRI	NRIs from such a jurisdiction outside India where it is not unlawful to make an offer or an invitation under this Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to Bid on the basis of the terms thereof
Employee Reservation Portion	The portion of the Issue being up to 60,000 Equity Shares available for allocation to Eligible Employees
Eligible Employee	A permanent and full-time employee of our Company (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) or a Director of our Company (excluding our Promoter and Promoter Group) as on the date of the Red Herring Prospectus, who are Indian nationals and are based, working and present in India as on the date of submission of the Bid cum Application Form/ ASBA Form and who continue to be in the employment of our Company until submission of the Bid cum Application Form/ ASBA Form as the case may be
Escrow Account(s)	An Account opened with Escrow Collection Bank(s) and in whose favour the Bidder (except ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into amongst our Company, the Registrar to this Issue, the Escrow Collection Banks, the BRLM and the Syndicate Member(s) in relation to the collection of the Bid Amounts and dispatch of the refunds (if any) of the amounts

Term	Description
	collected, to the Bidders (excluding ASBA Bidders)
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 finalized and below which no Bids will be accepted in this case being Rs. [●]
Issue / The Issue / This Issue	Public Issue of 40,00,000 Equity Shares of Rs.10 each at a Price of Rs. [●] per Equity Share (including a premium of Rs. [●] per Equity Share) for cash aggregating to Rs. [●] Lakhs, including the Employee Reservation Portion of 60,000 Equity Shares
Issue Price	The final price at which Equity Shares will be issued and allotted in term of the Red Herring Prospectus and Prospectus. The Issue Price will be decided by our Company in consultation with the BRLM on the Pricing Date
Issue Agreement	The agreement entered into on [●] between our Company and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Proceeds	The proceeds of the Issue that will be available to our Company being upto Rs. [●] Lakhs
Key Management Personnel	The Personnel listed as key management personnel in "Our Management" on page 107
Margin Amount	An amount up to 100% of the Bid Amount paid by Bidders or blocked in the ASBA Account, as the case may be, at the time of submission of the Bid cum Application Form or the ASBA Form, as applicable
Mutual Funds	Mutual funds registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Mutual Fund Portion	5% of the QIB Portion or 98,500 Equity Shares available for allocation to Mutual Funds only
Net Issue	The Issue less the Employee Reservation Portion being 39,40,000 Equity Shares
Net Proceeds	Net proceeds of the Issue after deducting the Issue related expenses from the Issue Proceeds
Non Institutional Bidders	All Bidders that are neither Qualified Institutional Buyers, Retail Individual Bidders or Eligible Employees and who have Bid for Equity Shares for an amount more than Rs.2,00,000
Non Institutional Portion	The portion of the Net Issue being not less than 15% of the Net Issue i.e. 5,91,000 Equity Shares of Rs.10 each available for allocation to Non Institutional Bidders on a proportionate basis, subject to receipt of valid Bids at or above the Issue Price
Pre-IPO Placement	The placement of up to 5,00,000 Equity Shares aggregating up to Rs. 1000 lakhs by our Company at their discretion in favour of such investors as permissible under applicable laws, to be completed prior to filing the Red Herring Prospectus with the RoC and the details of which, if completed, will be included in the Red Herring Prospectus. If the Pre-IPO Placement is completed, the number of Equity Shares issued pursuant to the Pre-IPO Placement will be proportionately reduced from the Issue subject to a minimum Issue size of 25% of the post Issue paid-up Equity Share capital being offered to the public.
Price Band	Being the Price Band of a minimum price (Floor Price) of Rs. [●] and the maximum price (Cap Price) of Rs. [●] and includes revisions thereof. The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM and advertised, at least two working days prior to the Bid/ Issue Opening Date, in two national newspapers (one each in English and Hindi) and in one Marathi newspaper with wide circulation
Pricing Date	The date on which our Company in consultation with the BRLM will finalize the Issue Price
Prospectus	The prospectus to be filed with the RoC in terms of Section 60B of the Companies Act, containing, inter alia, the Issue Price that is

Term	Description
	determined at the end of the Book Building Process, the size of the Issue and certain other information
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account(s) and from the SCSBs from the bank accounts specified by the ASBA Investors on the Designated Date
Qualified Institutional Buyers or QIBs	The term "Qualified Institutional Buyers" or "QIBs" shall have the meaning ascribed to such term under the SEBI ICDR Regulations and shall mean and include (i) a Mutual Fund, VCF and FVCI registered with SEBI; (ii) an FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with SEBI; (iii) a public financial institution as defined in Section 4A of the Companies Act; (iv) a scheduled commercial bank; (v) a multilateral and bilateral development financial institution; (vi) a state industrial development corporation; (vii) an insurance company registered with the Insurance Regulatory and Development Authority; (viii) a provident fund with minimum corpus of Rs.2500 lakhs; (ix) a pension fund with minimum corpus of Rs. 2500 lakhs; (x) National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; (xi) insurance funds set up and managed by army, navy or air force of the Union of India; and (xii) insurance funds set up and managed by the Department of Posts, India eligible for bidding in this Issue.
QIB Portion	The portion of the Net Issue being not more than 50% of the Net Issue, i.e. 19,70,000 Equity Shares of Rs 10 each available for allocation on proportionate basis to QIBs of which 5% shall be available for allocation on proportionate basis to Mutual Funds registered with SEBI, subject to valid bids being received at or above the Issue Price
Refund Account(s)	Account(s) opened with the Refund Bank(s) from which refunds of the whole or part of the Bid Amount (excluding to the ASBA Bidders), if any, shall be made
Refund Bank	The banker(s) to the Issue with whom the Refund Account(s) will be opened in this case being [●]
Resident Retail Individual Investor /Resident Retail Individual Bidder	A Retail Individual Bidder who is a “person resident in India” (as defined in Foreign Exchange Management Act, 1999) and who has Bid for Equity Shares for an aggregate amount not more than Rs.2 Lakhs in all of the bidding options in the Issue.
Retail Individual Bidders	Individual Bidders (including HUFs applying through their Karta, Eligible NRIs, Resident Individual Bidders and Eligible Employees) who have not Bid for an amount of more than Rs.2 Lakhs in any of the bidding options in this Issue
Retail Portion	The portion of the Net Issue being not less than 35% of the Net Issue i.e. 13,79,000 Equity Shares of Rs. 10 each available for allocation to Retail Individual Bidder(s)
Revision Form	The form used by the Bidders excluding the ASBA Bidders to modify the quantity of Equity Shares or the Bid Price in any of their Bid-cum-Application Forms or any previous Revision Form(s)
Red Herring Prospectus/ RHP	The Red Herring Prospectus 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
Registrar to the Issue or Registrar	Registrar to the Issue in this case being, Bigshare Services Private Limited
Self Certified Syndicate Bank (SCSB) / SCSB(s)	Self Certified Syndicate Bank (SCSB) is a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994 and which offers the service of ASBA, including blocking of bank account and a list of which is available on http://www.sebi.gov.in
Srei Caps/SCML	Srei Capital Markets Limited
Syndicate	Collectively, the BRLM and the Syndicate Member(s)
Syndicate Agreement	The agreement to be entered into between our Company, BRLM and

Term	Description
	the Syndicate Member(s), in relation to the collection of Bids (excluding Bids from the ASBA Bidders) in this Issue
Syndicate Member(s)	Intermediaries registered with SEBI and eligible to act as underwriters, in this case being [●]
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate Member(s) or an SCSB (only on demand) as the case may be to the Bidder as proof of registration of the Bid
Underwriters	The BRLM and the Syndicate Member(s)
Underwriting Agreement	The Agreement among the Underwriters and our Company to be entered into on or after the Pricing Date

INDUSTRY RELATED TERMS

Abbreviation	Full Form
BOT	Build, Operate and Transfer
BOOT	Build, Own, Operate and Transfer
BOLT	Build, Operate, Lease and Transfer
BQ	Bill of Quantities
CA	Crush Aggregate
COD	Commercial Operation Date
Cu. Mtrs	Cubic Meters
DBFO	Design-Build-Finance-Operate
EMD	Earnest Money Deposit
EPC	Engineering Procurement and Construction
LSTK	Lumpsum Turnkey
O&M	Operations and Maintenance
PG	Performance Guarantee
PPP	Public Private Partnership
RCC	Reinforced Concrete Construction
RFQ	Request for Qualification
RFP	Request for Proposal
RMC	Ready-Mix Concrete
SPV(s)	Special Purpose Vehicle(s)

ABBREVIATIONS

Abbreviation	Full Form
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
BRLM	Book Running Lead Manager
BSE	Bombay Stock Exchange Limited
CAGR	Compound Annual Growth Rate
CAN	Confirmation of Allocation Note
CB	Controlling Branch
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CIN	Corporate Identification Number
CIA	Central Intelligence Agency
CIDCO	City and Industrial Development Corporation of Maharashtra Ltd
DB	Designated Branch
DIN	Director's Identification Number
DP	Depository Participant
DP ID	Depository Participant's Identification Number
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting of the shareholders
ESOP	Employee Stock Option Plan
EPS	Earnings per Equity Share
FCNR Account	Foreign Currency Non Resident Account
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time and the rules and regulations issued thereunder

Abbreviation	Full Form
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
FII	Foreign Institutional Investor [as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time] registered with SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
FIs	Financial Institutions
FVCI	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000
FY	Financial Year
GAAP	Generally Accepted Accounting Principles
GBS	Gross Budgetary Support
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
GoI / Government	Government of India
GQ	Golden Quadrilateral
HNI	High Net Worth Individual
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IMF	International Monetary Fund
INR	Indian National Rupee
IPO	Initial Public Offering
IT Act	Income Tax Act, 1961, as amended
Kms.	Kilometres
Ltd.	Limited
MAPIN	Market Participant and Investor Database
Merchant Banker	Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulation, 1992
M&A	Mergers & Acquisitions
MCGM	Municipal Corporation of Greater Mumbai
MIDC	Maharashtra Industrial Development Corporation
MM	Milli Metre
MMR	Mumbai Metropolitan Region
MMRDA	Mumbai Metropolitan Region Development Authority
MRTS	Mass Rapid Transit System
MSEDC	Maharashtra State Electricity Distribution Company Limited
NEFT	National Electronic Fund Transfer
NH	National Highway
NHAI	National Highway Authority of India
NHDP	National Highway Development Programme
NS-EW	North South – East West
NR	Non-Resident
NRE Account	Non Resident (External) Account
NRI	Non-Resident Indian
NRO Account	Non Resident (Ordinary) Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of up to 60 per cent. By NRIs including overseas trusts in which not less than 60 per cent. Of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in this Issue.
P/E Ratio	Price / Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax

Abbreviation	Full Form
PPP	Public Private Partnership
RBI	The Reserve Bank of India
RoNW	Return on Net Worth
R&D	Research & Development
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SCSB	Self Certified Syndicate Bank
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act, 1992 as amended from time to time
SEBI ICDR Regulations/SEBI Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
SICA	The Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time.
ST	State Highway
STT	Securities Transaction Tax
SME	Small and Medium Enterprises
SPV	Special Purpose Vehicle
Takeover Code	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number
TRS	Transaction Registration Slip
UoI	Union of India
WDV	Written Down Value
w.e.f	With effect from
YoY	Year on Year
VCFs	Venture Capital Funds as defined and registered with SEBI under the SEBI (Venture Capital Funds) Regulations, 1996, as amended from time to time

SECTION II - GENERAL

PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA

Financial Data

Unless stated otherwise, the financial information used in the Draft Red Herring Prospectus is derived from our Company's restated financial statements for the financial year ended March 31 2006, 2007, 2008, 2009, 2010 and for the half year period ended September 30, 2010 prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with SEBI (ICDR) Regulations as stated in the report of the Statutory Auditors of our Company M/s Jogish Mehta & Co., Chartered Accountants, beginning from page no. 145 of the Draft Red Herring Prospectus.

The Financial Year commences on April 1 and ends on March 31 of the ensuing calendar year. Unless stated otherwise, references herein to a Financial Year (e.g., Financial Year 2010), are to the Financial Year ended March 31 of that particular year.

In the Draft Red Herring Prospectus, any discrepancies in any table between the total and the sum of the amounts listed are due to rounding-off. In this Draft Red Herring Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word "Lakh" or "Lac" means "one hundred thousand" and the word "million" means "ten lakh" and the word "Crore" means "ten million".

Throughout this Draft Red Herring Prospectus, all figures have been expressed in Lakhs, unless otherwise stated. All references to "India" contained in this Draft Red Herring Prospectus are to the Republic of India. All references to "Rupees" or (to introduce the symbol) "Rs." Or "INR" are to Indian Rupees, the official currency of the Republic of India. All references to US$, USD, or US Dollars are to the United States Dollars, the Official currency of the United States of America. All references to £ or Pounds are to the United Kingdom Pounds, the Official currency of the United Kingdom.

The degree to which the Indian GAAP financial statements included in the Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Indian GAAP, Companies Act and SEBI (ICDR) Regulations, 2009. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Draft Red Herring Prospectus should accordingly be limited. Our Company has not attempted to explain these differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on financial data.

Market and Industry Data

Unless stated otherwise, industry data used throughout the Draft Red Herring Prospectus has been obtained or derived from industry publications and/or publicly available government documents and/or other authenticated published data available in the public domain and/or internal Company reports. Industry publications or publicly available government documents generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be made based on such information. Although our Company believes that industry data used in the Draft Red Herring Prospectus is reliable, it has not been verified by us or any other person connected with the Issue.

For additional definitions used in this Draft Red Herring Prospectus, see the section "Definitions and Abbreviations" beginning from on page no. i of this Draft Red Herring Prospectus. In the section entitled "Main Provisions of the Articles of Association" of our Company on page no. 234 of this Draft Red Herring Prospectus, defined terms have the meaning given to such terms in the Articles of Association of our Company.

FORWARD LOOKING STATEMENTS

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

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- General economic and business conditions;
- Company's ability to successfully implement its strategy, its growth and expansion plans, and technology initiatives;
- Factors affecting the Infrastructure and/or Construction industry;
- Increasing competition in the Infrastructure and/or Construction industry;
- Increase in labour cost, raw materials price, cost of plant & machinery and insurance premia;
- Inadequate availability of Raw Materials;
- Ability to retain management team and skilled personnel;
- Cyclical or seasonal fluctuations in the operating results;
- Amount that our Company is able to realize from the clients;
- Potential mergers, acquisitions or restructurings;
- Changes in laws and regulations that apply to the Infrastructure and/or Construction industry;
- Changes in fiscal, economic or political conditions in India;
- Social or civil unrest or hostilities with neighbouring countries or acts of international terrorism;
- Changes in the interest rates and tax laws in India.

For a further discussion of factors that could cause our actual results to differ, please refer Section titled "Risk Factors" beginning on page xi of the Draft Red Herring Prospectus, and Chapters titled "Our Business " and "Management's Discussion and Analysis of Financial Condition and Results of Operations as Reflected in the Financial Statements" beginning on page nos. 66 and 146, respectively of the Draft 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 BRLM, 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 the time of grant of listing and trading permissions by the Stock Exchanges.

SECTION III - RISK FACTORS

An investment in Equity Shares involves a high degree of financial risk. You should carefully consider all information in the Draft Red Herring Prospectus, including the risks described below, before making an investment in our Equity Shares. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, as well as the other risks and uncertainties discussed in the Draft Red Herring Prospectus, could have a material adverse effect on our business and could cause the trading price of our Equity Shares to decline and you may lose all or part of your investment. In addition, the risks set out in the Draft Red Herring Prospectus are not exhaustive. Additional risks and uncertainties, whether known or unknown, may in the future have material adverse effect on our business, financial condition and results of operations, or which we currently deem immaterial, may arise or become material in the future. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Draft Red Herring Prospectus. Unless otherwise stated, the financial information used in this section is derived from and should be read in conjunction with restated financial statements of our Company as of and for the Fiscals 2006, 2007, 2008 2009 and 2010 and for the period ended September 30, 2010 in each case prepared in accordance with Indian GAAP, including the schedules, annexure and notes thereto.

Materiality
The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality.

1. Some events may not be material individually but may be found material collectively.
2. Some events may have material impact qualitatively instead of quantitatively.
3. Some events may not be material at present but may be having material impacts in future.

A. Internal to our Company

1. **Our operations have been concentrated in State of Maharashtra. Our growth strategy to expand into new geographic areas may pose risks.**
   Our operations have been geographically concentrated in the State of Maharashtra. Our business is therefore significantly dependent on the general economic conditions and activity in Maharashtra, and the Central and State Government policies relating to infrastructure development. Although investment in the infrastructure sector in the areas in which we operate has been encouraged, there can be no assurance that this will continue.

   We may expand geographically, and may not gain acceptance or be able to take advantage of any expansion opportunities outside our current markets. This may place us at a competitive disadvantage and limit our growth opportunities. We face additional risks if we undertake projects in other geographic areas in which we do not possess the same level of familiarity as competitors. If we undertake projects of different size or style than those currently being developed, we may be affected by various factors, including but not limited to: -

   i. Obtaining the necessary construction materials and labour in sufficient amounts and on acceptable terms;
   ii. Obtaining necessary governmental and other approvals in time or at all;
   iii. Attracting potential customers in a market in which we do not have significant experience;

iv. Cost of hiring new employees and absorbing increased infrastructure costs; and
v. Adjusting to different weather conditions and culture differences.

2. Contribution of Top 5 customers and Top 10 customers to our Revenue from the Infrastructure business is substantial and if orders from these customers get reduced or are not received then our revenues & results of operations may be adversely affected in the future.

During the financial year 2009-10, top 5 customers and top 10 customers accounted for 59.90% and 62.20%, respectively of our revenue from Infrastructure business. Our major customers include State/State Government Undertakings / Local bodies. Projects received from our existing major customers may decrease in future which may affect our financial condition and results of operations adversely.

In the event, the demand for infrastructure development in general and construction of roads/highways/bridges in particular, reduces or ceases by any reason including political strife or instability or change in policies of State/State Government Undertakings/Local bodies, our financial condition and results of operations may be materially and adversely affected. Further, it is possible that in certain cases, implementation of budgetary allocation (including external funding) of our major customers may get delayed and consequently our Company may not receive payments against running account bills in a timely manner. Our operations involve substantial working capital requirements and any delayed collection of receivables could adversely affect our liquidity and results of operations.

3. Contracts included in our Order Book may be delayed, cancelled or not fully paid for by our clients, which could materially harm our cash flow position, revenues or profits

The order book of our Company as of any particular date comprises of unbilled/ unfinished portions of the ongoing contracts, for which our Company has received orders but are yet to commence work or commenced work but are not yet billed. The order book of our Company was Rs. 59154.77 Lakhs as of February 15, 2011. The order book is not audited and the proceeds may not get reflected in the financial results in the future. The order book does not necessarily indicate future earnings related to the value of that order and if our Company does not achieve the expected margins or suffers losses on one or more of these orders or if the orders get cancelled or varied, the income of our Company could be reduced or cause our Company to incur a loss. Future earnings related to the performance of the contracts in the order book may not necessarily be realised. Although contracts in the order book represent business that our Company considers firm, cancellations or scope adjustments may occur. Due to changes in contract scope and schedule, our Company cannot predict with any certainty when or if the contracts in the order book will be complete and will generate revenue. In addition, even where a contract proceeds as per schedule, it is possible that it may get delayed in future and that the contracting parties may default and fail to pay amounts owed or dispute the amounts owed to our Company. Further, we are yet to obtain certain insurances as required under the work contracts awarded to us which may result in imposition of penalties or cancellation of some of our works contracts. There may also be delays associated with collection of receivables from clients. Any delay, cancellation or payment default could materially harm the cash flow position, revenues or profits, and adversely affect the trading price of the Equity Shares of our Company.

4. The business of our Company typically demands high working capital requirements. Additionally, our Company is also required to provide performance guarantees in favour of our customers. If due to some circumstances, our Company is not able arrange sufficient working capital finance at any time, it may adversely affect the results of operations of our Company.

Our business requires high amount of working capital. We have working capital facilities with three banks amounting to Rs. 1,400 Lakhs as on 30th September, 2010. The working capital requirements of our Company have increased in recent years because we are undertaking more number of projects and due to the general growth of our business. At times we are also required to incur significant working capital for purchasing raw materials and for completion of engineering, construction and other work on projects before we receive payments from our clients. This will keep increasing since we are also venturing into the business of Build-Operate-Transfer. In certain cases, we are contractually obligated to fund the working capital requirements of the projects. The working capital requirements of our Company may increase if, under certain contracts, payment terms do not include advance payments or such contracts have payment schedules that shift payments toward the end of a project. In our industry, it is customary to provide bank guarantees or performance bonds or performance guarantees in favour of our clients to get contracts. In addition, letters of credit are required for payment obligations of suppliers and sub-contractors. The amount of guarantee facilities available to us depends upon our financial condition and availability of adequate security for the banks and financial institutions that provide us with such facilities. Providing security to obtain bank guarantees and performance bonds increases our working capital needs. If we are unable to provide sufficient collaterals to secure the letters of credit, bank guarantees or performance bonds, our ability to enter into new contracts or obtain adequate supplies could be limited. Providing security to obtain letters of credit, bank guarantees and performance bonds increases our working capital needs. We may not be able to obtain additional letters of credit, bank guarantees, and performance bonds to match our increased business requirements. Such bank guarantees and performance bonds also generally impose restrictive covenants on raising additional debt or payment of dividends. Further, due to various factors, including certain extraneous factors such as changes in tariff regulations, interest rates, insurance and other costs or borrowing and lending restrictions, if any, we may not be able to finance our working capital needs, or secure other financing as per our requirement, on acceptable commercial terms. Any such situation may adversely affect the business and growth prospects of our Company.

5. **Historically, we have concentrated on contracts related to road infrastructure, urban infrastructure and construction of corporate buildings and also manufacture of RMC. However, in future we may shift our focus and enter new areas of business.**
Historically, we have earned our major revenues from contracts in the civil works pertaining to roads, urban infrastructure construction of corporate buildings and manufacture of RMC. While we expect to continue to work in these sectors, we may also enter new areas in infrastructure development and construction. We have limited experience in the execution of each kind of infrastructure development and there can be no assurance that we will be successful in satisfactory completion of such contracts. If we are unable to successfully complete these new infrastructure contracts, our business operations and financial condition may be materially and adversely affected.

6. **Our inability to manage growth may have an adverse effect on our business and results of operations.**
We have experienced significant growth in the past years and we expect the construction and infrastructure business to continue to grow at the same pace, in future. Our Gross Income has grown from Rs. 11,445.61 Lakhs in Fiscal 2007 to Rs. 30,185.75 Lakhs in Fiscal 2010, at a CAGR of 38.16% and the profit after tax, as restated, has increased from Rs. 541.48 lakhs in Fiscal 2007 to Rs. 1,928.16 Lakhs in Fiscal 2010, at a CAGR of 52.71%. There can be no assurance that our past performance will be sustained. Further, if this growth continues, it will be a challenge for us to continuously evolve and improve our operational, financial and internal controls. Continued expansion will bring challenges including: -

- preserving the uniform culture, values, work environment and quality across the projects of our Company;
- developing and improving the internal administrative infrastructure, internal controls and other internal systems;
- recruiting, training and retaining sufficient skilled management, technical and marketing personnel and maintaining professional standards; and
- maintaining high levels of client satisfaction.

Any inability to manage the above factors may have an adverse effect on the revenues, business operations of our Company.

7. **Seasonality and weather conditions may adversely affect our business.**
Our business operations may be materially and adversely affected by severe weather conditions, which may require us to evacuate personnel or curtail services and may result in damage to a portion of our equipment or facilities and resulting in the suspension of operations. In addition, such weather may 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 heavy rains during monsoon, which restrict our ability to carry on construction activities and fully utilize our resources. We record revenues for those stages of a project that we complete, after we receive certification from the client that such stage has been successfully completed. Revenues recorded during the first half of our financial year, between April and September, are traditionally lower compared to revenues recorded during the second half of our financial year, due to the peak summer and monsoon seasons falling in the April to September period. During periods of curtailed activity due to adverse weather conditions, we may continue to incur operating expenses, but our revenues from operations may be delayed or reduced.

8. **Common pursuits: Our Promoters have promoted companies/entities/ventures or are associated with companies/entities/ventures in similar industry business segment in which we operate, which may affect our growth on account of likely conflict of interests.**

The following companies/entities/ventures, which are in similar line of business, have been promoted by our Promoters or our Promoters are associated with them. Being in the same industry, it may lead to conflict of interest between us and the following companies/firms/entities/ventures.

Name of the Concern	Type of Concern
Deepcon Engineers	The business is that of contractor for Government Organisations, Municipal Corporations, Public Works Department, Companies and other entities
Jainam Developers	The business is that of Builders Developers and Civil contractors
Sunrise Stone Industries	The business is that of running and managing a stone crusher and supply of stone metals, running hot mix plants and accepting and executing job work of laying Asphalt Macadam and also undertake work as a contractor for Government Organisations, Municipal Corporations, Public Works Department, Companies and other entities
Zenith Developers	The business is that of builders & developers
Shubham Developers	The business is that of developers and builders, realty development and allied civil construction activities
Rel - Vit Engineers Private Limited	The business is that of builders, developers, contractors, sellers, purchasers, lessors, lessee & dealers in all kinds of civil structures including but not limited to real estate
Rohak Infraprojects Private Limited	The business is that of to construct, execute, carry out, improve develop, administer, supervise, manage any civil contract of any nature either in India or out of India for any government, public body, local authority or any entity incorporated or not and to carry on the business of builders, developers, contractors, sellers, purchasers, lessors, lessee & dealers in all kinds of civil structures including but not limited to real estate
Rolf Infra Concrete Private Limited	The business is that of to construct, execute, carry out, improve, develop, administer, supervise, manage any civil contract of any nature, either in India or out of India for any government, public body, local authority or any entity incorporated or not and to carry on the business of builders, developers, contractors, sellers, purchasers, lessors, lessees & dealers in all kinds of civil structures including but not limited to real estate.
Zenal Jainam Developers (Zenal Jainam)	It is a joint venture entity for development of a particular property

Please refer to page no. 140 of this Draft Red Herring Prospectus for further details on the above companies.

9. **Inability to renew or maintain the statutory and regulatory permits and approvals required to operate the businesses of our Company may have a material adverse effect on our business.**
In relation to most of our projects the Government entities and the clients seek the requisite approvals, licenses, registrations and permissions under various laws in the particular area of operation. However, notwithstanding the liabilities of the clients to seek and obtain such statutory clearances, we are also required to obtain certain approvals and licenses for operating our businesses. If we fail to obtain necessary required licenses/approvals, or if there is any delay in obtaining such licenses/approvals, the business and financial condition of ours could be adversely affected. Further, permits, licenses and approvals granted to our clients could be subject to several conditions, and we cannot assure that the client would be able to continuously meet or be able to prove compliance with such conditions. This may lead to cancellation, revocation or suspension of relevant permits, licenses or approvals, which may result in the interruption of the operations and may adversely affect the business and financial condition of our Company.

10. **We do not have certain statutory licenses/approvals and/or some of them have expired. In the absence of these statutory licenses/approvals, we may not be in a position to carry on our operations in future and that may affect our performance or we may have to even face penalties and action can be taken against us by the concerned authorities for carrying on the operations without the requisite licenses/approvals**
While we have endeavoured to obtain or apply for all applicable Governmental, statutory and regulatory registrations, permits, licenses and approvals, including renewals thereof, to operate our businesses, certain Governmental or statutory registrations, approvals and/or licenses may have expired or are still pending before the concerned authorities or the applications for the same are yet to be made (or for renewals thereof) for e.g., under certain labour laws including the Contract Labour (Regulation and Abolition) Act, 1970. In future, our Company will be required to renew such permits, licenses and approvals, and obtain new permits, licenses and approvals in order to carry on current business operations and for any proposed new operations. While we believe that we will be able to renew or obtain such registrations, permits, licenses and approvals as and when required, there can be no assurance that the relevant authorities will issue or renew any of such permits, licenses or approvals or accept registrations in the time-frame anticipated by us or at all. Such non-issuance or non-renewal may result in the interruption of our business operations and may have a material adverse effect on our project completion schedule, results of operations and financial conditions. In extreme cases, we may have to shutdown our plants and/or cease our work at the sites. For further details regarding Approvals, please refer to the section titled "Government Approvals" beginning on page no. 179 of this Draft Red Herring Prospectus.

11. **We have not yet finalized or acquired the land for the proposed 3 RMC plants, Asphalt Batch Mix Plant, 2 Wet Mix Plant and Crushing Plant.**
We propose to take land at Thane and at Raigad District in Maharashtra on lease basis for setting up Asphalt Batch Mix Plant, 2 Wet Mix Plants and Crushing Plant. We also propose to set up two RMC plants in Maharashtra and one RMC plant in Gujarat. We propose to take land for 3 Ready Mix Concrete (RMC) plants on lease basis. However, we have not yet finalized or identified land required for our proposed 3 RMC plants, Asphalt Batch Mix Plant, 2 Wet Mix Plant and Crushing Plant.

12. **We have not yet placed orders for entire plant and machinery amounting to Rs 5055.78 lakhs, being 100% of the total cost of plant and machinery required for our proposed expansion, which exposes us to change in prices at the time of giving orders.**
We propose to acquire plant and machinery aggregating Rs. 5,055.78 Lakhs for our proposed expansion and have not yet placed orders for the entire Rs. 5,055.78 Lakhs being 100% of the total cost of plant and machinery required for setting up the proposed project. The details of quotations received appear in *the* Section titled 'Objects of the Issue' beginning on page 31 of the Draft Red Herring Prospectus. We are subject to risks on account of inflation in the price of plant and machinery for which orders have not been

placed. Our Company has received quotations for these machineries, and negotiations with the vendors have commenced. The purchase of plant and machinery would require us to consider factors including but not limited to pricing, delivery schedule and after-sales maintenance. There may also be a possibility of delay at the suppliers' end or due to any other reason whatsoever in providing timely delivery of these machineries, which in turn may delay the implementation of the proposed project.

13. We have not entered into any definitive agreements to use a substantial portion of the net proceeds of the Issue.

We intend to use the net proceeds of the Issue for acquisition of Equipments, setting up of 3 Ready Mix Concrete (RMC) plants, Asphalt Batch Mix Plant, 2 Wet Mix Plants, Crushing Plant and general corporate purposes in addition to working capital requirements and issue expenses. For details please see the section "Objects of the Issue" beginning on page no. 31 of this Draft Red Herring Prospectus. We have yet not identified the exact locations where the proposed plants would be set up. We have not entered into any definitive agreements to utilize the net proceeds of the Issue. In addition, our capital expenditure plans are subject to a number of variables, including possible cost overruns and changes in management's views of the desirability of current plans, among others. There can be no assurance that we will be able to conclude definitive agreements for investments in capital equipments and plants within the anticipated timeframe. Pending utilization of the proceeds out of the Issue for the purposes described in this Draft Red Herring Prospectus, we intend to temporarily invest the funds in high quality interest bearing liquid instruments, including deposits with banks. There can be no assurance that such investments will not carry risk or generate expected returns.

14. Our funding requirements and deployment of the net proceeds of the Issue are based on management estimates and have not been independently appraised.

Our funding requirements and the deployment of the proceeds of the Issue are based on management estimates, current quotations from suppliers and our current business plan. The fund requirements and intended use of proceeds have not been appraised by any bank or financial institution and the deployment of the issue proceeds to the "Objects of the Issue" is entirely at the discretion of the management and is not subject to any monitoring by any independent agency. In view of the competitive and dynamic nature of the infrastructure development and construction industry, we may have to revise our expenditure and fund requirements as a result of variations including in the cost structure, changes in estimates, changes in quotations, exchange rate fluctuations and external factors such as inflationary pressures, which may not be within the control of our management. This may entail rescheduling, revising or cancelling the planned expenditure and fund requirement and increasing or decreasing the expenditure for a particular purpose from its planned expenditure at the discretion of our Board. In addition, the estimated dates of completion of various projects as described herein are based on management's current expectations and are subject to change due to various factors, some of which may not be in our control. All the above factors may adversely affect the efficient and anticipated utilisation of the Issue proceeds, business operations and financial conditions of our Company. In addition, current quotations from suppliers are only valid for limited periods and there can be no assurance that we will be able to obtain new quotations from these or other suppliers on the same terms or more favourable terms for us. Further, we are not required to appoint any Monitoring Agency for the issue pursuant to the ICDR Regulations.

15. Some of the Group Companies, firms, ventures promoted by our Promoters have incurred losses during any of the last three years as detailed below:

The following group companies, promoted by our Promoters and subsidiary company, have made losses during the last three fiscal years:

Sr. No.	Name of the Group Company	Profit/(Loss) for the year ended 31.03.08	Profit/(Loss) for the year ended 31.03.09	Profit/(Loss) for the year ended 31.03.10
1	Shubham Developers	(0.79)	(1.00)	(1.01)
2	Jainam Developers	0.002	(0.06)	15.82

For further details of these Group Companies, please see the section entitled "Group Companies" on page 135 of this Draft red Herring Prospectus.

16. **Our Company is involved in a number of legal proceedings, which may have financial implication on the business of our Company** ***(Kanga Comment: This table will require Updation based on disclosure of two more cases)***
We are involved in certain civil, regulatory and other proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals in India. Should any new developments arise, such as a change in Indian law or rulings against us by trial or appellate courts or tribunals, we may need to make provisions in its financial statements, which could increase our expenses and our current liabilities. We can give no assurance that these legal proceedings will be decided in our favour. Any adverse decision may have a significant effect on our business operations. Our Company is involved in a number of legal proceedings, which are classified under various legal heads, as under:

Categories of Litigations	**Total number of cases**	**Total Financial implication (if any, Rs. in Lakhs)**
Litigation/claims/notices involving our Company		
Civil Proceedings	1	2.66
Labour Proceedings	2	Not ascertainable
Criminal Proceedings	2	4.01
Sales Tax Notices	3	87.82
Income Tax Notices	8	66.02
Stamp Duty Notices	4	19.57
Customs Notices	1	54.39*
Miscellaneous Notices	2	Not ascertainable
Labour Notices	2	Not ascertainable
Litigations/claims/notices involving Directors/Promoters		
Civil Proceedings	1	Not ascertainable
Criminal Proceedings	1	Not ascertainable
Income Tax Notices	4	34.05

***The said amount has already been paid by us in protest.*

For further details regarding these litigations, please refer to the section titled "Outstanding Litigations and Defaults" beginning on page no. 167 of this Draft Red Herring Prospectus.

17. **Our Group Companies and Joint Ventures are involved in a number of legal proceedings**
Our Group Companies and Joint Ventures are involved in a number of legal proceedings. A summary of such litigations outstanding as on date is as follows:

Categories of Litigations	**Total number of cases**	**Total Financial Implication (if any, Rs. in lakhs)**
Service Tax Proceedings	1	191.28
Income Tax	13	133.15

For further details regarding these litigations, please refer to the section titled "Outstanding Litigations" beginning on page no. 167 of this Draft Red Herring Prospectus.

18. **We do not own intellectual property rights over our logo.**
The application for registration of our logo is pending before the Trademark Registry, Mumbai. If our application for registration is not accepted or if any order against us is passed in the oppositions that may be filed against our trademark applications, we may lose the statutory protection available to us under the Trade Marks Act, 1999 for such trademarks.

19. **We are carrying on certain business activities on the land at Kharghar. However, we do not have valid authority of the subject land.**
We occupy a portion of land admeasuring 4000 sq.mt bearing Survey No.356, Village Ove, Taluka Panvel ("Kharghar Land"). The Kharghar Land was used for quarrying activities and

we have also set up a Crushing Plant and a Wet Mix Plant on the Kharghar Land. There are certain issues with respect to the Kharghar Land which are as follows: -

(i) Title to the Kharghar Land is disputed;

(ii) We were operating our quarrying activities on the Kharghar Land and entered into certain unregistered lease agreements with the certain persons who have been shown as the "Occupiers" of the Kharghar Land in the Revenue Records. Subsequently, we have received a notice from CIDCO dated August 9, 2004 claiming rights to the Kharghar Land. However, in furtherance of the said notice, no action has been taken by CIDCO pertaining to the Kharghar Land. We have not replied to the said notice since we believe that the said notice has been wrongly issued to us because the Kharghar Land bears Survey No. 356 and the said notice pertains to Survey No. 358, Village Ove, Panvel. For further details, please refer to Section title "Outstanding Litigations" on the Page No. 167 of this Draft Red Herring Prospectus; and

(iii) We have also installed a wet mix and a drum mix plant on the said Kharghar Land. Since the title to the said Kharghar Land is disputed and the said lease agreements are not adequately registered in the manner provided by law, we may be required to stop work and shift our existing plants to other location. However, we have not received any kind of notice from any statutory or local bodies with respect of the aforesaid.

20. Few of our agreements have expired and we have not renewed the same. We cannot assure you that these agreements would be renewed and if renewed, the terms would be favourable to us

We have been using the land admeasuring about 1 acre out of total area of 20 acres bearing Plot No. 4 out of Survey No.208 Part, Village Owala, Off Ghodbunder Road, Taluka & Dist Thane ("**Thane Land**") for quarring of stones, murum, gota, boulders, metal stones etc.. We have also set up a Stone Crushing Plant, Hot Mix Plant and a Drum Mix Plant on the said Thane Land. We (as Ms/ Reliance Construction Company prior to incorporation) had entered into an Agreement dated December 12, 2005 with one Mr. Munesh Motilal Thakur and one Mr. Lavesh Motilal Thakur for taking the said Thane Land on license basis. However, the same has expired and is being negotiated between the parties. If this License Agreement does not get renewed, we may have to stop the quarrying activities and other activities on the said Thane Land carried on by us and shift the Stone Crushing Plant, Hot Mix Plant and Drum Mix Plant operating out of the said Thane Land. This may have adverse effects on our financial health and business operations.

Further, we have set up our one RMC plant on the land at Bandra Kurla Complex, Mumbai provided by Mumbai Metropolitan Region Development Authority (MMRDA).We had signed Licence Agreement dated March 1, 2009 for a period of 11 (eleven) months from March 1, 2009 to January 28, 2010 which was later extended to December 28, 2010. We have *vide* letters dated November 10, 2010 and December 18, 2010 requested MMRDA to extend its licence for a further period but are yet to receive the permission. In case, we do not receive the same we may have to relocate the plant and that may affect our financial conditions and business operations.

21. In addition to the projects directly handled by us we also form joint ventures with certain entities to qualify for the bidding process of large projects or different kind of projects and we may be exposed to joint liability of the Joint Venture partner.

We have in the past formed joint ventures with others for undertaking infrastructure projects in order to bid for bigger projects or for a different type of project. Further, in order to be able to bid for certain large scale projects, we may enter into memoranda of understanding or joint venture agreements with other partners to meet capital adequacy, technical or other requirements that may be required as part of the pre-qualification for bidding or execution of the contract. However, in the joint venture projects the liability of all venture partners is joint and several for, *inter alia*, any breach or non-performance of the contract. A breach or inability of any partner to continue with a project, due to financial, legal or other difficulties, could result in our Company being required to bear joint and, at times, sole responsibility for the completion of the project and hence we may face a greater share of the technical/financial risk of the project. Consequently, we would also be liable for completion of the entire project if the joint venture partner(s) were to default on its duty to perform, which could have an adverse effect on our financial condition, business and operations. Further, in such cases, since our Company may have to employ more capital and labour than provided for, the other projects may suffer as a consequence. This may have adverse effect on our business and financial health.

22. **Some of the Work Contracts executed by our Company have not been adequately stamped under the Bombay Stamp Act, 1963**
We have executed various work contracts with the Government and other local authorities. By a letter dated October 31, 2009 issued by the MCGM, it has directed our Company to pay the necessary stamp duty on all contracts executed on or after May 1, 2006. Currently, we have 30 (thirty) work contracts in hand. Out of the said contracts we have paid stamp duty on 4 (four) such work contracts. The stamp duty amount on the balance work contracts aggregates to Rs.52.72 Lakhs. Further, we may also be subject toother costs/penalties as may be imposed by the stamp office. In such an event, demand of the deficit stamp duty and further levy of costs/penalty against our Company may affect our results of operations and financial conditions.

23. **We have entered into certain transactions with related parties, including our Promoters, Promoter Group, Directors and our employees**.
We have entered into certain transactions with related parties, including our Promoters, Promoter Group, Group Companies, Associates, relatives of our Promoters & Directors and our employees and may continue to do so. These transactions or any future transactions with our related parties could potentially involve conflict of interests. For further details, please see the section "Related Party Transactions" beginning on page no. 142 of this Draft Red Herring Prospectus.

24. **Our Company has been run as family business and any separation of Promoters from the Company may adversely affect our operations.**
Mr. Rakesh P Shah, Mr. Tejas P Shah, Mr. Dipan P Shah and Mr. Jainendra P Shah are the Promoters of our Company. The four promoters are related to each other as brothers and are carrying on the business of the Company since its incorporation. The entire business operations of our Company are controlled by the four promoters, wherein each of them undertakes distinct responsibilities. Therefore, separation of any of the Promoters from the Company would adversely affect our results of operations and our future growth strategy. Further, they are also instrumental in the growth of our company over the years and our future performance will depend upon the continued services of the Promoters.

25. **Our auditors, for the financial years 2006-07, 2007-08, 2008-09 and 2009-10, have given certain qualifications in their Report on statutory audited financial statements which do not require any corrective adjustments in the Restated Statements. For details please refer to the section "Management's discussion and analysis of financial condition and Results of Operations appearing at page no 146 of this DRHP.**

26. **Demand in the infrastructure sector depends primarily on on Government Policies.**
Demand in the infrastructure sector is primarily dependent on sustained economic development in the area/regions that we operate in and Government policies relating to infrastructure development in these areas. It is also significantly dependent on budgetary allocations made by Central and State Governments and Local bodies for the infrastructure sector as well as funding provided by international and multilateral development finance institutions for infrastructure projects. Investment by the private sector in infrastructure projects is dependent on the potential returns from such projects and is therefore linked to Government policies relating to private sector participation and sharing of risks and returns from such projects. There can be no assurance that Government policies will continue to favour infrastructure sector.

27. **Our revenues depend upon the award of new contracts and the timing of those awards.**
Our revenues are derived primarily from various contracts awarded to us on a project-by-project basis. Generally, it is very difficult to predict whether and when we will be awarded a new contract since the potential contracts involve a lengthy and complex bidding and selection process that may be affected by a number of factors, including changes in existing

or assumed market conditions, financing arrangements, Governmental approvals and environmental clearances. Since our revenues are derived primarily from these contracts, our results of operations and cash flows can fluctuate materially from period to period depending on the timing of contract awards and the payment realisation from the same. The uncertainty associated with the timing of contract awards may increase our cost of doing business.

28. Our inability to successfully diversify into new investment strategies or implement and integrate the expanded operations could adversely affect our results of operations.

We intend to venture into Build Operate Transfer and annuity projects in the future depending upon the attractiveness of such contracts. Our expansion and diversification strategy may expose us to new business risks, in which we may not have the expertise, experience, capability or the systems to manage. It will be a challenge to our management to continuously develop and improve the operational, financial and internal controls. Diversification into new areas of business will increase the challenges involved in identification, recruitment, training and retaining sufficient skilled technical and management personnel and developing and improving the internal controls and systems. No assurance can be given that a failure to successfully implement such future business ventures would not have a material adverse affect on our business, financial position and results of operations. Any failure to integrate the new businesses into the existing business operations or any failure to manage these successfully, could materially and adversely affect our business, financial condition and results of operations.

29. We may not be able to procure contracts due to the competitive bidding process prevailing in the construction industry.

We operate in a highly fragmented and competitive industry. We compete against various infrastructure companies. We enter into contracts primarily through a competitive bidding process or on negotiated rate basis. Our competition varies depending on the size, nature and complexity of the contract and on the geographical location in which the contract is to be executed. In selecting contractors for major projects, clients generally limit the tender to contractors who are pre-qualified based on several criteria, including experience, technical ability, past performance, reputation for quality, safety record, financial strength and the size of previous contracts executed in similar projects with them or otherwise. Additionally, while these are important considerations, price is a major factor in most tender awards and in negotiated contracts and our business is subject to intense price competition. A number of our competitors are larger and better placed, which would enable them to take advantage of efficiencies created by size, and may have better financial resources or greater access to capital at lower costs, and may be better known in regional markets in which we compete and/or propose to enter. In addition, as the industry is highly fragmented, we also face competition from local contractors, who may be able to cater to local demands at fees and costs lower than ours. Our inability to compete successfully in our industry would materially and adversely affect our business and our operations.

30. We have little or no prior experience in managing or operating Build Operate Transfer ("BOT") projects. Delays in the execution of such projects may expose us to defaults under the relevant agreements.

We may bid for certain BOT projects in future. We have no prior experience in managing or operating BOT projects. Our inability to effectively construct, manage and operate any BOT projects could adversely affect our business, prospects, financial condition and results of operations and would further expose us to defaults under the relevant agreements.

In a BOT project, we will be required to arrange for the financing and incur all expenditure related to the BOT project. We will be required to maintain and manage the project assets for a stipulated period during which we will derive income from such project. BOT projects also have long gestation periods and we may incur substantial capital expenditure before we may derive expected benefits or returns on our investment, which can adversely impact on our business, results of operations and financial condition. Any delay in completion of the BOT project may adversely affect our financial condition and results of operations. 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. There might be delays in the bid selection process owing to a variety of reasons which may be outside our control, and our bids may not be selected or, if selected, may be challenged by non-successful bidders or may not be finalised within the expected time frame or on expected terms or at all.

31. **Our Company may not always possess and maintain the bid capacity and pre qualification capability.**

Our business and growth are dependent on the ability of our Company to bid for and secure large and varied projects. Bidding for construction projects is dependent on various criteria, including, bid capacity and pre-qualification capability. Bid capacity relates to the highest possible value of a single project that can be participated by our Company. In addition to meeting bid capacity requirements, our Company 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 kind of projects. It is imperative to enhance the bid capacity and pre-qualification capability. However, our Company cannot always maintain the bid capacity and the pre-qualification capabilities for executing every kind and size of projects and also continually secure projects so as to enhance the financial performance and results of operations.

32. **Our Company faces implementation risks with the long term projects and our inability to successfully manage such risk may have an adverse impact on the business of our Company.**

Most of the construction contracts require us to complete the project within 18 to 24 months. Such long term agreements have inherent risks that may not be within the control of our Company and may expose us to implementation and other risks, including construction delays, material shortages, unanticipated cost increases and cost overruns. In addition, business circumstances may materially change over the life of one or more of the contracts and we may not be able to modify the contracts to reflect these changes. Further, our commitments under these contracts may reduce our flexibility to implement changes to our business plans, take up new contracts and expose us to increased risk of unforeseen industry changes.

33. **We are exposed to significant construction risks under item rate contracts that could cause losses to us.**

We have derived significant contract revenue in fiscals 2008 and 2009 from item rate contracts. Under the terms and conditions of such item rate contracts, we agree to provide certain construction activities in a particular project at a rate specified in the relevant Bill of Quantities ("**BOQ**") for performing such activity. The BOQ is an estimate of the quantity of activities involved and these quantities may be varied by the parties during the course of the project. The rate, however, is fixed, although it may be increased pursuant to the occurrence of agreed escalation events. The actual expense for executing an item rate contract may vary substantially from the assumptions underlying our bid for several reasons, including:

i. Unanticipated increases in the cost of equipment, materials or manpower, to the extent such increases are not covered by price escalation clauses;
ii. Delays associated with the delivery of equipment and materials to the project site;
iii. Unforeseen construction conditions, resulting in delays and increased costs;
iv. Delays caused by local weather conditions; and
v. Suppliers' or sub-contractors' failure to perform.

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

34. **Any disruption in the adequate and timely supply of raw materials such as steel, bitumen, aggregate, cement at commercially acceptable prices could adversely affect the financial condition and the business operations.**

The timely and cost effective execution of the projects is dependant on the adequate and timely supply of raw materials, such as steel, bitumen, aggregate, cement, etc. We have backward integrated operations whereby we manufacture RMC (Ready Mix Concrete) and have further backward integration by way of quarry operations to produce stone, crushing operations to produce metal of desired size and asphalt batch mix plant, wet mix plant and dry mix plant to produce aggregates with coating of asphalt or water or without coating. Apart from these raw materials, we purchase cement and steel from other suppliers. We have not entered into any long-term contracts for the purchase of such other raw materials with the suppliers. We cannot assure that we will be able to procure adequate and timely supplies of key materials, on commercially acceptable terms.

Additionally, we also use need based third-party transport providers for the supply of raw materials and delivery of products like RMC. Transportation strikes by members of Indian truckers, unions and various legal or regulatory restrictions placed on transportation providers can have an adverse effect on the supplies or delivery of RMC. Further, transportation costs have been steadily increasing, and the prices of raw materials can fluctuate. If such restrictions and incidents occur, or if we are unable to procure the requisite quantities of raw materials in time and at commercially acceptable prices, the performance of the business and results of operations may be adversely affected.

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

As per the terms of some contracts, we shall be held liable for any loss due to delay in commencement or completion of the work, even if such delays are due to causes not under our control. Certain contracts also permit our clients to preclose the contracts at any time due to reduction or abandonment of work and leave us with no recourse in the event of such abandonment. Certain contracts provide that we are required to complete the work as per schedule even if payments due to us have not been made in the agreed time. In the event of non-completion of work on schedule or defects in our work or damage to the construction due to factors beyond our control, we may incur significant contractual liabilities and losses on our contracts (including delay in receipt of receivables in respect of delayed projects) and such losses may materially and adversely affect our financial performance and results of operations.

36. Tender processes and qualification criteria, through which new projects are awarded, may be delayed or cancelled, thereby reducing or eliminating our ability to undertake projects

Most infrastructure contracts are awarded through competitive bidding processes and after meeting prescribed pre-qualification criteria. There can be no assurance that the projects for which our Company has submitted bids will be tendered within a reasonable time. The tender processes may also be subject to change in qualification criteria, unexpected delays and uncertainties. In the event that new projects which have been announced are not put up for tender within the prescribed timeframe, or qualification criteria are modified, or the tender process is subjected to delay or uncertainty, the business prospects, financial condition and results of operations of our Company could be materially and adversely affected.

37. We may be subject to various warranty and indemnity claims and remedial and other costs relating to the projects.

In relation to the construction projects, we may be subject to claims resulting from defects arising from workmanship, procurement and/or construction services provided by us or by our subcontractors within the applicable warranty periods. 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, or damage to property, equipment and facilities or suspension of operations. Our policy of covering these risks through contractual limitations of liability, indemnities and insurance may not always be effective. A failure to meet quality standards could expose us to the risk of liability claims during the project execution period when our obligations are typically secured by performance guarantees, and during the defects liability period, which typically range from 12 months to 60 months from the completion of work. Any defects in our work could also result in customer claims for damages. In defending such claims, we could incur substantial costs and be subject to adverse publicity. Management and financial resources could be diverted away towards defending such claims. In the event that the defects are not rectified to the satisfaction of the clients, the clients may also decide not to return part or all of the retention monies under the contract.

38. Our projects expose us to potential professional liability, product liability, warranty and other claims, which could be expensive, damage our reputation and harm our business. Our insurance coverage may not adequately protect us against all such possible losses.

We construct and perform services at construction sites where accidents or system failures can happen. Any such occurrence at our project locations could result in significant professional liability, product liability, warranty and other claims against us by our customers, including claims for cost overruns and the failure of the project to meet contractually specified milestones or performance standards. Further, the rendering of our services on these projects could expose us to risks to, and claims by, third parties and Governmental agencies for personal injuries, property damage and environmental matters, among others. Any claim, regardless of its merit or eventual outcome, could result in substantial costs to us, a substantial diversion of management's attention and adverse publicity. While we believe that we maintain insurance coverage in amounts consistent with industry norms, our insurance policies do not cover all risks and are subject to exclusions and deductibles. There can be no assurance that our insurance policies will be adequate to cover the losses that may be incurred as a result of the claims described above. If we suffer a large uninsured loss or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected.

39. Our operations are subject to physical hazards and similar risks that could expose us to material liabilities, loss in revenues and increased expenses.

While infrastructure companies, including us, conduct various scientific and site studies during the course of bidding for projects, there are always unanticipated or unforeseen risks that may come up due to adverse weather conditions, geological conditions, specification changes and other reasons. Additionally, 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 infrastructure services provided by us within the warranty periods stipulated in our contracts, which typically range from 6 to 12 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, pollution, inefficient operating processes, loss of production or suspension of operations. Our policy of covering these risks through contractual limitations of liability, indemnities and insurance may not always be effective. In some of the jurisdictions in which we operate, environmental and workers compensation liability may be assigned to us as a matter of law.

40. We engage sub-contractors or other agencies to execute some of our road projects.

We may rely on third parties for the execution of some of our projects. For such projects, we generally enter into several arrangements with third parties for supply of labour, material, etc. Accordingly, the timing and quality of construction of our contracts depend on the availability and skill of those sub-contractors. We may also engage casual workforce in our projects. Although we believe that our relationships with our sub-contractors are cordial, we cannot assure that such sub-contractors will continue to be available at reasonable rates and in the areas in which we execute our projects. If the sub-contractors do not complete the orders timely or satisfactorily, our reputation and financial condition could be adversely affected.

41. Certain contracts have been sub-contracted to us by certain entities, if these contracts are terminated for any reason whatsoever; it may adverse affect the business of our Company.

We have been awarded certain projects/assignments by certain entities on sub-contract basis. Any termination of work contracts of such entities that have sub-contracted the work to us, may lead to termination of the sub-contracts awarded to our Company. Such an event may adversely affect our business and profitability.

42. Our inability to attract and retain skilled personnel could adversely affect our business and results of operations.

Our ability to meet future business growth depends on our ability to attract and recruit talented and skilled personnel. A significant number of our employees are skilled engineers, technicians and tradesman and we face strong competition to recruit and retain skilled and professionally qualified staff. Our future performance will depend upon the continued services of our existing key employees and our ability to attract & recruit skilled personnel. The loss of any key personnel or an inability to manage the attrition levels in different employee categories may materially and adversely impact our business and results of operations. In addition, we cannot assure you that we will be successful in our efforts to retain or attract qualified personnel when needed.

43. We are dependent on our Promoters and senior management team and the loss of key members or failure to attract skilled personnel may adversely affect our business.

We believe we have a team of professionals to effectively oversee the operations and growth of our business. Our success is substantially dependent on the expertise and services of our Promoters which enables us to make well informed decisions in relation to our business and our future prospects. We cannot assure you that we will be able to retain any or all of the key members of our management. The loss of the services of such key members of our management team could have a material adverse effect on our business and the results of our operations.

44. Given the long-term nature of the projects we undertake, we face various kinds of implementation risks.

Most infrastructure construction projects involve agreements that are long-term in nature. Long-term agreements have inherent risks associated with them that may not necessarily be within our control and accordingly our exposure to a variety of implementation and other risks, including construction delays, material shortages, unanticipated cost increases, cost overruns, inability to negotiate satisfactory arrangements with joint venture partners, and disagreements with our joint venture partners is enhanced.

45. We do not own our Registered Office and our Corporate Office.

We do not own the premises on which our Registered Office & Corporate office is situated and operate from licensed premises. We have taken our corporate office and Registered office on Leave and License basis from Mrs. Kamakshi P Shah, who is a part of our Promoter Group. Corporate office is taken for a period of 60 months w.e.f. August 1, 2010 till July 31, 2015 and registered office is taken vide leave and licence agreement for a period of 60 months commencing from October 1, 2010 and expiring on September 30, 2015. We cannot be sure of continuity of the said premises after expiry of the current leave and licence period and if such agreement is not renewed, there may be temporary disruption in our operations due to relocation of our office. Further, the terms and conditions on which the said premises may be renewed on lease basis may not be favourable to us. Further, we are not aware whether the said premises of the Registered office and Corporate Office can be used for commercial purposes.

46. Any increase in or enforcement of our contingent liabilities may adversely affect our financial condition.

Our contingent liabilities consist of bank guarantees of Rs.6,583.89 Lakhs, Disputed Income Tax demand of Rs.25.75 Lakhs and Service Tax including penalties of Rs.191.28 Lakhs, estimated amount of contracts remaining to be executed of Rs.0.40 Lakhs and capital advances of Rs.8.13 Lakhs included in capital work in progress aggregating Rs.6809.45 Lakhs as on 30th September, 2010. Any increase in our contingent liabilities or enforcement of these liabilities may materially and adversely affect our financial position, results of operations and cash flows.

47. We have experienced negative net Cash Flow from activities in the years 2007-08 and 2009-10

Our Company has reported a negative net cash flow from activities as detailed below:

(Rs. in Lakhs)

Year	2007-08	2009-10
Net Change in Cash and cash Equivalents	(662.08)	(689.96)

Our Company has reported a net negative cash flow from activities in the year 2007-08 and 2009-10. The negative net cash flow during these years was mainly due to negative cash flows from investing activities and financing activities in these years and mainly due to purchase of fixed assets.

48. Our Company has availed unsecured loans from third parties which may be recalled at any time.

Our Company has availed various unsecured loan as on September 30, 2010 to the tune of Rs. 309.50 lakhs from third parties which may be recalled at any time by the lender.

Name of Party	As on 30.09.2010
Amish Infrastructure Pvt. Ltd.	200.00
Bucon Engineers & Infrastructure Pvt. Ltd.	9.50
HDFC Bank Ltd.	100.00
Total	**309.50**

49. Our Company has availed unsecured loans from Promoters, Promoter Group, Group Companies or Associates which may be recalled at any time.

Our Company has availed various unsecured loan as on September 30, 2010 to the tune of Rs. 350.20 lakhs from Promoters, Promoter Group, Group Companies or Associates which may be recalled at any time by the lender.

Name of Party	As on 30.09.2010 (Rs. In lakhs)
Dipan P Shah	11.35
Jainendra P Shah - HUF	9.37
Jainendra P Shah	103.30
Kamakshi P Shah	11.05
Pravin C Shah - HUF	3.49
Pravin C Shah	0.07
Rakesh P Shah	6.25
Sunrise Stone Industries	121.53
Tejas P Shah - HUF	9.53
Tejas P Shah	74.25
Total	**350.18**

50. Our Directors, Mr. Tejas Shah, Mr. Jainendra Shah, Mr. Rakesh Shah and Mr. Dipan Shah hold substantial equity shares in our Company and may be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the equity shares.

51. The conditions and restrictions imposed by our lender could restrict our ability to expand our business and operations.

As on September 30, 2010 we have availed an aggregate of Rs. 711.46 lakhs as secured loans from ICICI Bank Limited, Vijaya Bank and Bharat Co-operative Bank Limited. Most of our loans are secured by way of mortgage of fixed assets and hypothecation of current assets both present and future. In case we are not able to pay our dues in time, the same could adversely impact our operations. In addition to the above, our financing arrangements also include conditions and covenants that require us to obtain consents of our lenders prior to carrying out certain activities like payment of dividend, etc. Failure to obtain such consents can have significant consequences on our capacity to expand and therefore adversely affect our business and operations. We cannot assure you that we have requested or received all consents from our lenders that are required by our financing documents. As a result, it is possible that a lender could assert that we have not complied with all terms under our existing financing documents. Any failure to comply with the requirement to obtain a consent, or other condition or covenant under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may lead to a termination of our credit facilities, acceleration of all amounts due under such facilities and may adversely affect our ability to conduct our business and operations or implement our business plans.

52. **Our insurance coverage may not adequately protect us against certain operating hazards and natural disasters and this may have a material adverse effect on our business. We may suffer uninsured losses or losses exceeding our insurance limits.**

We generally maintain insurance on property and equipment in amounts believed to be consistent with industry practices and our insurance policies cover physical loss or damage to our property and equipment arising from a number of specified risks including burglary, fire and other perils. Notwithstanding the insurance coverage that we carry, we may not be fully insured against some business risks and the occurrence of an accident that causes losses in excess of limits specified under the relevant policy or losses arising from events not covered by insurance policies, could materially harm our financial condition and future operating results.

We face the risk of losses in our operations arising from a variety of sources, including, among others, risks related to catastrophic events, terrorist attacks and accidents. We may suffer uninsured losses from time to time. If we suffer any losses, damages and liabilities in the course of our operations, we may not have sufficient insurance or funds to cover such losses, damages or liabilities or to replace any property that has been destroyed. In addition, any payment we make to cover any uninsured losses, damages or liabilities could have a material adverse effect on our business, financial condition and results of operations. Furthermore, in the future we may not be able to maintain insurance of the types or at levels which we deem necessary or adequate. Moreover, any payments we make to cover any losses, damages or liabilities or any delays we experience in receiving appropriate payments from our insurers could have an adverse effect on our financial condition and results of operations.

B. External Risk Factors

1. **Demand for our infrastructure development and construction services depends on economic growth and the level of investment and activity in the infrastructure sector**

Demand for our infrastructure development and construction services is primarily dependent on sustained economic development in the regions that we operate in and government policies relating to infrastructure development. It is also significantly dependent on budgetary allocations made by governments for this sector as well as funding provided by international and multilateral development finance institutions for infrastructure projects. Investment by the private sector in infrastructure projects is dependent on the potential returns from such projects and is therefore linked to government policies relating to private sector participation and sharing of risks and returns from such projects. A reduction of capital investment in the infrastructure sector due to these factors or for any other reason could have a material adverse effect on our business prospects and results of operations.

2. **The infrastructure development and construction business are subject to extensive government regulation in India**

The infrastructure sector in India, particularly in relation to the highway, road sectors and quarrying activities is highly regulated. Our businesses are regulated by various authorities and state governments, including the Ministry of Shipping, Road Transport and Highways, the NHAI, the Government of India, State Governments and their agencies, Municipal Corporations and Local Authorities. In addition to complying with regulations and directives, we are also required to adhere to the terms of our contracts and related agreements. Any material breach of these agreements, or any adverse change in the applicable regulations, could have an adverse effect on our financial results and business prospects. Further, for each of these projects, we may be restricted in our ability to, among other things, increase prices, sell our interests to third parties, undertake expansions and contract with customers. These restrictions may limit our flexibility in operating our business. To conduct our infrastructure development business, we must obtain various licences, permits and approvals. Even when we obtain the required licences, permits and approvals, our operations are subject to continued review and the governing regulations and their implementation are subject to change. We cannot assure you that we will be able to obtain and comply with all necessary licences, permits and approvals required for our projects, or that changes in the governing regulations or the methods of implementation will not occur. If we fail to comply with all applicable regulations or if the regulations governing our infrastructure development business or their implementation change, we may have to incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our financial results and business prospects.

3. **Our business is subject to a significant number of tax regimes and changes in legislation governing the rules implementing them or the regulator enforcing them in any one of those jurisdictions could negatively and adversely affect our results of operations**
The revenues recorded and income earned in various jurisdictions where we are operating are taxed on differing bases, including net income actually earned, net income deemed earned and revenue-based tax withholding. The final determination of the tax liabilities involves the interpretation of local tax laws and related regulations in each jurisdiction as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. Changes in the operating environment, including changes in tax laws, could impact the determination of the tax liabilities of our Company for any year. Taxes and other levies imposed by the Central or state governments in India that affect the industry in which our Company operates includes customs duties, excise duties, VAT, income tax, service tax and other taxes, duties or surcharges introduced from time to time. The Central and state tax scheme in India is extensive and subject to change from time to time.

4. **Non-compliance with, and changes in, safety, health and environmental laws and regulations may adversely affect our business, financial condition and results of operations**
Some of our projects are subject to extensive government and environmental laws and regulations which govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from the operations of our businesses. These laws and regulations include the Environmental Protection Act 1986, the Air (Prevention and Control of Pollution) Act 1981, the Water (Prevention and Control of Pollution) Act 1974 and other regulations promulgated by the Ministry of Environment and the Pollution Control Boards of the relevant states. In addition, some of our operations are subject to risks involving personal injury, loss of life, environmental damage and severe damage to property. We believe environmental regulation of industrial activities in India will become more stringent in the future. The scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with certainty. The costs and management time required to comply with these requirements could be significant. The measures we implement in order to comply with these new laws and regulations may not be deemed sufficient by government entities and our compliance costs may significantly exceed our estimates. If we fail to meet environmental requirements, we may also be subject to administrative, civil and criminal proceedings by government entities, as well as civil proceedings by environmental groups and other individuals, which could result in substantial fines and penalties against us as well as revocation of approvals and permits and orders that could limit or halt our operations. For example, in the event that we fail to obtain pollution control certificates for our RMC plants, Asphalt Plants, Crushing Plants, Quarries etc situated at different locations we may not be in a position to operate them, which may hamper our construction activity. There can be no assurance that we will not become involved in future litigation or other proceedings or be held responsible in any such future litigation or proceedings relating to safety, health and environmental matters in the future, the costs of which could be material. Clean-up and remediation costs, as well as damages, other liabilities and related litigation, could adversely affect our business, financial condition and results of operations.

5. **Natural calamities and force majeure events may have an adverse impact on our business**
Constructions of infrastructure projects involve a number of hazards including earthquakes, flooding and landslides. Natural disasters may cause significant interruption to our operations, disruption to our project sites and damage to the environment that could have a material adverse impact on us. The extent and severity of these natural disasters determines their impact on the Indian economy. Prolonged spells of deficient or abnormal rainfall and other natural calamities could have an adverse impact on the Indian economy, which could adversely affect our business and results of operations.

Risk Factors Related to India and Investment in the Equity Shares

6. **Political, economic and social changes in India could adversely affect our business**
Our business, and the market price and liquidity of our Company's shares, may be affected by changes in Government of India policies, including taxation. Social, political, economic or other developments in or affecting India could also adversely affect our business. Since 1991, successive governments have pursued policies of economic liberalisation and financial sector reforms including significantly relaxing restrictions on the private sector. The rate of economic liberalisation could change, and specific laws and policies affecting infrastructure projects, foreign investment and other matters affecting investment in our Equity Shares could change as well. In addition, any political instability in India may adversely affect the Indian economy and the Indian securities markets in general, which could also affect the trading price of our Equity Shares. India's economy could be adversely affected by a general rise in interest rates, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the Government of India towards infrastructure, which may in turn adversely affect our financial performance and our ability to implement our business strategy.

7. **Restrictions on foreign investment limit our ability to raise debt or capital outside India**
Indian laws constrain our ability to raise capital outside India through the issuance of equity or convertible debt securities and restrict the ability of non-Indian companies to invest in us. Foreign investment in, or an acquisition of, an Indian company requires approval from the relevant government authorities in India, including the Reserve Board of India and the Foreign Investment Promotion Board. Although the Government of India has permitted 100% foreign direct investment, without prior approval, in townships, housing, built-up infrastructure and construction and development projects which is our main business, it has issued a notification and made such investments subject to certain conditions pursuant to erstwhile Press Note 2 (2005) dated March 2, 2005 and the existing Consolidated Foreign Exchange Policy of India dated October 1, 2010.

8. **Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business**
Terrorist attacks and other acts of violence or war may adversely affect the Indian markets on which our Equity Shares will trade. These acts may result in a loss of business confidence, make travel and other services more difficult and have other consequences that could have an adverse effect on our business. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of our Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse impact on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the market price of our Equity Shares.

9. **After this Issue, the price of our Equity Shares may be highly volatile, or an active trading market for our Equity Shares may not develop**
The prices of our Equity Shares on the Indian stock exchanges may fluctuate after this Issue as a result of several factors, including:
    - Volatility in the Indian and global securities market or in the Rupee's value relative to the U.S. dollar, the Euro and other foreign currencies;
    - Perceptions about the future performance or the performance of Indian Infrastructure companies in general;
    - Performance of the competitors in the Indian Infrastructure industry and the perception in the market about investments in the industry;
    - Adverse media reports on our Company or the Indian Infrastructure industry;
    - Changes in the estimates of our Company's performance or recommendations by financial analysts;
    - Significant developments in India's fiscal and environmental regulations.
    - There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Issue, or that the prices at which our Equity Shares

are initially traded will correspond to the prices at which the Equity Shares will trade in the market subsequent to this Issue.

- Our share price may be volatile post-listing.

Also, no assurance can be given that an active trading market for our Equity Shares will develop or as to the liquidity or sustainability of any such market, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which shareholders will be able to sell their Equity Shares. If an active market for the Equity Shares fails to develop or be sustained, the trading price of the Equity Shares could fall. If an active trading market were to develop, the Equity Shares could trade at prices that may be lower than their Issue Price.

10. Any future issue of Equity Shares may dilute your shareholding and sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares

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

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

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

13. We will require final listing and trading approvals from the BSE and the NSE prior to the commencement of trading of our Equity Shares

Our Equity Shares are a new issue of securities for which there is currently no trading market. We will apply to the Stock Exchanges for final listing and trading approvals after the allotment of the Equity Shares in the Issue. There can be no assurance that our Company will receive such approvals on time or at all.

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

Under the SEBI Regulations, we are permitted to allot the Equity Shares within 12 days of the Bid/Issue Closing Date. Consequently, the Equity Shares you purchase in the Issue may not be credited to your demat account with Depository Participants until approximately 12 days after the Bid/Issue Closing Date. You can start trading in the Equity Shares only after they have been credited to your demat account and final listing and trading approvals are received from the Stock Exchanges. Further, there can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time periods.

Prominent Notes:

- Initial Public Issue of 40,00,000 Equity Shares of Rs. 10 each for cash at a price of Rs. [●] per Equity Share (including a share premium of Rs. [●] per Equity Share) aggregating upto Rs. [●] Lakhs. The Issue comprises a Net Issue to the public of 39,40,000 shares of Rs. 10/- each and a reservation of up to 60,000 Equity Shares of Rs. 10/- each for Eligible Employees. The Issue would constitute 30.77% of our Company's post Issue paid-up capital and the Net Issue will constitute 30.31% of our Company's post Issue paid-up capital.

- Our Company's net worth as at September 30, 2010 was Rs. 6573.32 lakhs based on restated unconsolidated financial information of our Company. Our Company's net worth as at September 30, 2010 was Rs. 6572.76 lakhs based on restated consolidated financial information of our Company. The Net Worth of our Company was Rs. 5649.57 lakhs as at March 31, 2010 as per the restated unconsolidated financial statements under Indian GAAP. The Net Worth of our Company was Rs. 5649.01 lakhs as at March 31, 2010 as per the restated consolidated financial statements under Indian GAAP.

- The book value per Equity Share was Rs. 73.04 as of September 30, 2010 based on the restated unconsolidatedfinancial information of our Company. The book value per Equity Share was Rs. 73.03as of September 30, 2010 based on the restated consolidated financial information of our Company.

- The Issue is being made through the 100% Book Building Process, wherein upto 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs. 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. Further, not less than 15% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Further, 60,000 Equity Shares shall be available for allocation on a proportionate basis to the Eligible Employees, subject to valid Bids being received from them at or above the Issue Price

- Under-subscription, if any, in any category, would be allowed to be met with spill over from other categories or a combination of categories at the sole discretion of our Company in consultation with the BRLM and the designated Stock Exchange. Under subscription, if any, in the Employee Reservation Portion will be added to the Net Issue. In the event of under subscription in the Net Issue, spill over to the extent of under subscription shall be allowed from the Employee Reservation Portion. subject to the Issue constituting at least 25% of the post-Issue paid up capital of our Company.

- In case of over-subscription of the Issue, allotment to QIBs, Non-Institutional Bidders and Retail Bidders shall be on a proportionate basis. For more information, please refer to the section titled "Basis of Allotment" on page no. 229.

- The average cost of acquisition per Equity Share by our Promoter is as follows:

Name	Average Cost of Acquisition of Equity Shares of the Promoters (Rs.)
Mr. Rakesh P Shah	4.56
Mr. Tejas P Shah	7.20
Mr. Jainendra P Shah	7.20
Mr. Dipan P Shah	4.56

- Except as disclosed in the sections titled "Our Promoters, Promoter Group and Group Companies" or "Our Management" on page nos. 129 and 107, respectively, none of our Promoters, our Directors and our other key managerial employees have any interest in our Company except to the extent of remuneration and reimbursement of expenses and to the extent of the Equity Shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as directors, member, partner or trustee and to the extent of the benefits arising out of such shareholding.

- For details of related party transactions by our Company with group or subsidiary companies during the last year, the nature of transactions and the cumulative value of transactions, please refer to the section titled "Financial Information – Related Party Transaction" on page no. F-27 of this DRHP.

- The erstwhile Partnership Firm M/s Reliance Construction Company was converted into a Private Limited Company under Part IX of the Companies Act, 1956 and incorporated on December 4, 2006 with the Registrar of Companies, Mumbai Maharashtra. Our Company was converted into a public limited company and consequently, the name of our Company was changed to Relcon Infraprojects Limited. A fresh Certificate of Incorporation reflecting the new name was issued by the Registrar of Companies, Mumbai Maharashtra on July 20, 2010. There has been no change in the objects of our Company due to such change of name. For details please refer to the section titled "Brief History and Other Corporate Matters" beginning on page no. 103 of the Draft Red Herring Prospectus.

- During the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus with SEBI, no financing arrangements existed whereby the Promoter Group, our Promoters, our Directors and their relatives may have financed the purchase of Equity Shares by any other person, other than in the normal course of the business.

- Investors are advised to refer to the paragraph titled "Basis for Issue Price" on page no. 39 of this Draft Red Herring Prospectus before making any investment in this issue

- Any clarification or information relating to the Issue shall be made available by the BRLM and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever. For any clarification or information relating to the Issue, investors may contact the BRLM, who will be obliged to provide such clarification or information to the investors.

- The investors may contact the BRLM for any complaint pertaining to the Issue.

- Other than as disclosed in the section titled 'Related Party Transactions ', at page no. 142 none of our Group Companies have any business interest or other interests in our Company.

SECTION IV - INTRODUCTION

Summary

This is only a summary and does not contain all the information that one should consider before investing in the Equity Shares of our Company. You should read the following summary together with the Risk Factors beginning on page no.xi of this Draft Red Herring Prospectus and the more detailed information about Relcon Infraprojects Limited in the section titled "Our Business" and its "Financial Information" beginning on page nos. 66 and 145 respectively of this Draft Red Herring Prospectus before deciding to invest in the equity shares offered by our Company.

SUMMARY OF INDUSTRY

Infrastructure / Construction:

The construction industry in India is the second largest industry of the country after agriculture. The investment in construction accounts for nearly 11 percent of India's Gross Domestic Product (GDP) and nearly 50 percent of its Gross Fixed Capital Formation (GFCF). The construction sector is set to grow at a 15 percent growth rate. Anything from $320bn to $485bn has been suggested as the figure that is needed to build a viable infrastructure and replace, upgrade and renew India's roads, railways, ports, airports and power stations.

Indian road network of 33 lakh Km is second largest in the world and consists of :

Type of Roads	Length(In Km)
Expressways	200
National Highways	70,548
State Highways	1,31,899
Major District Roads	4,67,763
Rural and other Roads	26,50,000
Total Length	33 lakhs Kms (approx)

Roads carry about 65% of the freight and 80% of the passenger traffic. Highways/Expressways constitute about 2% of all roads and carry 40% of the road traffic. Number of vehicles has been growing at an average pace of 10.16% per annum over the last five years.

(Source : http://www.nhai.org/roadnetwork.htm)

Policy

100% FDI under the automatic route is permitted for all road development projects

Incentives:

- 100% income tax exemption for a period of 10 years
- NHAI agreeable to provide grants/viability gap funding for marginal projects
- Model Concession Agreement Formulated
- IIFCL to provide funding upto 20% of project cost

Opportunity

Road development is a priority sector

Outlook

Annual growth projected at 12-15% for passenger traffic, and 15-18% for cargo traffic. Investment in road sector during the Eleventh Plan is projected at $ 78.50 billion

Potential

- Road development is recognised as essential to sustain India's economic growth - The Government is planning to increase spends on road development substantially with funding already in place based on a cess on fuel
- A large component of highways is to be developed through public-private partnerships - Several high traffic stretches already awarded to private companies on a BOT basis

- Two successful BOT models are already in place – the annuity model and the upfront/lump sum payment model
- Investment opportunities exist in a range of projects being tendered by NHAI for implementing the NHDP – contracts are for construction or BOT basis depending on the section being tendered.
- A Rs.41,200 crores (US $ 5 billion) project plans to lay 6 lane roads over 6,500 kms of National Highways on the Design Build Finance and Operate (DBFO) basis – in Golden Quadrilateral and other high traffic stretches.

(Source : http://infrastructure.gov.in/highways.htm)

In Maharashtra the following projects shall be generally taken through Private Sector participation:

- Construction of new roads.
- Improvements, widening and strengthening of existing roads.
- Bypasses outside towns.
- Repairs to Major bridges.
- Construction of bridges.
- Widening of bridges.
- Construction of flyovers.
- Construction of expressways.
- Construction of Railway over bridge.
- Construction of tunnels.

(Source : http://www.mahapwd.com/privatisation/default.htm)

RMC

Ready-mix concrete (RMC) is a ready-to-use material, with predetermined mixture of cement, sand, aggregates and water. RMC is a type of concrete manufactured in a factory according to a set recipe or as per specifications of the customer, at a centrally located batching plant. RMC is preferred to on-site concrete mixing because of

- The precision of the mixture and reduced worksite confusion.
- It also decreases labour, site supervising cost and project time, resulting in savings.
- Proper control and economy in use of raw material results in saving of natural resources.
- It prevents cement wastage due to bulk handling and there is no dust problem and therefore, pollution-free.
- RMC is particularly useful when the building activity is located in congested sites where little space is available for sitting the mixer and for stock piling of aggregates.
- The use of RMC is also advantageous when only small quantities of concrete are required or when concrete is to be placed only at intervals.
- The growth of RMC is predominantly driven by demand from the metro cities. Anticipating huge potential for the product, cement majors are foraying into the RMC business and the share of RMC is expected to go up from present levels of around 5 per cent of the total cement production to the global average of 70 per cent, according to industry players.

(Source : http://www.aceconcrete.co.in/ready-mix-concrete.html)

For further details, please see the section on "Industry Overview" beginning from page no. 52 of this Draft Red Herring Prospectus**.**

SUMMARY OF BUSINESS

We are an Infrastructure Development and Construction company having our registered office in Mumbai with backward integration into manufacturing of ready mix concrete and quarrying activities. Our Company also operates Asphalt Batch Mix Plant, Drum Mix Plant, Wet Mix Plant and Crushers. We provide construction services for road infrastructure projects, commercial projects, urban infrastructure and redevelopment projects. In the residential sector, we work with co operative societies for redevelopment of old buildings in Mumbai through our subsidiary. We have an experience of around 3 decades in construction industry, which includes varied infrastructure projects like construction of road, bridges, water supply and utilities, river widening / deepening etc. Our experience in the execution of road infrastructure projects and commercial projects has given us the expertise to provide quality services in both basic as well as complex construction projects. We have been assessed and certified as meeting the requirement of ISO 14001:2004 for Construction of Roads & Highways, Bridges, Buildings, Training of Rivers, Water Supply & Sewerage Projects & Other Civil Infrastructure Works by SGS United Kingdom Ltd vide certificate SG09/02325. Further, we have been assessed and certified as meeting the requirement of OHSAS 18001:2007 for Construction of Roads & Highways, Bridges, Buildings, Training of Rivers, Water Supply & Sewerage Projects & Other Civil

Infrastructure Works by SGS Societe Generale de Surveillance SA Systems & Service Certification vide certificate CH09/0584.

Our backward integration into manufacture of Ready Mix Concrete, asphalt and quarrying activities ensures assured and quality supply of materials. We also sell surplus Ready Mix Concrete to other construction companies.

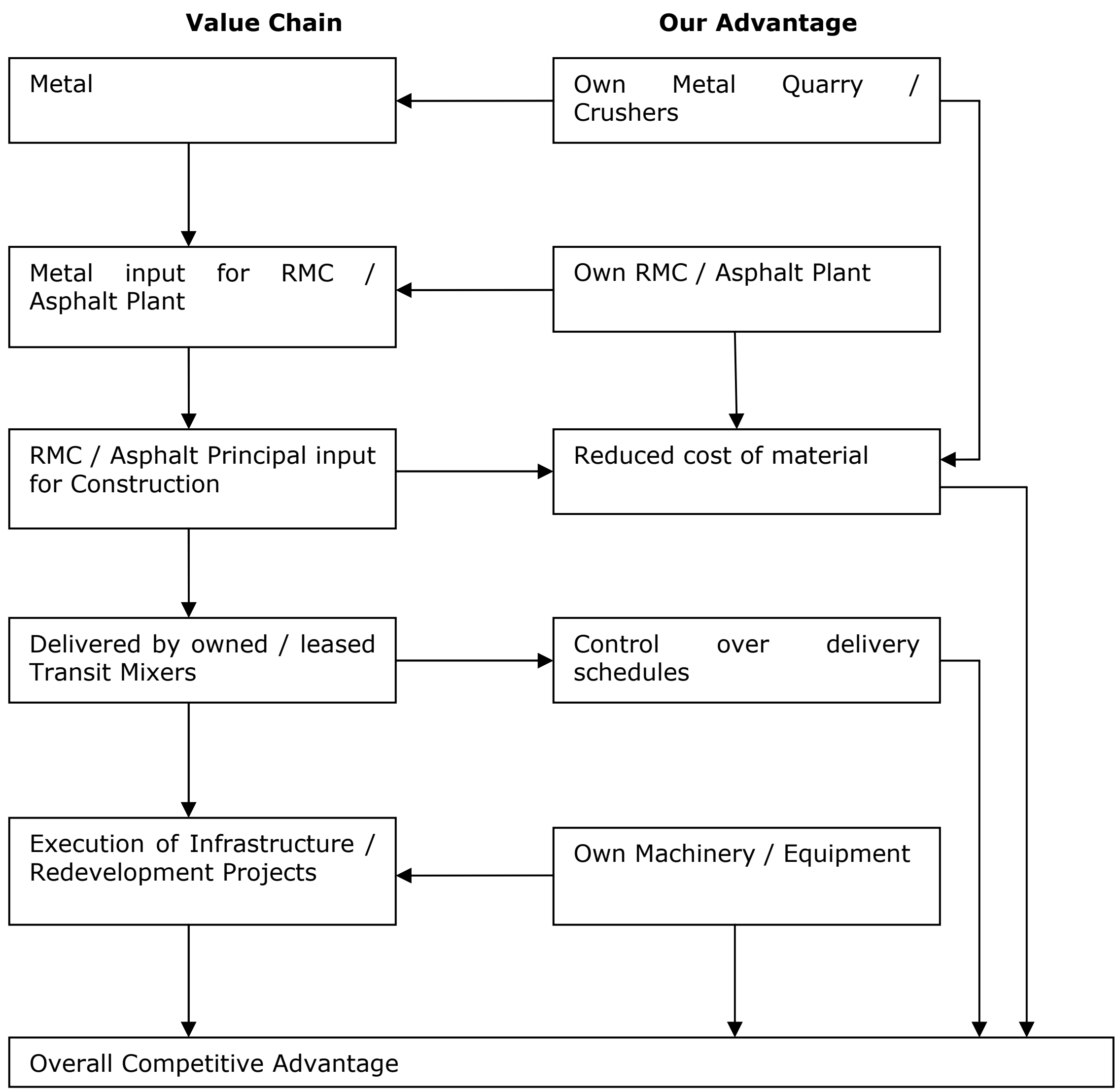
Our Services
We provide infrastructure and construction services for the three sectors described below:

Road Infrastructure: In the road infrastructure sector, we carry out construction of roads, widening and strengthening of express highways, roads, concretising of roads, maintenance of bridge flyovers and subways, improvement of various asphalt roads etc.

Urban Infrastructure: Water supply and utilities, River widening / Deepening, Construction of Club House and Swimming Pool, Entertainment Complex, Drama Theatre, City Parks, Truck Terminals, Commissioning power receiving station and substation for government, municipal authorities, construction of runways for airport etc.

Commercial: In the commercial sector, our services consist of the construction of structures such as corporate offices, Towers etc.

Our Integrated Operations:



As of February 28, 2011, our work force consisted of 273 permanent employees. Our order book comprises of the unfinished and uncertified portion of projects that we have undertaken and includes the projects awarded to us but where we have not yet commenced work. 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.

On a unconsolidated basis, for the FY 2008, 2009, 2010 and for the period ended September 30, 2010 our gross earnings from civil works were Rs. 13614.43 lakhs, Rs. 27290.10 lakhs, Rs. 30185.75 lakhs and Rs. 14193.03 lakhs respectively. For the respective year/periods, we earned a restated profit after tax on a unconsolidated basis of Rs. 1094.34 lakhs, Rs. 1760.77 lakhs, Rs. 1928.16 lakhs and Rs.950.01 lakhs. The Our Order Book as of February 15, 2011, was Rs. 59154.77 lakhs.

Competitive Strengths

Our Strengths:
We believe our principal competitive strengths are as follows:

- **Extensive experience and strong track record in infrastructure development and construction projects in the roads and buildings sector**
- **Integrated execution capabilities with in-house construction, RMC Manufacturing, Aggregates (metal) production and Logistics Support**
- **Professionally managed company with an experienced management team and a qualified and skilled employee base**
- **Relationship With Contractors / Customers / Suppliers**
- **Our Business Model**
- **Technical Expertise**
- **Investment in Plant, Machinery and Equipments**
- **Our strong Order Book**

BUSINESS STRATEGY
Our vision is to be a dominant player in infrastructure development. Our strategy is to operate across the complete bandwidth of the infrastructure. To actualize the strategy, we will focus on the following short and long term objectives:

- **Continue to enhance our project execution capabilities**
- **Develop and maintain strong relationships with our clients and suppliers**
- **Pursue new investment opportunities that permit us to take advantage of our current strengths**
- **Geographical expansion**

For further details, please see the section on “Our Business” beginning from page no. 66 of this Draft Red Herring Prospectus.

THE ISSUE

Equity Shares offered:	
Issue by our Company ^	40,00,000 Equity Shares of Rs.10/- each
Comprising of:	
Employee Reservation Portion	60,000 Equity Shares of Rs.10/
Net Issue	39,40,000 Equity Shares of Rs.10/
Of which:	
Qualified Institutional Buyers (QIB) portion	Not more than 19,70,000 Equity Shares of Rs. 10/- each ***(Available for Allocation on a proportionate basis)***
Of which :	
Available for allocation to Mutual Funds (5% of the QIB portion)	Upto 98,500 Equity Shares of Rs. 10/- each ***(Available for Allocation on a proportionate basis)***
Balance for all QIBs including Mutual Funds	18,71,500 Equity Shares of Rs. 10/- each ***(Available for Allocation on a proportionate basis)***
Non Institutional portion	Not less than 5,91,000 Equity Shares of Rs. 10/- each ***(Available for Allocation on a proportionate basis)***
Retail portion	Not less than 13,79,000 Equity Shares of Rs. 10/- each ***(Available for Allocation on a proportionate basis)***
Equity Shares outstanding prior to the Issue	90,00,000 Equity Shares of Rs. 10/- each
Equity Shares outstanding after the Issue	1,30,00,000 Equity Shares of Rs. 10/- each
Objects of the Issue	See the section "Objects of the Issue" on page no. 31

^ *Our Company is exploring the possibility of a Pre-IPO Placement of upto 5,00,000 Equity Shares aggregating upto Rs. 1000 lakhs. We intend to complete the issuance of Equity Shares pursuant to the Pre-IPO Placement, if any, prior to filing the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the number of Equity Shares issued pursuant to the Pre-IPO Placement will be proportionately reduced from the Issue, subject to a minimum Net Issue size of 25% of the post-Issue paid-up share capital.*

NOTES:

- The fresh issue of Equity Shares in terms of this Draft Red Herring Prospectus has been authorized by the Board of Directors in their meeting held on August 27, 2010 and a Special Resolution (pursuant to the provisions of Section 81(1A) of the Companies Act, 1956) passed at the Extra Ordinary General Meeting of our Company held on September 21, 2010.

- Pursuant to Rule 19(2)(b) of the SCRR, at least 25% of the post-Issue Equity Share capital of our Company shall be issued and Allotted to the public in terms of the Red Herring Prospectus.

- In the event of over-subscription, allocation shall be made on a proportionate basis, subject to valid Bids being received at or above the Issue Price.

- Such number of Equity Shares representing 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. However, in the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the QIB Portion and allocated to QIBs on a proportionate basis, subject to valid Bids at or above Issue Price. For further details, see section titled "Issue Procedure" on page no. 203.

- Under-subscription, if any, would be allowed to be met with spill-over from other categories or a combination of categories, at the discretion of our Company in consultation with Book Running Lead Manager and the Designated Stock Exchange. Under-subscription, if any, in the Employee Reservation Portion will be added to the Net Issue. In the event of under subscription in the Net Issue, spill over to the extent of under subscription shall be allowed from the Employee Reservation Portion. subject to the Issue constituting at least 25% of the post-Issue paid up capital of our Company.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our restated unconsolidated and consolidated financial statements as of and for the years ended March 31, 2006, 2007, 2008, 2009, 2010 and six months period ended September 30, 2010. These financial statements have been prepared in accordance with the Indian GAAP, the Companies Act and the SEBI Regulations and presented under the section titled "Financial Information" on page no. 145. The summary financial information presented below should be read in conjunction with our restated unconsolidated and consolidated financial statements, the notes thereto and the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations as reflected in the Financial Information" and "Financial Information " beginning on page nos 146 and 145, respectively.

UNCONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(Rs.in lakhs)

Particulars	For the six months ended September 30, 2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
1. FIXED ASSETS*						
Gross Block	4,163.77	3,689.34	3,186.06	2,183.92	1,754.79	1,447.01
Less: Depreciation	**(1,745.54)**	**(1,568.54)**	**(1,195.30)**	**(865.31)**	**(675.71)**	**(510.96)**
Net Block	**2,418.23**	**2,120.80**	**1,990.76**	**1,318.62**	**1,079.08**	**936.04**
Add: Capital Work in Progress	8.13	4.48	36.56	116.02	-	-
Net Block Including Capital Work in Progress	**2,426.36**	**2,125.28**	**2,027.32**	**1,434.64**	**1,079.08**	**936.04**
2. INVESTMENTS	**269.09**	**258.58**	**232.34**	**164.84**	**98.77**	**80.91**
3. Deferred Tax Assets/ (Liability) (net)	148.42	146.25	122.47	121.18	62.53	64.39
4. CURRENT ASSETS, LOANS AND ADVANCES						
a) Inventories	504.71	722.40	766.58	312.19	132.52	270.42
b) Sundry Debtors	5,999.25	8,716.20	4,627.18	3,415.45	2,297.26	1,730.71
c) Cash & Bank Balances	2,732.61	1,137.18	1,827.15	378.42	1,040.49	430.58
d) Loans & Advances	8,181.66	6,498.50	4,693.49	2,829.18	1,577.88	930.08
e) Interest Accrued on Investment	19.31	7.76	15.36	4.22	2.10	-
TOTAL CURRENT ASSETS, LOANS AND ADVANCES	**17,437.54**	**17,082.05**	**11,929.76**	**6,939.47**	**5,050.25**	**3,361.80**
5. TOTAL ASSETS (1+2+3+4)	**20,281.40**	**19,612.16**	**14,311.89**	**8,660.12**	**6,290.63**	**4,443.14**
6. LIABILITIES & PROVISIONS						
a) Secured Loans	1,307.20	1,428.17	2,135.50	1,442.95	1,138.01	1,121.31
b) Unsecured Loans	659.68	376.55	432.43	715.62	1,255.87	911.04
c) Current Liabilities and Provisions	11,741.21	12,157.87	8,011.38	4,529.73	3,226.06	2,028.69
TOTAL LIABILITIES	**13,708.08**	**13,962.59**	**10,579.30**	**6,688.30**	**5,619.93**	**4,061.04**
7. NET WORTH (5-6)	**6,573.32**	**5,649.57**	**3,732.59**	**1,971.82**	**670.70**	**382.10**
NET WORTH REPRESENTED BY						
A. Equity Share Capital	900.00	900.00	900.00	900.00	700.00	500.00
Reserves and Surplus	5,710.78	4,760.75	2,832.59	1,071.82	(22.52)	(117.90)
Less Revaluation Reserve	-	-	-	-	-	-
B. Reserves and Surplus (Net of Revaluation Reserve)	5,710.78	4,760.75	2,832.59	1,071.82	(22.52)	(117.90)
C. Misc. Expenditure (to the extent not written off or adjusted)	37.46	11.18	-	-	6.78	
NET WORTH (A + B - C)	**6,573.32**	**5,649.57**	**3,732.59**	**1,971.82**	**670.70**	**382.10**

The accompanying significant accounting policies and notes (Annexure IV) are an integral part of this sta

Adjustment in Share Capital/Unsecured Loan

Reliance Construction Company the erstwhile partnership firm had been incorporated as Relcon Infraprojects Pvt Ltd on 4th December, 2006 under part IX of the Indian Companies Act 1956.The balance in the partners capital account as at 31/3/2006 in the erstwhile partnership firm was Rs 1265.30 lakhs and Rs 500 Lakhs from the same was appropriated as permanent capital of the partners and balance Rs 765.30 Lakhs was regrouped under the head unsecured loan.

UNCONSOLIDATED STATEMENT OF PROFITS AND LOSSES, AS RESTATED

(Rs in lakhs)

Particulars	For the six months ended September 30, 2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
INCOME:						
Civil Contract Receipt	9,554.13	23,091.59	22,197.41	8,623.34	7,082.91	4,801.36
Supply of Civil Material & Services	4,208.49	5,964.42	5,092.69	4,991.09	4,362.69	3,237.92
Realty Income	430.41	1,129.74	-	-	-	-
Gross Earnings from Civil Work	**14,193.03**	**30,185.75**	**27,290.10**	**13,614.43**	**11,445.61**	**8,039.28**
Other Income	79.48	191.09	223.84	150.25	124.28	71.94
Total	**14,272.51**	**30,376.84**	**27,513.94**	**13,764.68**	**11,569.88**	**8,111.22**
EXPENDITURE:						
Change in Work in Progress	69.35	179.37	(462.15)	(173.76)	186.30	139.07
Consumption of Raw Materials	5,226.52	13,591.48	12,725.61	6,999.05	5,594.24	3,987.34
Sub Contract Exp./ Labour Chg. / Job Work Exp. Etc	5,447.23	9,535.56	9,051.87	2,990.32	2,898.40	2,063.71
Other Direct Expenses	1,116.47	2,233.44	2,264.87	1,394.90	1,161.32	936.32
Staff Cost	377.57	648.19	469.95	201.68	114.77	81.21
Administration Expenses	308.68	575.24	498.87	453.36	316.18	205.40
Interest and Financial Charges	106.41	228.83	236.22	160.57	143.04	95.80
Depreciation	197.43	388.57	326.98	201.37	194.63	179.96
Total	**12,849.65**	**27,380.67**	**25,112.21**	**12,227.49**	**10,608.88**	**7,688.81**
Net Profit / Loss Before Tax, Extra-ordinary Items & Prior Period Adjustments	**1,422.86**	**2,996.17**	**2,401.73**	**1,537.18**	**961.00**	**422.40**
Provision for Taxation						
- For Current Year / (MAT)	(475.00)	(1,091.79)	(634.41)	(496.18)	(411.80)	(247.13)
- Fringe Benefit Tax			(7.85)	(5.31)	(5.86)	(3.75)
- Wealth Tax						
- Deferred Tax Liability / (Asset)	2.16	23.78	1.29	58.65	(1.86)	84.15
Net Profit / Loss after tax and before Extra-ordinary Items	**950.03**	**1,928.16**	**1,760.77**	**1,094.34**	**541.48**	**255.67**
Adjustments for extra-ordinary items	-	-	-	-	-	-
Net Profit after Extra-ordinary Items	**950.03**	**1,928.16**	**1,760.77**	**1,094.34**	**541.48**	**255.67**
Balance of Profit brought forward	**4,760.75**	**2,832.59**	**1,071.82**	**(22.52)**	**(117.90)**	**-**
Adjustments in Reserve & Surplus (refer annx - V)					(446.11)	(373.57)
Balance carried forward, as restated	**5,710.78**	**4,760.75**	**2,832.59**	**1,071.82**	**(22.52)**	**(117.90)**

The accompanying significant accounting policies and notes (Annexure IV) are an integral part of this statement.

UNCONSOLIDATED STATEMENT OF CASH FLOWS, AS RESTATED

(Rs in lakhs)

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
A) CASH FLOW FROM OPERATING ACTIVITIES						
Net Profit before tax	**1,422.86**	**2,996.17**	**2,401.73**	**1,537.18**	**961.00**	**422.40**
Adjustments for :						
Profit / Loss on sale of Asset	1.71	3.02	(0.29)	25.09	25.83	(0.45)
Depreciation on Fixed Assets	197.43	388.57	326.98	201.37	194.63	179.96
Preliminary Expenses Written Off	-	-	-	6.78	1.69	-
Impairment loss on Fixed Assets	-	-	6.29	-	-	-
Interest Expenses	89.70	189.68	216.74	128.82	143.05	89.58
Dividend Income	(0.26)	(0.26)	(0.26)	(0.17)	(0.15)	(0.17)
Interest income	(39.14)	(59.42)	(48.80)	(37.31)	(24.60)	(24.69)
Profit from Investments in Joint Ventures / Firms	(27.06)	(35.34)	(106.23)	(111.54)	(88.30)	(14.18)
Operating profit before working capital changes	**1,645.24**	**3,482.41**	**2,796.16**	**1,750.23**	**1,213.15**	**652.46**
Increase in trade receivables and other receivables	1,606.42	(5,829.28)	(2,023.52)	(2,145.67)	(1,016.79)	(414.37)
Increase /(Decrease) in trade and other payables	(908.16)	4,035.33	2,782.12	1,009.44	865.20	321.06
Cash Generated from Operations	**2,561.19**	**1,732.64**	**3,100.37**	**434.33**	**1,199.46**	**655.57**
Direct Taxes paid	(572.64)	(1,037.73)	(1,006.85)	(430.49)	(277.31)	(205.98)
Net Cash flow from Operating Activities Total (A)	**1,988.56**	**694.91**	**2,093.52**	**3.84**	**922.16**	**449.58**
B) CASH FLOW FROM INVESTING ACTIVITIES						
Purchase of Fixed Assets / Capital work in progress	(503.24)	(494.13)	(930.90)	(584.69)	(386.69)	(285.64)
Sale of fixed assets	3.02	4.58	5.25	2.68	23.20	1.34
Dividend Income	0.26	0.26	0.26	0.17	0.15	0.17
Other Investment	-	2.73	(50.30)	0.75	(8.50)	-
Investments/withdrawal in/from Joint Ventures / Firms	16.55	6.37	89.03	44.47	71.44	(13.26)
Interest Received	27.59	67.02	37.66	35.18	15.78	24.13
Net Cash used in Investing Activities Total (B)	**(455.82)**	**(413.17)**	**(849.00)**	**(501.45)**	**(284.62)**	**(273.25)**
C) CASH FLOW FROM FINANCING ACTIVITIES						
Issue of Share Capital	-	-	-	200.00	200.00	-
Amount Raised under Finance Lease	-	-	-	-	16.70	109.30
Issue Expenses	(6.28)	(11.18)	-	-	-	-
Receipt / Repayment of Secured Loan (Net)	(120.98)	(707.32)	692.55	304.94	-	-
Interest paid	(93.19)	(197.33)	(205.14)	(129.16)	(143.05)	(89.58)
Net Cash flow from Financing Activities Total (C)	**62.68**	**(971.71)**	**204.21**	**(164.47)**	**(27.63)**	**35.43**
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	1,595.42	(689.96)	1,448.73	(662.08)	609.91	211.76
Cash and Cash Equivalents at the beginning of the year	1,137.18	1,827.15	378.42	1,040.49	430.58	218.83
Cash and Cash Equivalents at the end of the period	**2,732.61**	**1,137.18**	**1,827.15**	**378.42**	**1,040.49**	**430.58**
Cash and Cash Equivalents includes the following:-						
Cash in hand	110.12	86.21	70.95	36.03	33.99	16.38

Cheques in hand	-	-	67.95	-	500.00	98.00
Balances with Scheduled Banks	-	-	-	-	-	-
- In Current Accounts	148.66	74.51	403.74	31.59	342.57	209.80
- In Deposit Account (Note 1)	2,473.83	976.46	1,284.50	310.79	163.93	106.41
Total	**2,732.61**	**1,137.18**	**1,827.15**	**378.42**	**1,040.49**	**430.58**

Notes:

1.The cash flow statement has been prepared under the Indirect Method as set out in Accounting Standard (AS)-3, Cash flow Statements, as notified under the Companies Act, 1956.

2.Cash and cash equivalents for the six months ended 30th September, 2010, 31st March, 2010, 31st March, 2009, 31st March, 2008, 31st March, 2007 & 31st March, 2006 includes a fixed deposit of Rs 873.83 lakhs, Rs. 676.46 lakhs, Rs. 568.04 lakhs, Rs. 310.79 lakhs, Rs. 163.92 lakhs & Rs. 105.85 lakhs respectively pledged with the bank as margin money for bank guarantee.

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(Rs. in lakhs)

Particulars	**For the six months ended September 30,2010**	**For the year ended March 31,**				
		2010	**2009**	**2008**	**2007**	**2006**
1. FIXED ASSETS						
Gross Block	4,163.77	3,689.34	3,186.06	2,183.92	1,760.92	1,451.09
Less: Depreciation	**(1,745.54)**	**(1,568.54)**	**(1,195.30)**	**(865.31)**	**(676.98)**	**(511.25)**
Net Block	**2,418.23**	**2,120.80**	**1,990.76**	**1,318.62**	**1,083.94**	**939.84**
Add: Capital Work in Progress	8.13	4.48	36.56	116.02	-	-
Net Block Including Capital Work in Progress	**2,426.36**	**2,125.28**	**2,027.32**	**1,434.64**	**1,083.94**	**939.84**
2. INVESTMENTS	**54.51**	**54.51**	**57.24**	**7.94**	**4.73**	**3.73**
3. Deferred Tax Assets/ (Liability) (net)	148.42	146.25	122.47	121.18	62.53	64.39
4. CURRENT ASSETS, LOANS AND ADVANCES						
a) Inventories	512.71	730.40	766.58	312.19	132.87	294.36
b) Sundry Debtors	6,075.36	8,868.59	5,269.81	4,571.86	2,550.34	1,751.35
c) Cash & Bank Balances	2,788.07	1,182.63	1,872.61	449.99	1,472.21	433.73
e) Interest Accrued on Investment	19.31	7.76	15.36	4.22	2.10	-
TOTAL CURRENT ASSETS, LOANS AND ADVANCES	**18,225.53**	**17,935.58**	**13,016.89**	**8,625.74**	**5,882.58**	**3,470.66**
5. TOTAL ASSETS (1+2+3+4)	**20,854.81**	**20,261.62**	**15,223.91**	**10,189.50**	**7,033.78**	**4,478.62**
6. LIABILITIES & PROVISIONS						
a) Secured Loans	1,307.20	1,428.17	2,135.50	1,442.95	1,138.01	1,121.31
b) Unsecured Loans*	713.73	456.36	556.16	715.62	1,311.28	914.58
c) Current Liabilities and Provisions	12,261.12	12,728.07	8,800.09	6,059.10	3,913.79	2,060.62
TOTAL LIABILITIES	**14,282.06**	**14,612.61**	**11,491.75**	**8,217.67**	**6,363.08**	**4,096.51**
7. NET WORTH (5-6)	**6,572.76**	**5,649.01**	**3,732.16**	**1,971.82**	**670.70**	**382.10**
NET WORTH REPRESENTED BY						
A. Equity Share Capital*	900.00	900.00	900.00	900.00	700.00	500.00
Reserves and Surplus	5,710.22	4,760.19	2,832.16	1,071.82	(22.52)	(117.90)

Less Revaluation Reserve	-	-	-	-	-	-
B. Reserves and Surplus (Net of Revaluation Reserve)	5,710.22	4,760.19	2,832.16	1,071.82	(22.52)	(117.90)
C. Misc. Expenditure (to the extent not written off or adjusted)	37.46	11.18	-	-	6.78	
NET WORTH (A + B - C)	**6,572.76**	**5,649.01**	**3,732.16**	**1,971.82**	**670.70**	**382.10**

The accompaning significant accounting policies and notes (Annexure IV) are an integral part of this statement.

Adjustment in Share Capital/Unsecured Loan
Reliance Construction Company the erstwhile partnership firm had been incorporated as Relcon Infraprojects Pvt Ltd on 4th December, 2006 under part IX of the Indian Companies Act 1956.The balance in the partners capital account as at 31/3/2006 in the erstwhile partnership firm was Rs 1265.30 lakhs and Rs 500 Lakhs from the same was appropriated as permanent capital of the partners and balance Rs 765.30 Lakhs was regrouped under the head unsecured loan.

CONSOLIDATED STATEMENT OF PROFITS AND LOSSES, AS RESTATED

(Rs in lakhs)

Particulars	**For the six months ended September 30,2010**	**For the year ended March 31,**				
		2010	**2009**	**2008**	**2007**	**2006**
INCOME:						
Civil Contract Receipt	10,415.59	24,379.14	24,818.83	11,264.26	8,687.51	4,824.87
Supply of Civil Material & Services	4,208.49	5,964.42	5,092.69	4,991.09	4,362.69	3,237.92
Realty Income	430.41	1,129.74	-	-	-	-
Gross Earnings from Civil Work	**15,054.50**	**31,473.30**	**29,911.53**	**16,255.35**	**13,050.20**	**8,062.79**
Other Income	52.42	155.75	117.61	42.92	35.97	57.76
Total	**15,106.92**	**31,629.05**	**30,029.13**	**16,298.27**	**13,086.17**	**8,120.56**
EXPENDITURE:						
Change in Work in Progress	69.35	179.37	(462.15)	(173.76)	186.30	139.07
Consumption of Raw Materials	5,226.52	13,591.48	12,725.61	6,999.05	5,594.24	3,987.34
Sub Contract Exp./ Labour Chg. / Job Work Exp. Etc	6,259.67	10,724.91	11,506.03	5,443.14	4,337.04	2,064.01
Other Direct Expenses	1,116.47	2,233.44	2,264.87	1,394.90	1,161.32	936.32
Staff Cost	377.67	648.19	471.31	205.70	124.46	81.21
Administration Expenses	311.49	625.74	505.82	483.64	341.70	206.69
Interest and Financial Charges	106.91	228.83	236.22	160.57	143.04	95.80
Depreciation	197.43	388.57	326.98	201.37	195.61	179.96
Total	**13,665.51**	**28,620.52**	**27,574.68**	**14,714.61**	**12,083.72**	**7,690.40**
Net Profit / Loss Before Tax, Extra-ordinary Items & Prior Period Adjustments	**1,441.41**	**3,008.53**	**2,454.45**	**1,583.66**	**1,002.45**	**430.16**
Provision for Taxation						
- For Current Year / (MAT)	(493.55)	(1,104.29)	(687.55)	(542.63)	(453.25)	(254.88)
- Fringe Benefit Tax	-	-	(7.85)	(5.33)	(5.86)	(3.75)
- Wealth Tax						
- Deferred Tax Liability / (Asset)	2.16	23.78	1.29	58.65	(1.86)	84.15
Net Profit / Loss after tax and before Extra-ordinary Items	**950.02**	**1,928.03**	**1,760.34**	**1,094.34**	**541.48**	**255.67**
Adjustments for extra-ordinary items	-	-	-	-	-	-
Net Profit after Extra-ordinary Items	**950.02**	**1,928.03**	**1,760.34**	**1,094.34**	**541.48**	**255.67**
Balance of Profit brought forward	**4,760.19**	**2,832.16**	**1,071.82**	**(22.52)**	**(117.90)**	**-**
Adjustments in Reserve & Surplus (refer annexure - V)					(446.11)	(373.57)
Balance carried forward, as restated	**5,710.22**	**4,760.19**	**2,832.16**	**1,071.82**	**(22.52)**	**(117.90)**

The accompanying significant accounting policies and notes (Annexure IV) are an integral part of this statement.

CONSOLIDATED STATEMENT OF CASH FLOWS, AS RESTATED

(Rs. in lakhs)

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	**2009**	**2008**	**2007**	**2006**
A) CASH FLOW FROM OPERATING ACTIVITIES						
Net Profit before tax	**1,441.41**	**3,008.54**	**2,454.45**	**1,583.66**	**1,002.45**	**430.16**
Adjustments for :						
Depreciation on Fixed Assets	197.43	388.57	326.98	201.37	195.61	179.96
Preliminary Expenses Written Off	-	-	-	6.78	1.69	-
Impairment loss on Fixed Assets	-	-	6.29	-	-	-
(Profit) / Loss on sale / Discard of Fixed Assets	1.71	3.02	(0.29)	25.09	25.83	(0.16)
Interest Expenses	89.70	189.68	216.74	128.82	143.05	89.58
Dividend Income	(0.26)	(0.26)	(0.26)	(0.17)	(0.15)	(0.17)
Interest income	(39.14)	(59.42)	(48.80)	(37.31)	(24.60)	(24.69)
Profit from Investments in Partnership Firm	-	-	-	(4.21)	-	-
Operating profit before working capital changes	**1,690.85**	**3,530.11**	**2,955.11**	**1,904.03**	**1,343.88**	**674.68**
Increase in trade receivables and other receivables	1,699.50	(5,542.86)	(1,345.63)	(3,338.91)	(1,288.10)	68.84
Decrease in Inventories	217.69	36.18	(454.39)	(179.32)	161.49	72.48
Increase /(Decrease) in trade and other payables	(969.83)	3,812.33	1,947.38	1,851.60	1,480.21	(162.72)
Cash Generated from Operations	**2,638.20**	**1,835.76**	**3,102.48**	**237.39**	**1,697.48**	**653.28**
Direct Taxes paid	(597.32)	(1,090.57)	(1,070.77)	(498.67)	(325.15)	(215.19)
Net Cash flow from Operating Activities Total (A)	**2,040.88**	**745.19**	**2,031.71**	**(261.28)**	**1,372.34**	**438.09**
B) CASH FLOW FROM INVESTING ACTIVITIES						
Purchase of Fixed Assets / Capital work in progress	(503.24)	(494.13)	(930.90)	(584.69)	(388.74)	(289.73)
Sale of fixed assets	3.02	4.58	5.25	7.54	23.20	1.34
Dividend Income	0.26	0.26	0.26	0.17	0.15	0.17
Other Investments	-	2.73	(49.30)	0.75	(8.50)	-
Interest Received	27.59	67.02	37.66	35.18	15.78	24.13
Net Cash used in Investing Activities Total (B)	**(472.37)**	**(419.53)**	**(937.03)**	**(541.06)**	**(358.11)**	**(264.08)**
C) CASH FLOW FROM FINANCING ACTIVITIES						
Issue of Share Capital	-	-	-	200.00	200.00	-
Receipt / Repayment of Loan / Capital (Net)	257.37	(99.80)	(159.46)	(595.66)	(49.41)	19.26
Issue Expenses	(6.28)	(11.18)	-	-	-	-
Receipt / Repayment of Secured Loan (Net)	(120.98)	(707.32)	692.55	304.94	16.70	109.30
Interest paid	(93.19)	(197.33)	(205.14)	(129.16)	(143.05)	(89.58)
Net Cash flow from Financing Activities Total (C)	**36.93**	**(1,015.64)**	**327.94**	**(219.89)**	**24.24**	**38.97**
Net Increase/(Decrease) in Cash & Cash	1,605.44	(689.98)	1,422.62	(1,022.22)	1,038.47	212.98

Equivalents (A+B+C)						
Cash and Cash Equivalents at the beginning of the year	1,182.63	1,872.61	449.99	1,472.21	433.73	220.75
Cash and Cash Equivalents at the end of the period	**2,788.07**	**1,182.63**	**1,872.61**	**449.99**	**1,472.21**	**433.73**
Cash and Cash Equivalents includes the following:-						
Cash in hand	110.83	86.92	71.68	36.03	33.99	16.38
Cheques in hand	-	-	67.95	-	500.00	98.00
Balances with Scheduled Banks	-	-	-	-	-	-
- In Current Accounts	203.42	119.25	448.47	103.17	774.29	212.95
- In Deposit Account (Note 1)	2,473.83	976.46	1,284.50	310.79	163.93	106.41
Total	**2,788.07**	**1,182.63**	**1,872.61**	**449.99**	**1,472.21**	**433.73**

Notes:
1. The cash flow statement has been prepared under the Indirect Method as set out in Accounting Standard (AS)-3, Cash flow Statements, as notified under the Companies Act, 1956.
2. Cash and cash equivalents for the six months ended 30th September, 2010, 31st March, 2010, 31st March, 2009, 31st March, 2008, 31st March, 2007 & 31st March, 2006 includes a fixed deposit of Rs 873.83 lakhs, Rs. 676.46 lakhs, Rs. 568.04 lakhs, Rs. 310.79 lakhs, Rs. 163.92 lakhs & Rs. 105.85 lakhs respectively pledged with the bank as margin money for bank guarantee.

GENERAL INFORMATION

Incorporation

The erstwhile partnership firm M/s Reliance Construction Company was converted into a Relcon Infraprojects Private Limited under Part IX of the Companies Act, 1956 and incorporated on December 4, 2006 with the Registrar of Companies, Mumbai Maharashtra. The erstwhile partnership firm Reliance Construction Company was formed by a partnership deed dated February 5, 1973 and was subsequently reconstituted from time to time. Pursuant to a special resolution passed by the shareholders of the Company at the Extra Ordinary General Meeting held on June 9, 2010, our Company was converted into a Public Limited Company under section Sec. 44 of the Companies Act, 1956 and subsequently the name of our Company was changed to Relcon Infraprojects Limited. A fresh certificate of Incorporation reflecting the new name was issued by the Registrar of Companies, Mumbai Maharashtra on July 20, 2010

Registered Office
105/C, Shyam Kamal
Agarwal Market, Vile Parle (E)
Mumbai – 400057
Tel.: +91 22 61273601
Fax: +91 22 61273609
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E-mail: ipo@relcon.co.in
Website: www.relcon.co.in

Corporate Office:
A 01/101, Krishna Co-operative Housing Society Ltd.,
Opp. Mahavir Jain Vidyalaya, C. D. Barfiwala Marg,
Juhu Cross Lane, Andheri (W), Mumbai – 400 058
Tel.: +91 22 6733 9999
Telefax: +91 22 6733 9900

CIN No: U45201MH2006PLC165973

Address of the Registrar of Companies:
Registrar of Companies, Mumbai Maharashtra
100, Everest, Marine Drive
Mumbai- 400002.
Tel : +91 22 22846955, + 91 22 22812627,
Fax: + 91 22 22811977
Email : roc.mumbai@mca.gov.in

Production Facilities:

RMC Plants:

1. G – Block, Behind MCA,
   Bandra Kurla Complex,
   Bandra (East), Mumbai.

2. Near Wadala Truck Terminal,
   Opp Imax Theatre,
   Anik Wadala, Link Road,
   Wadala (East), Mumbai.

3. Hari Om Nagar,
   Opp. Mulund Check Naka,
   Mulund (East), Mumbai.

4. Survey No.101, Ketki Pada,
   Behind Diamond Industrial Estate,
   Dahisar (East), Mumbai

Quarry, Asphalt Batch Mix Plant (Hot Mix), Drum Mix Plant andCrushers:

1. Nagla Bunder, Owala Village,
   Ghodbunder Road, Thane – 400 607

Quarry, Crushers and Wet Mix Plant:

1. Sr. No.356
   Owe Camp, Behind Tata Hospital
   Khargar, 410208

We are however at present not operating the quarry at Khargar.

Board Of Directors

Name of the Director	Designation	DIN	Address
Mr. Rakesh P Shah	Chairman	00482647	201 Krishna Niwas, 2nd Floor, J.V.P.D Scheme Road 5, Plot No.9, Suvarna Nagar C.H.S Ltd., Vile Parle (West), Mumbai – 400 056
Mr. Tejas P Shah	Managing Director	00482588	501 Ketan Villa, The Hatkesh C.H.S. Ltd., Plot No.25, North South Road No.6, J.V.P.D Scheme, Vile Parle (West), Mumbai 400 056
Mr. Jainendra P Shah	Jt Managing Director	00482719	52 Uday Swastik Society, North South Road No.4, J.V.P.D Scheme, Vile Parle (West), Mumbai 400 056
Mr. Dipan P Shah	Executive Director	00482614	401 Shantam Building, North South Road No. 9, Plot 38, J.V.P.D Scheme, Vile Parle (West), Mumbai 400 056
Mr. Arvind Vithal Deshingkar	Non Executive Independent Director	03202809	Building 5, Block 102, Neelam Nagar Ph I, Gawanpada, Mulund (East) Mumbai – 400081
Mr. Dilip K. Patel	Non Executive Independent Director	00013150	D-70, Fifth floor, Bina Apartments, Sir M. V. Road, Andheri (East), Mumbai 400069.
Mr. Pratap Ratilal Merchant	Non Executive Independent Director	00022223	403 Sheel Building A Wing 4th Floor, Lajpatrai Road, Vile Parle (West), Mumbai – 400056
Mr. Yogesh Anandlal Shah	Non Executive Independent Director	00001965	501 Shraddha Suman, Plot No. 37, Road No. 6,, J.V.P.D, Vile Parle (West), Mumbai – 400056

For Further details and profile of our Chairman, Managing Director, Jt Managing Director and Executive Director see the section titled “Our Management” on page no. 107

Company Secretary & Compliance Officer

Mr. Hoshang F Kapadia
Relcon Infraprojects Ltd.
A 01/101, Krishna Co-operative Housing Society Ltd.,
Opp. Mahavir Jain Vidyalaya, C. D. Barfiwala Marg,
Juhu Cross Lane, Andheri (W), Mumbai – 400 058
Tel.: + 91 22 6733 9999
Fax: +91 22 67339900
E-mail: ipo@relcon.co.in
Website: www.relcon.co.in

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

All grievances relating to ASBA may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked, ASBA Account number and the Designated Branch where the ASBA Form was submitted.

Book Running Lead Manager

Srei Capital Markets Limited
"Vishwakarma"
86C, Topsia Road (South)
Kolkata- 700 046
Tel: +9133-6602 3845
Fax: +9133-6602 3861
E-Mail: capital@srei.com
Investors Grievance E-mail: scmlinvestors@srei.com
Website: www.srei.com
SEBI Registration No.: INM 000003762
Contact Person: Mr. Manoj Agarwal

Legal Advisor to the Issue
Kanga & Co.,
Advocates & Solicitors
Readymoney Mansion
43, Veer nariman Road
Mumbai - 400001
Tel.: + 9122 66230000/2204 2288
Fax: +91 22 66339656/66339657
E-mail: dhaval.vussonji@kangacompany.com

Registrar To The Issue

Bigshare Services Pvt. Ltd.
E2, Ansa Industrial Estate,
Saki vihar Road, Sakinaka, Andheri (E),
Mumbai - 400 072
Tel : +9122 4043 0200
Fax: + 9122 2847 5207,
Contact Person : Babu Raphael / Mallah S
E-mail : ipo@bigshareonline.com
Website: www.bigshareonline.com
SEBI Regn. No.: INR000001385

Bankers To The Issue & Escrow Collection Banks

[•]

Syndicate Member

[•]

Self Certified Syndicate Banks
The list of banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended, and offer services in relation to ASBA, including blocking of an ASBA Account in accordance with the SEBI Regulations is available on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.

Statutory Auditors To Our Company
Jogish Mehta & Co.
Chartered Accountants
807, Dev Plaza,
S.V, Road, Andheri (West)
Mumbai - 400058
Tel.: +9122 26245302
Fax: +91 22 26245302
E-mail: jogishm@jogishmehta.com

Bankers To Our Company

ICICI Bank Limited Andheri (West) Branch Sagar Avenue, Gr. Floor, Opp. Shoppers Stop S.V. Road, Andheri (W) Mumbai 400 058 Tel.: +91 22-66930395 Fax: +91 22 26705950 E-mail: rajesh.a@icicibank.com Website: www.icicibank.com	**Vijaya Bank Ltd**. Andheri (West) Branch 1/B Alka Apartments S.V. Road, Andheri (West) Mumbai – 400058 Tel.: +91 2226248404/26706447/26286155 Fax: +91 22 26702818 E-mail: - Website:www.vijayabank.com
The Bharat Co-operative Bank (Mumbai) Ltd. Vile Parle Branch "Suncity Theatres" Building M.G. Road, Vile Parle (East) Mumbai 400 057 Tel: +91 22 26169814/26136783 Fax: +91 22 2616 9818 E-mail: vileparle@bharatbank.co.in Website:www.bharatbank.com	

Statement Of Inter Se Allocation Of Responsibilities Amongst Book Running Lead Managers
Srei Capital Markets Limited is the sole BRLM to the issue and all the responsibilities relating to coordination and other activities in relation to the Issue shall be performed by them. The various activities have been set forth below:

Sr. No.	Activities	Responsibility
1	Capital structuring with relative components and formalities	Srei Caps
2	Due diligence of our Company including its operations/management/ business/plans/legal etc. Drafting and design of the offer document and Application Forms including a memorandum containing salient features of the Prospectus. The BRLM shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, the RoC and SEBI including finalization of the Prospectus and RoC filing	Srei Caps
3	Drafting and approval of all statutory advertisements	Srei Caps
4	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (3) above including corporate advertisement, brochure, corporate films, etc.	Srei Caps
5	Appointment of other intermediaries including Registrar to the Offer, printers, advertising agency and Bankers to the Offer	Srei Caps
6	Preparation of road show presentation and frequently asked questions	Srei Caps
7	Non-institutional and Retail marketing of the Offer, which will cover, *inter alia*: • Finalizing media, marketing and public relations strategy; • Finalizing centre for holding conferences for brokers; • Follow-up on distribution of publicity and Offer material including forms, the Prospectus and deciding on the quantum of Offer material; and • Finalizing collection centers	Srei Caps

Sr. No.	Activities	Responsibility
8	Domestic institutional marketing of the Offer, which will cover, *inter alia*: Finalizing the list and division of investors for one to one meetings, institutional allocation	Srei Caps
9	International institutional marketing of the Offer, which will cover, *inter alia*: Finalizing the list and division of investors for one-to-one meetings, institutional allocation	Srei Caps
10	Managing the book, and co-ordination with the Stock Exchanges for book building software, bidding terminals and mock trading, Finalization of Issue Price, in consultation with our Company	Srei Caps
11	Post-Bidding activities including management of escrow accounts, coordinating underwriting, co-ordination of non-institutional allocation, announcement of allocation and dispatch of refunds to Bidders etc. The post-Offer activities will involve essential follow up steps, including the finalization of trading, dealing of instruments, and demat of delivery of shares with the various agencies connected with the work such as the Registrar to the Offer, the Bankers to the Offer, the bank handling refund business and SCSBs. The BRLM shall be responsible for ensuring that these agencies fulfill their functions and discharge this responsibility through suitable agreements with our Company	Srei Caps

Credit Rating
As the present Issue is of Equity Shares, credit rating is not required.

Trustee
As the present issue is of Equity Shares, appointment of Trustee is not required.

IPO Grading Agency
Credit Analysis and Research Limited ("**CARE**") has been appointed for grading this Issue. The rationale furnished by the grading agency for its grading will be updated at the time of filing the Red Herring Prospectus with the RoC.

IPO Grading
This Issue has been graded by [●] and has been assigned the "IPO Grade [●]", indicating [●].The IPO Grading is assigned on a 5 point scale from 1 to 5 with an 'IPO Grade 5' indicating strong fundamentals and an 'IPO Grade 1' indicating poor fundamentals. The rationale furnished by the grading agency for its grading will be updated at the time of filing the Red Herring Prospectus with the RoC.

A copy of the report provided by [●] furnishing the rationale for its grading will be annexed to the Red Herring Prospectus and will be made available for inspection at our Registered Office from 10.00 a.m. to 4.00 p.m. on Working Days from the date of the Red Herring Prospectus until the Bid Closing Date. The details of summary of rationale for the grading assigned by the IPO Grading Agency is given below. The Issue has not been graded by any other agency.

Disclaimer of IPO Grading Agency
[●]

Monitoring Agency
There is no requirement for appointing a monitoring agency for this issue under Regulation 16(1) of the SEBI Regulations since our proposed Issue Size is less than Rs. 50,000 Lakhs. However, as per Clause 49 of the Listing Agreement to be entered into with the stock exchanges upon listing of the equity shares in accordance with the corporate governance requirements, the Audit Committee of the Board will monitor the utilization of issue proceeds.

Appraising Entity
The objects of the Issue have not been appraised by any agency. The objects of the Issue and means of finance therefore are based on internal estimates of our Company.

Book Building Process

“Book building” refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the ASBA Forms. The Issue Price shall be determined by our Company, in consultation with the Book Running Lead Manager, after the Bid Closing Date. The principal parties involved in the Book Building Process are:

a. Our Company;
b. The Book Running Lead Manager;
c. Syndicate Members who are intermediaries registered with SEBI or registered as brokers with the Stock Exchanges and eligible to act as underwriters;
d. Registrar to the Issue;
e. Escrow Collection Banks; and
f. SCSBs.

This Issue is being made through the 100% Book Building Process. Such number of Equity Shares representing up to 50% of the Net Issue shall be available for allocation on a proportionate basis to QIB Bidders. Further, such number of Equity Shares representing 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. In the event that the demand from Mutual Funds is greater than 98,500 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, in the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the QIB Portion and allocated to QIBs on a proportionate basis, subject to valid Bids at or above Issue Price.

Further, not less than 15% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Under subscription, if any, in the Employee Reservation Portion shall be added back to the Net Issue. In the event of under subscription in the Net Issue, spill over to the extent of under subscription shall be allowed from the Employee Reservation Portion subject to the Issue constituting at least 25% of the post-Issue paid up capital of our Company.

In accordance with the SEBI Regulations, QIBs Bidding in the Issue are not allowed to withdraw their Bids after the Bid Closing Date. Further, allocation to QIBs in the QIB Portion will be on a proportionate basis. For further details, see “Terms of the Issue” and “Issue Procedure” on page nos. 196 and 203 respectively.

Our Company will comply with the SEBI Regulations and any other ancillary directions issued by SEBI for this Issue. In this regard, our Company has appointed the Book Running Lead Manager to manage this Issue and procure subscriptions to this Issue.

The Book Building Process is subject to change. Investors are advised to make their own judgment about an investment through this process prior to submitting a Bid.

Steps to be taken by the Bidders for making a Bid or application in this Issue:

- Check eligibility for making a Bid. For further details, see “Issue Procedure” on page no. 203. Specific attention of ASBA Bidders is invited to “Issue Procedure” on page no. 203;
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form or the ASBA Form, as the case may be;
- Ensure that the Bid cum Application Form or ASBA Form is duly completed as per the instructions given in the Red Herring Prospectus and in the respective forms;
- Except for Bids on behalf of the Central or State Government and the officials appointed by the courts, for Bids of all values, ensure that you have mentioned your PAN in the Bid cum Application Form or ASBA Form (see “Issue Procedure” on page no. 203). However, Bidders residing in the State of Sikkim are exempted from the mandatory requirement of PAN. The exemption is subject to the Depository Participants’ verifying the veracity of the claim of the investors that they are residents of Sikkim, by collecting sufficient documentary evidence in support of their address;

- Ensure the correctness of your Demographic Details (as defined in “Issue Procedure – Bidder’s PAN, Depository Account and Bank Account Details” on page no.220), given in the Bid cum Application Form or ASBA Form, with the details recorded with your Depository Participant;

- Bids by ASBA Bidders will only have to be submitted to the SCSBs at the Designated Branches. ASBA Bidders should ensure that their specified bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that their ASBA Form is not rejected;
- Bidders can submit their Bids through the ASBA by submitting ASBA Forms, either in physical or electronic mode, to the SCSB with whom the ASBA Account is maintained; and
- Bids by QIBs except ASBA Bidders will only have to be submitted to members of the Syndicate or their affiliates.

Illustration of Book Building Process and the Price Discovery Process
(Investors should note that the following is solely for the purpose of illustration and is not specific to this Issue)
Bidders can bid at any price within the Price Band. For instance, assuming a price band of Rs.20 to Rs. 24 per share, an issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book as shown below indicates the demand for the shares of the issuer company at various prices and is collated from bids from various investors.

Number of Equity Shares Bid for	Bid Price (Rs.)	Cumulative Equity Shares	Subscription Shares bid for
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

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

Bid/Issue program
Bidding period/Issue period
Bid/Issue opens on : [.]
Bid/Issue closes on : [.]

- Our Company may, in consultation with the Book Running Lead Manager, decide to close the bidding for QIBs one day prior to the Bid Closing Date.

Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time) during the Bidding Period as mentioned above at the Bidding Centers mentioned on the Bid cum Application Form or, in case of Bids submitted through ASBA Form, the Designated Branches **except that on the Bid Closing Date, Bids shall be accepted only between 10.00 a.m. and [•] p.m. (Indian Standard Time)** and uploaded until

(i) **[•]** p.m. in case of Bids by QIBs Bidding in the QIB Portion and Non-Institutional Bidders and
(ii) until **[•]** p.m. or such extended time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion where the Bid Amount is up to Rs. 200,000.

Due to limitation of the time available for uploading the Bids on the Bid Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid Closing Date and, in any case, no later than **[•]** p.m. (Indian Standard Time) on the Bid Closing Date. Bidders are cautioned that, in the event a large number of Bids are received on the Bid Closing Date, as is typically experienced in public offerings in India, it may lead to some

Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded will not be considered for allocation under this Issue. If such Bids are not uploaded, the Issuer, BRLM and Syndicate members will not be responsible Bids will only be accepted on Working Days. It is clarified that Bids not uploaded in the book, would be rejected. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the NSE and the BSE.

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

Applicants may note that in case the DP ID & Client ID, PAN and such other details as required, mentioned in the application form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate Members do not match with such details available in the depository database, the application is liable to be rejected.

Our Company in consultation with the Book Running Lead Manager reserves the right to revise the Price Band during the Bidding Period in accordance with SEBI Regulations. In such an event 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 two working days prior to the Bid/Issue Opening Date.

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

Underwriters To The Issue

After the determination of the Issue Price but prior to filing the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. It is proposed that pursuant to the terms of Underwriting Agreement, the Underwriters shall be responsible for bringing in the amount devolved in the event the Syndicate Members do not fulfil their underwriting obligations. The underwriting shall be responsible to the extent of the Bids uploaded, subject to Regulation 13 of the SEBI Regulations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.

The Underwriting Agreement is dated [•]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

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

Name,Address, Telephone no., fax no., e-maid address of the Underwriter(s)	Indicate No. of Equity Shares to be Underwritten	Amount Underwritten (Rs. in lakhs)
[•]	[•]	[•]

The above chart is indicative of the underwriting arrangement and this would be finalized after the pricing and actual allocation.

In the opinion of the Board of Directors (based on a certificate given to it by the Underwriters), the resources of all the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. All the above-mentioned Underwriters are registered with SEBI under Section 12(1) of the Securities and Exchange Board of India Act, 1992 or registered as brokers with the Stock Exchange(s). Our Board at its meeting held on [•] has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

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 Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriters, in addition to other obligations defined in the underwriting agreement, will also be required to procure/subscribe for Equity Shares to the extent of the defaulted amount.

CAPITAL STRUCTURE

Share capital as on the date of filing of the Draft Red Herring Prospectus with SEBI (before and after the Issue) is set forth below:

(In Rupees, except share data)

	Particulars	Nominal Value	Aggregate Value at Issue Price
A.	**Authorised Capital**		
	1,50,00,000 Equity Shares of Rs. 10/- each	15,00,00,000	
B.	**Issued, Subscribed and Paid up Capital before the Issue**		
	90,00,000 Equity Shares of Rs. 10/- each fully paid up	9,00,00,000	
C.	**Present Issue to the Public in terms of this Draft Red Herring Prospectus**		
	Fresh Issue of:		
	40,00,000 Equity shares of Rs. 10/- each	4,00,00,000	**[•]**
	Out of Above		
D	**Employee Reservation Portion**		
	60,000 Equity Shares of Rs.10/- each	6,00,000	**[•]**
E	**Net Issue to the Public**		
	39,40,000 Equity Shares of Rs.10/- each	3,94,00,000	**[•]**
F.	**Paid Up Share Capital After the Issue**		
	1,30,00,000 Equity shares of Rs. 10/- each	13,00,00,000	**[•]**
G.	**Share Premium Account**		
	Before the Issue	Nil	
	After the Issue	**[•]**	

The Authorized Share Capital of our Company has been built-up as per the details given below:

Date	Type of Share Capital	Number of Shares	Cumulative Number of Shares	Face Value (Rs)	Authorised Capital (Rs)	Particulars
04.12.06	Equity	99,99,000	99,99,000	10	9,99,90,000	Incorporation
04.12.06	Preference	1,000	1,000	10	10,000	Incorporation
30.04.10	Equity	50,00,000	1,50,00,000	10	15,00,00,000	Increase in Authorised Share capital and Reclassification of shares

The current authorized capital is sufficient to meet the requirements of the fresh issue.

Notes To Capital Structure:

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

a. Capital Build up: The existing equity share capital of our Company has been subscribed and allotted as under:

Date of Allotment	No. of Equity shares	Face Value (Rs)	Issue Price (Rs)	Consideration	Nature of Allotment	No of Equity Shares Cumulative	Paid Up Capital (Rs.)	Cumulative Share Premium (Rs.)
04.12.2006	50,00,000	10	10	Other than cash*	Conversion of permanent capital of partnership firm into Equity Capital of our Company consequent to conversion of the partnership	50,00,000	5,00,00,000	-

					firm to a Private Limited Company[1]			
31.03.2007	20,00,000	10	10	Cash	Further Allotment[2]	70,00,000	7,00,00,000	-
11.03.2008	20,00,000	10	10	Cash	Further Allotment[3]	90,00,000	9,00,00,000	-
TOTAL	**90,00,000**							

* Allotment of shares to erstwhile partners (subscribers to the Memorandum of Association) on conversion of the partnership firm M/s Reliance Construction Company into a private limited company under Part IX of the Companies Act, 1956

[1]Mr. Pravin C Shah was allotted 24,00,000 Equity Shares, Mr. Jainendra P Shah was allotted 12,00,000 Equity Shares, Mr. Tejas P Shah was allotted 12,00,000 Equity Shares, Tejas P Shah (HUF) was allotted 50,000 Equity Shares, Jainendra P Shah (HUF) was allotted 50,000 Equity Shares, Pravin C Shah (HUF) was allotted 50,000 Equity Shares and Kamakshi P Shah was allotted 50,000 Equity Shares pursuant to their subscription to our Memorandum on conversion of the partnership firm M/s Reliance Construction Company into a private limited company under Part IX of the Companies Act, 1956
[2]Mr. Jainendra P Shah was allotted 9,40,000 Equity Shares, Mr. Tejas P Shah was allotted 9,40,000 Equity Shares and Kamakshi P Shah was allotted 1,20,000 Equity Shares
[3]Mr.Rakesh P Shah was allotted 10,00,000 Equity Shares and Mr. Dipan P Shah was allotted 10,00,000 Equity Shares

b. Equity Shares issued for consideration other than cash

No Equity Shares have been issued by our Company for consideration other than cash. However there has been an allotment of shares to erstwhile partners (subscribers to the Memorandum of Association) on conversion of the partnership firm M/s Reliance Construction Company into a private limited company under Part IX of the Companies Act, 1956, the details of which are as follows :

Date of Issue	Persons to whom issued	No. of Shares	Price	Reasons for the issue
04.12.2006	Mr. Pravin C Shah	24,00,000	Other than Cash	Allotment of shares to erstwhile partners (subscribers to our Memorandum) on conversion of the partnership firm M/s Reliance Construction Company into a private limited company under Part IX of the Companies Act, 1956
	Mr.Jainendra P Shah	12,00,000		
	Mr. Tejas P Shah	12,00,000		
	Tejas P Shah (HUF)	50,000		
	Jainendra P Shah	50,000		
	Pravin C Shah (HUF)	50,000		
	Kamakshi P Shah	50,000		

There are no benefits that have accrued to our Company out of the issue other than conversion of the partnership firm M/S Reliance Construction Company into a private limited company.

c. Equity Shares issued at a price which may be lower than the Issue Price during the preceding one year

No Equity shares have been issued by our Company at a price which may be lower than the Issue Price during the preceding one year from the date of filing this Draft Red Herring Prospectus with SEBI.

2. **Build up, Contribution and Lock in of Promoters and Promoter Group**

a) **Share Capital history of the Promoters:**

Name of the Promoter	Date of Allotment/ Transfer or when the Equity Shares were made fully paid up	Nature of Transaction	Nature of Consideration	No. of Shares	Face Value (Rs.)	Issue Price/Acquisition Price (Rs)	%age of Pre-Issue Paid-up Capital	%age of Post -Issue Paid-up Capital
Rakesh P Shah	11.12.06	Transfer from Mr. Pravin C Shah	Cash	10	10	10	0.00	0.00

	11.03.08	Further Allotment	Cash	1000000	10	10	11.11	7.69
	31.03.08	Received as gift from Mr. Jainendra P Shah	Gift	595000	10	-	6.61	4.58
	05.11.09	Transferred to Rakesh P Shah (HUF)	(Cash)	(10)	10	10	(0.00)	(0.00)
	24.06.10	Through Transmission	Transmission	599990	10	-	6.67	4.62
Sub Total (A)				**2194990**			**24.39**	**16.88**
Tejas P Shah	04.12.06	Subscription to our Memorandum	Other than cash *	1200000	10	10	13.33	9.23
	31.03.07	Further Allotment	Cash	940000	10	10	10.44	7.23
	31.03.08	Transferred as gift to Mr.Dipan P Shah	(Gift)	(595000)	10	-	(6.61)	(4.58)
	24.06.10	Through Transmission	Transmission	600000	10	-	6.67	4.62
Sub Total (B)				**2145000**			**23.83**	**16.50**
Jainendra P Shah	04.12.06	Subscription to our Memorandum	Other than cash*	1200000	10	10	13.33	9.23
	31.03.07	Further Allotment	Cash	940000	10	10	10.44	7.23
	31.03.08	Transferred as gift to Mr.Rakesh P Shah	(Gift)	(595000)	10	-	(6.61)	(4.58)
	24.06.10	Through Transmission	Transmission	600000	10	-	6.67	4.62
Sub Total (C)				**2145000**			**23.83**	**16.50**
Dipan P Shah	11.12.06	Transfer from Mr. Pravin C Shah	Cash	10	10	10	0.00	0.00
	11.03.08	Further Allotment	Cash	1000000	10	10	11.11	7.69
	31.03.08	Received as gift from Mr. Tejas P Shah	Gift	595000	10	-	6.61	4.58
	05.11.09	Transferred to Dipan P Shah (HUF)	(Cash)	(10)	10	10	(0.00)	(0.00)
	24.06.10	Through Transmission	Transmission	599990	10	-	6.67	4.62
Sub Total (D)				**2194990**			**24.39**	**16.88**
Total Promoters Holding (A+B+C+D)				**8679980**			**96.44**	**66.77**

* Allotment of shares to erstwhile partners (subscribers to the Memorandum of Association) on conversion of the partnership firm M/s Reliance Construction Company into a private limited company under Part IX of the Companies Act, 1956

b) **Details of Promoters' Contribution locked in for three years:**

An aggregate of 20% of the post-Issue capital held by the Promoters shall be considered as promoters' contribution ("**Promoters' Contribution**") and locked-in for a period of three years from the date of Allotment in this issue.

The lock-in of the Promoters' Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchanges before listing of the Equity Shares.

Our Promoters have, pursuant to their undertakings dated March 29, 2011 granted consent to include such number of Equity Shares held by them as may constitute 20% of the post-Issue equity share capital of our Company as Promoters' Contribution and have agreed not to sell or transfer or pledge or otherwise dispose off in any manner, the Promoters' Contribution from the date of filing of this Draft Red Herring Prospectus until the commencement of the lock-in period specified above. The details of the promoter's Equity shares locked in for a period of three years are as under:

Name of the Promoter	**Date of Allotment/ Transfer or when the Equity Shares were made fully paid up**	**Nature of Consideration**	**Nature of Allotment/ Transaction**	**Face Value (Rs.)**	**Issue Price/ Acquistion Price (Rupees)**	Number of Equity Shares locked in	**%age of Pre-Issue Paid-up Capital**	**%age of Post -Issue Paid-up Capital**
Rakesh P Shah	11.03.08	Cash	Further Allotment	10	10	6,50,000	7.22	5.00
Tejas P Shah	31.03.07	Cash	Further	10	10	6,50,000	7.22	5.00

			Allotment					
Jainendra P Shah	31.03.07	Cash	Further Allotment	10	10	6,50,000	7.22	5.00
Dipan P Shah	11.03.08	Cash	Further Allotment	10	10	6,50,000	7.22	5.00
	Total					**26,00,000**	**28.89**	**20.00**

The minimum Promoters‟ contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as Promoters under the SEBI Regulations. The Promoters' contribution constituting not less than 20% post-Issue capital shall be locked-in for a period of three years from the date of Allotment in the Issue.

The Equity Shares constituting minimum Promoter‟s contribution in the Issue are eligible in terms of the SEBI Regulations.

i. The Equity Shares offered for minimum 20% Promoters' contribution are not acquired in the last three years for consideration other than cash and revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or unrealised profits or against Equity Shares which are otherwise ineligible for computation of Promoters‟ contribution;
ii. The minimum Promoters' contribution does not include any Equity Shares acquired during the preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;
iii. The Equity Shares held by the Promoters and offered for minimum 20% Promoters' contribution are not subject to any pledge.
iv. Equity Shares issued to the Promoters upon conversion of a partnership firm;

c) **Details of Promoters' Contribution locked in for one year**

In terms of Regulation 36 of the SEBI Regulations the balance equity shareholding of the promoters i.e. 60,79,980 Equity Shares (in excess of the aforesaid 20%) will also be locked-in for a period of one year from the date of Allotment of the Equity Shares in the Issue.

d) **Details of Shareholding of Persons in Promoters Group:**

Name of the Promoters' Group	Date of Allotment/ Transfer or when the Equity Shares were made fully paid-up	Nature of Transaction	Nature of Consideration	No. of Shares	Face Value (Rs.)	Issue Price/ Acquisition Price (Rs.)	%age of Pre-Issue Paid-up Capital	%age of Post-Issue Paid-up Capital
Rakesh P Shah (HUF)	05.11.09	Transfer from Mr. Rakesh P Shah	Cash	10	10	10	0.00	0.00
Sub Total (A)				**10**			**0.00**	**0.00**
Tejas P Shah (HUF)	04.12. 2006	Subscription to our Memorandum	Other than cash *	50,000	10	10	0.56	0.38
Sub Total (B)				**50,000**			**0.56**	**0.38**
Jainendra P Shah (HUF)	04.12. 2006	Subscription to our Memorandum	Other than cash *	50,000	10	10	0.56	0.38
Sub Total (C)				**50,000**			**0.56**	**0.38**
Dipan P Shah (HUF)	05.11. 2009	Transfer from Mr. Dipan P Shah	Cash	10	10	10	0.00	0.00
Sub Total (D)				**10**			**0.00**	**0.00**
Pravin C. Shah (HUF)	04.12. 2006	Subscription to our Memorandum	Other than cash *	50,000	10	10	0.56	0.38
Sub Total (E)				**50,000**			**0.56**	**0.38**
Kamakshi P Shah	04.12.06	Subscription to our Memorandum	Other than Cash*	50,000	10	10	0.56	0.38
	31.03.07	Further Allotment	Cash	1,20,000	10		1.33	0.92
Sub Total (F)				**1,70,000**			**1.89**	**1.31**
	Total (A+B+C+D+E+F)			**3,20,020**			**3.56**	**2.46**

* Allotment of shares to erstwhile partners (subscribers to the Memorandum of Association) on conversion of the partnership firm M/s Reliance Construction Company into a private limited company under Part IX of the Companies Act, 1956

e) Out of the total Promoters' holding, 20% of the Post-Issue Equity Share Capital i.e. 26,00,000 Equity Shares will be under lock-in for 3 years. The promoters and the promoter group will not be participating in the proposed issue.

f) Specific written consent has been obtained from the promoters for inclusion of the above mentioned shares as minimum promoters' contribution, subject to lock in to the extent of 20% of Post Issue Paid up Capital and that these shares shall not be transferred except inter se transfer as per the SEBI Regulations.

g) The Equity Shares held by the Promoters which are locked-in for a period of three years from the date of Allotment in the Issue can be pledged with any scheduled commercial bank or public financial institution as collateral security for loans granted by such banks or institution, provided that the pledge of Equity Shares can be created when the loan has been granted by such bank or financial institution for financing one or more of the objects of the Issue and pledge of Equity Shares is one of the terms of sanction of the loan.

h) The Equity Shares held by the Promoters which are locked-in for a period of one year from the date of Allotment in the Issue can be pledged with any scheduled commercial bank or public financial institution as collateral security for loans granted by such bank or financial institution, provided that the pledge of the Equity Shares is one of the terms of sanction of the loan.

i) The Equity Shares held by the Promoters may be transferred to and amongst the Promoter Group or to a 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 the SEBI Takeover Regulations as applicable.

j) The Equity Shares held by person other than the Promoters prior to the Issue may be transferred to any other person holding Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI Takeover Regulations, as applicable

k) In case the final allotment of equity shares exceeds the number of equity shares offered through this issue on account of rounding off to the nearest integer as decided at the time of allotment, the number of shares to be locked in for three years shall be calculated on the increased allotted share capital.

3. **Details of share capital locked in for one year**
In addition to the lock-in of the Promoters' Contribution, the entire pre-Issue equity share capital of our Company (including those Equity Shares held by our Promoters) shall be locked in for a period of one year from the date of Allotment. The Equity Shares subject to lock-in will be transferable subject to compliance with the SEBI Regulations, as amended from time to time.

4. **Shareholding pattern of the Promoters and the promoters group before and after the proposed Issue is as under:**

Name of the Shareholder	**Pre Issue**		**Post Issue**	
	Number of Shares	**%age Holding**	**Number of Shares**	**%age Holding**
Promoter				
Mr.Rakesh P Shah	21,94,990	24.39	21,94,990	16.88
Mr.Tejas P Shah	21,45,000	23.83	21,45,000	16.50
Mr.Jainendra P Shah	21,45,000	23.83	21,45,000	16.50
Mr.Dipan P Shah	21,94,990	24.39	21,94,990	16.89
Sub Total (a)	**86,79,980**	**96.44**	**86,79,980**	**66.77**
Promoters' Group				
Rakesh P Shah (HUF)	10	0.00	10	0.00
Tejas P Shah (HUF)	50,000	0.56	50,000	0.38
Jainendra P Shah (HUF)	50,000	0.56	50,000	0.38
Dipan P Shah (HUF)	10	0.00	10	0.00
Pravin C. Shah (HUF)	50,000	0.56	50,000	0.38
Mrs.Kamakshi P Shah	1,70,000	1.89	1,70,000	1.31
Sub Total (b)	**3,20,020**	**3.56**	**3,20,020**	**2.46**
Shareholding of Promoters' & Promoters Group (a+b)	**90,00,000**	**100.00**	**90,00,000**	**69.23**

5. **Our shareholding pattern**

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

Category Code	Category of Shareholder	No. of Shareholders	Total no. of shares	No. of shares held in dematerialized form	Total shareholding as a percentage of total number of shares (Pre-Issue)		Total Number of shares	Total Shareholding as a % of total number of shares (Post-Issue)	
					As a Percentage of (A + B)	As a Percentage of (A+B+C)		As a % of (A + B)	As a % of (A+B+C)
(A)	**Shareholding of promoter and promoter group**								
(1)	**Indian**								
(a)	Individuals/Hindu undivided Family	10	90,00,000	--	100.00	100.00	90,00,000	69.23	69.23
(b)	Central Government/ State Government(s)	--	--	--	--	--	--	--	--
(c)	Bodies Corporate	--							
(d)	Financial Institutions/ Banks	--	--	--	--	--	--	--	--
(e)	Any other (Specify)	--	--	--	--	--	--	--	--
	Sub-Total (A) (1)	10	90,00,000	--	100.00	100.00	90,00,000	69.23	69.23
(2)	**Foreign**								
(a)	Individuals (Non Resident Individuals/Foreign Individuals)	--	--	--	--	--	--	--	--
(b)	Bodies Corporate	--	--	--	--	--	--	--	--
(c)	Institutions	--	--	--	--	--	--	--	--
(d)	Any Other (Overseas Corporate Body)	--	--	--	--	--	--	--	--
	Sub-Total (A) (2)	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
	Total Shareholding of Promoter and promoter group (A) = (A)(1)+ (A)(2)	**10**	**90,00,000**	**--**	**100.00**	**100.00**	**90,00,000**	**69.23**	**69.23**
(B)	**Public Shareholding ***								
(1)	**Institutions**						40,00,000	30.77	30.77
(a)	Mutual Funds/UTI	--	--	--	--	--			
(b)	Financial Institutions/ Banks	--	--	--	--	--			
(c)	Central Government/ State Government(s)	**--**	**--**	**--**	**--**	**--**			
(d)	Venture Capital Funds *	**--**	**--**	**--**	**--**	**--**			
(e)	Insurance Companies	**--**	**--**	**--**	**--**	**--**			
(f)	Foreign institutional investor	**--**	**--**	**--**	**--**	**--**			
(g)	Foreign Venture Capital Investors	**--**	**--**	**--**	**--**	**--**			
(h)	Any Other	**--**	**--**	**--**	**--**	**--**			
	Sub Total (B)(1)	**--**	**--**	**--**	**--**	**--**			
(2)	**Non Institutions**								
(a)	Bodies Corporate	**--**	**--**	**--**	**--**	**--**			

Category Code	Category of Shareholder	No. of Shareholders	Total no. of shares	No. of shares held in dematerialized form	Total shareholding as a percentage of total number of shares (Pre-Issue)		Total Number of shares	Total Shareholding as a % of total number of shares (Post-Issue)	
					As a Percentage of (A + B)	As a Percentage of (A+B+C)		As a % of (A + B)	As a % of (A+B+C)
(b)	Individuals- Individual shareholders holding nominal share capital up to Rs 1 lakh	--	--	--	--	--			
(c)	Individuals- Individual shareholders holding nominal share capital more than Rs 1 lakh	--	--	--	--	--			
	Employees	--	--	--	--	--			
	Sub Total (B)(2)	--	--	--	--	--			
	Total Public shareholding (B)= (B)(1) + (B)(2)	--	--	--	--	--	**40,00,000**		
	Total (A) + (B)	**10**	**90,00,000**	--	**100.00**	**100.00**	**130,00,000**	**100.00**	**100.00**
(C)	Shares held by Custodians and against which Depository Receipts have been issued	--	--	--	--	--			
	Grand Total (A)+(B)+(C)	**10**	**90,00,000**	--	**100.00**	**100.00**	**130,00,000**	**100.00**	**100.00**

\# *Post-Issue shareholding pattern will be determined after the Issue.*

\## *Since the Promoters/Promoter Group will not participate in the proposed issue, the entire offering of Equity Shares has been shown to have been taken by the Non-Promoters.*

6. Other than as set forth below, none of our Directors hold Equity Shares as on the date of filing this Draft Red Herring Prospectus:

Sr.No.	Name of Director	No. of Equity Shares	Percentage of shareholding
1.	Mr.Rakesh P Shah	21,94,990	24.39
2.	Mr.Tejas P Shah	21,45,000	23.83
3.	Mr.Jainendra P Shah	21,45,000	23.83
4.	Mr.Dipan P Shah	21,94,990	24.39
	Total	**86,79,980**	**96.44**

7. **Top 10 shareholders**

a. Top ten shareholders as on the date of filing of this Draft Red Herring Prospectus with SEBI is as follows:

Sl. No.	Name of the Shareholder	Number of Shares	* % of Issued Capital
1.	Mr.Rakesh P Shah	21,94,990	24.39
2.	Mr.Dipan P Shah	21,94,990	24.39
3.	Mr.Jainendra P Shah	21,45,000	23.83
4.	Mr.Tejas P Shah	21,45,000	23.83
5.	Mrs.Kamakshi P Shah	1,70,000	1.89
6.	Pravin C. Shah (HUF)	50,000	0.56
7.	Tejas P Shah (HUF)	50,000	0.56
8.	Jainendra P Shah (HUF)	50,000	0.56
9.	Rakesh P Shah (HUF)	10	0.00
10.	Dipan P Shah (HUF)	10	0.00
	Total	**90,00,000**	**100.00**

* Issued Capital here represents 90,00,000 Equity Shares

b. Top ten shareholders 10 days prior to the date of filing of this Draft Red Herring Prospectus with the SEBI are as follows:

Sl. No.	Name of the Shareholder	Number of Shares	* % of Issued Capital
1	Mr. Pravin C Shah	23,99,980	26.67
2	Mr.Rakesh P Shah	15,95,010	17.72
3	Mr.Dipan P Shah	15,95,010	17.72
4	Mr.Jainendra P Shah	15,45,000	17.17
5	Mr.Tejas P Shah	15,45,000	17.17
6	Mrs.Kamakshi P Shah	1,70,000	1.89
7	Tejas P Shah (HUF)	50,000	0.55
8	Jainendra P Shah (HUF)	50,000	0.55
9	Pravin C. Shah (HUF)	50,000	0.55
	Total	**90,00,000**	**100.00**

* Issued Capital here represents 90,00,000 Equity Shares

c. Top ten shareholders two years prior to date of filing of this Draft Red Herring Prospectus with the SEBI are as follows:

Sl. No.	Name of the Shareholder	Number of Shares	* % of Issued capital
1.	Mr. Pravin C. Shah	23,99,980	26.67
2.	Mr.Rakesh P Shah	15,95,010	17.72
3.	Mr.Dipan P Shah	15,95,010	17.72
4.	Mr.Jainendra P Shah	15,45,000	17.17
5.	Mr.Tejas P Shah	15,45,000	17.17
6.	Mrs.Kamakshi P Shah	1,70,000	1.89
7.	Pravin C. Shah (HUF)	50,000	0.56
8.	Tejas P Shah (HUF)	50,000	0.56
9.	Jainendra P Shah (HUF)	50,000	0.56
	Total	**90,00,000**	**100.00**

* Issued Capital here represents 90,00,000 Equity Shares

8. No Equity Shares have been sold or purchased by the Promoter and the Promoters' Group our directors and their immediate relatives as per Regulation 2 of the SEBI Regulations during the period of six months preceding the date of filing this Draft Red Herring Prospectus.

9. Our Company, our Promoters, Promoter Group, Directors and/or the BRLM of the Issue have not entered into any 'buy-back' or 'standby' arrangement for purchase of the Equity Shares being offered through this Draft Red Herring Prospectus.

10. The Book Running Lead Manager does not hold any Equity Shares as on the date of filing of this Draft Red Herring Prospectus.

11. No Equity Shares have been allotted pursuant to any scheme approved under section 391 – 394 of the Companies Act.

12. An over-subscription to the extent of 10% of the Net Issue size can be retained for the purpose of rounding off to the nearest multiple of minimum allotment lot, while finalizing the allotment.

13. Our Company has not raised any bridge loan from any Bank against the proceeds of this Issue.

14. There are no partly paid up Equity Shares as on the date of Draft Red Herring Prospectus.

15. The Equity Shares offered through the Issue will be fully paid up, and hence there shall be no partly paid shares in this issue.

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

17. A total of 60,000 Equity Shares have been reserved for allocation to the Eligible Employees, subject to valid bids being received at or above the issue price. Employees can also make Bids in the Net Issue to Public and such Bids shall not be treated as multiple Bids.

18. Under-subscription, if any, in the Reservation for Eligible Employees shall be added back to the Net issue. In the event of under subscription in the Net Issue, spill over to the extent of under subscription shall be allowed from the Employee Reservation Portion. subject to the Issue constituting at least 25% of the post-Issue paid up capital of our Company.

19. The Issue is being made through the 100% Book Building Process wherein up to 50% of the Net Issue shall be available for allocation to Qualified Institutional Buyers on a proportionate basis out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. Further, not less than 15% of the Net Issue would be allocated to Non-Institutional Bidders and not less than 35% of the Net Issue would be allocated to Retail Individual Bidders on a proportionate basis, subject to valid bids being received from them at or above the Issue Price.

20. Under-subscription, if any, in the QIBs, Non-institutional and Retail Individual Portion would be met with the spill over from any other category at the sole discretion of our Company in consultation with the BRLM. However if the aggregate demand by mutual funds is less than 5% of the QIB portion, the balance equity shares available for allocation in the mutual fund portion will be first added to the QIB portion and be allotted proportionately to the QIB bidders.

21. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in para on "Basis of Allotment" beginning on page no. 229 of this Draft Red Herring Prospectus.

22. Other than allotment pursuant to the Pre-IPO Placement, there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the submission of this Draft Red Herring Prospectus with SEBI until the Equity Shares to be issued pursuant to the Issue have been listed.

23. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.

24. We do not have any intention or proposal to alter our capital structure for a period starting six months from the date of opening of the Issue by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or bonus, rights, further Public issue or Qualified Institutional Placement otherwise except issue and allotment Pre-Ipo Placement. Further, if we enter into acquisition(s) or joint venture(s), we may consider additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures, subject to approvals as may be required.

25. On the date of filing the Draft Red Herring Prospectus with SEBI, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into Equity Shares, which would entitle the existing Promoters or shareholders, or any other person any option to receive Equity Shares after the Offer.

26. We have not issued any Bonus Shares or shares out of revaluation reserves or reserves without accrual of cash resources.

27. We have not issued any Equity shares for consideration other than cash. However there has been an allotment of shares to erstwhile partners (subscribers to the Memorandum of Association) on conversion of the partnership firm M/s Reliance Construction Company into a private limited company under Part IX of the Companies Act, 1956.

28. We have not offered any Employees Stock Option Scheme or Employees Stock Purchase Scheme for its employees. Our Company does not intend to allot any Equity Shares to its employees under ESOP/ESPS scheme from the proposed Issue. As and when, options are granted to the employees under the ESOP scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.

29. There will be only one denomination of the Equity Shares of Relcon Infraprojects Limited, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

30. There are certain restrictive covenants in the facility agreements entered into by our Company with certain lenders. For details, see "Financial Indebtedness" and "Risk Factors" beginning on page nos. 159 and xi respectively.

31. During the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus, no financing arrangements existed whereby our Promoters, our Promoter Group, our Directors and their relatives may have financed the purchase of Equity Shares by any other person, other than in the normal course of the business of such financing entity.

32. We have a total of 10 Equity shareholders as on date.

33. No payment, direct or indirect in the nature of discount, commission, and allowance or otherwise shall be made either by us or our Promoters to the persons who receive Allotments.

34. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

35. Our Company shall ensure that transactions in the Equity Shares by our Promoters and the Promoter Group between the date of filing of the Red Herring Prospectus with RoC and the date of closure of the Issue shall be intimated to the Stock Exchanges within 24 hours of such transaction.

OBJECTS OF THE ISSUE

The Objects of the Issue are as stated herein below:

i. Purchase of Equipments for expanding our infrastructure development and construction business, Setting up of Three (3) Ready Mix Concrete plants, One (1) Asphalt Batch Mix Plant, Two (2) Wet Mix Plants and One (1) Crushing Plant for strengthening in-house sourcing of raw materials
ii. To meet additional working capital requirement
iii. To meet the expenses of this Issue.
iv. General Corporate Purpose
v. To list the equity shares of Relcon Infraprojects Ltd on the Bombay Stock Exchange Limited (BSE), the Designated Stock Exchange; and National Stock Exchange of India Limited (NSE), which will enhance our Company's brand name and provide liquidity to its shareholders.

The main Objects Clause, and objects incidental or ancillary to the main objects clause, of our Memorandum of Association permits us to undertake existing activities and activities for which the funds are being raised by us, through the present issue.

Cost Of The Project And Means Of Financing
The fund requirements and the intended use of the proceeds as described herein are based on management estimates and our current business plan. The fund requirements and intended use of proceeds have not been appraised by any bank or financial institution. We may have to revise our expenditure and fund requirements as a result of variations in cost estimates on account of variety of factors such as changes in product mix, and external factors which may not be within the control of our management and may entail rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of our management.

Cost Of Project:

Rs. in lakhs

Sl. No.	Particulars	Amount
A.	Equipments, 3 Ready Mix Concrete (RMC) plants, Asphalt Batch Mix Plant, 2 Wet Mix Plants and Crushing Plant	5675.62
B.	Margin Money for working capital	1127.00
C.	Public Issue Expenses	[■]
D.	General Corporate Purposes	[■]
E.	**TOTAL**	[■]

As per the certificate dated February 5, 2011 issued by M/s. Jogish Mehta & Co., Chartered Accountants, our Company has till January 31, 2011 incurred Rs. 17.45 lakhs towards the objects of the issue.

Means Of Financing
The proposed means of the finance as per our Company is as under:

Rs. in lakhs

Sl. No.	Particulars	Amount
A.	Internal Cash Accruals	[■]
B.	Public Issue of Equity Shares	[■]
	TOTAL FUNDS RAISED	[■]

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. In case of any surplus after utilization of the proceeds from the Issue for the stated objects, we may use such surplus towards general corporate purposes. In the event the overall requirement of funds exceeds the cost of the project, the shortfall will be met through internal accruals.

DETAILED BREAK-UP OF PROJECT COST

A. Equipments, 3 Ready Mix Concrete (RMC) plants, 1 Asphalt Batch Mix Plant, 2 Wet Mix Plant and 1 Crushing Plant:

a. Land:

We are exploring suitable locations for setting up the proposed 3 RMC plants, Asphalt Batch Mix Plant, 2 Wet Mix Plant and Crushing Plant. We propose to take land at Thane and at raigad District in Maharashtra on lease basis for setting up Asphalt Batch Mix Plant, 2 Wet Mix Plants and Crushing Plant. We also propose to set up two RMC plants in Maharashtra and one RMC plant in Gujarat. We propose to take land for 3 Ready Mix Concrete (RMC) plants on lease basis. We propose to set up all the plants on leased land.

The land requirement for each RMC plant would be approx 40,000 sq ft, Asphalt batch Mix Plant would be 25,000 sq ft, for each Wet Mix Plant would be 10,000 sq ft and Crushing plant would be 15,000 sq ft.

For the land being taken on lease basis we have to give lease deposit and incur annual lease rentals. Hence, cost of the land is not considered in the project cost.

b. Plant & Machinery:

(Rs. in Lakhs)

Sl. No.	Description of Equipment	Supplier	Date of quotation received	Basic Cost	Excise/ Custom duty	VAT /CST	Invoice Value per Machine	Quantity	Total Cost
1	L&T 752 Tandem Vibratory Compactor	C.S. Disel Engineering Pvt. Ltd.	25.02.2011	20.00	2.06	0.44	22.50	3	67.50
2	Komatsu Motor Grader Model GD511A-1 with scarifier	Larsen & Toubro Ltd.	15-03-2011	58.05	14.32		72.37	3	217.11
3	Apollo Asphalt Batch Mix Plant Model ANP 1500 with capacity 128tph @3% moisture	Gujarat Apollo Industries Ltd.	25.02.2011	180.00	18.54	3.97	202.51	1	202.51
4	Hydrostatic Sensor Paver Model AP 550 for Dual Application	Gujarat Apollo Industries Ltd.	25.02.2011	36.80	3.79	0.81	41.40	2	82.80
5	Apollo Stationary Wet Mix Plant Model WM 100 with a capacity 100 tph	Gujarat Apollo Industries Ltd.	25.02.2011	21.00	2.16	0.46	23.62	2	47.25
6	JCB 4DX Centremount Excavator Loader equipped with 0.32 cu.m Excavator bucket and 6in1 Clam Shovel Loader bucket	JCB India Limited	25.02.2011	18.19	1.87	0.40	20.47 (incl transport)	13	266.05
7	SR 60 Hydraulic Piling Rig	Soilmech Foundation Equipments Pvt Ltd.	14.03.2011	288.30	69.58		357.88	3	1073.63
8	150-175 tph Three Stage Aggregate Crushing Plant	Core Crushing Equipments Pvt. Ltd.	08.03.2011	325.00		40.63	365.63	1	365.63
9	Scaffolding & Shuttering Material	Kay Kay Scaffolding Pvt. Ltd.	10.03.2011	504.08		10.08	514.16	1	514.16
10	Hydraulic Excavators - 20 Tones	Larsen & Toubro Ltd.	07.03.2011	44.50	4.58	0.98	50.07	4	200.26
11	ACE Hydraulics mobile cranes Model ACE 12 XW9(3P)	Action Construction Equipment Ltd.	25.02.2011	8.40	0.87	0.18	9.45	1	9.45
12	9 mtrs Mobile Lighting Tower	Aska Safety Devices	08.03.2011	4.65		0.09	4.74	5	23.72
13	Tata Diesel Model SFC 709/38 EX CAB Chasis BS – III	Bafna Motors (Mumbai) Pvt. Ltd.	07.03.2011	7.25			7.25	3	21.75
14	Tata Diesel 207/31 C.C. P sth AW EX BS- III	Bafna Motors (Mumbai) Pvt. Ltd.	07.03.2011	5.03			5.03	5	25.14
15	Tata Diesel SE 1616 697 BS – III	Bafna Motors (Mumbai) Pvt. Ltd.	08.03.2011	11.13			11.13	4	44.52
16	QP 5015 GJJ-Spartan make Premium Topless Tower Crane – Stationary type for mast height up 70.2 meters (4)	Spartan Engineering Industries Pvt. Ltd.	07.03.2011	51.23	12.42		63.65	1	63.65
17	Tata Diesel LPT 2518 TC /38 Tipper Fully Built BS-III	Bafna Motors (Mumbai) Pvt. Ltd.	07.03.2011	21.85			21.85	25	546.21
18	Stetter Mobile Concrete Mixing Plant M 1 Compartment batcher Execution	Schwing Stetter (India) Pvt. Ltd	07.03.2011	67.00	6.90	1.48	75.38	3	226.14
19	Stetter Transit Mixer Model	Schwing Stetter	07.03.2011	8.50	0.88	0.19	9.56	30	286.89

	Am 6 SHN	(India) Pvt. Ltd							
20	Lab Instruments for RMC Plant	Scientific Instrument Sales	07.03.2011	6.01		0.75	6.77	3	20.30
21	Schwing Portable Concrete Pump Model SP1400-D	Schwing Stetter (India) Pvt. Ltd.	04.03.2011	22.00	2.27	0.49	24.75	3	74.25
22	Cement Silo, size 3300 mm dia and shell 9000 mm length	Reliable Engineering Works	07.03.2011	5.00		0.63	5.63	9	50.63
23	54 Ton Flyash Silo, size 3300 mm dia and 6000 mm length	Reliable Engineering Works	07.03.2011	4.30		0.54	4.84	3	14.51
24	Extension of Flyash Silo	Reliable Engineering Works	07.03.2011	1.30		0.16	1.46	3	4.39
25	M.S. Bucket Elevator for cement feeding in single Silo	Reliable Engineering Works	07.03.2011	4.30		0.54	4.84	3	14.51
26	Aggregate feeding Belt Conveyor for Stetter M1 batching Plant	Reliable Engineering Works	07.03.2011	8.35		1.04	9.39	3	28.18
27	Tata Diesel LPK 2518 TC/38 CAB RMC Chassis BS-III	Bafna Motors (Mumbai) Pvt. Ltd.	08.03.2011	17.98			17.98	30	539.49
	Electronic Weigh Bridge of 40/50 ton capacity	Citizen Scale (I) Pvt. Ltd.	07.03.2011	8.30		0.08	8.38	3	25.15
	Sub – Total								**5055.78**
	RTO, Octroi, Entry Tax, Product support charge, Port clearance charges, transportation, Erection & Commissioning and Loading, Lashing & Forwarding charges								**518.64**
	(c) Total Cost								**5574.42**

c. Buildings for Various Plants:

The estimate for proposed buildings for various plants along with the ancillary structures are as follows:

Sl. No.	Particulars	Area (sq. ft.)	Rate (Rs./ Sq. ft.)	Cost (Rs. in lakhs)
1	**3 Nos. Ready Mix Concrete Plant**			
a	Store Room	500	600	3.00
b	Office	300	1000	3.00
c	Lab	800	600	4.80
d	Shed	2000	500	10.00
	Cost / plant for 1 RMC Plant			20.80
	Total Cost for 3 RMC Plant (1)			**62.40**
2	**Asphalt Batch Mix Plant & 1 No. Wet Mix Plant & 1 Crushing Plant**			
a	Store Room	800	600	4.80
b	Office	400	1000	4.00
c	Lab	800	600	4.80
d	Shed	3000	500	15.00
	Cost / plant (2)			**28.60**
3	**1 no. Wet Mix Plant**			
a	Store Room	200	600	1.20
b	Office	150	1000	1.50
c	Lab	250	600	1.50
d	Shed	1200	500	6.00
	Cost / plant (3)			**10.20**
	Total Cost for Buildings (1+2+3)			**101.20**

Our Company has in-house expertise in construction of buildings and hence the proposed civil works will be carried out by our Company. The cost estimates are based on Rajan Kulkarni & Associates, Planning and Design Consultants certificate dated September 2, 2010.

Sub – Total – Rs.101.20 lakhs

Total cost of Equipments, 3 Ready Mix Concrete (RMC) plants, Asphalt Batch Mix Plant, 2 Wet Mix Plant and Crushing Plant (b+c) – Rs. 5675.62 lakhs

None of the machinery described above, is used/second hand in nature, and we do not propose to purchase any used / second hand machinery. We have till date not placed any orders for the equipments proposed to be bought out of the Issue Proceeds.

Our Promoters, Directors, Key Managerial Personnel and the Group Companies do not have any interest in the proposed acquisition of the equipments or in the entity from whom we have obtained quotations for the same.

The prices for the equipments proposed to be purchased as set out above are as per the quotations received from the respective suppliers. We will obtain fresh quotations at the time of actual placement of the order for the respective equipment. The actual cost would thus depend on the prices finally settled with the suppliers and to that extent may vary from the above estimates. As regards to port clearance charges, transportation, loading, forwarding charges, foundation for machinery and erection and commissioning etc, we have relied upon our own judgement in estimating the costs based on our past experience and we have not obtained any quotations for the same.

Further, our Company's 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.

B. BASIS OF ESTIMATION OF MARGIN MONEY FOR WORKING CAPITAL

Our Company's working capital gap as on Audited Accounts of year ended March 31, 2010, and the details of our Company's expected working capital gap as at March 31, 2012 are as follows:

(Rs. in lakhs)

Sr No.	Particulars	As on March 31, 2010	As at March 2012	Difference (Projected 2012 – Actual 2010)
A	**Current Assets**			
(a)	Inventories			
(i)	Stock of Materials	266.00	469.00	203
(ii)	Work in progress	456.00	-	(456)
(b)	Sundry Debtors	8,956.00	11125.00	2169
(c)	Loans and Advances	6404.00	11136.00	4732
	Total Current Assets (A)	**16082.00**	**22730.00**	**6648**
B	**Current Liabilities**			
(a)	Creditors	8,067.00	10514.00	2447
(b)	Other current liabilities	4,045.00	3737.00	(308)
	Total Current Liabilities (B)	**12,112.00**	**14251.00**	**2139**
C	**Working Capital Gap (A) – (B)**	**3970.00**	**8479.00**	**4509.00**
	25% of Current Assets (A)	**993**	**2120**	**1127**

(1) Our Company has entered into a various working capital loan agreements with certain banks for an aggregate working capital demand loan amount of Rs.1400 lakhs and aggregate non-fund based limit of Rs. 1100 lakhs. For further details, see "Financial Indebtedness" on page no. 159.

As on date, our Company has sanctioned limits from :

(i) ICICI Bank of Rs. 6700 lakhs towards Bank Guarantee including sub limit of Rs.200 lakhs towards Cash Credit and Rs. 200 lakhs Working Capital Demand Loan as a sublimit of Cash Credit
(ii) Vijaya Bank of Rs.3000 lakhs towards Bank Guarantee including sub limit of Rs.500 lakhs towards Inland Letter of Credit and

(iii) The Bharat Co-operative Bank (Mumbai) Ltd. of Rs.700 lakhs towards working capital term loan, , Cash Credit Limit of Rs.500 lakhs and Bank Guarantee Limit of Rs.1500 lakhs

The incremental margin money for working capital requirements of Rs.1127 lakhs is proposed to be financed through Public Issue

Holding periods for the working capital requirements, as on March 31, 2010

Sr No.	Particulars	Number of days
(a)	Inventories :	
(i)	Stock of Raw Materials	7 days of purchases
(b)	Sundry Debtors	108 days of Sales
(c)	Creditors	122 days of cost of Sales

Assumptions for working capital requirements as on March 31, 2012

Sr No.	Particulars	Number of days
(a)	Inventories	5 days of Purchases
(b)	Sundry Debtors	100 days of sales
(c)	Creditors	100 days of Cost of Sales

C PUBLIC ISSUE EXPENSES:

The expenses of this Issue include, inter alia, among others, Issue management fees, Registrar fees, printing and distribution expenses, fees of the legal counsels, advertisement and road show expenses, stamp duty, depository charges, listing fees to the Stock exchanges. The Issue expenses will be paid by our Company. The estimated Issue expenses are as under:

(Rs. In lakhs)

Sl. No.	Activity	Estimated Amount (Rs. in lakhs)	% of Issue Expenses	% of Total Issue size *
1.	Fees of BRLM	[•]	[•]	[•]
2	Underwriting commission, Brokerage & Selling commission	[•]	[•]	[•]
3	Registrar's Fees	[•]	[•]	[•]
4	Advertisement & Marketing expenses	[•]	[•]	[•]
5	Printing and Distribution expenses	[•]	[•]	[•]
6	IPO Grading Expense	[•]	[•]	[•]
7	Bankers to the Issue			
8	Other Expenses (including legal fees, filing fees, bidding software expenses, listing fees, depository charges etc)	[•]	[•]	[•]
	Total	**[•]**	**[•]**	**[•]**

D GENERAL CORPORATE PURPOSES:

We, in accordance with the policies of our Board, will have flexibility in applying the balance Net Proceeds of this Issue after taking into account all of the above, for general corporate purposes, including acquisition of assets, repayment of loans, meeting expenses incurred in the ordinary course of business, strategic initiatives, brand building exercises and strengthening of our marketing capabilities partnerships, joint ventures, meeting exigencies, which our Company in the ordinary course of business may face and any other purpose as may be approved by our Board, subject to compliance with the necessary provisions of the Companies Act.

Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may also include rescheduling the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Net Proceeds.

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

IMPLEMENTATION SCHEDULE:

Schedule of Implementation – Time-wise (as estimated by our Company)

Sl. No.	Project Particulars	Commencement	Completion
I	**1st RMC Plant, & 1st Wet Mix Plant**		
1.	Identification and acquisition of Land	Started	August, 2011
2.	Civil works	July , 2011	August, 2011
3.	Placement of Orders for plant and machinery	July , 2011	September, 2011
4.	Delivery of plant and machinery	August, 2011	September, 2011
5.	Installation of Plant and machinery	September, 2011	September, 2011
6.	Commencement of Trial runs	September, 2011	
7.	Commercial Production of 1st RMC Plant & 1st Wet Mix Plant	October, 2011	
II	**2nd Wet Mix Plant, 2nd & 3rd RMC Plant, Crushing Plant and Asphalt Batch Mix Plant**		
1.	Identification and acquisition of Land	Started	September, 2011
2.	Civil works	October, 2011	December, 2011
3.	Placement of Orders	August , 2011	October, 2011
4.	Delivery of plant and machinery / Equipments	October, 2011	November, 2011
5.	Installation of Plant and machinery	November, 2011	December, 2011
6.	Commencement of Trial runs	December, 2011	
7.	**Commercial Production of 2nd & 3rd RMC Plant, Crushing Plant and Asphalt Batch Mix Plant**	January, 2012	
III	**Equipments including Scafolding and shuttering material**		
1	Placement of Orders	August , 2011	December, 2011
2	Delivery of Equipments including Scafolding and shuttering material	September, 2011	March, 2012

The Year wise breakup of proposed deployment of funds is mentioned hereunder:

(Rs. In lakhs)

Sl. No.	Particulars	Cost of Project	Incurred till 31.01.11	Balance Funds to be deployed: For the period from 01.02.11 to31.03.11	Balance Funds to be deployed: 2011-2012
1.	Equipments, RMC Plants, Asphalt Batch Mix Plant, Wet Mix Plants and Crushing Plant	5675.62	Nil	Nil	5675.62
2.	Additional working capital requirement	1127.00	Nil	Nil	1127.00
3.	Public Issue Expenses	[.]	17.45	[.]	[.]
4.	General Corporate Purposes	[.]	Nil	Nil	[.]
	TOTAL	**[•]**	**17.45**	**[.]**	**[•]**

(As per Management Estimates)

FUNDS DEPLOYED

As per the certificate dated February 5, 2011 issued by M/s. Jogish Mehta & Co., Chartered Accountants, our Company incurred the following expenditure till January 31, 2011 towards the objects of the issue are given below:

(Rs. In lakhs)

Sl. No	Particulars	Cost Incurred
1.	Public Issue Expenses	17.45
	TOTAL	**17.45**

Sources Of Financing Of Funds Already Deployed:
The above expenditure has been financed out of the Internal Accruals of our Company.

Appraisal
The Objects have not been appraised by any banks, financial institutions or agency.

Bridge loans
We have not raised any bridge loans against the Net Proceeds.

Means of Finance
Our Company hereby confirms that firm arrangements of finance through verifiable means towards 75% of the stated Means of Finance, excluding the amount to be raised through the proposed public issue has been made. We had gross cash accruals of Rs.2316.73 lakhsfor the year ended 31st March, 2010 and Rs.1147.46 lakhs for the half year ended 30th September, 2010 as per our restated unconsolidated statements, hence we do not forsee any difficulty in meeting the shortfall in means of finance through internal cash accruals.

Interim Use of Net Proceeds
The management of our Company, in accordance with the policies set up by the Board, will have flexibility in deploying the Net Proceeds. Pending utilization for the purposes described above, we intend to temporarily invest the Net Proceeds in interest-bearing liquid instruments including deposits with banks, mutual funds or temporarily deploy the funds in investment grade interest bearing securities as may be approved by the Board. Such investments would be in accordance with the investment policies approved by the Board from time to time. We confirm that pending utilization of the Net Proceeds, we shall not use the funds for any investments in the equity markets.

Monitoring of Utilization of Funds
There is no requirement for a monitoring agency as the Fresh Issue size is less than Rs. 50,000 lakhs. Our audit committee shall monitor the utilization of the proceeds of the Issue. We will disclose the utilization of the Net Proceeds, including interim use, under a separate head specifying the purpose for which such proceeds have been utilized along with details, if any in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilized proceeds of the Issue in our Balance Sheet for the relevant Financial Years commencing from FY 2012.

We will disclose the details of the utilization of the Net Proceeds of the Issue, including interim use, under a separate head in our financial statements specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements of our listing agreements with the Stock Exchanges. As per the requirements of Clause 49 of the listing agreement, we will disclose to the audit committee the uses/ applications of funds on a quarterly basis as part of our quarterly declaration of results. Further, on an annual basis, we shall prepare a statement of funds utilized for purposes other than those stated in this Draft Red Herring Prospectus and place it before the audit committee. The said disclosure shall be made till such time that the full proceeds raised through the Issue have been fully spent. The statement shall be certified by our Statutory Auditors. Further, in terms of Clause 43A of the listing agreement, we will furnish to the Stock Exchanges on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds from the objects stated in this Draft Red Herring Prospectus. Further, this information shall be furnished to the Stock Exchanges along with the interim or annual financial results submitted under Clause 41 of the listing agreement and be published in the newspapers simultaneously with the interim or annual financial results, after placing it before the audit committee in terms of Clause 49 of the listing agreement.

Other Confirmations
No part of the Net Proceeds will be paid by our Company as consideration to the Promoters, the Directors, the Key Management Personnel, the members of our Promoter Group or Group Companies.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by us in consultation with the BRLM on the basis of assessment of market demand for the issued Equity Shares by the Book Building Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares is Rs. 10 and the Issue Price is [.] times the face value of the Equity Shares at the lower end of the price band and [.] times the face value at the higher end of the price band.

Qualitative Factors

1. Huge requirement of infrastructure development and more specifically in construction sector for sustaining growth of Indian Economy;
2. Well experienced Promoters
3. Experienced Management Team with industry specific experience;
4. In hand project pipeline;
5. Proven execution capabilities;
6. Diversified areas of operations in infrastructure sector;
7. Integrated Operations to manufacture ready mix concrete, stones asphalt mixture, other mixtures which are the basic raw materials.
8. Quality accreditations certificates like ISO 14001:2004 and OHSAS 18001:2007

For further details regarding some of the qualitative factors, which form the basis for computing the Issue Price, please refer to the sections titled "Our Business - Competitive Strengths", "Risk Factors" and "Financial Information" beginning on page nos. 92, xi and 145 respectively.

Quantitative Factors

Information presented in this section is derived from our restated unconsolidated and consolidated statement prepared in accordance with the Companies Act and Indian GAAP.

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

1. Basic and Diluted Earnings Per Share ("EPS")

Basic & Diluted EPS:

Year Ended	Restated Consolidated (Rs. per Equity Share)	Restated Unconsolidated (Rs. per Equity Share)	Weights
March 31, 2008	15.38	15.38	1
March 31, 2009	19.56	19.56	2
March 31, 2010	21.42	21.42	3
Weighted Average	**19.79**	**19.79**	

The consolidated and unconsolidated Basic EPS for the period ended September 30, 2010 is Rs. 10.56 and Rs. 10.56 respectively.

Note:

i. EPS calculations have been done in accordance with Accounting Standard 20 – "Earnings per share" issued by the Institute of Chartered Accountants of India.
ii. The face value of each Equity Share is Rs. 10.
iii. The weighted average of adjusted EPS for these fiscal years has been computed by giving weights of 1, 2 and 3 for the fiscal years ending March 31, 2008, 2009 and 2010 respectively.

2. Price Earnings (P/E) Ratio in relation to the Issue Price of Rs. [•] per equity share of face value of Rs. 10 each

Sr. No.	Particulars	Consolidated	Unconsolidated
1	P/E ratio based on Basic & Diluted EPS for the year ended March 31, 2010 at the Floor Price	[•]	[•]
2	P/E ratio based on Basic & Diluted EPS for the year ended March 31, 2010 at the Cap Price	[•]	[•]
3	**Industry P/E Ratio ***		
	Highest		268.4

	Lowest		2.8
	Industry Composite		16.1

** P/E based on trailing 12 months earnings for the entire construction sector*
Source: Capital Markets, Volume XXVI/02 dated March 21 to April 03, 2011 (Industry-Construction)

3. Return on Net Worth ("RoNW")

Year ended	Consolidated (%)	Unconsolidated (%)	Weights
March 31, 2008	55.50	55.50	1
March 31, 2009	47.17	47.17	2
March 31, 2010	34.13	34.13	3
Weighted Average	**42.04**	**42.04**	

The consolidated and unconsolidated RoNW for the period ended September 30, 2010 is Rs. 14.45 and Rs. 14.45 respectively.

4. Minimum Return on Total Net Worth after Issue needed to maintain pre-issue EPS for the year ended March 31, 2010

(a) Based on Basic & Diluted EPS

At the Floor Price - [•]% and [•]% based on Unconsolidated and Consolidated financial statements respectively

At the Cap Price - [•]% and [•]% based on Unconsolidated and Consolidated financial statements respectively

5. Net Asset Value (NAV) per Equity Share (Rs.)

Period/Year	NAV	
	Consolidated	Unconsolidated
Year ended March 31, 2008	21.91	21.91
Year ended March 31, 2009	41.47	41.47
Year ended March 31, 2010	62.77	62.77
Six Months ended September 30, 2010	73.03	73.04
NAV after the Issue	(.)	(.)
Issue Price *	(.)	(.)

*The Issue Price of Rs. (.) per Equity Share has been determined on the basis of the demand from Investors through the Book Building Process and is justified based on the above accounting ratios.

6. Comparison with Industry Peers *

Comparison of the accounting ratios of the issuer company as mentioned above with the peer group i.e., companies of comparable size in the same industry are as follows:

Name of the Peer Group Company		For the year ended March 31, 2010			
	Face Value per equity share (Rs.)	EPS (Rs)	P/E[1]	RONW (%) For the fiscal 2010	NAV for fiscal 2010 (Rs.)
Relcon Infraprojects Limited #	10	21.42	[•]	34.13	62.77
J. Kumar Infraprojects Limited	10	24.9	5.33	30.3	112.1
KNR Constructions Limited	10	17.5	5.66	17.5	109.2
Man Infra Construction Limited	10	14.8	9.51	21.5	90.6
Simplex Projects Limited	10	28.4	5.21	22.6	141.3
Tantia Constructions Limited	10	11.1	6.03	15.2	81.2

** Source: Capital Markets, Volume XXVI/02 dated March 21 to April 03, 2011 (Industry-Construction)*
 # Source: Based on the Restated Unconsolidated Financial Information for the year ended March 31, 2010
Note 1: P/E Ratio has been computed as the closing market prices of the companies sourced from the BSE website as on 28.03.2011, as divided by the EPS.

The peer group listed companies as stated above are engaged in the construction and real estate development business.

The Issue Price of Rs. [•] has been determined by the Company, in consultation with the BRLM on the basis of the demand from investors for the Equity Shares determined through the Book Building process and is justified based on the above accounting ratios. The face value of equity shares is Rs. 10 and the Floor Price is [•] times of the face value and the Cap Price is [•] times of the face value. For further details, please see the section entitled Risk Factors on page no. xi and the financials of the Company including important profitability and return ratios, as set out in the section entitled Financial Statements on page no. 145.

STATEMENT OF TAX BENEFITS

AUDITORS' REPORT ON STATEMENT OF TAX BENEFITS

To
The Board of Directors
Relcon Infraprojects Limited.
A-01/101, Krishna Apartment.
Juhu Lane, Andheri West,
Mumbai - 400058

Dear Sirs,

Subject: Statement of Possible Tax Benefits available to the Company and its Shareholders

We hereby certify that the enclosed annexure states the possible tax benefits available to **Relcon Infraprojects Limited** "Company") and to the Shareholders of the Company under the provisions of the Income-tax Act, 1961 and Wealth Tax Act, 1957, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its Shareholders to derive tax benefits is dependent upon fulfilling such conditions.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consult his/ her/ their own tax consultant with respect to the tax implications arising out of their participation in the proposed Initial Public Offer of Equity Shares of the Company particularly in view of ever changing tax laws in India.

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

a) The Company or its shareholders will continue to obtain these benefits in future; or

b) The conditions prescribed for availing the benefits have been / would be met.

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the provisions of the Income- Tax Act, 1961 and Wealth Tax Act, 1957 as of date.

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

For Jogish Mehta & Co.
Chartered Accountants

Proprietor
Membership No.F/38974
F.R.NO. 104326W

Date: 25th February, 2011.
Place: Mumbai.

STATEMENT OF TAX BENEFITS

The information provided below sets out the possible tax benefits available to the Company and the Equity Shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares, under the current tax laws presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.

Levy of Income Tax

As per the provisions of the Income Tax Act, 1961 ("Act") taxation of a person is dependant on its tax residential status. The Indian tax year runs from April 1 to March 31.

In general, in the case of a person who is "resident'' in India in a tax year, its global income is subject to tax in India. In the case of a person who is "non-resident'' in India, only the income that is received or deemed to be received or that accrues or is deemed to accrue or arise to such person in India is subject to tax in India. In the instant case, the income from the Equity Shares of the Company would be considered to accrue or arise in India, and would be taxable in the hands of all persons irrespective of residential status. However, relief may be available under applicable Double Taxation Avoidance Agreement ("DTAA") to certain non-residents.

An **individual** is considered to be a **resident** of India during any financial year, if he or she is in India in that year for:

- A period or periods amounting to 182 days or more; or
- 60 days or more if within the 4 preceding years, he/she has been in India for a period or periods amounting to 365 days or more; or
- 182 days or more, in the case of a citizen of India or a person of Indian origin living abroad who visits India; or
- 182 days or more, in the case of a citizen of India who leaves India for the purposes of employment outside India in any previous year.

A **Hindu undivided Family (HUF), firm or other association of persons (AOP)** is resident in India except where the control and management of its affairs is situated wholly outside India in a financial year.

A "**company"** is "**resident**" in India if it is formed and registered in accordance with the Indian Companies Act or if the control and management of its affairs is situated wholly in India in a financial year.

A "**firm**" or "**association of persons**" is resident in India except where the control and management of its affairs is situated wholly outside India in a financial year.

A "**Non-Resident**" means a person who is not a resident in India.

A person is said to be **not ordinarily resident** in India in any financial year, if such person is:

- a non-resident in India in 9 out of the 10 financial years preceding that year, or has during the 7 financial years preceding that year been in India for a period of, or periods amounting in all to, 729 or less; or
- a Hindu undivided family whose manager has been a non-resident in India in 9 out of the 10 financial years preceding that year, or has during the 7 financial years preceding that year been in India for a period of, or periods amounting in all to, 729 or less.

As per the taxation laws in force, the tax benefits / consequences, as applicable, to Relcon Infraprojects Limited and its Equity Shareholders investing in the Equity Shares are summarized below:

1 BENEFITS AVAILABLE TO THE COMPANY - UNDER THE INCOME-TAX ACT, 1961 ("the Act")

1.1 Credit for MAT

Under Section 115JAA(2A) of the Act, tax credit shall be allowed in respect of MAT paid under Section 115JB of the Act for any FY commencing on or after April 1, 2006. 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 10 years immediately succeeding the year in which the MAT credit initially arose.

General Tax Benefits

1.2 Dividends exempt under Section 10(34) of the Act

Under Section 10(34) of the Act, income by way of "dividends" received on the shares of the domestic company is exempt from income tax in the hands of shareholders. However, no deduction is permitted in respect of expenditure incurred in relation to income which is not chargeable to tax. The expenditure relatable to "exempt income" needs to be determined in accordance with the provisions specified in Section 14A of the Act read with Rule 8D of the Income Tax Rules, 1962 ("Rules").

In case dividends are declared by the Company, the Company will be liable to pay Dividend Distribution Tax (''DDT") at 16.60875 per cent (tax rate of 15 per cent plus surcharge of 7.5 per cent and education cess of 3 per cent) on the total amount distributed as dividends. However, in calculating the amount of dividend on which DDT is payable, the same shall be reduced by dividend, if any, received by the Company during the FY, where:

- such dividend is received from subsidiary of the Company (A company shall be a subsidiary of another company, if such other company, holds more than half in nominal value of the equity share capital of the company);
- such subsidiary has paid tax under this Section on such dividend; and
- The Company is not a subsidiary of any other company.

1.3 Under Section 10(35) of the Act, any income received in respect of the units of a Mutual Fund specified in Section 10(23D) of the Act; or units from the Administrator of the specified undertaking; or units from the specified company, as defined in Explanation to Section 10(35) of the Act, is exempt from tax.

1.4 Under Section 32(1) of the Act, the Company can claim depreciation allowance at the prescribed rates on tangible assets such as building, plant and machinery, furniture and fixtures, etc and intangible assets defined to include patent, trademark, copyright, know-how, licenses, franchises or any other business or commercial rights of similar nature, if such intangible assets are acquired after 31st March 1998.

1.5 Under Section 32(2) of the Act, where full effect cannot be given to any depreciation allowance under Section 32(1) of the Act in any FY, owing to there being no profits or gains chargeable for that FY, or owing to the profits or gains chargeable being less than depreciation allowance, then, subject to the provisions of Section 72(2) of the Act, depreciation allowance or the part of depreciation allowance to which effect has not been given, as the case may be, shall be added to the amount of the depreciation allowance for the following FY and deemed to be part of that depreciation allowance, or if there is no such depreciation allowance for that FY, be deemed to be the depreciation allowance for that FY, and so on for the succeeding FYs.

1.6 <u>Capital Gains</u>

1.6.1 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 or zero coupon bonds will be considered as long-term capital assets if they are held for a period exceeding 12 months.

1.6.2 Under Section 10(38) of the Act, long term capital gains arising to a shareholder on transfer of shares in the company or units of an equity oriented fund are exempt from tax, where the sale transaction has been entered into on a recognized stock exchange of India and Securities Transaction Tax ("STT") has been paid on the same. However, profits on transfer of above referred long term capital assets shall not be reduced in computing the "book profits" for the purposes of computation of MAT under Section 115 JB of the Act.

1.6.3 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 wholly and exclusively in connection with the transfer of a capital asset from the sale consideration to arrive at the amount of capital gains. However, second proviso to Section 48 of the Act permits substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, thereby adjusting the cost of acquisition / improvement by a cost inflation index, as prescribed.

1.6.4 Under Section 112 of the Act, long term capital gains, [other than those exempt under Section 10(38) of the Act] arising on transfer of listed equity shares in the company, would be subject to tax at a rate of 20 per cent (plus applicable surcharge and education cess) after indexation or 10 per cent (plus applicable surcharge and education cess) without indexation, at the option of the shareholder, if the transfer is made after listing of shares.

1.6.5 Under Section 54EC of the Act and subject to the conditions specified therein, long-term capital gains arising on the transfer of equity shares of the company would be exempt from tax if such capital gains is invested within 6 months after the date of such transfer in specified assets, being bonds issued by:

a) National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;
b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

The investment made in such bonds during any financial year cannot exceed Rs.5,000,000.

If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within 3 years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year of such transfer or conversion.

Since long term capital gains arising under Section 10(38) of the Act are not taxable, there is no requirement for making investment under Section 54EC of the Act in such cases.

1.6.6 Under Section 111A of the Act short-term capital gains arising on transfer of equity share in a company would be taxable at 15 per cent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and STT has been paid on the same. Short-term capital gains arising from transfer of shares in the Company, other than those covered by Section 111A of the Act, would be subject to tax under the normal provisions of the Act

1.7 Under Section 72(1) of the Act, where for any FY, the net result of the computation under the head "Profits and Gains of Business or Profession" is a loss to the Company (not being a loss sustained in a speculation business), then to the extent to which such loss cannot be set off against income from any other head of income for the same year, it shall be eligible to be carried forward and available for set off only against income from business under head "Profits and Gains of Business or Profession" for subsequent years. As per Section 72(3) of the Act, the loss so carried forward can be set off subject to a limit of 8 FYs immediately succeeding the FY for which the loss was first computed. However, as per Section 80 of the Act, only a loss which has been determined in pursuance of a return filed within the due date in accordance with the provisions of Section 139(3) of the Act shall be carried forward and set off under Section 72(1) of the Act.

2 <u>BENEFITS AVAILABLE TO RESIDENT SHAREHOLDERS UNDER THE ACT</u>

2.1. Dividends exempt under Section 10(34) of the Act

Under Section 10(34) of the Act, income by way of "dividends" received on the Equity Shares of the Company is exempt from income tax in the hands of shareholders. However, the Company will be liable to pay DDT at 16.60875 per cent (tax rate of 15 per cent plus surcharge of 7.5 per cent and education cess of 3 per cent) on the total amount distributed as dividends. As a result, no taxability arises in the hands of the shareholders in respect of dividends received from the Indian Company. No deduction is permitted in respect of expenditure incurred by any person in relation to income which is not chargeable to tax. The expenditure relatable to "exempt income" needs to be determined in accordance with the provisions specified in Section 14A of the Act read with Rule 8D of the Rules.

2.2. Capital gains

2.2.1. Capital assets may be categorized into short term capital assets and long term capital assets, based on the period of holding. Equity Shares held in the Company 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 such assets held for more than 12 months are considered as "long term capital gains". Capital gains arising on sale of said assets held for 12 months or less are considered as "short term capital gains".

2.2.2. Section 48 of the Act prescribes the mode of computation of capital gains, and provides for deduction of cost of acquisition / improvement and expenses incurred wholly and exclusively in connection with the transfer of a capital asset from the sale consideration to arrive at the amount of capital gains. However, second proviso to Section 48 of the Act permits substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, thereby adjusting the cost of acquisition / improvement by a cost inflation index, as prescribed.

2.2.3. Under Section 10(38) of the Act, long term capital gains arising to a shareholder on transfer of Equity Shares in the Company **or a unit of an equity oriented fund** are exempt from tax, where the sale transaction has been entered into on a recognized stock exchange of India and STT has been paid on the same.

2.2.4. Under Section 54EC of the Act and subject to the conditions specified therein, long-term capital gains arising on the transfer of Equity Shares of the Company would be exempt from tax if such capital gains is invested in **certain notified bonds** within 6 months after the date of such transfer in specified assets, being bonds issued by:

a) National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;
b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

The investment made in such bonds during any financial year cannot exceed Rs.5,000,000.

If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within 3 years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year of such transfer or conversion.

Since long term capital gains arising under Section 10(38) of the Act are not taxable, there is no requirement for making investment under Section 54EC of the Act in such cases.

2.2.5. Under Section 54F of the Act and subject to the conditions specified therein, long-term capital gains [other than those exempt from tax under Section 10(38) of the Act] arising to an individual or a Hindu Undivided Family ("HUF") on transfer of Equity Shares of the Company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

Since long term capital gains arising under Section 10(38) of the Act are not taxable, there is no requirement for making investment under Section 54F of the Act in such cases.

2.2.6. Under Section 112 of the Act, long term capital gains, [other than those exempt under Section 10(38) of the Act] arising on transfer of listed Equity Shares in the Company, would be subject to tax at a rate of 20 per cent (plus applicable surcharge and education cess) after indexation or 10 per cent (plus applicable surcharge and education cess) without indexation, at the option of the shareholder, if the transfer if made after listing of shares.

2.2.7. Under Section 111A of the Act, short-term capital gains arising on transfer of Equity Share in the Company would be taxable at 15 per cent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and STT has been paid on the same. Short-term capital gains arising from transfer of Equity Shares in the Company, other than those covered by Section 111A of the Act, would be subject to tax under the normal provisions of the Act.

2.3. **Business Profits**

2.3.1. Where Equity Shares form part of stock-in-trade, any income realized from disposition of the equity shares will be chargeable under the head "Profit and gains of business or profession", as per the provisions of the Act.

2.3.2. Please note that the characterization of the gains/losses, arising from sale of Equity Shares, as "capital gains" or "business income" would depend on the nature of holding in the hands of the shareholder and various factors connected with the facts of the same.

2.3.3. As per Section 36(xv) of the Act, an amount equal to the STT paid by the assessee in respect of the taxable securities transactions entered into in the course of his business during the financial year will be allowable as deduction, if the income arising from such taxable securities transactions is included in the income computed under the head "Profits and gains of business or profession".

2.4. Any Income received by any person for or an behalf of the New Pension System Trust established on 27/02/2008, under the Indian Trust Act, 1882 (2 of 1882) is exempt from tax and any dividend paid to any person for, or on behalf of said Trust is not subject to DDT.

3 BENEFITS AVAILABLE TO NON-RESIDENTS (OTHER THAN FOREIGN INSTITUTIONAL INVESTORS) UNDER THE ACT

3.1. **Dividends exempt under Section 10(34) of the Act**

3.1.1. Under Section 10(34) of the Act, income by way of "dividends" received on the Equity Shares of the Company is exempt from income tax in the hands of shareholders. However, the Company will be liable to pay DDT at 16.60875 per cent (tax rate of 15 per cent plus surcharge of 7.5 per cent and education cess of 3 per cent) on the total amount distributed as dividends. As a result, no taxability arises in the hands of the shareholders in respect of dividends received from the Indian Company. No deduction is permitted in respect of expenditure incurred by any person in relation to income which is not chargeable to tax. The expenditure relatable to "exempt income" needs to be determined in accordance with the provisions specified in Section 14A of the Act read with Rule 8D of the Rules.

3.2. **Capital gains**

3.2.1. Capital assets may be categorized into short term capital assets and long term capital assets, based on the period of holding. Equity Shares held in the Company 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 such assets held for more than 12 months are considered as "long term capital gains". Capital gains arising on sale of said assets held for 12 months or less are considered as "short term capital gains".

3.2.2. Under Section 10(38) of the Act, long term capital gains arising to a shareholder on transfer of Equity Shares in the Company are exempt from tax, where the sale transaction has been entered into on a recognized stock exchange of India and STT has been paid on the same. However, in case of shareholder being a company, profits on transfer of above referred long term capital asset shall not be reduced in computing the "book profits" for the purposes of computation of MAT under Section 115 JB of the Act.

3.2.3. Under the first proviso to Section 48 of the Act, in computing the capital gains arising from transfer of Equity Shares of the Company acquired in convertible foreign exchange, protection is provided to a non resident shareholder from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case. The capital gains/ loss in such a case is computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer into the same foreign currency which was utilized in the purchase of the Equity Shares.

3.2.4. Under Section 112 of the Act, long term capital gains, [other than those exempt under Section 10(38) of the Act] arising on transfer of listed Equity Shares in the Company, would be subject to tax at a rate of 20 per cent (plus applicable surcharge and education cess) after indexation or 10 per cent (plus applicable surcharge and education cess) without indexation, at the option of the shareholder, if the transfer if made after listing of shares. However, there are divergent views given by the Indian judicial authorities in this regard.

3.2.5. Under Section 54EC of the Act and subject to the conditions specified therein, long-term capital gains arising on the transfer of Equity Shares of the Company would be exempt from tax if such capital gains is invested within 6 months after the date of such transfer in specified assets, being bonds issued by (to the extent permitted under prevalent laws):

a) National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;

b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

The investment made in such bonds during any financial year cannot exceed Rs.5,000,000.

If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within 3 years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year of such transfer or conversion.

Since long term capital gains arising under Section 10(38) of the Act are not taxable, there is no requirement for making investment under Section 54EC of the Act in such cases.

3.2.6. Under Section 54F of the Act and subject to the conditions specified therein, long-term capital gains [other than those exempt from tax under Section 10(38) of the Act] arising to an individual or a HUF on transfer of Equity Shares of the Company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

Since long term capital gains arising under Section 10(38) of the Act are not taxable, there is no requirement for making investment under Section 54F of the Act in such cases.

3.2.7. Under Section 111A of the Act, short-term capital gains arising on transfer of Equity Share in the Company would be taxable at 15 per cent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and STT has been paid on the same. Short-term capital gains arising from transfer of Equity Shares in the Company, other than those covered by Section 111A of the Act, would be subject to tax under the normal provisions of the Act

3.3. **Business Profits**

3.3.1. Where the Equity Shares form part of stock-in-trade, any income realized from disposition of the equity shares will be chargeable under the head "Profit and gains of business or profession" as per the provisions of the Act.

3.3.2. Please note that the characterization of the gains/losses, arising from sale of Equity Shares, as capital gains or business income would depend on the nature of holding in the hands of the shareholder and various factors connected with the facts of the same.

3.3.3. As per Section 36(xv) of the Act, an amount equal to the STT paid by the assessee in respect of the taxable securities transactions entered into in the course of his business during the previous year will be allowable as deduction, if the income arising from such taxable securities transactions is included in the income computed under the head "Profits and gains of business or profession".

3.4. As per Section 90(2) of the Act, provisions of the DTAA between India and the country of residence of the non-resident would prevail over the provisions of the Act, to the extent they are more beneficial to the non-resident.

3.5. **Special benefit available to Non-resident Indian Shareholders**

Where Equity Shares of the Company have been subscribed by Non-Resident Indians ("NRI") i.e. an individual being a citizen of India or person of Indian origin who is not a resident, in convertible foreign exchange, they have the option of being governed by the provisions of Chapter XIIA of the Act, which *inter alia* entitles them to the following benefits:

3.5.1. Under Section 115E of the Act, where the total income of a NRI includes capital gains arising from the transfer of long term capital asset, being Equity Shares in the Company subscribed in convertible foreign exchange, such capital gains shall be taxed at a concessional rate of 10 per cent (plus applicable surcharge and education cess). The benefit of indexation of cost would not be available.

3.5.2. Under provisions of Section 115F of the Act, any long term capital gains arising from the transfer of a foreign exchange asset arising to a NRI shall be exempt from tax if the entire net consideration is reinvested in specified assets within six months of the date of the transfer. If only a part of the net consideration is reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax as "capital gains" subsequently, if the specified assets are transferred or converted into money within three years from the date of their of acquisition. The taxability shall arise in the year in which the transfer or conversion, as the case may be, takes place.

3.5.3. Under the provisions of Section 115G of the Act, NRI's are not required to file a return of income under Section 139(1) of the Act, if the income chargeable under the Act consists of only investment income or capital gains arising from the transfer of specified long term capital asset or both, arising out of assets acquired, purchased or subscribed in convertible foreign exchange provided appropriate tax has been deducted there from, as per the provisions of Chapter XVII-B of the Act.

4 BENEFITS AVAILABLE TO A FOREIGN INSTITUTIONAL INVESTOR ("FII") UNDER THE ACT

4.1. Dividends exempt under Section 10(34)

Under Section 10(34) of the Act, income by way of "dividends" received on the Equity Shares of the Company is exempt from income tax in the hands of shareholders. However, the Company will be liable to pay DDT at 16.60875 per cent (tax rate of 15 per cent plus surcharge of 7.5 per cent and education cess of 3 per cent) on the total amount distributed as dividends. As a result, no taxability arises in the hands of the shareholders in respect of dividends received from the Indian Company. No deduction is permitted in respect of expenditure incurred by any person in relation to income which is not chargeable to tax. The expenditure relatable to "exempt income" needs to be determined in accordance with the provisions specified in Section 14A of the Act read with Rule 8D of the Rules.

4.2. Capital gains

4.2.1. Under Section 10(38) of the Act, long term capital gains arising to a shareholder on transfer of Equity Shares in the Company are exempt from tax, where the sale transaction has been entered into on a recognized stock exchange of India and STT has been paid on the same. However, in case of companies, long term capital gain so earned may be required to be taken into account in computing the book profit for the purpose of computation of MAT under Section 115JB of the Act.

4.2.2. Under Section 54EC of the Act and subject to the conditions specified therein, long-term capital gains arising on the transfer of Equity Shares of the Company would be exempt from tax if such capital gains is invested within 6 months after the date of such transfer in specified assets, being bonds issued by (to the extent permitted under prevalent laws):

a) National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;
b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

The investment made in such bonds during any financial year cannot exceed Rs.5,000,000.

If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within 3 years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year of such transfer or conversion.

Since long term capital gains arising under Section 10(38) of the Act are not taxable, there is no requirement for making investment under Section 54EC of the Act in such cases.

4.2.3. Under Section 115AD(1)(ii) of the Act, short term capital gains on transfer of Equity Shares shall be chargeable at 30 per cent or 15 per cent (where such transaction of sale is entered on a recognized stock exchange in India and STT has been paid on the same), as the case may be. The above rates are to be increased by applicable surcharge and education cess.

Under Section 115AD(1)(iii) of the Act, long term capital gains arising from the transfer of Equity Shares (in cases not covered under Section 10(38) of the Act) of a Company shall be taxable at 10 per cent (plus applicable surcharge and education cess). It is to be noted that the benefits of indexation and foreign currency fluctuations are not available to FIIs.

However, where the Equity Shares form a part of stock-in-trade, any income realised in the disposition of such Equity Shares may be treated as business profits, taxable in accordance with the DTAA between India and the country of tax residence of the FII. The nature of income is usually determined on the basis of the substantial nature of the transactions, the manner of maintaining books of account, the magnitude of purchases, sales and the ratio between purchases and sales and the holding, etc. If the income realised from the disposition of Equity Shares is chargeable to tax in India as "business income", FIIs could claim deduction under Section 36(xv) of the Act with respect to STT paid on purchase/sale of Equity Shares while computing taxable income. Business profits may be subject to tax at the rate of 30 per cent / 40 per cent (depending on the type of FII) plus applicable surcharge and education cess on a net basis.

4.2.4. As per Section 90(2) of the Act, provisions of the DTAA between India and the country of residence of the FII would prevail over the provisions of the Act to the extent they are more beneficial to the FII. Where FII treat the income realized from disposition of Equity Shares as business profits and it does not have permanent establishment in India, such income of FII may not be subject to tax in India.

4.3. **Tax Deduction At Source**

Generally, in case of non residents, tax, (including surcharge and education cess) on the capital gains, if any, is withheld at the source by the buyer in accordance with the relevant provisions of the Act. However, no deduction of tax is required to be made from any income by way of capital gains arising from the transfer of securities (referred to in Section 115AD of the Act) payable to FIIs.

5 BENEFITS AVAILABLE TO MUTUAL FUNDS UNDER THE ACT

As per the provisions of Section 10(23D) of the Act, Mutual Funds registered under the Securities and Exchange Board of India or Mutual Funds set up by Public Sector Banks or Public Financial Institutions or authorized by the Reserve Bank of India, would be eligible for exemption from income tax on their income, subject to the fulfillment of specific conditions.

6 SECURITIES TRANSACTION TAX ('STT')

All transactions entered into on a recognized stock exchange in India will be subject to STT levied on the transaction value at applicable rates. In case of purchase / sale of Equity Shares is settled by way of actual delivery or transfer of the Equity Shares, STT will be levied at 0.125 per cent on both the buyer and seller of the Equity Shares. For sale of Equity Shares settled otherwise than by way actual delivery or transfer of the Equity Share, STT will be levied at 0.025 per cent on the seller of the Equity Share. The STT can be claimed as deduction while computing taxable business income as per the provisions of the Act, provided the gains on the transactions are offered to tax as business income and not as capital gains.

7 CAPITAL LOSS

Loss arising from transfer of a capital asset in India can only be set off against capital gains. Long term capital loss arising on sale of Equity Shares not subjected to STT during a year is allowed to be set-off only against long term capital gains. A short term capital loss can be set off against capital gains whether short term or long term. To the extent that the loss is not absorbed in the year of incurrence, it may be carried forward for a period of 8 years immediately succeeding the year for which the loss was first determined and may be set off against the capital gains assessable for such subsequent years. In order to set off a capital loss as above, the investor (resident/ non resident) is required to file timely returns in India.

8 DTAA BENEFITS

An investor has an option to be governed by the provisions of the Act or the provisions of DTAA that India has entered into with the country of residence of the investor, whichever is more beneficial.

9 IMPLICATIONS OF GIFT UNDER THE ACT

9.1. As per Section 56(2)(vii) of the Act, any property, other than immovable property, received by an individual/ HUF:

a. without consideration, where the aggregate fair market value of such property exceeds Rs. 50,000, then such aggregate fair market value; or
b. for a consideration which is less than the aggregate fair market value of such property by more than Rs.50,000, then such difference between the fair market value and the actual consideration received

would be taxable as income from "other sources". "Property" has been defined to mean specific capital assets including shares and securities. However, this is not applicable where shares are received from certain specific persons (such as relatives, etc.) and/ or in specified circumstances (on occasion of marriage etc.), as mentioned in Section 56(2)(vii) of the Act.

10 BENEFITS AVAILABLE UNDER THE WEALTH-TAX ACT, 1957

Assets as defined under Section 2(ea) of the Wealth tax Act, 1957 does not include shares in companies and hence, shares are not liable to wealth tax.

11 BENEFITS AVAILABLE UNDER THE GIFT-TAX ACT, 1958

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

Notes:

- *The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares;*
- *The above Statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws (i.e. Act as amended by the Finance Act 2010 and Wealth Tax Act, 1957) presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws;*
- *This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her/ its own tax consultant with respect to the specific tax implications arising out of their participation in the issue;*
- *In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the DTAA, if any, between India and the country in which the non-resident has fiscal domicile; and*
- *The stated benefits will be available only to the sole/first named holder in case the shares are held by joint shareholders*
- *Please note that we have not considered the provisions of Direct Taxes Code 2010 for the purposes of this Statement.*

SECTION V: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The Indian Economy

The Indian economy is one of the fastest growing economies in the world with a GDP, on PPP basis, of approximately US$ 4,001 billion as on April 2010. This makes it the 4th largest economy in the world in terms of GDP after the European Union (not ranked), United States of America, China and Japan *(Source: http://en.wikipedia.org/wiki/List_of_countries_by_GDP_%28PPP%29)*.

Growth in GDP and IIP over a period of last 6 years:

Particulars	2005-06	2006-07	2007-08	2008-09 PE	2009-10 QE	2010-11 AE
Real GDP growth*	9.5	9.6	9.3	6.8	8.0	8.6
Index of Industrial Production**	8.0	11.9	8.7	3.2	10.5	NA

PE – Provisional Estimates, QE – Quick Estimates, AE – Advanced Estimates
* Factor cost 2004-05 prices,
** Index Base 1993-94=100
NA - Not Applicable

Between fiscal year 2006 and 2008, India has experienced rapid economic growth, with GDP growing at more than 9%. As a result of the global economic downturn, this high growth trajectory was impeded in Fiscal Year 2009, with the growth rate of India's GDP decelerating to 6.8%. However, the Indian Economy has emerged with remarkable rapidity from the slowdown. As per the quick estimates, in fiscal year 2010, India's GDP grew by 8% and is expected to be 8.6% in FY 2010-11 as per Advanced estimates with a rebound in Agriculture and continued momentum in manufacturing, though there was deceleration in services caused mainly by the deceleration in community, social and personal services reflecting the base effect of fiscal stimulus in the previous two years. There has been deceleration in in Industry and manufacturing, in particular, as indicated by IIP data pertaining to November, 2010. However, buoyancy in other indicators of industrial performance and the short run nature of the IIP slowdown suggest that the deceleration is more in the nature of road bumps than the indication of any long run problem. The medium to long term prospect of the economy including the industrial sector, continues to be positive. On the demand side, a rise in savings and investment and pick up in private consumption have resulted in strong growth of the GDP at constant market prices at 9.7% in 2010-11. A sequenced and gradual withdrawal of monetary accommodation is helping contain inflationary pressures. A moderation in the current account of balance in payments position is likely with deceleration in imports and acceleration in exports as per the latest monthly merchandise trade data. Though downside risks of global events, particularly movement in prices of commodities like crude oil, remain, the Indian Economy is poised to further improve and consolidate in terms of key macroeconomic indicators.

Growth in GDP at facor cost at 2004-05 prices (%)

	2005-06	2006-07	2007-08	2008-09 PE	2009-10 QE	2010-11 AE
Agriculture, Forestry & Fishing	5.1	4.2	5.8	-0.1	0.4	5.4
Mining & Quarrying	1.3	7.5	3.7	1.3	6.9	6.2
Manufacturing	10.1	14.3	10.3	4.2	8.8	8.8
Electricity, Gas & Wwater Supply	7.1	9.3	8.3	4.9	6.4	5.1
Construction	12.8	10.3	10.7	5.4	7.0	8.0
Trade, Hotels, Transport & Communication	12.1	11.7	10.7	7.6	9.7	11.0
Financing, Insurance, Real Estate & Business Services	12.7	14.0	11.9	12.5	9.2	10.6
Community, Social & Personal Services	7.0	2.9	6.9	12.7	11.8	5.7

The decomposition of growth in 2010-11 indicated that it was relatively broad based across the major sub-sectors in Industry and services besides the rebound in agriculture. The Construction Industry has grown 7% in 2009-10 (QE) and 8% in 2010-11 (AE) as against 5.4% growth registered in 2008-09.

(Source:Economic Survey – 20010-11)

INFRASTRUCTURE INDUSTRY IN INDIA
The fast growth of the economy in recent years has placed increasing stress on physical infrastructure such as electricity, railways, roads, ports, airports, irrigation, and urban and rural water supply and sanitation, all of which already suffer from a substantial deficit from the past in terms of capacities as well as efficiencies in the delivery of critical infrastructure services. The pattern of inclusive growth of the economy projected for the Eleventh Plan, with GDP growth averaging 9% per year can be achieved only if this infrastructure deficit can be overcome and adequate investment takes place to support higher growth and an improved quality of life for both urban and rural communities.

The investment required by the Central and State Governments and the private sector in each of the ten major physical infrastructure sectors for sustaining a growth rate of 9% in GDP over the Eleventh Plan (2007-08 to 2011-12) and corresponding to the quantitative targets for the Eleventh Plan is given in the table below. The total investment amounts to Rs.20,56,150 Crs. This level of investment amounts to an average of 7.6% of GDP during the Eleventh Plan as a whole.

Sector-wise Projected investment for the Eleventh Plan

(At 2006-07 prices)

Sectors	Amount (Rs. in crores)	Amount (US$ billion @ Rs. 40/$)	Share (%)
Electricity (including Non-conventional Energy)	666,525	166.63	32.42%
Roads and bridges	314,152	78.54	15.28%
Telecommunications	258,439	64.61	12.57%
Railways (including Mass Rapid Transit System)	261,808	65.45	12.73%
Irrigation (including WD)	253,301	63.32	12.32%
Water Supply and Sanitation	143,730	35.93	6.99%
Ports	87,995	22	4.28%
Airports	30,968	7.74	1.51%
Storage	22,378	5.59	1.09%
Gas	16,855	4.21	0.82%
Total Investment	**20,56,150**	**514.04**	**100.00%**

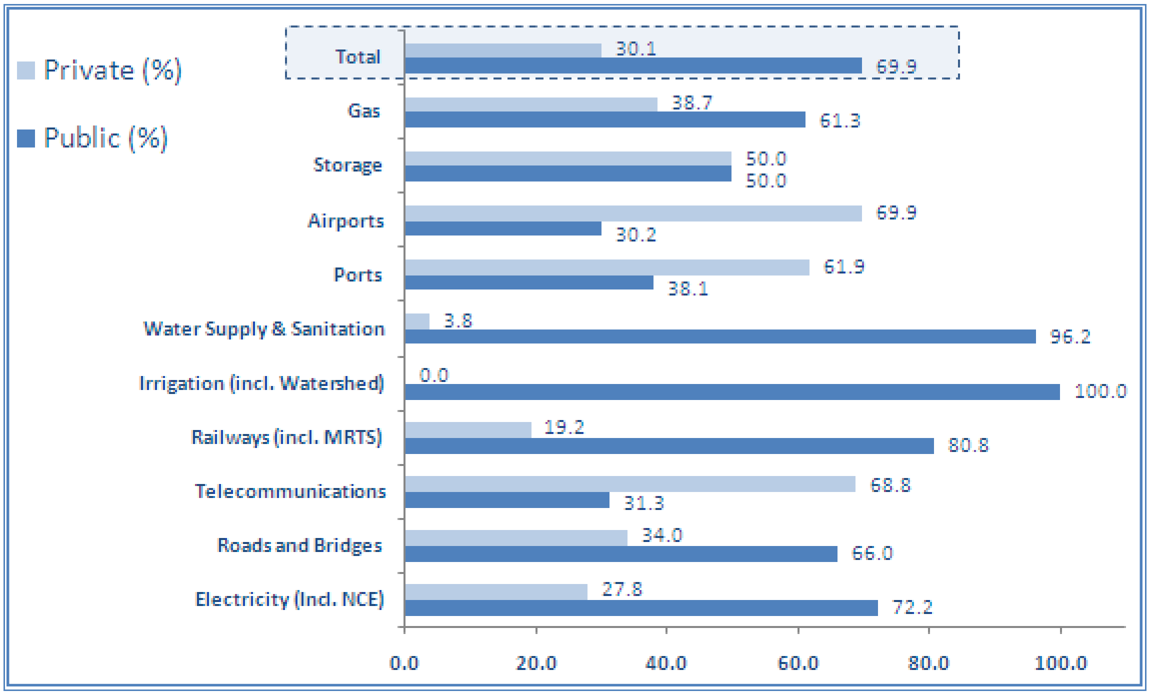
(Source: Eleventh Five Year Plan, Planning Commission; http://planningcommission.nic.in/plans/planrel/fiveyr/11th/11_v1/11th_vol1.pdf)

The Role of the Private Sector in Infrastructure Development
The strategy for infrastructure development in the Eleventh Plan reflects the dominant role of the public sector in building infrastructure. However, it also recognizes that the total resources required to meet the deficit in infrastructure exceed the capacity of the public sector. It is, therefore, necessary to attract private investment through appropriate forms of public private partnerships to meet the overall investment requirements.

The strategy for the Eleventh Plan encourages private sector participation directly as well as through various forms of Public Private Partnerships (PPP) where desirable and feasible. The anticipated public sector share of investment in the Tenth Plan across the ten major sectors was 80% and the balance 20% was contributed by the private sector. In the Eleventh Plan, the private sector's contribution would have to grow to around 30% or Rs.6,19,591 Crs. (US$ 154.90 billion). Central share in the overall infrastructure investment would decline from 46% in the Tenth Plan to 37.24% in the Eleventh Plan and the States' share will slightly decline to 32.63% compared to 34% anticipated in the Tenth Plan.

(Source: Eleventh Five Year Plan, Planning Commission; http://planningcommission.nic.in/plans/planrel/fiveyr/11th/11_v1/11th_vol1.pdf)

Projected Share of Investment in Infrastructure during Eleventh Five Year Plan (at 2006-07 Price):



(Source: Eleventh Five Year Plan, Planning Commission; http://planningcommission.nic.in/plans/planrel/fiveyr/11th/11_v1/11th_vol1.pdf)

INDIAN CONSTRUCTION INDUSTRY OVERVIEW

The construction industry in India is the second largest industry of the country after agriculture. The investment in construction accounts for nearly 11% of India's Gross Domestic Product (GDP) and nearly 50% of its Gross Fixed Capital Formation (GFCF). (*Source: http://www.goingtomeet.com/55522)*

The development of physical infrastructure in the country and, consequently, the construction sector has been in focus during the last decade. The increasing significance of construction activities in the growth of the economy was also evident during the course of implementation of the Tenth Plan with areas such as transportation, irrigation, housing, urban development, and civil aviation having received greater importance. It is well established that the influence of the construction industry spans across several sub-sectors of the economy as well as the infrastructure development, such as industrial and mining infrastructure, highways, roads, ports, railways, airports, power systems, irrigation and agriculture systems, telecommunication systems, hospitals, schools, townships, offices, houses and other buildings; urban infrastructure, including water supply, sewerage, and drainage, and rural infrastructure. Thus, it becomes the basic input for socio-economic development.

The contribution of construction to the GDP at factor cost in 2006–07 was Rs 196555 crore, registering an increase of 10.7% from the previous year. The share of construction in GDP has increased from 6.1% in 2002–03 to 6.9% in 2006–07. The increase in the share of construction sector in GDP has primarily been on the account of increased government spending on physical infrastructure in the last few years, with programmes such as National Highway Development Programme (NHDP) and PMGSY/Bharat Nirman Programme receiving a major fillip of late. The construction industry is experiencing a great upsurge in the quantum of the work load, and has grown at the rate of over 10% annually during the last five years.

The importance of construction activity in infrastructure, housing, and other asset-building activities can be seen from the fact that the component of construction comprises nearly 60%–80% of the project cost of certain infrastructure projects such as roads, housing, etc. In projects such as power plants, industrial plants, etc., though the share is lower but it still remains critical. The construction industry also has major linkages with the building material manufacturing industry including cement and steel, bricks and tiles, sand

and aggregates, fixtures and fittings, paints and chemicals, construction equipment, petrol and other petro-products, timber, mineral products, glass, and plastics.

With around 27,770 enterprises involved directly in the activity of construction in 2005, the industry is one of the largest employers in the country and is characterized by a mix of both organized and unorganized entities. The employment figures have shown a steady rise from 14.6 million in 1995 to more than double in 2005 that is 31.46 million personnel comprising engineers, technicians, foremen, clerical staff, and skilled and unskilled workers.

(Source: 11th Five Year Plan)

Roads:

Indian Road Network : Indian road network of 33 lakh Km is second largest in the world and consists of :

	Length(In Km)
Expressways	200
National Highways	70,548
State Highways	1,31,899
Major District Roads	4,67,763
Rural and Other Roads	26,50,000
Total Length	**33 Lakhs Kms(Approx)**

Roads carry about 65% of the freight and 80% of the passenger traffic. Highways/Expressways constitute about 2% of all roads and carry 40% of the road traffic. Number of vehicles have been growing at an average pace of 10.16% per annum over the last five years.
(Source:http://www.nhai.org/roadnetwork.htm)

State Hoghways with a length of about 137000 km and Major District Roads (MDRs) with a length of 3,00,000 km together constitute the secondary system of road transportation which contributes significantly to the development of the rural economy and industrial growth of the country. The secondary system also carries about 40% of the total road traffic, although it constitutes about 13% of the total road length. *(Source:11th Five Year Plan)*

National Highways Development Project (NHDP):
The National Highways have a total length of 70,548 km to serve as the arterial network of the country. The development of National Highways is the responsibility of the Government of India. The Government of India has launched major initiatives to upgrade and strengthen National Highways through various phases of National Highways Development project (NHDP).

(Source:http://nhai.org/mandate.htm)

The Golden Quadrilateral and NSEW projects

(Source: http://infrastructure.gov.in/highways.htm)

NHDP & Other NHAI Projects:
Status as on November, 2010

Phase	**Total length – km**	**Already 4 laned – km**	**Under implementation – km**	**Contracts under implementation (No.)**	**Balance length for award**
Golden Quadrilateral	5846	5809	37	10	-
NS-EW Phase I & II	7142	5385	1332	106	425
Port Connectivity	380	291	83	6	6
Other National Highways	1383	926	437	7	20
SARDP – NE	388	-	112	2	276
NHDP Phase III	12109	1922	5207	73	4980
NHDP Phase IV	20,000	-	486	4	19514
NHDP Phase V	6500	407	1893	16	4200
NHDP Phase VI	1000	-	-	-	1000
NHDP Phase VII	700	-	41	2	659
Total	55448	14740	9628	226	31080

(Source: Economic Survey 2010-11)

STATE HIGHWAYS (SHS) AND MAJOR DISTRICT ROADS (MDRS)
The present condition and stage of development of the secondary network varies widely across States. Though reasonable in terms of size, the quality of SHs and MDRs is particularly worrisome. The result is that there are several deficiencies in the existing SHs and MDRs as a result of (i) inadequate width of carriageway in relation to traffic demand; (ii) weak pavement and bridges; (iii) congested stretches of SHs and MDRs passing through cities/towns; (iv) poor safety features and road geometrics, and inadequate formation width in hilly and mountainous region; (v) missing links and bridges, and (vi) several railway level crossings

requiring urgent replacement with ROB/road under bridge (RUB). A broad assessment shows that over 50% of SHs and MDRs network have poor riding quality. According to one assessment, losses due to poor condition of these roads would be around Rs 6000 crore per annum.

Expressways
A study group of the Ministry of Shipping, Road Transport, and Highways (MoSRTH) set up during the Ninth Plan proposed a total expressways network of about 15600 km by the year 2020 with broad phasing as shown below:

Year	Cummulative length
2005	4900
2010	10500
2015	14100
2020	15600

Initiatives taken to Expedite Completion of Quality Road Projects

- Standard format for acquisition of land approved by Ministry of Law, based on which Department of Road Transport and Highways (DoRTH) are to take action on specific proposals for land acquisition.
- For resolving problems in pre-construction activities, regular follow-up meetings are being held with senior officials and specifically designated nodal officers of State Governments.
- In pursuance of decision of CoI, an Empowered Committee of Secretaries has been constituted under the Cabinet Secretary to address Inter-Ministerial and Centre–State issues regarding land acquisition, utility shifting, environmental clearance, etc.
- MOU signed with M/s IRCON for speedy construction of ROBs.
- Works Manual incorporating the Guidelines for procurement of works and consultancy services, compiled by NHAI in July 2006, will guide procurements and management of contracts, including under PPP Projects.
- Action has been taken against defaulting civil contractors: 14 contracts terminated and 17 contractors declared nonperformers.
- For ensuring preparation of quality Detailed Project Reports (DPRs) for civil works, provisions made for peer review, 10% performance guarantee, and penalty for delays and variation of quantities of more than 15%.
- DPR Consultants are now required to co-ordinate at field level with Project Implementation Units (PIUs), NHAI, local officers, and local residents at every stage of preparation of DPR. Proof Consultants are to review the DPR to ensure full compatibility with project requirements, timelines, and detailed guidelines.
- DPR contracts to provide for mandatory continuation of certain key personnel of DPR consultants for a period of at least three to four months after award of civil contracts for technical co-ordination.
- JV partners to compulsorily submit performance security separately from each partner's bank account to the extent of their participation in JV.
- Steps taken to improve cash flow problems of contractors by granting interest bearing discretionary advance at the request of contractor, release of retention money against bank guarantee of equal amount, deferment of recovery of advances (on interest basis), and relaxation in minimum Interim Payment Certificate amount.

Initiatives taken to Facilitate Private Sector Investment

- In order to maximize the volume of investments in the road sector, given the limited availability of public resources or the need to use them for development of roads in backward/remote areas, it has been decided that all the sub-projects in NHDP Phase III to Phase VII would be taken up on the basis of PPP on BOT mode.
- The government has announced several incentives such as tax exemptions and duty-free import of road-building equipment and machinery to encourage private sector participation.
- The Model Concession Aagreement (MCA) for NHs, which was approved by CoI in 2005, has now been adopted for implementation of PPP projects by Ministry of Shipping, Road Transport, and Highways (MoSRTH)/NHAI; the MCA for SHs has been published by the Planning Commission.
- A review of tolling policy in respect of NHs has been concluded and the report, once finalized, would serve to impart greater certainty in revenue projections for concessionaires.
- Manuals of Standards and Specifications for four-laning and six-laning of NHs through PPPs are under finalization by DoRTH. Adoption of these manuals would reduce project preparation time as project specific manuals would no longer be needed.
- The substantial completion of NHDP Phase I, that is GQ, has called for a shift in emphasis to corridor management so as to deliver maximum throughput in terms of speed and traffic volume, while minimizing operational cost and enhancing road safety. In this regard, an MCA for O&M of Highways has been published by the Planning Commission.

Road Sector Objectives for the Eleventh Plan

- Develop roads as an integral part of transport system, supplementing other modes, with high priority being accorded to balanced development of road network (primary, secondary and tertiary systems).
- Expedite implementation of enhanced NHDP:
    - ✓ Completion of balance work of GQ and North–South and East–West corridors.
    - ✓ NHDP Phases III through VII, with reduction in scope of NHDP IV from 20000 km to 6800 km.
    - ✓ Restructure NHAI, the main implementing agency of NHDP.
- Phased removal of deficiencies in existing NHs concomitant with development of traffic over the next 10–15 years:
    - ✓ Emphasis on augmentation of capacity of high-density corridors.
    - ✓ Greater attention to construction of missing links and missing bridges, rehabilitation and reconstruction of weak/ dilapidated bridges for traffic safety.
- Formulate comprehensive Master Plan for development of 15600 km of access-controlled expressways:
    - ✓ Determine alignments.
    - ✓ Acquire land for about 6000 km.
    - ✓ Expedite and complete construction of 1000 km.
    - ✓ Consider establishing an 'Expressways Authority of India' to implement the Master Plan.
- Prioritize SARDP-NE:
    - ✓ Improve connectivity of all State capitals in North East with two- or four-lane NHs with paved shoulders.
    - ✓ Connect all district headquarters with two-lane NHs/SHs.
- Prioritize development of high-density corridors in SHs/MDRs.
- Promote private sector participation for development of the national and State roads networks:
    - ✓ Adopt BOT (Toll) for construction.
    - ✓ Adopt MCA for OMT for tollable roads.
    - ✓ Earmark sufficient funds for maintenance for non-tollable roads;
    - ✓ Adopt improved maintenance practices NHs/SHs/MDRs.
- Achieve Bharat Nirman time target of providing rural connectivity through all-weather roads to all habitations with a population of 1000-plus persons (500-plus in hilly/tribal areas) by 2009 and thereby improve the quality of life in rural areas and ensure balanced regional development.
- Focus on proper upkeep and maintenance of the existing road network and on attaining higher maintenance standards for optimum utilization of existing network capacity and preserving road assets already created. Adopt modern management techniques for scientific assessment of maintenance strategies/priorities.
- Improve capacities of implementing agencies: NHAI, State PWDs, and BRO.
- Prioritize road safety: prevent overloading of trucks, encroachments, unplanned ribbon development, etc. Focus on issues like energy conservation and environment protection.
- Provide world-class wayside amenities along highways.
- Reduce transportation costs: better riding surface, use of containers, multi-axle vehicles in the haulage of goods, etc.
- Ensure road connectivity where rail link is not possible.
- Integrate road development with railways and other modes of transport.
    - ✓ Identify feeder roads to important railway routes and undertake needed improvement including periodic maintenance.
    - ✓ Link minor important ports with minimum two-lane NHs/SHs/SRs.
    - ✓ Link all inland container depots/CFSs with minimum two-lane NHs/SHs.
- Develop a road data bank, computerize project monitoring system, promote use of information technology in the roads sector.

(Source : Eleventh Five Year Plan)

Revised Strategy for Implementation of the NHDP

The NHAI formulated Work Plans (Work Plans I and II) for awarding of about 12,000 km each during the years 2009-10 and 2010-11. These plans lay down a specific time frame for various activities and are being monitored very closely at various levels. Under Work Plan I so far 73 projects of 6,426 km length have been awarded and bids for a further nine are at various stages. Under Work Plan II, one project of 170 km length was awarded and bids for five more projects are under various stages of process.

A committee under the Chairmanship of Shri B. K. Chaturvedi, Member Planning Commission, submitted a report containing the recommendations on the urgent issues for key changes in the implementation framework and modified financing plan of the NHDP. The Government considered and accepted the

recommendations contained in the report of the Committee in November 2009 with the proviso that the financing plan from 2010-11onwards would be considered by the Empowered Group of Ministers (EGoM) for further action. The EGoM has since given the in-principle approval for Work Plan II for 2010-11 for award of projects covering a length of about 12,000 km and also has approved additional budgetary support for the SARDP-NE and J&K projects. The EGoM has also approved the Work Plan for 2010-11 onwards with the stipulation that of the total NH length to be developed, broadly 60 per cent would be taken up on build, operate, and transfer (BOT) (Toll) basis, 25 per cent on BOT (Annuity) basis, and the remaining 15 per cent on engineering procurement contract (EPC) basis
.

The NHAI is setting up 192 special land acquisition units (SLAUs) in various States for expediting the LA process, which is identified as a major bottleneck in the implementation of the projects, and 122 such units have already been set up. Besides, Chief Ministers have been requested to set up High Level Coordination Committees under Chief Secretaries to sort out issues involving coordination between departments. Most States have constituted these High Level Coordination Committees.

To expedite the progress of the NHDP, the MoRT&H has taken up implementation of about 4700 km under NHDP IV through State Public Works Departments (PWDs)/Corporations. It consists of implementation of about 1800 km under NHDP IVA (approved by the Government in July 2008) and about 2900 km under NHDPIVB (yet to be approved by the Government). Of the 1800 km under NHDPIVA taken up through State PWDs / Corporation, one project of 108 km has been awarded up to November 2010 and another of 670 km is at an advanced stage of award. Advance action has also been taken for project preparation work for about 2900 km under NHDP IVB.

(Source :Economic Survey 2010-11)

Initiatives for development of the entire NH network to minimum acceptable standard of two lanes

About 25 per cent of the total length of National Highways (NHs) is single lane / intermediate lane, about 52 per cent is two lane standard, and the balance 23 per cent is four lane standard or more. Keeping in view the targets stipulated in the Eleventh Plan for accelerated efforts to bring the NH network up to a minimum two-lane standard within the next 10 years (i.e. by the end of the Twelfth Plan) and also for removing existing deficiencies, the Ministry has proposed a World Bank loan as well as budgetary allocations to reach this goal by December 2014. DPR consultants have been engaged for preparation of a DPR for about 3800 km proposed to be developed under World Bank Assistance. The MoRT&H has also initiated action for improvement of the remaining 2500 km of single / intermediate lane NHs through budgetary resources. In order to make a visible impact, the work would be taken up for upgradation on corridor concept. Therefore, corridors would include strengthening (in adjoining reaches) in addition to widening to two lane/ two lane with paved shoulder standards in order to have better facility in long continuous stretches.

In general, the larger stretches costing more than Rs.150 crore have been taken up with loan assistance from the World Bank under the National Highways Interconnectivity Improvement Programme (NHIIP). DPR consultants have been engaged for preparation of a DPR for about 3800 km. The smaller stretches costing less than `Rs.150 crore have been taken up through budgetary support. In this category, a 2200 km length (51 projects) with an estimated cost of Rs. 5800 crore has been taken up. Provision of these projects has been made in the Annual Plan 2010-11 and Demands for Grants 2010-11. DPRs are prepared by State PWDs and the estimates are directly submitted by them to the Ministry for sanction.

(Source :Economic Survey 2010-11)

Construction of rural roads under the Prime Minister Gram Sadak Yojna (PMGSY)

The PMGSY was launched to provide single all-weather connectivity to eligible unconnected habitations having population of 500 persons and above in plain areas and 250 persons and above in hill States, the tribal (Schedule-V) areas, desert (as identified in the Desert Development Programme) areas, and LWE-affected districts as identified by the Ministry of Home Affairs. Under the programme, up to November 2010 about 4.19 lakh km roads to benefit 1,07,974 habitations have been cleared with an estimated cost of Rs.1,18,298 crore. A sum of Rs.75,404 crore has been released to the States/UTs and about Rs. 74,345 crore has been spent. So far, 2,98,809.72 km road length has been completed and new connectivity has been provided to over 73,651 habitations. Work on a road length of about 1,20,181 km is in full swing.

Rural roads has been identified as one of the six components of Bharat Nirman and has the goal to provide all-weather road connectivity to all villages with a population of 1000 (500 in the case of hilly or tribal areas). In effect, Bharat Nirman proposes to provide new connectivity to a total of 54,648 habitations. This would involve construction of 1,46,184 km of rural roads. In addition to new connectivity, Bharat Nirman envisages upgradation/ renewal of 1,94,130 km of existing rural roads. Under the rural roads component of Bharat Nirman, 38,144 habitations have been provided all-weather road connectivity up to November 2010 and projects for connecting 15,426 habitations are at different stages. During 2010-11, up to November 2010 over 24,411 km all-weather road has been completed under theprogramme. New connectivity has been provided to nearly 3271 habitations with an expenditure of Rs.8705 crore.

(Source :Economic Survey 2010-11)

Special Accelerated Road Development Programme in the North-Eastern Region (SARDP-NE)
The SARDP-NE aims at improving road connectivity to State capitals, district headquarters, and remote places of the north-east region. It envisages two / four laning of about 4798 km of NHs and two laning / improvement of about 5343 km of State roads. This will ensure connectivity of 88 district headquarters in the north-eastern States to two- lane NHs / two-lane State roads. The programme has been divided into Phases 'A' and 'B' and the Arunachal Pradesh Package of Roads & Highways. With the approval of the Cabinet Committee on infrastructure (CCI) on 8 April 2010 for transfer/ addition of 1503 km roads to Phase 'A' of the SARDP NE, Phase 'A' now consists of improvement of 4099 km of roads consisting of 2041 km of NHs and 2058 km of State roads at an estimated cost of Rs.21,769 crore. Out of the 4099 km, the Border Roads Organization (BRO) and State PWDs have been assigned the development of 3213 km. The remaining length of 886 km will be built by the NHAI, Ministry / Arunachal Pradesh PWD, and BRO after investment approval is received from the CCI. Out of the 3213 km, projects covering a length of 2219 km have been approved till December 2010 and work is in different stages of progress. Phase 'B' has now been modified to cover two laning of 1285 km of NHs. Further approval for preparation of DPRs for two laning / improvement of 2438 km of State roads has also been given. Till December 2010, a DPR was prepared for 450 km.

The Arunachal Package covering a 2319 km stretch of road was approved by the Government as part of the SARDP-NE on 9 January 2009. Of this, 776 km has been approved for execution on BOT (annuity) basis and the remaining for tendering on EPC basis. Two projects under BOT (annuity) for 58 km length have been awarded and the award for the remaining two covering 718 km is under process. For other stretches to be taken up on EPC basis, estimates have been sanctioned/ DPR is under process.

(Source :Economic Survey 2010-11)

Roads in Maharashtra:
The State’s road network consists of National Highways, State Highways, Major District Roads, Other District Roads and Village Roads. The road development works in the State are carried out by Public Works Department (PWD) of the State Government, Zilla Parishads (ZP), Municipal Corporations/ Municipal Councils/Nagar Panchayats(NP), Cantonment Boards(CB), Maharashtra State Road Development Corporation (MSRDC), Forest Department, Maharashtra Industrial Development Corporation (MIDC) and City & Industrial Development Corporation (CIDCO). The total road length maintained together by PWD and ZP (excluding internal road length maintained by local bodies) at the end of March, 2009 was 2.37 lakh km of which surface road length is 2.15 lakh km (90.5 per cent) and unsurfaced road length is 22,667 km (9.5 per cent). Apart from road length maintained by PWD and ZP, road length maintained by other Government departments and Local bodies is 46,300 kms. *(Source: Economic Survey of Maharashtra 2009-10)*

Road Development Projects Proposed Under Privatisation
For implementing state road development programme in a systemic manner, 1981-2001 Road Development Plan has been prepared. This plan includes widening and black topping of State highways and major district roads and also black topping of other road. For implementing this development plan, approximately Rs. 26000 Crores are required. The Government of Maharashtra has decided to implement some of the important road projects through Private Sector Participation

Following projects shall be genrally taken through Private Sector participation :

i. Construction of new roads
ii. Improvements, widening and Strengthening of existing roads
iii. Bypasses outside towns
iv. Repairs to Major bridges
v. Construction of bridges
vi. Widening of bridges
vii. Construction of flyovers
viii. Construction of expressways
ix. Construction of Railway over bridge
x. Construction of tunnels

Policy decision taken by the Government for facilitating Private Sector Participation in Road Development Project

These include procedure for taking up such works and concessions to be offered to the Enterprenurs

1. The following alternatives may be considered while taking up road development projects through private sector participation.
    a) The Entrepreneurs to bear the entire cost of the project and recover the same through toll fees levied after the project is completed.
    b) To make some of these project feasible, the Government may have to participate by sharing up to 40% of the project cost in some cases. The Entrepreneurs can recover his investment by levy of tolls.

2. To make the road development projects financially feasible through private sector participation the Government has decided to give some concessions and to make available some other sources of income to Entrepreneurs. Some of the sources of income to be made available to the Entrepreneurs apart from the tolls, will be as below :

    a. To permit display of advertisement by the road side approved location and to permit the Entrepreneurs to generate income from the same.
    b. Permission to erect Petrol Pumps, Hotels, Motels, etc. at approved locations by the road side.
    c. Permission to retain income generated from tree plantation to be permitted by the road side.
    d. Income generated from the commercial exploitation of land acquired by the Government as per the requirements at proper locations and to be given to the Entrepreneurs on long lease.
    e. To give on nominal lease rent, the land required for the project after acquiring the same at the cost of Government, alongwith the quarries and connecting roads and the Entrepreneurs to be permitted to use them for constructing the project.
    f. To make suitable provisions in the bid documents for covering risk beyond their control in relation to the investment made by the Entrepreneurs.

(Source : http://www.mahapwd.com/privatisation/default.htm)

Establishment of Corporation

Maharashtra State Road Development Corporation (MSRDC) was established in 1996 for the development of roads and allied infrastructure mainly through private participation. Most of the projects undertaken by MSRDC are on 'Build, Operate and Transfer' (BOT) basis. MSRDC mainly deals with road projects, flyover projects, toll collection rights, etc. Since inception, MSRDC has completed 14 projects with estimated cost of Rs. 5,001 crore and actual incurred expenditure of Rs. 4,648 crore. The total toll collected from the partially and fully completed projects upto 31st December 2009 was Rs. 3,029 crore, as against the total expenditure of Rs.7,487 crore. *(Source: Economic Survey of Maharashtra 2009-10)*

Transport in Mumbai Metropolitan Region

Mumbai Metropolitan Region (MMR) comprises of seven Municipal Corporations viz. Brihanmumbai, Navi Mumbai, Thane, Mira-Bhayander, Kalyan-Dombivli, Ulhasnagar and Bhivandi-Nijampur, 13 Municipal Councils of which six are from Thane and seven are from Raigad districts and rural areas of Vasai, Bhivandi, Kalyan, Ambarnath, Panvel, Uran, Khalapur, Karjat, Pen and Alibag tehsils. Mumbai Metropolitan Region Development Authority (MMRDA) has undertaken various projects such as mono rail, metro rail, construction of flyovers under Mumbai Urban Transport Project and Mumbai Urban Infrastructure Project in order to provide better civic infrastructure and to improve the quality of life of people. The Mumbai Metro rail project is the first Mass Rapid Transport System (MRTS) project in India being implemented under Public Private Partnership (PPP) basis. Five crucial projects viz. Phase I of the metro rail (from Versova to Ghatkopar) and mono rail projects (from Jacob circle to Wadala and Wadala to Chembur), Mithi river beautification project, Milan Flyover and Santacruz Chembur Link Road are scheduled to be completed by December, 2010. *(Source: Economic Survey of Maharashtra 2009-10)*

READY MIX CONCRETE (RMC) INDUSTRY OVERVIEW

Concrete is a mixture of paste and aggregates (sand & rock). The paste, composed of cement and water, coats the surface of the fine (sand) and coarse aggregates (rocks) and binds them together into a rock-like mass known as concrete. The key to achieving a strong, durable concrete rests on the careful proportioning and mixing of the ingredients. A concrete mixture that does not have enough paste to fill all the voids between the aggregates will be difficult to place and will produce rough, honeycombed surfaces and porous concrete. A mixture with an excess of cement paste will be easy to place and will produce a smooth surface; however, the resulting concrete will be more likely to crack and be uneconomical. A properly proportioned concrete mixture will possess the desired workability for the fresh concrete and the required durability and strength for the hardened concrete. Typically, a mixture is by volume about 10 to 15 percent cement, 60 to 75 percent aggregates and 15 to 20 percent water. Entrained air bubbles in many concrete mixtures may also take up another 5 to 8 percent.

Aggregates for concrete are chosen carefully. The type and size of the aggregate mixture depends on the thickness and purpose of the final concrete product. Relatively thin buildings sections can require small coarse aggregates, though aggregates up to six inches (150 mm) in diameter have been used in large dams. A continuous gradation of particle sizes is desirable for efficient use of the paste. In addition, aggregates should be clean and free from any matter that might affect the quality of the concrete. Almost any natural water that is drinkable and has no pronounced taste or odor may be used as mixing water for concrete. However, some waters that are not fit for drinking may be suitable for concrete. Excessive impurities in mixing water not only may affect time and concrete strength, but also may cause efflorescence, staining, corrosion of reinforcement, volume instability and reduced durability.

(Source: http://www.nrmca.org/aboutconcrete/)

RMC is a ready-to-use material, with predetermined mixture of cement, sand, aggregates and water. RMC is a type of concrete manufactured in a factory according to a set recipe or as per specifications of the customer, at a centrally located batching plant. It is delivered to a worksite, often in truck mixers capable of mixing the ingredients of the concrete en route or just before delivery of the batch. This results in a precise mixture, allowing specialty concrete mixtures to be developed and implemented on construction sites. The second option available is to mix the concrete at the batching plant and deliver the mixed concrete to the site in an agitator truck, which keeps the mixed concrete in correct form. In the case of the centrally mixed type, the drum carrying the concrete revolves slowly so as to prevent the mixed concrete from ‘segregation’ and prevent its stiffening due to initial set. The use of the RMC is facilitated through a truck-mounted ‘boom placer’ that can pump the product for ready use at multi-storied construction sites. A boom placer can pump the concrete up 80 meters.

RMC is preferred to on-site concrete mixing because of the followings –

1. The precision of the mixture and reduced worksite confusion;
2. It facilitates speedy construction through programmed delivery at site and mechanised operation with consequent economy;
3. It also decreases labour, site supervising cost and project time, resulting in savings;
4. Proper control and economy in use of raw material results in saving of natural resources;
5. It assures consistent quality through accurate computerized control of aggregates and water as per mix designs;
6. It minimizes cement wastage due to bulk handling and there is no dust problem and therefore, pollution-free;
7. RMC is particularly useful when the building activity is located in congested sites where little space is available for siting the mixer and for stock piling of aggregates;
8. The use of RMC is also advantageous when only small quantities of concrete are required or when concrete is to be placed only at intervals.

RMC is marginally expensive compared to site mix concrete because of transportation of concrete. However, on considering the advantages of RMC, the cost factor is negligible.

(Source: http://www.aceconcrete.co.in/ready-mix-concrete.htm)

RMC Industry in USA:

The RMC Industry supplies a valuable construction product to the transportation, building sector, residential and other construction markets. The industry is composed of varying sized family owned business to multi-national corporations. It is estimated that there are about 6,000 RMC plants that produce the product and about 70,000 RMC mixer trucks that deliver it to the point of placement. The RMC industry consumes about 75% of the cement shipped in the US. Besides portland and blended cement it uses a large quantity of industrial byproduct material that would otherwise be considered waste products. These include fly ash from the coal burning power plants, slag from the manufacture of iron and silica fume from the silicon/ferro-silicon metal industry.

National Ready Mixed Concrete Association (NRMCA), USA estimates the volume of RMC produced in the US using some validated assumptions and the data on cement shipments reported by the US Geological Survey of the US Department of Interior. The value of RMC produced by this industry is estimated at $30 billion industry.

(Source: http://www.nrmca.org/concrete/data.asp)

RMC Industry in India:
The RMC business in India is in its nascent stage. In a developed country 70% of cement produced is used by the RMC industry. However, in India, the RMC industry uses less than 10% of the total cement production. In the early 70s both pricing and distribution of cement was controlled due to shortage of supply. The usage of RMC could not be implemented as investors felt that the plants would starve due to non-availability of cement. The levy of additional taxes and duties on RMC, entry tax and excise duty also contributed to the slow development of the concept.

(Source: http://www.aceconcrete.co.in/ready-mix-concrete.html)

The leading RMC suppliers worldwide are Cemex, Lafarge, Holcim, Italicement and RMC (UK). In India, cement majors including Associated Cement Companies, Grasim (Ultratech), India Cements, Chettinad Cement and Madras Cements were few of the first to foray into RMC business apart from International players such as RMC (UK). ACC's cement business along with its RMC units has since been sold to Holcim, the second largest cement company in the world and Holcim in turn has shifted its entire RMC business to a separate company for a better focus in this upcoming and highly potential industry. Lafarge, world's largest producer of cement in the world, has recently bought the entire RMC business of L&T, the largest manufacturer of RMC in India at a price of over ` 1,450 Crs. which is a pointer to the huge potential in this industry.

The share of cement used by RMC is expected to go up from present levels of around 10% of the total cement production to close to the global average of 70% in the next 10 years with increased demand for speedy and quality construction.

(Source: http://www.aceconcrete.co.in/ready-mix-concrete.html)

RMC Business & Growth:
The growth of RMC in India has in the past been predominantly driven by demand from the metro cities. According to an ICRA analysis, in cities like Mumbai it is mandatory to use RMC in construction of flyovers. This move provided the requisite impetus to growth. RMC is particularly useful when the building activity is located in congested sites where little space is available for placing the mixer and for stock piling of aggregates. The use of RMC is very advantageous when very large quantities of concrete are required or when concrete is to be placed quickly at the shortest time possible without any interruption in supply.

The RMC business in India is in its infancy and is only 10 years old in the country. Where as in developed countries, nearly 70% of cement consumption is in the form of ready mix concrete and 25% in the form of pre-cast concrete, in India, ready mix concrete accounts for less than 10% and as much as 70% of cement consumption is in the form of site-mixed concrete. In developed and nearly developed countries RMC has cornered 70-80% of the total concrete market, where as in India plant-produced concrete commands less than 10% of the total market. RMC in India was mostly restricted to the major cities. The concept is now getting extended to tier-II cities such as Coimbatore, Cochin, Vizag, etc. In the near future, RMC will also spread to smaller cities. The importance and utility of RMC has dawned on the customer only in very recent times contributed mainly by quicker and large constructions and lack of manpower. The total concrete market in India is estimated at 300 million cubic meters per annum. Of this, plant-produced concrete's share is approximately 30 million cubic meters. Considering the massive investments happening in infrastructure and other large projects, the concrete market is likely to grow @ 20% per annum, i.e. an increase of 6 million cubic meters per annum. Over and above this, new towns are likely to get added to the RMC map which is likely to push up the market size by another 1-2 million cubic meters per annum.
(Source: http://www.aceconcrete.co.in/ready-mix-concrete.html)

Redevelopment of Old Buildings
The United Nations has projected that between 2000 and 2030, India's urban population will increase from 282 million to 590 million (assuming moderate 2.5% compound annual growth rate). Looking forward, one facet of India's urban planning challenge is to accommodate an additional 10 million urban dwellers per year, provide them with adequate public services and infrastructure, create opportunities for economic development, and ensure that urbanization is environmentally sustainable.

(Source : 11th Five Year Plan)

India is part of a global trend that is advancing towards an increasing urbanisation, according to which more than half of the world's population is living in towns and cities. India has a total population of 1,027 million as accounted by the 2001 census, out of which 27.8 percent live in urban areas. The span of ten years between 1991 and 2001 has showed a steady increase of 2.1 percent in the proportion of urban population in the country. It is noteworthy that the contribution of urban sector to Gross Domestic Product (GDP) is currently expected to be in the range of 50-60 percent. In this context, enhancing the productivity of urban areas is now central to the policy pronouncements of the Ministry of Urban Development. Cities hold tremendous potential as engines of economic and social development, creating jobs and generating wealth through economies of considerable scale.

(Source : http://india.gov.in/citizen/housing.php)

Government of Maharashtra Housing Policy:
The housing policy was announced on 23rd July, 2007 as per which some of the major decisions are as below:

- Implementation of Urban Renewal Scheme for reconstruction of old and dilapidated cessed and non-cessed buildings in Mumbai city and sub-urban area through their owners, private developers, co-operative housing societies and Municipal Corporation as well as MHADA
- Entitlement of a minimum of 225 Sq. ft. to 300 Sq. ft. area free of cost to tenants of buildings undertaken for redevelopment.

(Source: Economic Survey of Maharashtra 2009-10)

Maharashtra is one of the most urbanized states in the country. Whereas nationally 27% of the population was in the urban areas, in Maharashtra, the figure was 42% (Census 2001). Housing in urban areas assumes much greater significance, as it relates not only to basic shelter needs but also provides a facility to the citizens to access services and be part of the development process. Housing implies not only construction of bricks and mortar; it includes the supporting infrastructure, access to transport and employment opportunities.

Meaning of Redevelopment
Redevelopment refers to the process of reconstruction of the residential/commercial premises by demolition of the existing structure and construction of a new structure. This is done by utilizing the potential of the land by exploiting additional TDR, FSI as specified under the Development Control Regulations of Municipal Corporation of Greater Mumbai (MCGM).

Advantages of Redevelopment of old Buildings
a. For Existing Owners
Though they are in dire need of extensive repairs, societies are starved of necessary funds required to carry them out. On the one hand, they do not have the resources and expertise to handle the repairs on their own and on the other, the families of the members have expanded and they need larger space to accommodate themselves.

Drawbacks of old buildings:

- Lack of services such as security, cleaning, and to operate pumps.
- Absence of common facilities like gymnasium and a society office.
- Unavailability of proper playing area for children in the compound.
- Perennial leakage in the structure and also in the overhead or ground floor water tanks.
- Unavailability of elevators causing suffering to heart patients and the elderly.
- Absence of a proper entrance lobby.
- Room sizes being too small.
- Interior planning of rooms being unsatisfactory.
- Lack of attached toilets in bedrooms.
- Plumbing/electrical lines lying open
- Size of toilets being too small
- Low resale value due to poor condition of the building

b. For Builders/Developers
Builders/Developers opting for purchasing land and developing the same, incur huge stamp duty cost on transfer of land. Instead redevelopment of old building reduces stamp duty to a significant extent. For this

they enter into development Agreement with Society. Entering into such development agreement does not vest any title of the land in the favor of developer, but merely authorizes the developer to develop the land.

In other words, in a case of development, the builder constructs the buildings at his cost, retains some flats for himself to be sold in the open market, gives a few flats to the landowner and also pays him some monetary consideration. The developer carries out this development work in the capacity of a constituted attorney of the owner and not on his own behalf.

Later, these flats are sold by the developer in the open market and from such sale, he makes a profit. The rate of stamp duty in respect of development agreement being much less than that payable on outright purchase, there’s a significant saving in stamp duty cost. Later, when the building is actually conveyed to a co-operative society or a company, the landowner and builder become party to the conveyance deed on which the stamp duty is payable and the same is also registered.

Procedure for redevelopment of an immovable property

The consent of the society members must be obtained during society meetings. On or before the execution of the agreement, the society should hand over to the developers, the copy of the conveyance deed in respect of the society’s property, along with certified copies of the property register card, index II, latest electricity bill, water bill, municipal tax bill, N.A. tax bill in respect of the society’s property and also, the copy of the registration certificate of society under the Maharashtra Cooperative Societies Act, 1960.

The list of members with their choice of new flats and parking, area entitlement among others as agreed upon in the new building should be prepared. The terms about the provision of temporary alternate accommodation to the members during the construction period should also be made clear in the agreement.

Challenges

- Inability to assemble all members of the society at a single point of time, as some of the members may not be available. Some flats may be mortgaged to a bank or a financial institution
- Some of the members may be interested in purchase of new flats at a discounted rate in the new building.
- The title may not be clear, i.e. conveyance deed of the land and structure is not executed in favor of the society.
- Anxiety in the minds of the members about possible delay in completion of the project after they have vacated their old flats.
- The old documents of the members may not be traceable
- Lack of unity amongst the members
- The tax issues regarding redevelopment are not clear to the society.
- Very high prices are expected on sale of old flats in the case of certain members who are not interested in staying in the new building.
- Corpus amount takes a long time to be fixed by the society.
- The decision as to which member will get what type of parking takes a very long time.

(Source : http://www.accommodationtimes.com/legal/society/redevelopment-of-old-buildings/)

OUR BUSINESS

We are an Infrastructure Development and Construction company with our registered office in Mumbai with backward integration into manufacturing of ready mix concrete and quarrying activities. Our Company also operates Asphalt Batch Mix Plant, Drum Mix Plant, Wet Mix Plant and Crushers. We provide construction services for road infrastructure projects, commercial projects, urban infrastructure and redevelopment projects. In the residential sector, we work with co operative societies for redevelopment of old buildings in Mumbai through our subsidiary. We have an experience of around 3 decades in construction industry, which includes varied infrastructure projects like construction of road, bridges, water supply and utilities, river widening / deepening etc. Our experience in the execution of road infrastructure projects and commercial projects has given us the expertise to provide quality services in both basic as well as complex construction projects. We have been assessed and certified as meeting the requirement of ISO 14001:2004 for Construction of Roads & Highways, Bridges, Buildings, Training of Rivers, Water Supply & Sewerage Projects & Other Civil Infrastructure Works by SGS United Kingdom Ltd vide certificate SG09/02325. Further, we have been assessed and certified as meeting the requirement of OHSAS 18001:2007 for Construction of Roads & Highways, Bridges, Buildings, Training of Rivers, Water Supply & Sewerage Projects & Other Civil Infrastructure Works by SGS Societe Generale de Surveillance SA Systems & Service Certification vide certificate CH09/0584.

The erstwhile partnership firm Reliance Construction Company was formed by a partnership deed dated February 5, 1973 and was reconstituted from time to time and was duly registered under the provisions of the Indian Partnership Act with the Registrar of Firms, Mumbai vide Registration No.B-133815. The firm was carrying on the business of builders, developers, contractors, sellers, purchasers, lessors, lessee & dealers in all kinds of civil structures including but not limited to real estate constituting industrial, commercial & residential building, township, tenements, bungalows, apartments, multiplexes, malls, shopping complex, industrial estate, export zones, theme parks, roads, bridges, culverts, bus terminals, sports complex, airports, shipyards & any other civil work related to infrastructure.

Our backward integration into manufacture of Ready Mix Concrete, asphalt and quarrying activities ensures assured and quality supply of materials. We also sell surplus Ready Mix Concrete to other construction companies.

Our Services

We provide construction services for the three sectors described below.

Road Infrastructure: In the road infrastructure sector, we carry out construction of roads, widening and strengthening of express highways, roads, concretising of roads, maintenance of bridge flyovers and subways, improvement of various asphalt roads etc.

Urban Infrastructure: Water supply and utilities, River widening / Deepening, Construction of Club House and Swimming Pool, Entertainment Complex, Drama Theatre, Citi Parks, Truck Terminals, Commissioning power receiving station and sub station for government, municipal authorities, construction of runways for airport etc.

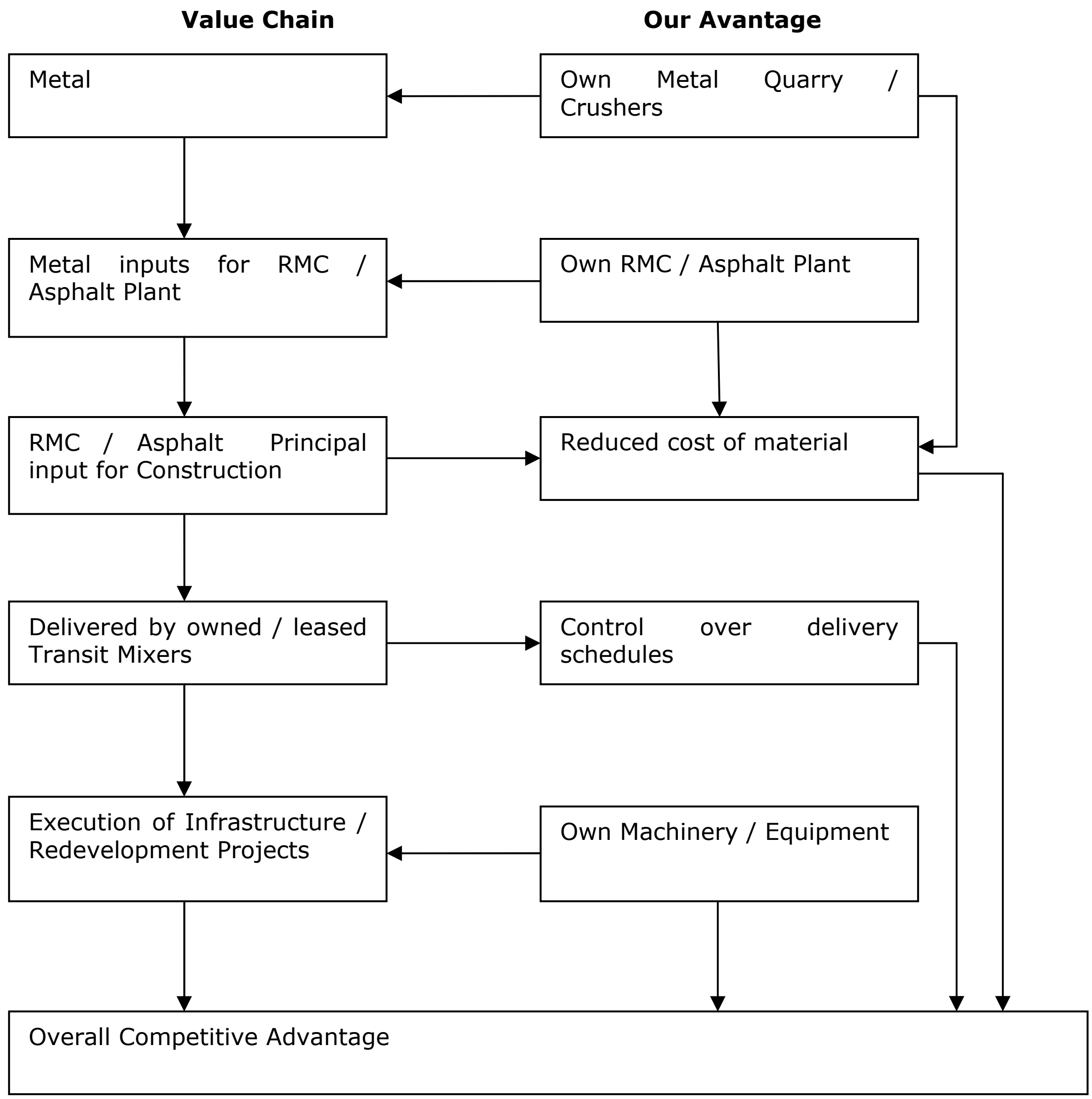
Commercial: Building construction which includes commercial, residential, public, institutional, housing and related infrastructure facilities

We execute infrastructure projects independently and under sub-contract. However, at times to meet technical and pre qualification requirements for large Projects, we also enter into Joint Ventures/ strategic alliances with entities operating in the same segment of business across geographies.

Our management team is qualified and experienced in construction and infrastructure development, and has substantially contributed to the growth of our operations. We believe that the experience and leadership of our senior management team has contributed significantly to the growth and success of our operations both in terms of securing new business and in ensuring that our projects are developed and managed to high standards.

In addition to the construction mandates that we execute for external clients for the projects in hand, we also undertake such activity for group companies.

Our Integrated Operations:



As of February 28, 2011, our experienced work force consisted of 273 permanent employees, including 21 employees in Accounts and Finance department, 241 employees in our construction operation and production division, 4 employees in Marketing and sales department and 7 employees in HR and administration department In addition, we engage sub-contractors, who provide us with casual and temporary contract labour from time to time. Having a large work force enables us to mobilize our skilled employee resources depending on the location and the necessary expertise for projects undertaken by us. We own a large fleet of construction equipment including, crushers, graders, batching plants, and sensor pavers. Our equipment and skilled employee resources enable us to implement modern infrastructure and construction methodologies effectively and efficiently.

Our Subsidiary

We currently have one wholly owned subsidiary, Relcon Realty Private Limited ("**Relcon Realty**"). The objects of Relcon Realty is to purchase, sell, develop, take in exchange, or on lease, hire or otherwise acquire, whether for own use or investment or sale or working the same, any real or personal estate.

We were carrying on the business of redevelopment of buildings and had entered into certain re-development agreements with societies for redevelopment of its land and building. With a view to focus on infrastructure development and construction activities, we have entered into an agreement for Slump Sale dated 28th February, 2011 with our wholly owned subsidiary, Relcon Realty Private Ltd, for transfer of our realty business, as a going concern together with all our rights and obligations, including but not limited to our rights and obligations under the said aforesaid development agreements, to our Subsidiary. For details, see “Subsidiaries and Joint Ventures” beginning on page no. 124 of this Draft Red Herring Prospectus.

Our customers:
Most of the work in both our infrastructure and construction business is won on a competitive bidding basis. Our clients are mostly government entities that award project specific contracts to bidders based on certain eligibility requirements; these eligibility requirements generally include project experience, engineering capabilities and financial strength. We enter into project-specific joint ventures with other companies to meet these requirements or to further enhance our credentials. We have carried out work for the following clients in the past:

1. Tata Housing Development Company Ltd.
2. Hindustan Petroleum Corporation Ltd. (HPCL)
3. The Maharashtra State Co-operative Housing Finance Corporation Ltd.
4. Maharashtra State Electricity Distribution Co. Ltd. (MSEB)
5. Central Public Works Department
6. Mahanagar Telephone Nigam Limited (MTNL)
7. Brihanmumbai Mahanagarpalika (MCGM)
8. Mumbai Metropolitan Region Development Authority (MMRDA)
9. The Municipal Corporation of the City of Thane
10. Bharat Diamond Bourse
11. Mumbai Port Trust
12. Nuclear Power Corporation of India Ltd.
13. Pune Municipal Corporation
14. Ahmedabad Municipal Corporation
15. National Buildings Construction Corporation Limited
16. M.F.S.C.D.C. Ltd., Film City
17. Mharashtra State Road Development Corporation Ltd. (MSRDC)
18. Nagpur Municipal Corporation
19. Mumbai Railway Vikas Corporation Ltd.
20. Airports Authority of India
21. National Agriculture and Rural Development (NABARD)
22. Maharashtra State Bureau of Textbook Production and Curriculum Research
23. Municipal Corporation of Greater Mumbai

The brief details of the major past projects completed by us are as mentioned herein below:
The following table provides a brief summary of some of the notable projects that we have undertaken and completed as of September 30, 2010.

Notable Past Completed Projects undertaken by our Company as on September 30, 2010

Sr. No	Details of Project	Client	Completion Date	Cost of work done (Rs. lakhs)
1.	Construction of Drama Theatre at TPS I, Borivili (W), Mumbai	Brihanmumbai Mahanagarpalika	30.06.2000	1882.19
2.	Construction of K/E Ward Office Building at Azad Road, Gundavali, Andheri (E), Mumbai	Brihanmumbai Mahanagarpalika	31.12.2001	1170.39
3.	Construction of C/o 180 Nos. Men Barracks for 102 Bn, RAF/CRPF campus at Taloja, Navi Mumbai including Internal Water Supply, Sanitary Installation and Drainage.	Central Public Works Department	31.12.2003	636.60
4.	Construction of superstructure & work of basement of MSEB’s office building at Bandra Kurla Complex, Bandra (E), Mumbai - 51	Maharastra State Electricity Distribution Co. Ltd.	20.10.2003	345.00
5.	Main Civil Works for Alamanda Tower with G+14 Floors at Glendate Project,	Tata Housing Development	May 2004	395.64

	Smt. Gladys Alwares Marg, Off. 2nd Pokharan Road, Thane (W)	Company Ltd.		
6.	Construction of Tower 7B Civil Works for Bharat Diamond Bourse	Bharat Diamond Bourse	15.11.2005	342.17
7.	Construction of State of Art Residential Building for MMRDA in Bandra Kurla Complex	Mumbai Metropolitan Region Development Authority	15.05.2010	1809.72
8.	Construction of residential Complex for HPCL at plot no. R8 & R9, G. N. Block, Bandra Kurla Complex, Mumbai	Hindusthan Petroleum Corporation Limited	10.12.1997	521.00
9.	Construction of Type V Flats (Ground + 12 stories each) in Nirmal Park premises of Central Railway, Byculla, Mumbai	Mumbai Railway Vikas Corporation Ltd	31.08.2010	2277.22
10.	Construction of Roads & Drain anywhere in Greater Mumbai-I	Mumbai Metropolitan Region Development Authority	10.04.2005	589.69
11.	A-27: Improvement of chronic spots & jn. in E, F/S & F/N Wards with new technology paver blocks etc. (for the year 2004-2006)	Municipal Corporation of Greater Mumbai	09.05.2006	227.00
12.	Widening and strengthening of Western Express Highway from Vakola Flyover to Airport Junction under MUIP (Km. 523.800 to 521.300)	Mumbai Metropolitan Region Development Authority	31.12.2006	2450.00
13.	W-218: Concreting of 90’ D.P. Road from Adarsh Nagar Jn. To Lokhandwala Back Road & Concreting of Gulmohar Rd. from Sony World to Lokhandwala Circle	Municipal Corporation of Greater Mumbai	26.05.2007	1109.00
14.	E-180: Concreting & improvement of side strips of the roads in M/West Ward (A) V.N. Purav Marg, from Suman Nagar Jn. To Panjarapole Junction (B) Tilak Nagar Road from M.G. Road upto Kurla Terminus Station.	Brihanmumbai Mahanagarpalika	06.07.2007	1176.92
15.	AW-44: Widening and improvement of various roads in R/N Ward	Municipal Corporation of Greater Mumbai	25.07.2007	854.00
16.	W-219: Concreting & Imp. Of side strips of Relief Road from J.P. Road to Oshiwara River, Andheri (W)	Municipal Corporation of Greater Mumbai	31.07.2007	1868.03. (
17.	Annual Maintenance of Bridge Flyovers and subways on Western Corridor (2007-2008)	Maharashtra State Road Development Corporation Ltd.	14.04.2008	168.06
18.	E-189, Concreting of Additional Lanes & Construction of Service Road in Asphalt of G.M. Link Road from Bainganwadi Junction Sion Panvel Highway	Brihanmumbai Mahanagarpalika	06. 03.2009	2298.42
19.	W-236: Improvement of side strips and junctions in paver blocks along with existing cement concrete roads in R/C and R/North Ward	Municipal Corporation of Greater Mumbai	25.05.2009	4071.19
20.	Widening and construction of Eastern	Mumbai	30.06.2009	2267.57

	Express Highway from Sion to Ghatkopar (Km. 5791000 to Km. 5841350) Balance work in Pkg. No.11	Metropolitan Region Development Authority		
21.	Execution of BRT Pilot Project on Katraj-Swargate-Hadapsar Section in the City of Pune	Pune Municipal Corporation	31.05.2009	7466.54
22.	AC-60: Improvement of various Asphalt Roads in City, Group G/S Ward	Municipal Corporation of Greater Mumbai	04.04.2010	3329.95
23.	Repairs to Roads and Pavements at NABARD Nagar, Kandivali (East)	National Bank for Agriculture and Rural Development	31.12.2003	99.00
24.	W-241, A) Concretisation of M.G. Road (from Hanuman Road to Nehru Road) (Non MUIP, B) Improvement of various roads in paver block in K/East Ward (Part-II)	Municipal Corporation of Greater Mumbai	09.06.2010	2068.83
25.	E-188, Concreting of Additional Lanes & Construction of Service Road in Asphalt of G.M. Link Road from EE Highway to Baingawadi Junction (Part I)	Brihanmumbai Mahanagarpalika	31.03.2010	4685.90

Past projects under Joint Venture as on September 30, 2010

Sr. No	**Details of Project**	**Client**	**Completion Date**	**Cost of work done (Rs. lakhs)**	**Type of Joint Venture**
Road Project					
1.	AW-42: Widening & improvement of various roads in R/Central Ward, to the west of railway line & south of L.T. Road, Borivali	Municipal Corporation of Greater Mumbai	25.05.2007	820.83	JV Between Relcon and Sunrise Stone (Relcon – 55% & Sunrise – 45%)
2.	AW-39: Widening & improvement of various roads in P/N Ward, to the east of the railway line	Municipal Corporation of Greater Mumbai	19.01.2008	1151.70	JV Between Relcon and New India Roadways (New India Roadways –49% & Relcon – 51%)
3.	AW-40: Widening & improvement of various roads in P/North Ward, to the west of the railway line & Daftary Road at Malad (E)	Brihanmumbai Mahanagarpalika	26.03.2008	1128.40	JV Between Relcon and New India Roadways (New India Roadways – 49% & Relcon – 51%)
4.	Widening & Construction of Main Linking Road from Dahisar to L.T. Road (Km. 000 to 5.30 Km.)	Mumbai Metropolitan Region Development Authority	31.07.2007	3514.00	JV between Relcon & J.P. Enterprises (J.P. Enterprises – 51% & Relcon – 49%)
5.	Widening & Construction of Main Link Road from L.T. Road to Joglekar Nala (Km. 5.30 to 8.869 Km.)	Mumbai Metropolitan Region Development Authority	31.07.2007	2553.00	Relcon Michigan (J.V.) (Michigan – 51% & Relcon – 49%)
6.	AC-52: Widening & Improvement of various roads in F/N Ward. Gr. F/N	Municipal Corporation of Greater Mumbai	29.11.2007	1015.00	JV between Relcon & Sunrise Stone (Relcon – 65% & Sunrise – 35%)

7.	Construction of R.O.B. at LC-31 between Malad & Kandivali station on Western Railway	Municipal Corporation of Greater Mumbai	22.01.2009	1930.34	Relcon Michigan (J.V.) between Relcon & Michigan (Michigan –60 % & Relcon – 40%)
Urban Infrastructure					
8.	Widening & Desilting of Mithi River from (i) Mahim Causeway (Ch. 0.00 m.) to Dharavi Bridge (Ch. 1280.00 m.) in BKC and (ii) Vakola Nalla from Vakola Bridge (Ch. 645.00 m.) to SCLR (Ch. 2433.00 m.) in BKC	Mumbai Metropolitan Region Development Authority	30.06.2006	1602.24	JV between Relcon & Michigan (Michigan – 60% & Relcon – 40%)

Redevelopment of Buildings:
We have entered into redevelopment of old buildings and completed one project as on September 30, 2010, details of which are given below:

Sr. No.	Date of Redevelopment Agreement	Name of the Society	Location	Plot Area	No of Members	Carpet Area allotted to members	Tentative Date of completion	Date of Occupation certificate
1	31.12.2007	Jai Ghanshyam Co-operative Housing Society Limited	CTS Nos. 433, 433/1 to 13 situated at Tej pal Scheme Road No. 3, Vile Parle (East), Mumbai – 400057	1871.4 sq. mtrs.	44	21,464.75 sq. ft.	24 month from the date of commencement certificate by MCGM	23.03.2010 by MCGM

We were carrying on the business of redevelopment of buildings and had entered into certain re-development agreements with societies for redevelopment of its land and building. With a view to focus on infrastructure development and construction activities, we have entered into an agreement for Slump Sale dated 28th February, 2011 with our wholly owned subsidiary, Relcon Realty Private Ltd, for transfer of our realty business, as a going concern together with all our rights and obligations, including but not limited to our rights and obligations under the said aforesaid development agreements, to our Subsidiary.

Project-specific Joint Ventures:
Generally, we bid for projects as the sole contractor of the project with full responsibility for the entire project, including, if required, the overall responsibility and sole discretion to select and supervise subcontractors. From time to time, on certain larger projects that require resources beyond those we may have available, such as financial strength, equipment, manpower or local content resources, or when we wish to share the risk on a particularly large project, we seek to make alliances through the formation of special purpose vehicles (SPVs) or project-specific joint ventures with other contracting, engineering and construction companies.

In a project-specific joint venture, each member of the joint venture shares the risks and revenues of the project according to a predetermined agreement. The agreements specifically assign the work to be performed by each party and the responsibilities of each party with respect to the joint venture, including how the joint venture will be managed and the equipment, personnel or other assets that each party will contribute or make available to the joint venture. The profits and losses of the joint venture are shared among the members according to a predetermined ratio. The fixed assets that are acquired by the joint venture are generally transferred to the respective joint venture members upon completion of the joint venture project. The agreements may 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 SPV or project-specific joint venture typically terminates at the completion of the defect liability period, at which point the SPV or project-specific joint venture liquidates and dissolves.

As on date we have entered into memoranda of understanding, joint venture agreements, partnership agreements and consortium agreements in respect of projects being currently executed as described in the table below. For details of these memoranda of understanding, joint venture agreements, partnership agreements and consortium agreements, see the section titled "Brief History and Certain Corporate Matters" on page no. 103.

Sr. No.	Type of Arrangement	Other Parties	Project
1.	Joint Venture	M/S J. P. Enterprises	Widening and construction of Main Linking Road Dahisar to LT Road (km 0.00 to 5.30)
2.	Joint Venture	M/S Michigan Engineers Pvt. Ltd.	Widening and construction at Main Link Road from LT Road to Joglekar Naka (km 5.30 to 8.869)
3.	Joint Venture	M/S Michigan Engineers Pvt. Ltd.	PHASE – I – Widening and desilting of Mithi River from Mahim Causeway to Dharavi Bridge (ch.0.00 m to 1280.00 m) and Vakola Nalla from Vakola Bridge to SCLR (Ch.645.00 m to Ch.2433.00 m) in BKC
4.	Joint Venture	M/S Sunrise Stone Industries	AC-52: Widening and Improvement of various roads in F/N Ward, Group F/N
5.	Joint Venture	M/S Sunrise Stone Industries	AW-42 Widening and Improvement of various roads in R/Central Ward, to the West of Railway line and South of LT Road
6.	Joint Venture	M/S New India Roadways	AW-39 Widening and Improvement of various roads in P/North Ward, to the East of Railway line
7.	Joint Venture	M/S New India Roadways	AW-40 Widening and Improvement of various roads in P/North Ward, to the West of Railway line line & Daftary Road at Malad (E)
8.	Joint Venture	M/S Michigan Engineers Pvt. Ltd.	Construction of Road Over Bridge in lieu of LC No.31 between Malad and Kandivali Station on Western Raiway
9.	Partnership Firm	M/S Michigan Engineers Pvt. Ltd.	Training of Mithi River (widening & deepening, RCC retaining wall, service road) from Airport New Bridge to Marwe F.O.B. L/Ward
10.	Joint Venture	M/S R.K.Madhani & Co.	Construction of skywak at Bhandup (West) and Ghatkopar (West)
11.	Partnership Firm	M/S Michigan Engineers Pvt. Ltd.	Construction of ROB at Jogeshwari (North) in lieu of LC No.26 & 27

Order Book

Our order book comprises of major work orders in hand and orders under pipeline. . In our industry, the order book is considered an indicator of potential future performance since it represents a significant 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 February 15, 2011, was Rs. 59154.77 lakhs . 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 describes some of the major work orders in hand that we are in the process of executing as of February 15, 2011:

Sr. No.	Client	Description	Total Contract Cost (Rs. In lakhs)	Total work done upto 15.02.11 (Rs. in lakhs)	Value of remaining work (Rs. in lakhs)	Expected Completion date by the Management
	Building Works					
1.	Brihanmumbai Mahanagarpalika	Construction of M/East Ward office Building on plot bearing C.T.S. No. 38 & 39 (Pt.) Deonar Mumbai	2351.27	2218.82	132.46	25.02.2011 We have vide our letter dated 04.03.2011seeked extension of time till 15.05.2011 for completing the project
2.	Maharashtra State Bureau of Textbook Production and Curriculum Research	Construction of Book Depot at Goregaon on Plot No. 10, Udyognagar, S.V. Road, Goregaon (West), Mumbai	2518.00	2309.34	208.66	31.05.2011
3.	Mumbai Metropolitan Region Development Authority	Construction of State of Art building one each for office and residential purpose in BKC	5659.97	5159.66	500.31	15.05.2011
4.	Municipal Corporation of Greater Mumbai	Hostel Building for KEM Hospital along S.S. Rao Road at Parel, Mumbai	2770.17	1607.12	1163.05	13.09.2011
5.	Brihanmumbai Mahanagarpalika	Modernisation of Octroi Checknaka at Eastern Express Highway (E.E.H) at Mulund (East)	3762.75	2285.96	1476.79	01.06.2011
6.	Brihanmumbai Mahanagarpalika	Construction of Majas Market at CTS No. 171/2, 175-A/3 of village Majas at JVLR Andheri (E), Mumbai	5781.07	722.12	5058.95	17.02.2012
7.	Brihanmumbai Mahanagarpalika	Proposed Trauma Hospital at CTS No. 50(pt), 51(pt), 52(pt) of village Majas, Jogeshwari (E) at W.E.H.	10608.08	1440.78	9167.30	17.08.2011
8.	Sunrise Stone Industries	CWC for Building repair works & its allied, including slum improvement work etc. in City,	2000	325.96	1674.04	31.03.2012

		Western suburbs & eastern Suburbs and Petty Storm Water Drain repair works in Western Suburbs & Eastern Suburbs for the period from 01/04/2010 to 31/03/2012				
9.	Mumbai Metropolitan Region Development Authority	Construction of facade works for MMRDA’s iconic office building “E” Block of Bandra Kurla Complex	982.32	0.00	982.32	08.06.2011
10.	Indian Oil Corporation Limited	Construction of superstructure including plumbing, sanitation, fire fighting, electrical and low voltage works for proposed multistoried residential building at BKC Mumbai	1307.00	0.00	1307.00	24.09.2011
11.	Mumbai Metropolitan Region Development Authority	Providing & Executing elevator work and other internal civil works for MMRDA’s State of Art Office building situated at Bandra-Kurla Complex	979.88	0.00	979.88	13.07.2011
12.	Mumbai rail Vikas Corporation Ltd.	Construction of station building cum platform shelter, platforms, foor over bridges, escalators, lifts and Booking Office Bilding at Andheri (West) in connection with Andheri Yard remodelling under MUTP-II	2397.14	0.00	2397.14	12.01.2014
13.	Mumbai rail Vikas Corporation Ltd.	Construction of station building at Goregaon (West) in connection with extension of the harbour line upto Goregaon Station under MUTP-II	1872.07	0.00	1872.07	18.01.2014
14.	Mazgaon Dock	Construction of	505.44	85.00	420.44	10.10.2010

	Ltd.	Mezzanine Floor in the existing Fitting Shop – Bay 3 & 4 in North Yard with Civil, Electical, Mechanical works (including modifications of the existing pipe shop) & allied works for expansion of east yard pipe shop				We have vide our letter dated 27.01.11 seeked extension of time for completing the project
15.	Mahanagar Telephone Nigam Limited	Construction of 15K RSU at Plot No. 2, IRLA, Andheri (W), Mumbai	198.24	103.41	94.83	26.04.2011
	Sub-Total		**43693.40**	**16258.17**	**27435.23**	
	Road Works					
16.	Municipal Corporation of Greater Mumbai	W-243, Concreting of Vallabhbhai Road, Vile Parle (W) & Other roads in Paver Blocks in K/West Ward.	2471.54	2178.53	293.01	31.03.2011
17.	Municipal Corporation of Greater Mumbai	AC-75: Strengthening and Improvement of Lady Jamshetji Road from Gadkar Chowk to Mahim Causeway in G/North Ward	1382.36	819.04	563.32	03.06.2011
18.	Mumbai Metropolitan Region Development Authority	Concretization of Sion-Koliwada Road from Anik Depot to Hemant Manjrekar Marg at Wadala Truck Terminal	2582.87	2382.59	200.28	07.12.2010 We have vide our letter dated 20.01.2011 seeked extension of time till 30.04.2011 for completing the project
19.	Mumbai Railway Vikas Corporation Ltd	Earthwork in formation & cutting, construction of retaining & boundary wall etc. in connection with the extension of harbour lines between Andheri to Goregaon stations on Western Railway (MUTP-II)	1625.59	1091.47	534.12	31.03.2012

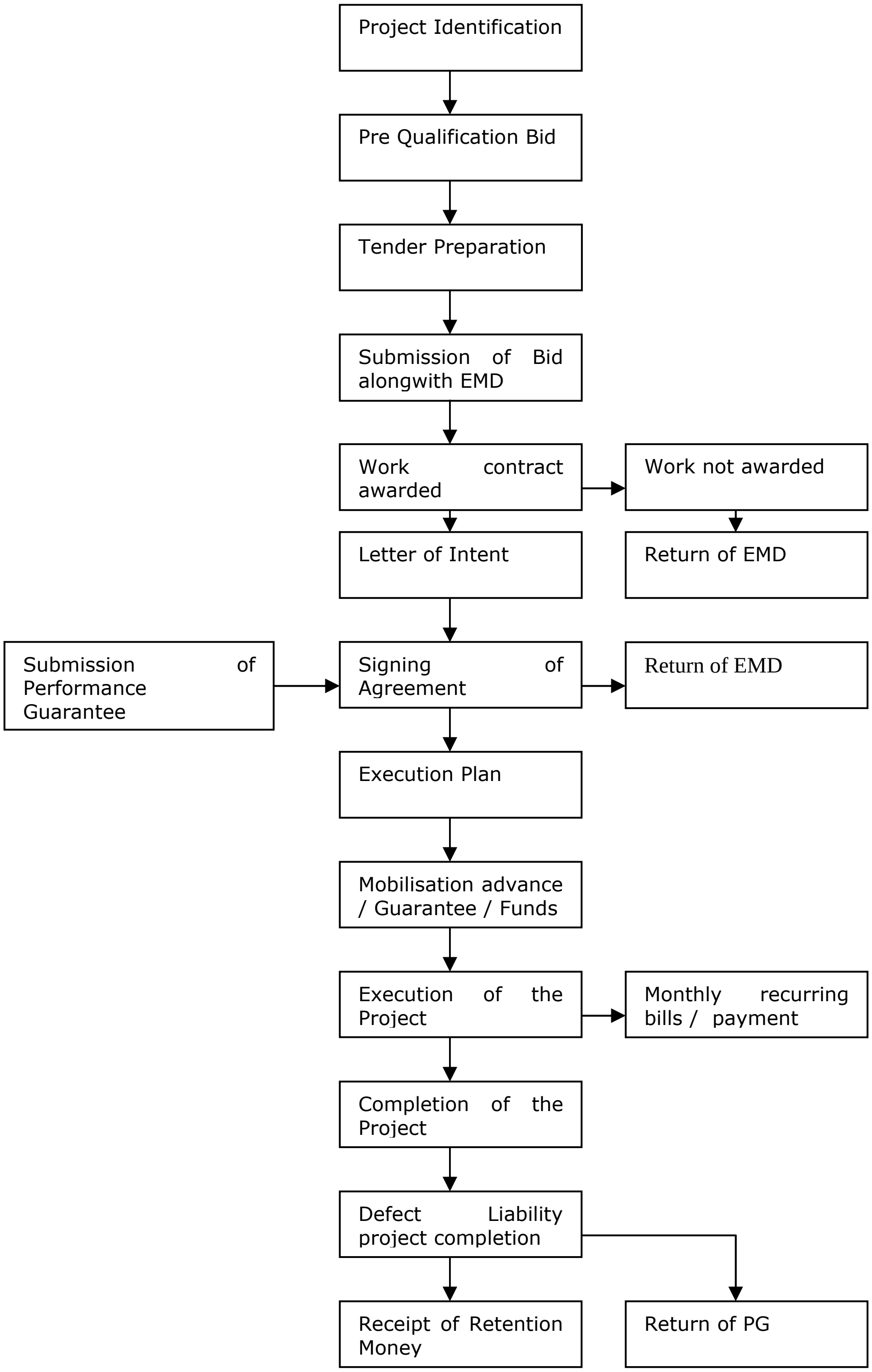
20.	Mumbai Metropolitan Region Development Authority	Concretization of Internal Roads of Stage-I in Phase-I of Wadala Truck Terminal	1491.71	1458.21	33.50	20.02.2011
21.	Mumbai Metropolitan Region Development Authority	Concretization of Internal Roads of Stage-II in Phase-I of Wadala Truck Terminal	1992.09	954.50	1037.59	20.04.2011
22.	Mumbai Metropolitan Region Development Authority	Improvement of Vasai-Sathivali-Kaman Road MDR-40 (Package-III) from Range Office to Chincholti Phata (from Km. 10/400 to Km. 14/100)	3139.24	1155.20	1984.04	28.2.2011 We have vide our letter dated 04.02.2011 seeked extension of time till 28.02.2012 for completing the project
23.	Relcon Michigan JV	Construction of ROB at Jogeshwari (North) in lieu of L.C. No.26 & 27	14956.94	3215.05	11741.89	15.3.2012
24.	Sunrise Stone Industries	AC-77 CWC for Reinstatement of trenches, potholes, spot repairs for the period upto 31/03/12. 'R North' Ward	500.00	180.40	319.60	31.03.2012
25.	Mumbai Metropolitan Region Development Authority	Concretization of Internal Roads of Stage-IV in Phase-I of Wadala Truck Terminal	4579.33	0.00	4579.33	07.06.2012
26.	Mumbai International Airport Pvt. Ltd.	Construction of Security Compound Wall & diversion of road west side of Mithi river near taxiway M4 at CSI Airport, Mumbai	149.65	50.00	99.65	31.03.2011
	Sub-Total		**34871.32**	**13484.99**	**21386.33**	
	Urban Infrastructure/Airport					
27.	Municipal Corporation of Greater Mumbai	Appointment of contractor under H.E.'s department for carrying out various types of works under Sujal Mumbai Abhiyan for Water Distribution Improvement	2280.70	1438.78	841.92	31.07.2011

		programme in Ward Committee of R/South Ward				
28.	Starteck Infraprojects Pvt. Ltd.	WS-51, Improvement of Marol Nala system in catchment area no.404, Andheri (E), Part I - Lelewadi Nala, Bamanwada nala	5169.80	2156.33	3013.47	26.10.2011
29.	Military Engineer Services, Garrison Engineer (P)(AF), Bhuj Kutch	Resurfacing of Runway at AF Station Bhuj	6590.82	113.00	6477.82	11.05.2012
	Sub-Total		**14041.32**	**3708.11**	**10333.21**	
	Total		**92606.04**	**33451.27**	**59154.77**	

New Projects :
As on date, the following are the new projects received by us for which we are yet to commence the work:

Sr. No.	Client	Description	Agreed Rate
	Building Works		
1	Mumbai Housing and Area Development Board	Survey, Soil Investigation, Planning, Designing, Construction and obtaining all relevant permission and required completion certificate from concerned local authorities on lump-sum turnkey basis for site at Tilak Nagar, Chembur (Sr. No. 11)	Rate of Rs. 16,000/- per sq mtr of build up area of building
2	Mumbai Housing and Area Development Board	Survey, Soil Investigation, Planning, Designing, Construction and obtaining all relevant permission and required completion certificate from concerned local authorities on lump-sum turnkey basis for site at Tilak Nagar, Chembur (Sr. No. 10)	Rate of Rs. 16,000/- per sq mtr of build up area of building

Project Lifecycle
A typical project cycle can be accounted for in two distinct phases. The first phase relates to identification of the opportunity and leading to receipt of a contract through a series of activities. Once the contract is received, the second phase of project management and execution commences as depicted below. During both these phases, the finance activity interfaces at various stages with corresponding inputs of guarantees, cash flow and fund management.


Project Identification
Pre Qualification Bid
Tender Preparation
Submission of Bid alongwith EMD
Work contract awarded
Work not awarded
Letter of Intent
Return of EMD
Submission of Performance Guarantee
Signing of Agreement
Return of EMD
Execution Plan
Mobilisation advance / Guarantee / Funds
Execution of the Project
Monthly recurring bills / payment
Completion of the Project
Defect Liability project completion
Receipt of Retention Money
Return of PG

Project Development and Execution Methodology

The business begins with the procurement of a work contract that is a manifestation of the business development efforts. The works contract lays down the specification of the work to be done. Our Company then puts together a team that will work on the Project. This team will include several personnel with complimentary skill sets that will assist in procurement and project management. Once the team is in place the project moves towards execution. The flow of events is as follows.

Business Development → Design and Engineering → Project Management → Execution

Business Development

Our Company enters into contracts primarily through a competitive bidding process. Government and other clients typically advertise potential projects in leading national newspapers or on their websites. The tendering department regularly reviews newspapers and websites to identify projects that could be of interest to is. The head of the tendering department evaluates bid opportunities and discusses internally with the senior management on whether our Company 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 Company's current and projected workload, the likelihood of additional work, the project's cost and profitability estimates and its competitive advantage relative to other likely bidders. Once our Company has identified projects that meet the criteria, the application to the client is submitted according to the procedures set forth in the advertisement.

Tendering

We have a centralized tender department that is responsible for applying for all pre-qualifications and tenders for all type of contracts.

The tender department evaluates our credentials vis-à-vis the stipulated eligibility criteria. We endeavour to qualify on our own for projects in which we propose to bid. However, in order to meet specific eligibility requirements for certain larger projects, including requirements relating to particular types of experience and financial resources, we may seek to form project-specific joint ventures or special purpose vehicles with other companies.

A notice inviting bids may either involve pre-qualification, or short-listing of contractors, or a post qualification process. In a pre-qualification or short-listing process, the client stipulates technical and financial eligibility criteria to be met by the potential applicants. Pre-qualification applications generally require us to submit details about our 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 significant 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, we carry out a detailed analysis 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, if the contract is for building a road, we study the suitability of location of the project, our past experience in that area, comfort level with the client and availability of required resources, etc. 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 finance department assists in assessing the feasibility of the project.

Pre qualification parameters

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

At the next level the project owner invites pre-qualifications from prospective bidders to assess and identify contractors who are capable of bidding for the project and subsequently implementing the same, if awarded. The detailed project report data is utilized to define the pre-qualification criteria by the project owner. For projects across the various sectors, the project owner /client normally specify the qualifying criteria, which include:

- ***Technical Capability*****:** Our Company should have the experience of having implemented projects of similar nature, necessary manpower with a relevant profile to suit the project and the experience to execute it. Depending on the project, relevant machinery as specified by the client should be available with our Company. This may be owned or outsourced / hired from a third party.
- ***Financial Strength*****:** This includes the minimum annual turnover, net worth requirement as well as working capital requirements.
- ***Joint Venture Participation*****:** In the event the project allows for association of more than one company to participate in the contract to enable the partners to pool in their resources, thereby meeting the threshold pre-qualifying criteria, such a method of invitation is known as joint venture participation. Joint Venture participation allows the individual partners of the proposed project to pool in their own resources for pre-qualification as well as submission of the techno-commercial bid. Joint Venture may happen at the time of RFQ (request for qualification) or at tender stage in case of two bid process. Normally a joint venture memorandum of understanding is signed by the partners, which is in line with the guidelines provided by the client. This Joint Venture agreement could be either project specific or generic.
    1) Project Specific JVs/MOUs which are in existence till such time as the outcome of pre qualification or if awarded till the completion of the project.
    2) Generic MOUs /JVs- In these cases the JVs /MOUs are not formed for any specific project rather it is a partnership wherein the JV can submit their prequalification and bid for the projects. No technology transfer is involved and both the parties will be limited to their respective scope of work derived out of their expertise.

Design & Engineering

Depending upon the requirement of the project, we engage our internal resources for designing the project. Typically, for design-build projects, the conceptual information and the project requirements and specifications are provided in the work contract that is awarded. We are required to prepare detailed architectural and/or structural designs based on the conceptual requirements of the client and also conform to various statutory and code requirements.

Prior to bidding for a project, our tendering department and senior management review the preliminary design prepared by our team. In case we do not have the expertise, we engage the services of professionals. 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.

Project Management

Once we are awarded a contract either by way of a letter of intent or intimation from the client, our project management team prepares a detailed plan. This plan includes an activity based project budget, which details among other things, the scope, revenue, direct and indirect cost, cash flow, resources and expenditure relating to the project. The execution team uses this as a blue print to implementing the project, which is tracked at the different levels of management. The plan, which is complete in all respects, is reviewed at regular intervals, using modern project management techniques, to ensure that the benchmarks and milestones are moving in tandem with the plan.

Procurement & Execution

Once the project management plan is in place, the execution team prepares its schedule of activities that include inter-alia, the procurement, financing and staffing requirements and deployment schedule. Construction activity typically commences once a 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 for commencing construction.

Each project site has a billing department that is responsible for preparing and dispatching periodic invoices to the clients. 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 or zonal offices for further processing.

Our Equipment

For our projects, we are required to purchase specific equipments and components, which are key inputs for project implementation and are also procured by the centralized purchase department. Certain equipments are purchased with a pre-planning and as per the needs in the execution process. The methodical approach ensures a cost saving factor by identifying the quality manufacturers / suppliers and timely delivery of such equipments with favorable financial terms and conditions. Our Company has acquired latest equipments and machineries, to improve productivity and quality. This allows our Company to execute large projects within the stipulated time frame while maintaining the desired quality.

Defect Liability Period

Our construction contracts often stipulate a defect liability period of between 12 and 36 months from the date of hand over certificate. The contractor is responsible for rectifying and defects that may arise during this defect liability period as a consequence of the construction services provided by the contractor. At the end of this defect liability period, any sum of money (as adjusted for any defects) retained by the client at completion is transferred to the contractor without interest.

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. The amount of guarantee facilities available to us depends upon our financial condition and the availability of adequate security from banks and financial institutions that provide us with such facilities.

LOCATION OF THE PROJECT

Existing:

RMC Plants:

1. G – Block, Behind MCA,
   Bandra Kurla Complex,
   Bandra (East), Mumbai.

2. Near Wadala Truck Terminal,
   Opp Imax Theatre,
   Anik Wadala, Link Road,
   Wadala (East), Mumbai.

3. Hari Om Nagar,
   Opp. Mulund Check Naka,
   Mulund (East), Mumbai.

4. Survey No.101, Ketki Pada,
   Behind Diamond Industrial Estate,
   Dahisar (East), Mumbai

Quarry and Asphalt Batch Mix Plant, Drum Mix Plant and Crushers:

1. Nagla Bunder, Owala Village,
   Ghodbunder Road, Thane – 400 607

Quarry and Wet Mix Plant and Crushers

1. Sr. No.356
   Owe Camp, Behaind Tata Hospital
   Khargar, 410208

We are however at present not operating the quarry at Khargar.

Proposed:

Location of RMC plants, Asphalt Batch Mix Plant, Wet Mix Plant and Crushing Plant:
We are exploring suitable locations for setting up proposed 3 RMC plants, Asphalt Batch Mix Plant, 2 Wet Mix Plant and Crushing Plant. We propose take land at Thane and at Raigad District in Maharashtra on lease basis for setting up Asphalt Batch Mix Plant, 2 Wet Mix Plants and Crushing Plant. We also propose to set up two RMC plants in Maharashtra and one RMC plant in Gujarat. We propose to take land for 3 Ready Mix Concrete (RMC) plants on lease basis. We propose to set up all the plants on leased land. The land requirement for each RMC plant would be approx. 40,000 sq. ft., Asphalt Batch Mix Plant would be 25,000 sq.ft., for each Wet Mix Plant would be 10,000 sq. ft. and Crushing Plant would be 15,000 sq. ft.

Capacity:

Existing:

RMC plants	: BKC, Dahisar each plant with capacity of 1,80,000 cu. mt. p.a., Mulund Plant with capacity of 90,000 cu.mt. p.a. and recently installed Wadala plant with capacity of 2,25,000 cu.mt. p.a. (earlier plant was with capacity of 1,80,000 cu.mt.p.a.*) Total Capacity – 6,75,000 cu.mt.p.a. (recently increased from 6,30,000 cu.mt.p.a.)
Asphalt Batch Mix Plant	: 120 tonnes/hour
Wet Mix Plant	: 100 tonnes/hour
Drum Mix Plant	: 60 tonnes / hour
Crushing Plant	: 150 tonnes/hour

* Machinery at the dismantled earlier wadala plant is lying idle and we are identifying a suitable location for installing the same

Proposed:

RMC plants	: Each plant with capacity of 1,80,000 cu. mt. p.a., Total Capacity – 5,40,000 cu.mt. p.a.
Asphalt Batch Mix Plant	: 120 tonnes/hour
Wet Mix Plant	: 100 tonnes/hour
Crushing Plant	: 150 tonnes/hour

DETAILS OF PLANT, MACHINERY, TECHNOLOGY, PROCESS, ETC.

Plant and Machineries
Most of the equipments relating to road works and buildings are owned by us. In addition, we may be required to mobilise and procure various other equipments. Equipment asset management is a critical element of timely delivery and quality. Owning a large fleet of equipment enables us to be less dependent on third parties when implementing our various projects. We believe that our strategic investment in equipment assets is an advantage as it enables rapid mobilization of high quality equipment.

The details of existing major plant and machinery are as under:

Sr. No.	Description	Quantity
1.	Slip Form Paver	1
2.	RMC Plant	5
3.	Transit Mixer	27
4.	Lorries / Dumpers / Trucks	16
5.	Cold Milling Machine	2
6.	Hydraulic Drilling Rig	1
7.	Crusher	5
8.	VSI Crusher	1
9.	JCB Excavator & Loader & Hydraulic Excavator	15
10.	Asphalt Batch Mix Plant	1
11.	Asphalt Plant /Drum Mix Plant	1
12.	Wet Mix Plant	1

13.	Asphalt Paver Finisher	1
14.	Bitumen Spray	1
15.	Bouzer	1
16.	Rock Breaker	2
17.	Cocrete Pump	1
18.	Loader Backhoe	1
19.	Tower Crane	2
20.	Sensor Paver Finisher	1
21.	Roller	2
22.	Rack & Pinion Hoist	1
23.	Concrete Mixer	1
24.	Vibrator Roller	2
25.	Tempo	12
26.	Weigh Bridge	4
27.	Vibrator Compactor	5
28.	Lift	1
29.	Soil Compactor	1
30.	Screed Vibrator	2
31.	Vibrator Engine	1
32.	Sand Washing Machine	1
33.	Vibratng Screen	1
34.	Plat Vibrator	1
35.	Pollution Control Unit	1
36.	Towing Van	1
37.	Levelling Machine	1
38.	Air Compressor	3
39.	Asphalt Coocker	1
40.	Bar Bending Machine	2
41.	Compression Testing machine	2
42.	Concrete Cutting Machine	2
43.	Concrete Mixer	1
44.	Cutting Machine	4
45.	Deep Search Metal Detector	1
46.	Diesel & Electric Vibrators	1
47.	Pump	4
48.	Welding Machine	1

As regards to the machineries proposed to be purchased please refer to the Objects of the Issue on page no. 31 of the DRHP. None of the machinery proposed to be purchased are used/second hand in nature, and we do not propose to purchase any used / second hand machinery. We have till date not placed any orders for the equipments proposed to be bought out of the Issue Proceeds.

PROCESS AND TECHNOLOGY

Our clients typically specify the technology and processes for the implementation of the project in the relevant tender documents. These technologies and processes generally include conventional technologies and methods; however, as new technologies and processes come to market, our clients may require us to utilize such new technologies and processes in the construction of our projects. We continue to upgrade the technologies and processes that we utilize to comply with client specifications.

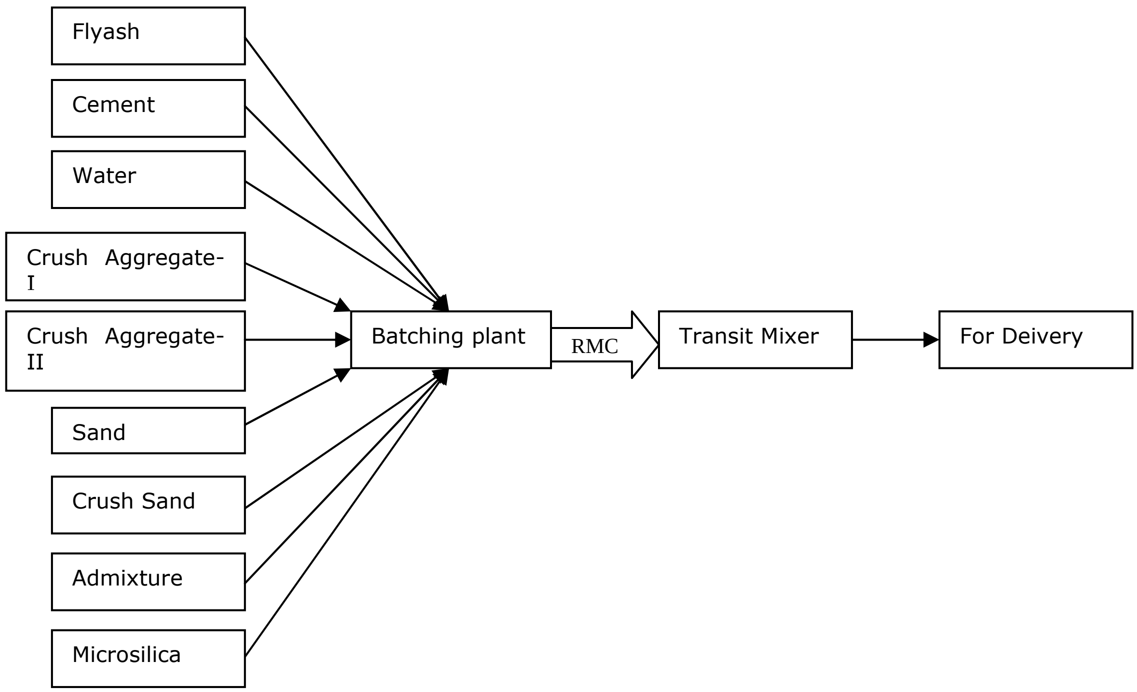
The technology for manufacturing Ready Mix Concrete, Asphalt Mix and Crushing & Quarry operation is well established. We are manufacturing RMC since 2004 and Asphalt Mix since 1985 in our erstwhile partnership firm or in association with others. The promoters are having thorough knowledge and expertise to produce the same. Ready-Mix Concrete (RMC) offers high-tech solutions to the needs of the public works and construction industries. The basic process for making ready-mixed concrete has not changed for the past 60 years: dry raw materials are measured, loaded into a bin, mixed, water is added and placed into a truck.

MANUFACTURING PROCESS

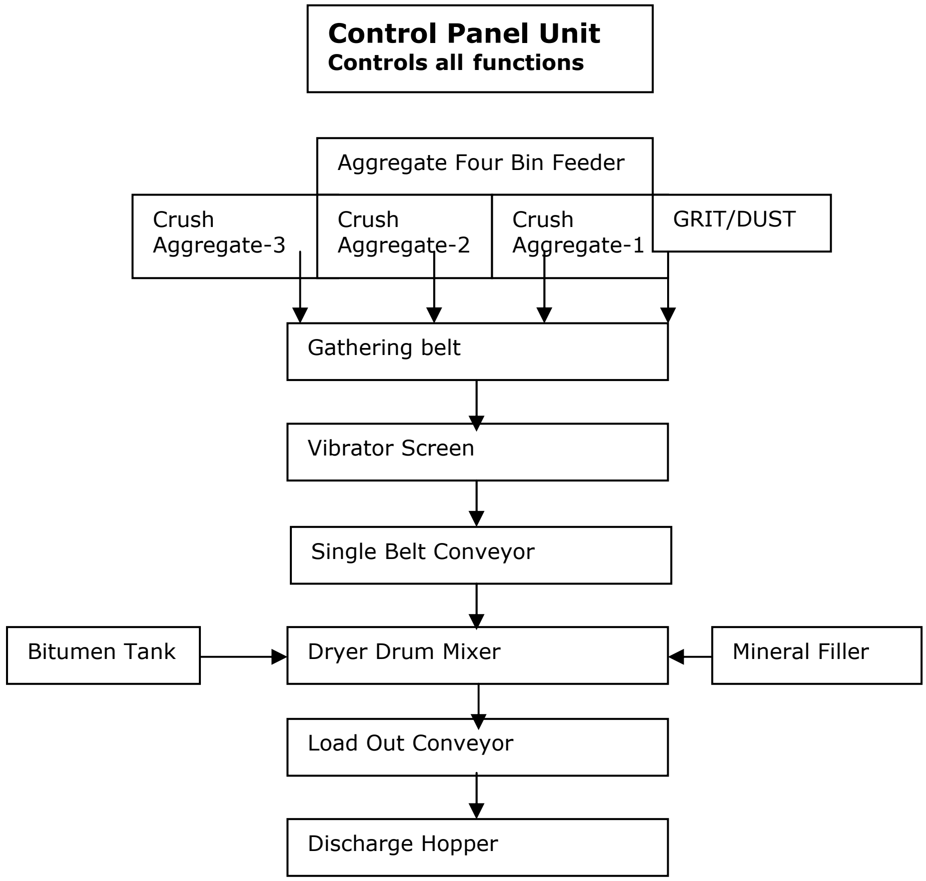
Quarying and Crushing:
A controlled explosion is used to release the rock from the working face. It is then transported by a truck to crushers to go through a series of crushing and screening stages to produce a range of final sizes to suit customer/our needs. First it goes through the primary crusher, then secondary crusher and finally tertiary crusher depending upon the end use requirements. Powerful hammers or crusher jaws within the primary crusher break the rock down.

RMC:
RMC comprises cement, aggregates (metal), water and other ingredients which are weight batched at centrally-located plants. Aggregates make up the majority of the concrete's volume and the cement provides strength. Additives are incorporated into the mix to ensure particular properties such as improved durability or shortened hardening times. During the mixing phase, we control every step to ensure quality and uniformity.It is then delivered to the construction site in transit mixers. Raw ingredients like metals are stored in hoppers and cement in silos and mixed using the latest advanced computerised systems. The process is controlled by experienced batchers who check every load to ensure it meets the customer's requirements. The water is mixed at the plant itself. Once the ready RMC is filled in Transit Mixeres, revolving speed of transit mixers is controlled to avoid setting of concrete and to keep the concrete in plastic and unhardened state. Our RMC plants have a computerized and fully automatic arrangement for batching and mixing of ingredients. Many mix-designs as per the end use requirements can be stored under the RMC computerized control and concrete can be prepared for any of these mix designs.

Process Flow Chart:



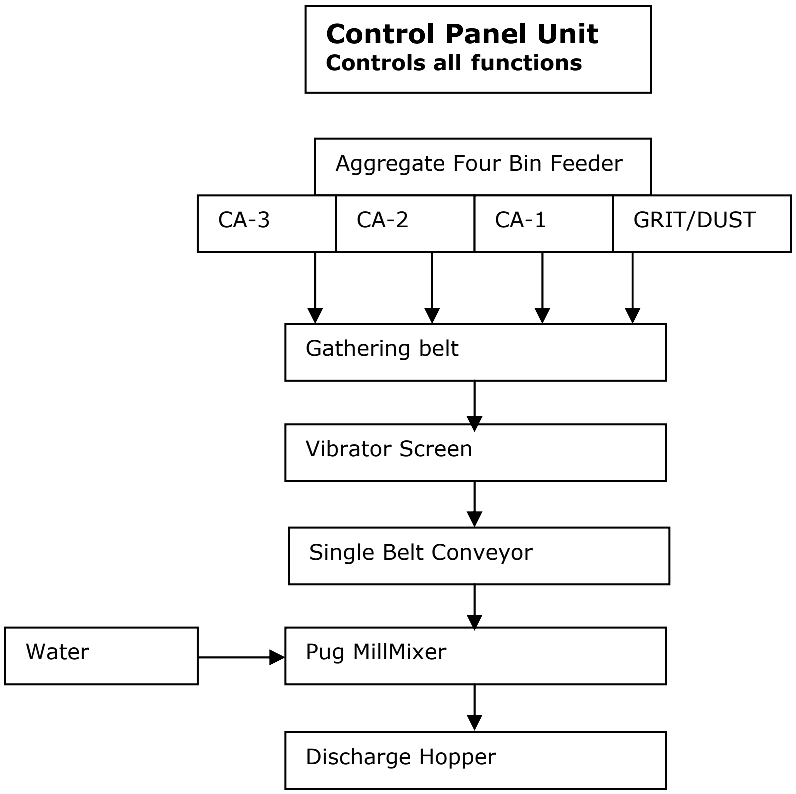
Drum Mix Plant:
The process chart of drum-mix plant is shown below:



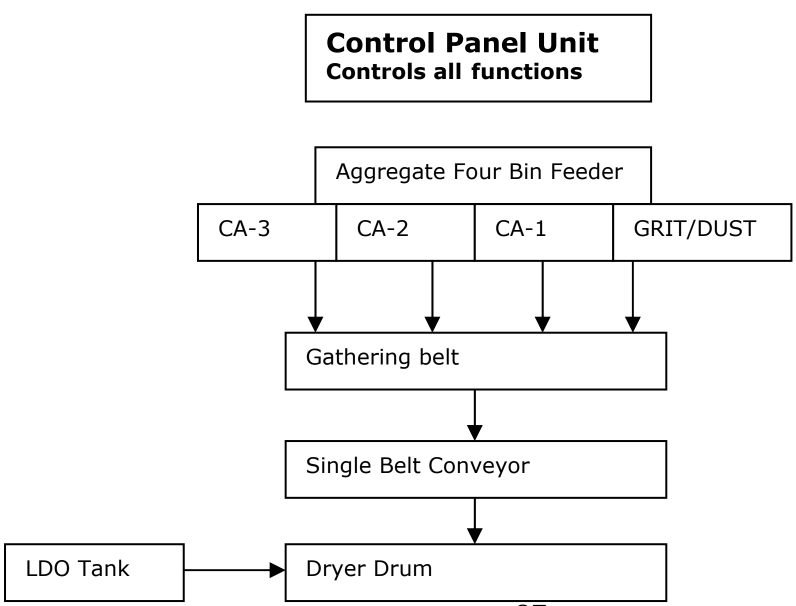
The mixing drum for which the plant is named is very similar in appearance to the batch plant dryer drum. The difference between the two is that in a drum-mix plant the aggregate is not only dried and heated within the drum, but it is also mixed with the asphalt bitumen. In a drum-mix plant, there are no gradation screens, hot bins, weigh-hoppers or pugmills. Aggregate gradation is controlled at the cold feed. The basic plant consists of a cold- feed system, a rotating drum dryer, an asphalt proportioning and dispensing system. The ease of setup and operation of the drum- mix plant makes it the ideal machine for operations. Aggregate gradation and uniformity are entirely dependent on the cold-feed system. Proper care is exercised not only in producing the aggregate but also in storage. Aggregates used for drum-mix plants are received, handled, and stored to ensure there is no danger of contamination or intermingling. Stockpiles are properly graded and split into different sized fractions to control the gradation of the mix properly. Since the drum-mix plant does not have a gradation unit, the aggregate are proportioned before entering the mixing drum. This is accomplished with a multiple-bin cold-feed system equipped with precision belt feeders for control of each aggregate.

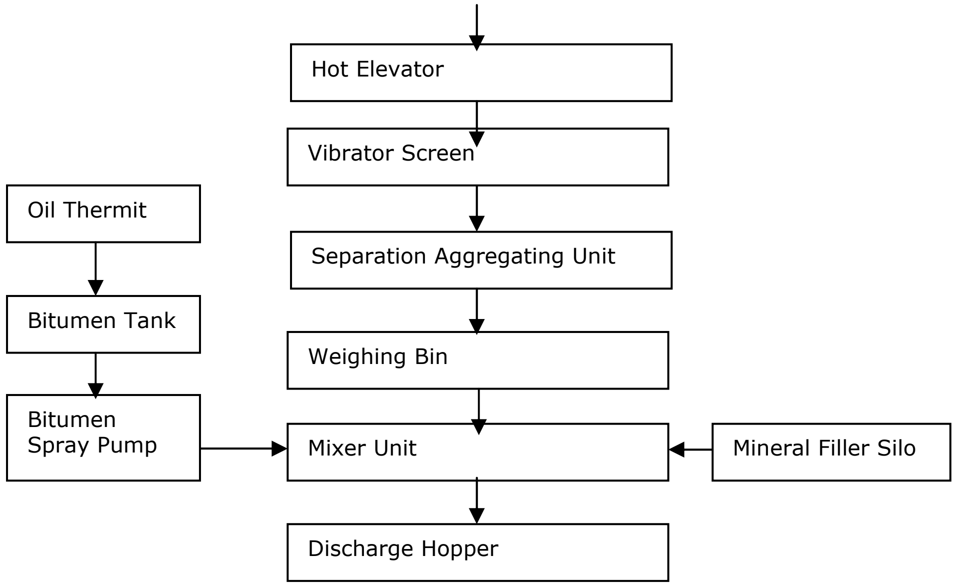
Total mixing time begins when all the combined mineral aggregates are in the mixer and ends when the mixer discharge gate is opened. Dry mixing time, when specified, begins when all the combined mineral aggregates are in the mixer and ends with the introduction of the asphalt. Wet mixing time begins with the start of the asphalt application and ends with the opening of the mixer discharge gate. The asphalt coating on aggregate is hardened by exposure to air and heat; therefore, mixing time should be the shortest time required to obtain a uniform distribution of aggregate sizes and a uniform coating of asphalt on all aggregate particles. The speed of the mixer shafts and the arrangement and pitch of the paddles are factors governing the efficiency of the mixing.

Wet Mix Plant:
The process chart of wet mix plant is shown below:



Asphalt Batch Mix Plant
The plant is computerised with fully computerised air conditioned control cabin, with on board electrical power control console, distribution switch board and fully automatic process. The process chart is given below. The operator can monitor the complete process control, motor status and pneumatic controls through the color CRT display.





INFRASTRUCTURE FACILITIES

I. RAW MATERIALS

The major raw materials required for the civil works are RMC/Cement, Steel, Sand, Metal, bitumen, Bricks, Granular sub base, tiles, aluminium, lifts, electrical items, other building and civil construction materials and asphalt products and for manufacture of RMC are Cement, Metal, Sand, flyash and Ad Mixture. The RMC required for construction work is sourced inhouse.

We manufacture various grades of RMC depending upon the end user requirements. The various grades are Slurry (Manual), STP (Manual), Lean Mix (Manual), DLC (Manual), M-5 (Manual), M-7.5 (Manual), M-10 (Manual), M-15(Manual & Piling), M-20(Manual), M-25(Manual & Piling), M-30 (Manual & Piling), M-35 (Manual & Piling), M-40 (Manual & Piling), M-45 (Manual & Piling), M-50(Manual) and M-60 (Manual). The requirement of raw materials for a sample grade of M-30 Piling /cum.mt. of RMC is as below:

Sr. No.	Raw material	Quantity (kg/cu.mt. of RMC)
1	Metal	960.00
2	Sand	650.00
3	Crushed sand	280.00
4	Cement	320.00
5	Flyash	120.00
6	Admixture	5.24

Our major suppliers of raw materials during the year ended March 31, 2010 are as under:

Sr. No.	Name	Purchase (Rs. In lakhs)
1	Devdhar Steel	1447.21
2	ACC Limited (Cement)	1366.87
3	Binani Cement Ltd.	597.38
4	Sakashi Enterprise	572.14
5	Bhavin Steel Pvt.Ltd.	457.70
6	Dikshita Trading Co.	333.88
7	Sandeep Steels	282.20
8	Cement Corporation Of India Ltd	246.30
9	Lafarge Aggregates & Concrete India Pvt. Ltd.	223.69
10	Rolex Enterprise	204.71

We constantly endeavour to procure raw materials at the lowest prices using our experience, relationships with the suppliers and economies of scale enjoyed. We follow a centralized purchase system for cement, steel, diesel, and bitumen through our purchase department. We maintain minimum inventory, so the supplies are made on a just-in-time basis. In case of steel, diesel and bitumen our requirements are project specific. We procure steel from various steel suppliers to ensure availability and timely delivery to meet our project schedule needs. We have over the years developed relationships with a number of vendors for key material, services and equipment. We have also developed vendor database for various materials and services. The requirement is processed through negotiations with the suppliers keeping in view the logistics of location of project and timing of supply.

II. WATER

Present requirement:

Major water is required for RMC plants.

3 RMC Plants	:	130 kl/day
Wadala RMC Plant	:	75 cu.mt./hr is estimatd at 45 kl/day
1 Wet Mix Plant	:	80 to 100 litres per tonne of wet mix produced

The present requirement is met through tankers

Requirement for proposed plants:

3 RMC Plants	:	110 kl/day
2 Wet Mix Plants	:	120 kl/day
Total	:	570 KL/day

For drinking purpose the water would be taken from the concerned municipalities / local bodies or purchased from outside.

III. POWER

Existing:

i. BKC RMC Plant
   Sanctioned Load – 77.60 KW
   Connected Load – 77.60 KW
   Supplier –Reliance Energy

ii. Wadala RMC Plant
   Sanctioned Load – 150 KW
   Connected Load – 150 KW
   Supplier – The Brihanmumbai Electric Supply and Transport Undertaking (BEST)

iii. Dahisar RMC Plant
   Sanctioned Load – 78.50 KW
   Connected Load – 78.50 KW
   Supplier – Reliance Energy

iv. Mulund RMC Plant
   Sanctioned Load – 107 KW
   Connected Load – 107 KW
   Supplier – Maharashtra State Electricity Distribution Company Ltd.

v. Nagla, Thane
   Asphalt Batch Mix Plant – Sanctioned & Connected Load – 560 KW
   Drum Mix Plant – Sanctioned & Connected Load - 67 KW Crusher – Sanctioned – 66.4 KW & Connected Load – 65 KW
   Supplier – Maharashtra State Electricity Distribution Company Ltd.

vi. Khargar, Panvel
   For Wet Mix Plant and Crusher
   Sanctioned Load – 107 KW
   Connected Load – 107 KW
   Supplier – Maharashtra State Electricity Distribution Company Ltd.

Proposed Requirement:
3 RMC Plants – 200 KVA for each plant
Asphalt Batch Mix Plant – 560 KVA
2 Wet Mix Plants– 125 KVA each
Crushers– 67 KVA

Once the location is finalised, we would approach the concerned State Electricity Boad / Distribution Company for connection of power.

IV. Fuel:
We require 8 -10 litre of LDO & Furnance Oil per tone output of asphalt batch mix plant and drum mix plant. Diesel is required for all moving equipments, vehicles and generetors. The same is bought from the oil companies.

Employees and Employee Relations
We employ a number of well-qualified and skilled employees. As on February 28, 2011, we have 273 permanent employees, the break-up is given below. Besides this most of the labour requirements at construction sites are met through contractors. We also employ labour contractors for supply of personnel for our operations. Our success depends to a great extent on our ability to recruit, train and retain high quality professionals. Accordingly, we place special emphasis on the human resources function in our Company. We believe that our relations with our employees are satisfactory.

The Department wise breakup of our manpower is as under:

Sr. No	**Name of the Department**	**No. of Staff**
1	Construction, Operation & Production	241
2	Marketing And Sales	4
3	Accounts / Finance	21
4	HR/Administration	7
	Total	**273**

The additional requirement of manpower in our Construction, Operation and Production department is as detailed below:

Sl. No.	**Plant/Equipments**	**No. of People**
1	Equipments	105
2	RMC Plants	150
3	Asphalt Batch Mix	37
4	Wet Mix Plant	60
5	Quarry	27
	Total	**379**

We propose to run the plants/equipments either by ourselves or on contract basis under our supervision. No difficulty is envisaged in sourcing the additional manpower requirement.

PRODUCTS
Ready-mix concrete (RMC) is a ready-to-use material, with predetermined mixture of cement, sand, aggregates and water. RMC is a type of concrete manufactured in a factory according to a set recipe or as per specifications of the customer, at a centrally located batching plant. Ready-mixed concrete's ubiquitous use as a building material is largely because of two advantages. It is cost effective and it also allows great diversity in design and function, because in its fluid form, it can be poured into moulds of any shape. The mixtures from Asphalt Batch Mix plant/Drum Mix plant/Wet Mix Plant are used for our construction projects.

MARKET, MARKETING & COMPETITION
For detailed analysis of Industry Stucture, Future Prospects, Competition please refer to the "Industry Overview" on page no. 52 of this DRHP.

Our competition in construction services depends on the size, complexity and location of the project. While service quality, technical ability, performance record, experience, health and safety records and the availability of skilled personnel are key factors in client decisions among competitors, price (or in the case of BOT projects, either the amount of the grant or the amount a tenderer is willing to pay for the right to receive the concession) is often the deciding factor in most tender awards. There are over many major construction companies in India, many of which are either involved in construction contracts, BOT projects or have stated a desire to be involved in BOT projects. However, our main competitors for EPC contracts includes Simplex Infrastructure Limited, MBL Infrastructures Limited, PNC Infratech Limited, Man Infraconstruction Limited, Madhucon Projects Limited, Era Construction Limited, ARSS Infrastructure Projects Limited, Gayatri Projects Limited, Tantia Constructions Limited, Supreme Infrastructure Limited, J. Kumar Infraprojects Ltd, PBA Infrastructure Ltd., Unity Infraprojects Ltd., RPS Infraprojects Pvt Ltd., Mahavir Roads & Infrastructure Pvt Ltd and GL Constructions Pvt Ltd.. Some of our competitors may have significantly greater resources than us.

The ready-mix concrete business is a relatively new business in India and there are only a few large established companies in this market. The firms that solely operate in the ready-mix concrete market are ACC Ltd., Ultratech Ltd., RMC (Readymix) India Ltd. Ambuja Cements Ltd, Lafarge Cement Ltd. and Skyway RMC Plants Pvt Ltd. In addition, there are some large construction companies that sell ready-mix cement to third parties, but this is not the main focus of their businesses. Because ready-mix concrete must be delivered within three hours of being poured into the transit mixer, competition is localised. Customers generally place orders based on the closeness of the competing firms' ready-mix concrete plants and the price charged.

Marketing Arrangement:

Construction projects:
We execute projects primarily taken 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 scans newspapers and websites to identify projects that could be of interest to us. The head of the tendering department evaluates bid opportunities and decides whether we should pursue a particular project based on various factors, including the client's reputation and financial strength, the geographic location of the project and the degree of difficulty in executing the project in such location, our current and projected workload, the likelihood of additional work, the project's cost and profitability estimates and our competitive advantage relative to other likely bidders. Once we have identified projects that meet our criteria, we submit an application to the client according to the procedures set forth in the bid process.

Strategic, financial partners and collaborators
At present, we do not have any strategic and financial partnership with any other entity. We have not entered into technical collaboration with any entity.

RMC:
RMC required for the projects undertaken by us is sourced inhouse. We sell RMC directly to third parties through our marketing team headed by Business Head, RMC. Quality of our RMC is well established and in the past we have supplied RMC to following companies:

1. L&T
2. Unity Infraprojects Ltd
3. Simplex Infrastructures Ltd
4. Gammon India Ltd
5. Parinee Developers Pvt Ltd.
6. Shreepati Infra Realty Ltd.
7. Bucon Engineers & Infrastructures Pvt Ltd
8. Suyojna Impex Pvt. Ltd.
9. Vitraj Construction Co.
10. Five Vision
11. Nakta Investments Pvt Ltd
12. Siddhivinayak Construction Pvt Ltd
13. Shree Ahuja Properties & Developers

For the proposed RMC plants we will continue to adopt the same policy and approach contractors / builders having projects near to our RMC plants.

MAJOR CUSTOMERS

Some of the Major Customers during the year ended March 31, 2010 are as under:

Sr. No.	Party Name	Address	AMOUNT Rs. in lakhs)
1	Municipal Corporation Of Greater Mumbai	Office Building, Mahapallika Marg, Fort, Mumbai - 400 001	9827.13
2	Mumbai Metropolitian Region Development Authority	14/15, MMRDA Building, Bandra (E), Mumbai - 400 051	3670.04
3	Pune Municipal Corporation	Shivaji Nagar, Pune	2320.75
4	Mumbai Railway Vikas Corporation Ltd.	2nd Floor, Station Bldg, Churchgate, Mumbai - 400020	1413.06
5	Maharashtra State Bureau of Textbook Production and Curriculum Reserach	Senapati Bapat Road, Pune - 4	850.45
6	Unity Infraprojects Ltd.	1252 Pushpanjali Apt. Old Prabhadevi Road, Prabhadevi, Mumbai - 400025	207.09
7	Sheth Developers Pvt. Ltd.	Sheth House, Vasant Valley General A.K. Vaidya Marg, Opp. Dindoshi Bus Stop, Malad (E), Mumbai	164.78
8	Kamla Real Estate Hub Pvt Ltd.	Kamla Group, Shanti- VImal Floor, Pherozshah Mehta Road, Vile Parle (E), Mumbai - 400057	121.36
9	R.B. Krishnani	B-10 Shirine Garden, ITI Road, Aundh, Pune - 411007	100.53
10	Aakash Infra Structures	Office No. 4, Ground Floor, Shree Naman Plaza, Shopper's Stop, S.V. Road, Kandivali (West), Mumbai - 400067	99.57

EXPORT OBLIGATIONS:
Our Company has no export obligations pending as of now.

Our Strengths:
We believe our principal competitive strengths are as follows:

- **Extensive experience and strong track record in infrastructure development and construction projects in the roads and buildings sector**
  With over three decades of experience in the infrastructure development and construction business, we have been involved in the construction of roads, building and urban infrastructure for around 29 customers and on various projects. We believe our focus on road infrastructure and our experience in building projects like MSEB Office Building and Urban Infrastructure projects like Prabodhankar Thakeray Drama Theatre, Clubs, Entertainment Complex etc. gives us an advantage over our competitors when bidding for new projects and enables us to capitalize on the opportunities available in this growing sector of the Indian economy.

- **Integrated execution capabilities with in-house construction, RMC Manufacturing, Aggregates (metal) production and Logistics Support**
  We are an integrated infrastructure development and construction company. The major raw material like RMC is manufactured in our plants and various grades of metals (stones) are also sourced from the quarry operated by us and crushed in our own plants. The ready RMC is transported through our owned /leased transit mixtures which ensures ready availability of material. This enables us to not only reduce our dependence on third party suppliers but we can also exercise greater control over the quality and timely execution of our construction projects. Equipment asset management is a critical element of timely delivery and quality on infrastructure development and construction projects. We own a large fleet of sophisticated construction equipment and this enables us to be less dependent on third parties when implementing our various projects and efficiently manage our equipment assets. We believe that this also

provides us with a competitive advantage over other infrastructure development and construction companies. Our integrated execution capabilities enable us to better evaluate potential funded construction projects.

- **Professionally managed company with an experienced management team and a qualified and skilled employee base**
  We are a professionally managed company with a qualified, skilled and trained workforce. As of February 28, 2011, our experienced work force consisted of 273 permanent employees, including 21 employees in Accounts and Finance department, 241 employees in our construction operation and production division, 4 employees in Marketing and sales department and 7 employees in HR and administration department. Our management team is well qualified and experienced in the industry and has contributed to our growth. We believe that a motivated and empowered employee base is essential to maintaining our competitive advantage. We are dedicated to the professional development of our employees and will continue to invest in their professional growth. We have invested in technically qualified and skilled man-power to ensure timely execution of our projects while meeting the highest quality standards. Regular training and development programmes are organized to update the knowledge and skill sets.

- **Relationship With Contractors / Customers / Suppliers**
  We have maintained good relationships with major suppliers of cement, bitumen, steel which are our major raw materials. We believe that efficiency in our operations have helped us in developing good relationships with our customers as well as contractors involved in the construction and infrastructure industry. We also rely on third-parties for execution of some of our road projects and have good working relationships with our third-party contractors which provides us with advantages in the execution of projects.

- **Our Business Model**
  The business model that we have adopted allows us to scale up operations with ease. Our business model offers us the flexibility to adapt to varying nature of projects besides providing the scope of scalability of operations. Under this model, we follow a two tier structure, which consists of (i) centralized planning and co-ordination, and (ii) de-centralized project management, execution and quality assurance.

  We believe that our execution model provides us with the support structure necessary to manage and execute both small and large complex projects within the timelines and tight budgets while ensuring that our design and quality surpasses the standards required by our client to ensure customer delight.

- **Technical Expertise**
  We believe that our experience and expertise in planning, designing and construction of projects in the infrastructure and civil construction is the competitive advantage that differentiates us from many of our competitors. Constructing such infrastructure projects has been a significant focus area for our business.

  Our successful execution of projects in the roads and highways and civil construction sectors has provided us with the credentials and wherewithal to implement larger projects.

- **Investment in Plant, Machinery and Equipments**
  We have made large and sustained investments in equipment. We have modern construction equipment which allows us to meet the broad spectrum of requirements of various construction projects. Such an equipment base also gives us the capability to design and execute projects of a large and varied scale, thus reinforcing our ability to execute diverse projects both nationally and internationally.

  As we have owned equipment, we are able to appropriately benchmark productivity and production of the hired equipment that we use for augmenting the requirement at individual sites. Concurrently regular benchmarking with best practices ensures that we remain competitive and allows us to achieve higher operating margins.

- **Our strong Order Book**
  Our order book as at February 15, 2011 stood at Rs.59154.77 lakhs. What differentiates our order book is the diversity and the work contracts across sectors. Numbers wise, we have as many as 11 contracts in roads and highways, 15 contracts for construction of buildings and 3 contracts in Urban Infrastructure / Airport segment.This helps us de-risk the business model from the cyclicities of a particular sector. Our strategy to bid for larger value orders will bring economies of scale that will have a strong positive impact on our efficiencies and in turn improve our competitiveness.

BUSINESS STRATEGY

Our vision is to be a dominant player in infrastructure development. Our strategy is to operate across the complete bandwidth of the infrastructure. To actualize the strategy, we will focus on the following short and long term objectives:

- **Continue to enhance our project execution capabilities**
  We believe that we have developed a reputation for undertaking construction projects in road sector and buildings with our customers. We intend to continue to focus on performance and project execution in order to maximize client satisfaction and margins. We leverage project management tools to increase productivity and maximize asset utilization in capital intensive activities. We continue to optimize operating and overhead costs to maximize our operating margins. Our ability to effectively manage projects will be crucial to our continued success as a recognised infrastructure company. We believe that we are able to distinguish ourselves from our competitors because of our technical capabilities, management strength and integrated operations with inhouse sourcing of materials. We intend to continuously strengthen our execution capabilities by adding to our existing pool of human resources and equipments.

- **Develop and maintain strong relationships with our clients and suppliers**
  Our business is 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 such as pre-qualification etc. We will continue to develop and maintain these relationships and alliances.

  We intend to establish strategic alliances and share risks with companies whose resources, skills and strategies are complementary to our business and are likely to enhance our opportunities.

- **Pursue new investment opportunities that permit us to take advantage of our current strengths**
  To accelerate the infrastructure development across the country, the Government of India has launched various schemes on the PPP model which requires astute understanding of the economics, the funding, the monitoring and control of such projects.

  We will attempt to identify and participate in new investment opportunities as they arise and more particularly in BOT sector. Should we determine that any new investment opportunities possess value, we will leverage our current strengths in the infrastructure and construction business to take advantage of such new opportunities.

- **Geographical expansion**
  We currently operate in selective geographies and intend to expand our operations to bid for projects in other western states. This will help us to further de-risk our business model and reduce our dependence on few major customers.

QUALITY CERTIFICATIONS

We have a defined and documented quality management system. Based on the checks and measures in place, and after ensuring that the final product is in tandem with the specifications, we raise the final invoice on our client and obtain a certificate of completion. We have been granted following Quality certificates by various Institutions:

1. We have been assessed and certified as meeting the requirement of ISO 14001:2004 for Construction of Roads & Highways, Bridges, Buildings, Training of Rivers, Water Supply & Sewerage Projects & Other Civil Infrastructure Works by SGS United Kingdom Ltd vide certificate SG09/02325 which is valid upto 6th May, 2012.
2. We have been assessed and certified as meeting the requirement of OHSAS 18001:2007 for Construction of Roads & Highways, Bridges, Buildings, Training of Rivers, Water Supply & Sewerage Projects & Other Civil Infrastructure Works by SGS Societe Generale de Surveillance SA Systems & Service Certification vide certificate CH09/0584 which is valid upto 8th May, 2012.

3. The Management System operated by our Company has been certified to be in compliance with the standard UNI EN ISO 9001:2008 for design, production and supply of ready mix concrete by ICMQ Certification India Pvt. Ltd. dated 30th September, 2009 vide certificate no. 09-006-N which is valid upto 29th September, 2012.

Health and Safety

We place considerable emphasis on health and safety throughout our operations and we are committed to ensuring that high standards are maintained in compliance with applicable laws and regulations. We try hard to eliminate/minimize the accidents due to unsafe work practices resulting out of negligence by our personnel. Our employees undergo in house training on a regular basis. We sensitize our employees regarding workplace safety and health issues through regular internal communications including trainings and team meetings. All field employees are provided with safety equipment.

INSURANCE

We have taken insurance policies insuring major risks relating to our stocks, building, plant & machinery, accessories and vehicles. However the insurance policies may not provide adequate coverage in certain circumstances and are subject to deductibles, exclusions and limit on coverage. Our operations are subject to hazards inherent to the infrastructure and construction industry, such as work accidents, fires, earthquakes, floods and other force majeure events, acts of terrorism and explosions, including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. We generally maintain insurance covering our assets and operations at levels that we believe to be appropriate. We have various insurance policies to protect our assets including Contractors Plant and Machinery Insurance, Standard Fire & Spcl Perils Policy, Contractors All risks insurance policy, Contractors Car policy, Employers Liability –other than collieries policy schedule, Miscellaneous & Spcl Type of Vehicle Package Policy, Standard Commercial Vehicle- Package Policy arranged by companies including the Cholamandalam MS General Insurance Co. Ltd, HDFC Ergo General Insurance Co. Ltd, The New India Assurance Co. Ltd., Reliance General Insurance Co. Ltd., The Oriental Insurance Co. Ltd., Bajaj Allianz General Insurance Co. Ltd., Future Generali India Insurance Co. Ltd., Government Insurance Fund and ICICI Lombard General Insurance Co. Ltd. We have obtained Janata Personal Accident Insurance Policy and Workmen's Compensation Insurance Policy for our employees.

EXISTING PROPERTY

Our Company occupies immovable properties at the following locations: -

(i) Registered Office of our Company at "Shyam Kamal "C" Co-operative Housing Society Ltd.", 105/C Agarwal Market, Vile Parle (E), Mumbai 400 057

(ii) Corporate Office of our Company at A 01/101, Krishna Co-operative Housing Society Ltd., Opp. Mahavir Jain Vidyalaya, C.D. Barfiwala Marg, Juhu Cross Lane, Andheri (West), Mumbai – 400 058;

(iii) Shop No. 5 on the ground floor of the building known as "Mayfair Marvel" on the land bearing CTS No. 1128 of Village Malad at Chincholi Bunder Road, Malad (West), Mumbai;

(iv) Ready Mix Concrete plants at: -

a) G-Block, Behind MCA, Bandra Kurla Complex, Bandra (East), Mumbai;

b) Near Wadala Truck Terminal, Opposite Imax Theatre, Anik Wadala, Link Road, Wadala (East), Mumbai;

c) Hari Om Nagar, Opposite Mulund Check Naka, Mulund (East), Mumbai; and

d) Survey No. 101, Ketki Pada, Behind Daimond Industrial Estate, Dahisar (East), Mumbai.

(v) Quarry, Asphalt Batch Mix Plant (Hot Mix), Drum Mix Plant and Crushers at Nagla Bunder, Owale Village, Ghodbunder Road, Thane – 400 607; and

(vi) Quarry, Wet Mix Plant and Crushers at Sr. No. 356, Owe Camp, Behind Tata Hospital, Kharghar – 410 208.

The various documents executed by our Company with respect to the abovementioned immoveable properties are as mentioned below: -

Sr. No.	Agreement	Amount	Period	Description of the Property	Purpose of use
(i)	Leave and License Agreement dated November 3, 2010 bearing No. 10329 of 2010 entered into between Mrs. Kamakshi P. Shah and our Company	Security Deposit amounting to Rs. Rs. 10 lac Licensee fees amounting to : Rs. 70,000/- per month for period commencing from October 1, 2010 to September 30, 2011 Rs. 70,000/- per month for a period commencing from October 1, 2011 to September 30, 2012 Rs. 75,000/- per month for a period commencing for October 1, 2012 to September 30, 2013 Rs. 75,000/- per month for a period commencing for October 1, 2013 to September 30, 2014 Rs. 80,000/- per month for a period commencing for October 1, 2014 to September 30, 2015	60 months commencing from October 1, 2010 to September 30, 2015	Approx 970 sq ft of built up area on the first floor of the building known as "Shyam Kamal "C" Co-operative Housing Society Ltd." Situate at 105 Agarwal Market, Vile Parle (E), Mumbai 400 057	Registered Office
(ii)	Leave and License Agreement dated November 1, 2010 bearing No. 10328 of 2010 entered into between Mrs. Kamakshi Pravin Shah and our Company	Security Deposit amounting to Rs. 24,00,000 Licensee fees amounting to : Rs. 3,00,000 per month for period commencing from August 1, 2010 to July 31, 2011; Rs. 3,00,000 per month for a period commencing from August 1, 2011 to July 31, 2012; Rs. 3, 50,000 per	60 months w.e.f August 1, 2010 to July 31, 2015	Admeasuring 2635 sq ft of carpet area on the first floor and 971 sq ft of carpet area on the Ground Floor along with with 8-10 parking spaces of the building known as "Krishna Co-operative Housing Society Ltd." situate at Opp. Mahavir Jain Vidhyalaya, C. D. Barfiwala Marg (Juhu Cross Lane) Andheri (W),	Corporate Office

Sr. No.	Agreement	Amount	Period	Description of the Property	Purpose of use
		month for a period commencing from August 1, 2012 to July 31, 2013; Rs. 3,50,000 per month for a period commencing from August 1, 2013 to July 31, 2014; and Rs. 4, 00,000 per month for a period commencing from August 1, 2014 to July 31, 2015.		Mumbai – 400 058	
(iii)	Agreement for Sale dated January 29, 2009 bearing No. 758 of 2009 between Mayfair Housing Private Limited and our Company	Rs. 49,00,000/- (Rupees Forty Nine Lac only)	Ownership and possession of the said shop transferred on execution of the said Agreement.	Carpet Area of approx 228.33 sq ft being Shop No. 5 on the ground floor of the building known as "Mayfair Marvel" on the land bearing CTS No. 1128 of Village Malad at Chincholi Bunder Road, Malad (West), Mumbai	Commercial

(iv)(a) Our Company was allotted, by way of licence, the land admeasuring 3000 sq mtrs located at G-Block, behind MCA, Bandra Kurla Complex, Bandra (East), Mumbai by MMRDA *vide* an allotment letter dated January 14, 2009, for setting up of "Fabrication Yard" and installation of Ready Mix Plant for a period of 11 (eleven) months. Further, by a License Agreement dated January 29, 2010 entered into between MMRDA and our Company, MMRDA extended the said licence from January 29, 2010 to December 28, 2010.

Our Company *vide* its letters dated November 10, 2010 and December 18, 2010 has requested MMRDA to extend its licence for a further period. However, the said licence is not yet extended. Our Company pays rent of Rs.2.50 per sq. mt per day for the Calendar year 2010 and security deposit equivalent to 30% of the rent payable

(iv)(b) Our Company has been permitted to use the land admeasuring 4820 sq. Mt. At Phase III, Wadala Truck Terminal, Opposite Imax Theatre, Anik Wadala, Link Road, Wadala (East), Mumbai by MMRDA vide a letter ref no. EC/T.USE/WTT/UTCL/1270/10 dated November 2, 2010 for permission for temporary use of land for setting up of the Ready Mix Concrete plant a period of 11 (eleven) months. Our Company pays rent of Rs.2.10 paise per sq.mt per day from date of possession to December 31, 2010 and thereafter Rs.2.35 paise per sq.mt per day from January 1, 2011 to December 31, 2011 to MMRDA. Service tax shall be charged additional on rent. 30% of the rent would be paid as refundable Security Deposit.

(iv)(c) Our Company has been permitted to use the land at Hari Om Nagar, Opposite Mulund Check Naka, Mulund (East), Mumbai by MVGM vide its letter dated August 6, 2008 for setting up of temporary RMC plant and ancillary structures till February 5, 2011, which has been revalidated till August 5, 2011. Our Company would be paying a security deposit of Rs. 0.94 lakhs.

Sr. No.	Agreement	Amount	Period	Description of the Property	Terms and conditions
(iv)(d)	Leave and License Agreement entered into between Sanjay Ladhani , Vijay Ladhani and Hasmukh Ladhani and our Company dated September 28, 2010 and registered with the Sub-Registrar of Assurances at Bandra bearing No. 9827 of 2010	A sum of Rs. 2,71,950 for a period commencing from August 1, 2010 till July 31, 2011 A sum of Rs. 2,88,230 for a period commencing from August 1, 2011 till July 31, 2012 A sum of Rs. 3,05,620 for a period commencing from August 1, 2012 till July 31, 2013 Additional amount at the rate of Rs. 3 per cubic metre of RMC produced to be paid annually to the Licensors in the ratio of 37:37:26 A security deposit amounting to Rs. 18,00,000	For a period of 36 months commencing from August 1, 2010 to July 31, 2013.	Area admeasuring 37000 sq. ft. Bearing out of plot at Survey No.101, Hissa No.11 (Part), CTS No.2971-C, Village – Dahisar at Taluka – Borivali, Dist Mumbai Suburban Plot of land admeasuring 29810 square feet situate at Survey No. 101, Hissa No11 (part) C.T.S No. 2971-C, village- Dahisar, Taluka Borivili	The plot shall be used for setting up and operating Ready Mix Concrete manufacturing unit.

(v) Our Company has been operating one Quarry, one Asphalt Batch Mix Plant, one Drum Mix Plant and two Crushers at Nagla Bunder, Owale Village, Ghodbunder Road, Thane – 400 607.

We have procured a Quarring Lease dated October 22, 2007 from the State Government in the name of our division, M/s Dyansty Engineering, wherein the State Government leased the aforesaid land in our favour for the purposes of quarrying, subject to certain terms and conditions.

We have also entered into Articles of Agreement dated December 12, 2005 with the owners of the abovementioned land being one Mr. Munesh Motilal Thakur and one Mr. Lavesh Motilal Thakur pursuant to which the license of the said land was granted to us. However, the same has now expired and the renewed copy of the same is being negotiated and is proposed to be executed, shortly.

(vi) Our Company has been operating one Quarry, one Wet Mix Plant and one Crusher at Sr. No. 356, Owe Camp, Behind Tata Hospital, Kharghar – 410 208. However, the licence granted to our Company by the Collector for the purposes of quarrying has expired in June, 2010. Presently, our Company has stopped quarry activities on the said land. Our Company has executed unregistered lease agreement for land for quarrying at Kharghar details of which are as follows :

Particulars of property	Description of property	Vendor/Permitting Authority	Agreement/Permission Letter Date & tenure	Amount
Land for Quarring at Kharghar	Land admeasuring 4000 sq.mt bearing Survey No.356,	Separate similar lease agreements	Unregistered lease agreements all dated October, 2003 valid for	Each person to be paid Rs.4000 per month for the first 3 years, Rs.5000 per

	Village Ove, Taluka Panvel	with Shri Ram Gopal Thakur, Shri Ramchandra Narayan Kadu, Shri Vaibhav Ramachandra Patil and Shri Baburao Budhaji Patil	a period of 15 years extendable for a further period of 15 years with increase in rent by 10%	month for the next 2 years, Rs.7,000 per month for the next 5 years and Rs.10,000 per month for the last 5 years. Security Deposit of Rs. 50,000 to each

For details please refer to the section titled "Risk factor" and "Outstanding Litigations and Material Developments" at page nos. xi and 167 respectively.

PURCHASE OF PROPERTY

No property is proposed to be purchased out of the proceeds of this Issue.

INTELLECTUAL PROPERTY

Existing trademark registration:

Our Company has applied for the following registration of its logo. Summary Details of the Trade Mark Application are as follows:

Filed on	December 02, 2010
Mark	
Class	37 (Thirty Seven)
Applicant	Relcon Infraprojects Limited
Period of User	Since December 4, 2006
Status	Pending

KEY INDUSTRY REGULATIONS AND POLICIES

The regulations and policies set out below are not exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional advice. The following description is a summary of the relevant regulations and policies as prescribed by the Government of India that are applicable to our Company. The statements below are based on the provisions of Indian law in force, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Labour Laws

The employment of construction workers for our business is regulated by various labour laws, rules and regulations including the Contract Labour (Regulation and Abolition) Act, 1970, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, the Payment of Wages Act, 1936, the Inter State Migrant Workers Act, 1979, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Payment of Gratuity Act, 1972 and the Shops and Commercial Establishments Acts, where applicable. Some of these legislations which are significant for the conduct of our Company's business are summarised below:

1. *Contract Labour (Regulation and Abolition) Act, 1970, as amended (the "CLRA")*
   The CLRA requires establishments that employ or have employed on any day in the previous 12 months, 20 or more workmen as contract labour to be registered and prescribes certain obligations with respect to the welfare and health of contract labour. The CLRA places an obligation on the principal employer of an establishment to which the CLRA applies to make an application for registration of the establishment. In the absence of registration, contract labour cannot be employed in the establishment. Likewise, every contractor to whom the CLRA applies is required to obtain a licence and not to undertake or execute any work through contract labour except under and in accordance with the licence issued. To ensure the welfare and health of contract labour, the CLRA imposes certain obligations on the contractor including the establishment of canteens, rest rooms, washing facilities, first aid facilities, provision of drinking water and payment of wages. In the event that the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. A person in contravention of the provisions of the CLRA may be punished with a fine or imprisonment, or both.

2. *The Buildings and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, as amended (the "Construction Workers Act")*
   The Construction Workers Act provides for the establishment of 'Boards' at the state level to regulate the administration of the Construction Workers Act. All enterprises involved in construction are required to be registered within 60 days from the commencement of the construction works. The Construction Workers Act also provides for regulation of employment and conditions of service of building and other construction workers including safety, health and welfare measures in every establishment which employs or employed during the preceding year, 10 or more workers in building or other construction work.

3. *Payment of Gratuity Act, 1972, as amended (the "Gratuity Act")*
   Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement or resignation, superannuation or death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service.

4. *Employees State Insurance Act, 1948, as amended (the "ESI Act")*
   The ESI Act provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

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

Environmental laws

1. *Air (Prevention and Control of Pollution) Act, 1981*
The Air (Prevention and Control of Pollution) Act, 1981 (the "Air Act") has been enacted to provide for the prevention, control and abatement of air pollution. The statute was enacted with a view to protect the environment and surroundings from any adverse effects of the pollutants that may emanate from any factory or manufacturing operation or activity. It lays down the limits with regard to emissions and pollutants that are a direct result of any operation or activity. Periodic checks on the factories are mandated in the form of yearly approvals and consents from the corresponding Pollution Control Boards in the State.

2. *Water (Prevention and Control of Pollution) Act, 1974 (the "Water Act")*
The Water Act was enacted in 1974 in order to provide for the prevention and control of water pollution by factories and manufacturing industries and for maintaining or restoring the wholesomeness of water. In respect to an Industrial Undertaking it applies to the (i) Occupier (the owner and management of the undertaking), (ii) Outlet, (iii) Pollution and (iv) Trade effluents. The Water Act requires that approvals be obtained from the corresponding State's Pollution Control Boards.

Foreign Ownership

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.

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 our Company. As of date, no such approval has been obtained. The total holding of a single FII should not exceed 10% of the post-issue paidup capital of our 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.

Note:

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

Other regulations

In addition to the above, the following acts and legislations are applicable to our industry as they are to other industries as under:

1. Factories Act, 1948 ;
2. The Explosives Act, 1884;
3. Industrial Disputes Act, 1947 and Industrial Disputes (Central) Rules, 1957;
4. Workmen's Compensation Act, 1923.

5. Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979
6. Service Tax
7. Central Excise Act, 1944
8. Income Tax Act, 1961
9. Central Sales Tax, 1956
10. Customs Act, 1962
11. Mumbai Muncipal Corporation Act, 1888
12. Development Control Regulations for Greater Mumbai, 1991
13. Maharashtra Regional and Town Planning Act, 1966
13. Bombay Minor Mineral Extraction Rules, 1955

BRIEF HISTORY AND OTHER CORPORATE MATTERS

Brief History of our Company:

The erstwhile partnership firm Reliance Construction Company was formed by a partnership deed dated February 5, 1973 having its principal place of Business at Mumbai, Maharashtra. The firm was reconstituted from time to time on April 30, 1974, November 6, 1978, December 9, 1980, May 7, 1983, December 17, 1984, September 30, 1992, June 29, 1995, July 1, 2001 and by the Admission Deed dated 25th May, 2006 having been duly registered under the provisions of the Indian Partnership Act with the Registrar of Firms, Mumbai vide Registration No.B-133815. The firm was carrying on the business of builders, developers, contractors, sellers, purchasers, lessors, lessee & dealers in all kinds of civil structures including but not limited to real estate constituting industrial, commercial & residential building, township, tenements, bungalows, apartments, multiplexes, malls, shopping complex, industrial estate, export zones, theme parks, roads, bridges, culverts, bus terminals, sports complex, airports, shipyards & any other civil work related to infrastructure. The erstwhile Partnership Firm M/s Reliance Construction Company was converted into a Private Limited Company and incorporated as Relcon Infraprojects Private Limited on December 4th, 2006 with the Registrar of Companies, Mumbai Maharashtra. Our company was subsequently converted into a Public Limited Company under section Sec. 44 of the Companies Act, 1956 and the name of our Company was changed to Relcon Infraprojects Limited. A fresh Certificate of Incorporation reflecting the new name was issued by the Registrar of Companies, Mumbai Maharashtra on July 20, 2010.

Changes in the Registered Office

There has been no change in the registered office address since incorporation. The registered office of our Company is located at 105/C, Shyam Kamal, Agarwal Market, Vile Parle (E), Mumbai – 400057.

Shareholders

The total number of members of our Company as on the date of filing this Draft Red Herring Prospectus is 10.

Major events and Milestones in the history of our Company are as follows:

YEAR	MAJOR EVENTS & MILESTONES
05.02.1973	Incorporated as a Partnership Firm under the name Reliance Constrution Company
1982-83	Work awarded of water supply project of laying 1830 mm dia. Pipes in trenches from Ghatkopar Mahul Road to Futka tank including 1200 mm dia MS Branch Main to Raoli Reservoir for MCGM
1992-93	Work awarded for the construction of Amenity Building at Wadala Truck Terminal for MMRDA
1995-96	Work awarded for the Prabhodhankar Thackeray Drama Theatre for BMC
1998-99	Work awarded for the construction of building for Maharashtra State Co-operative Housing Finance Corporation Ltd. with built up area of 55,000 sq ft
2001-02	Work awarded for the Main Civil Works for 14 storey Almanda Tower of Tata Housing Development Company Ltd.
2003-04	Work awarded by MMRDA for widening and construction of Western Express Highway from Vakola Flyover to Airport Junction
19.03.2004	Entered into a Joint Venture agreement with M/S J. P. Enterprises to excute the project of Widening and construction of Main Linking Road Dahisar to LT Road (km 0.00 to 5.30) for MMRDA
25.06.2004	Entered into a Joint Venture agreement with M/s Michigan Engineers Pvt. Ltd. to execute the project of Widening and construction at Main Link Road from LT Road to Joglekar Naka (km 5.30 to 8.869) for MMRDA
2005-06	Work awarded by MRVCL for construction of 48 units types V flats in Nirmal Park premises of Central Railway at Byculla
21.03.2006	Entered into a Joint Venture agreement with M/s Michigan Engineers Pvt. Ltd. to execute the project of PHASE – I – Widening and desilting of Mithi River from Mahim Causeway to Dharavi Bridge (ch.0.00 m to 1280.00 m) and Vakola Nalla from Vakola Bridge to SCLR (Ch.645.00 m to Ch.2433.00 m) in BKC for MMRDA
09.03.2006	Entered into a Joint Venture agreement with M/s Sunrise Stone Industries to execute the project of AC-52: Widening and Improvement of various roads in F/N Ward, Group F/N for MCGM and to execute the project of AW-42 Widening and Improvement of various roads in R/Central Ward, to the West of Railway line and South of LT Road for MCGM

21.03.2006	Entered into a Joint Venture agreement with M/s New India Roadways to execute the project of AW-39 Widening and Improvement of various roads in 'P/North' Ward, to the East of Railway line for MCGM and to execute the project of AW-40 Widening and Improvement of various roads in 'P/North' Ward, to the West of Railway line and Daftary Road at Malad (E) for MCGM
16.10.2006	Entered into a Joint Venture agreement with M/s Michigan Engineers Pvt. Ltd. to execute the project of Construction of Road Over Bridge in lieu of LC No.31 between Malad and Kandivali Station on Western Raiway for MCGM
4.12.2006	The erstwhile Partnership Firm M/s Reliance Construction Company was converted into a Private Limited Company and incorporated as Relcon Infraprojects Private Limited
31.3.2007	Increase in paid up share capital from Rs.5 cr to Rs.7 cr
29.06.2007	Entered into an agreement with M/s Michigan Engineers Pvt. Ltd. to execute the project of Training of Mithi River (widening & deepening, RCC retaining wall, service road) from Airport New Bridge to Marwe F.O.B. L/Ward for MCGM
2007-08	Work awarded by MMRDA for construction of state of the art Building one each for office and residential purpose in BKC
11.3.2008	Increase in paid up share capital from Rs.7 cr to Rs.9 cr
27.08.2008	Entered into a Joint Venture agreement with M/s R.K.Madhani & Co. for Construction of skywalk at Bhandup (West) and Ghatkopar (West) for MMRDA
2008-09	Successfully completed the BRTS project at Pune
	Work awarded by MCGM for Construction of ROB at Jogeshwari
	Wholly owned Subsidiary company Relcon Realty Private Ltd. incorporated
29.04.2009	Entered into an agreement with M/s Michigan Engineers Pvt. Ltd. to participate in the tender for the work of construction of ROB at Jogeshwari (North) in lieu of LC No.26 & 27 for MCGM
20.7.2010	Company converted into a Public Limited Company and renamed as Relcon Infraprojects Limited. Change in Articles – adoption of new set of Articles
2009-10	Work awarded by MCGM for construction of proposed Trauma Hospital at Village Majas, Jogeshwari
	Work awarded by MCGM for construction of proposed Majas Market, JVLR
28.02.2011	Sold and transferred the Realty Business as a going concern on "as-is-where-is-basis" to Relcon Realty Private Ltd., our wholly owned subsidiary, through a Slump Sale Agreement.

Time and Cost Overrun
In respect of projects undertaken by our Company since its incorporation, there have been no time and cost overruns.

Defaults or rescheduling of borrowing
We have not defaulted or rescheduled our borrowings. Furthermore, none of our loans taken from banks and financial institutions have been converted into equity in the past.

Injunction or Restraining Order
As of the date of this Draft Red Herring Prospectus, no injunction or restraining order has been issued against our Company.

Technology and market competence
For details on the technology, market competence, technology competence and capacity built up of our Company, see the section titled "Our Business" beginning on page no. 66 of this Draft Red Herring Prospectus.

Competition
For details on the competition faced by our Company, see "Competition" in the section titled "Our Business" beginning on page no. 66 of this Draft Red Herring Prospectus.

Main Objects
The main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:

1. To construct, execute, carry out, improve develop, administer, supervise, manage any civil contract of any nature either in India or out of India for any government, semi-government, public body, local authority or any entity whether incorporated or not.

2. To carry on the business of builders, developers, contractors, sellers, purchasers, lessors, lessee & dealers in all kinds of civil structures including but not limited to real estate constituting industrial, commercial & residential building, township, tenements, bungalows, apartments, multiplexes, malls, shopping complex, industrial estate, export zones, special economic zone, theme parks, roads, bridges, culverts, bus terminals, sports complex, airports, shipyards & any other civil, mechanical & electronic work and any other incidental activity in relation to the above.

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently carried out as well as business proposed to be carried out and the activities proposed to be undertaken pursuant to the Objects of the Issue.

Changes in the Memorandum of Association:
Since incorporation, the following changes have taken place in our Company's Memorandum of Association:

Date of Amendment	Amendment
30.4.2010	Increase in Authorised capital from Rs.10 cr to Rs.15 cr and Reclassification of shares
20.07.2010	Change of name from Relcon Infraprojects Pvt Ltd. To Relcon Infraprojects Ltd. Change in Articles – adoption of new set of Articles

The details of the Capital raised are given in the section titled "Capital Structure" on page no. 21 of the Draft Red Herring Prospectus.

Promoters
The Promoters of our Company are Mr. Rakesh P Shah, Mr. Tejas P Shah, Mr. Jainendra P Shah and Mr. Dipan P Shah. For details, see the chapter "Our Promoters, Promoter Group and Group Companies" beginning on page no. 129 of this Draft Red Herring Prospectus.

Capital raising activities through equity or debt
For details regarding our debt raising, see the chapter "Financial Indebtedness" and our equity capital raising, see the chapter "Capital Structure" beginning on page nos. 159 and 21 respectively of this Draft Red Herring Prospectus.

Subsidiaries
Our Company has one subsidiary. For details regarding the Subsidiaries of our Company, please see the section entitled "Subsidiaries and Joint Ventures" on page no. 124.

Joint Ventures
Our Company has 11 Joint Ventures. For details regarding the Joint Ventures of our Company, please see the section entitled Subsidiaries and Joint Ventures on page no. 124.

Strategic Partners
Our Company does not have any strategic partners as on date of the Draft Red Herring Prospectus.

Financial Partners
Our Company does not have any financial partners as on date of the Draft Red Herring Prospectus.

Shareholders Agreement
As on the date of filing the Draft Red Herring Prospectus, there are no existing Shareholders Agreements amongst the shareholders of our Company.

Other Agreements

There are no other material agreements or contracts, which have been entered into within a period of two years prior to the date of the Draft Red Herring Prospectus, which are subsisting as on date other than as follows :

We were carrying on the business of redevelopment of buildings and had entered into certain re-development agreements with societies for redevelopment of its land and building. With a view to focus on infrastructure development and construction activities, we have entered into an agreement for Slump Sale dated 28th February, 2011 with our wholly owned subsidiary, Relcon Realty Private Ltd, for transfer of our realty business, as a going concern together with all our rights and obligations, including but not limited to our rights and obligations under the said aforesaid development agreements, to our Subsidiary.

Holding Company

Our Company does not have a holding company.

OUR MANAGEMENT

As per the Articles of Association our Company cannot have less than 3 Directors and more than 12 Directors. Currently, our Company has eight (8) Directors, out of which four (4) are Whole Time Directors including the Executive Chairman. There are four independent Directors on the Board.

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

Board of Directors

Sl. No.	Name Designation, Father's Name, Qualification, Address, Date of Birth (DOB), Age, Occupation, DIN and Term	Date of Appointment	Other Directorships/Partnerships/ Proprietorships
1.	Mr. Rakesh P Shah Chairman (*Executive & Non Independent*) S/o Late Pravin Chotalal Shah B.Com 201, Krishna Niwas, 2nd Floor, J.V.P.D Scheme Road 5, Plot No.9, Suvarna Nagar C.H.S Ltd., Vile Parle (West), Mumbai – 400 056 DOB: 18.09.1966 44 Years Industrialist DIN: 00482647 Term: Appointed for 5 years w.e.f 01.04.2010 till 30.03.2015	03.03.2008 *(Appointed as Chairman w.e.f 03.03.08* *Re appointed as Chairman for 5 years w.e.f 01.04.2010)*	**Partnership Firms :** • Jainam Developers • Deepcon Engineers • Zenith Developers **Proprietorship Firm :** • Shubham Developers **Body Corporate :** Relcon Realty Private Limited
2.	Mr. Tejas P Shah Managing Director (*Executive & Non Independent*) S/o Late Mr. Pravin Chotalal Shah BE Civil from Mangalore University, 501, Ketan Villa, The Hatkesh C.H.S. Ltd., Plot No.25, North South Road No.6, J.V.P.D Scheme, Vile Parle (West), Mumbai 400 056 DOB: 03.10.1970 40 Years Industrialist DIN: 00482588 Term: Appointed for 5 years w.e.f 01.04.2010 till 30.03.2015	4.12.2006 *(Appointed as Managing Director w.e.f 1.4.2008* *Re appointed as Managing Director for 5 years w.e.f 01.04.2010)*	**Partnership Firms :** Jainam Developers

3.	Mr. Jainendra P Shah Jt Managing Director (*Executive & Non Independent*) S/o Late Pravin Chotalal Shah S.S.C 52, Uday Swastik Society, North South Road, No.4, J.V.P.D Scheme, Vile Parle (West), Mumbai 400 056 DOB: 08.12.1964 46 Years Industrialist DIN: 00482719 Term: Appointed for 5 years w.e.f 01.04.2010 till 30.03.2015	4.12.2006 *(Appointed as Jt Managing Director w.e.f 01.04.2008* *Re appointed as Jt Managing Director for 5 years w.e.f 01.04.2010)*	**Partnership Firms :** Jainam Developers
4.	Mr. Dipan P Shah Executive Director (*Executive & Non Independent*) S/o Late Pravin Chotalal Shah 401, Shantam Building, North South Road No. 9, Plot 38, , J.V.P.D Scheme, Vile Parle (West), Mumbai 400 056 DOB: 06.07.1969 41years Industrialist DIN: 00482614 Term: Appointed for 5 years w.e.f 01.04.2010 till 30.03.2015	03.03.2008 *(Appointed as Executive Director w.e.f 03.03.08* *Re appointed as Executive Director for 5 years w.e.f 01.04.2010)*	**Partnership Firms :** • Jainam Developers • Deepcon Engineers • Zenith Developers **Body Corporate :** Relcon Realty Private Limited
5.	Mr. Dilip K Patel Director *(Non Executive & Independent)* S/o Dr. Keshavlal Patel Chemical Engineer from IIT Kanpur D-70 Fifth floor, Bina Apartments Sir M. V. Road, Andheri (East), Mumbai 400069 DOB: 20.10.1947 63 years Occupation : Management Consultant DIN: 00013150	27.08.2010 *(As Additional Director; Confirmed at AGM on 30.09.2010)*	• Eurotex Industries & Exports Ltd. • Malladi Drugs & Pharmaceuticals Ltd. • Godavari Drugs Ltd. • Polyset Plastics Ltd. • Celestial Biologicals Ltd. • Solar Industries Ltd. • Minex Metallurgical Company Ltd. **Partnership Firms :** • Dilip Patel & Associates

	Term: Retire by Rotation		
6.	Mr. Arvind Vithal Deshingkar Director *(Non Executive & Independent)* S/o Late Mr. Vithal Govind Deshingkar B.E. (Civil), Master of Technology (Civil Engineering) from Indian Institute of Technology Bombay. Building 5, Block 102, Neelam Nagar Ph I, Gawanpada, Mulund (East) Mumbai – 400081 DOB: 08.09.1948 62 years Occupation : Retired DIN: 03202809 Term: Retire by Rotation	27.08.2010 *(As Additional Director; Confirmed at AGM on 30.09.2010)*	-
7.	Mr. Pratap Ratilal Merchant Director *(Non Executive & Independent)* S/o Late Mr. Ratilal Ranchoddas Merchant B.Com 403, Sheel Building A Wing 4th Floor, Lajpatrai Road, Vile Parle (West), Mumbai – 400056 DOB: 02.03.1935 76 years Occupation : Retired DIN: 00022223 Term: Retire by Rotation	27.08.2010 *(As Additional Director; Confirmed at AGM on 30.09.2010)*	• Precision Wires India Ltd. • Setco Automotive Ltd. • Gee Cee Ventures Ltd. • KJMC Asset Management Co. Ltd. • Shree Sudha Consulting Pvt. Ltd.
8.	Mr. Yogesh Anandlal Shah Director *(Non Executive & Independent)* S/o Late Mr. Anandlal Shah B.Sc 501, Shraddha Suman, Plot No. 37, Road No. 6,, J.V.P.D, Vile Parle (West), Mumbai – 400056 DOB: 14.04.1952 58 years	27.08.2010 *(As Additional Director; Confirmed at AGM on 30.09.2010)*	• Encore Holdings & Trading Pvt. Ltd. • Stellar Interactive Media Pvt Ltd. • Entertainment Television Network Pvt. Ltd. • JRY Investment Private Limited • Gharse Online Service Pvt. Ltd. • Ruperistan Pvt. Ltd. • Stellar Satellite Network Pvt Ltd. • Pacenet Cable Operator Network (India) Ltd. • Stellar Cinema Network Pvt Ltd. • Digicable Network (India) Pvt. Ltd. • Broadband Pacenet (India) Pvt. Ltd. • Cabio Entertainment (I) Pvt. Ltd.

	Occupation : Business DIN: 00001965 Term: Retire by Rotation		• Interactive Content Distribution Services Pvt. Ltd. • Fastway Transmission Pvt. Ltd. • Stellar Fiscal Services Pvt. Ltd. • Digi Western Network Pvt. Ltd.

The brief profile of the Directors of our Company is given below:

Mr. Rakesh P Shah – Chairman and Non Independent Director
Mr. Rakesh P Shah is an Industrialist with more than 15 yrs of experience and is the Chairman of our Company. He has graduated in Commerce from the University of Mumbai. Initially he was involved in the packaging industry and construction activity in Baroda. Having gained experience in the manufacturing and service industry & with a view to furthering the growth of the family business he shifted base to Mumbai in the year 1996. He initially forayed into the field of Ready Mixed Concrete and subsequently also oversaw the Reality business of our Company. Currently, at Relcon, he oversees the entire operations at our Company's RMC plants located at BKC, Mulund, Wadala and Dahisar and also oversees the entire finance operatons of our Company. He has travelled far & wide across the globe in search of improved techniques in modern construction. He has keen analytical skills and good communication and interpersonal. He also occupies the position of the Honorary Vice President of the Ready Mix Concrete Manufacturers Association (Mumbai.

Mr. Tejas P Shah – Managing Director and Non Independent Director
Mr. Tejas P Shah is the Managing Director of our Company. He graduated in Civil Engineering in the year 1992 from Mangalore University. Currently at Relcon he oversees all the projects involving civil works _. He has vast experience in the construction industry having worked on various projects of different magnitude and nature. He also constantly endeavours to better the systems and processes in our Company. He is also an active committee member of Builders' Association of India (Mumbai), occupying the position of Hon. Joint Secretary.

Mr. Jainendra P. Shah – Jt. Managing Director and Non Independent Director
Mr. Jainendra P Shah is the Jt. Managing Director of our Company . He has over twenty four years of experience in the construction sector. He has been instrumental in implementing the Backward Integration of our Company by foraying into Quarries, Crushers and Asphalt Plants. Currently at our Company he oversees the entire activities at the Quarries, Crushing Plant and the Asphalt Plants. He also oversees the marketing activities for selling the produce of the quarries and the asphalt plants and is actively involved in the supply of Asphalt based products.

Mr. Dipan P. Shah – Executive Director and Non Independent Director
Mr. Dipan P Shah is the Executive Director of our Company. Currently at Relcon he looks after administration and liasioning workand marketing activities of our Company.
. He is also Founder Chief Patron Member of Jain International Trade Organisation and is a Committee Member of the Jain International Trade Organisation, Juhu Chapter.

Mr. Dilip K. Patel – Independent Director
Mr. Dilip K. Patel, is an Independent Director of our Company. He is a Chemical Engineer from IIT, Kanpur. He was involved in setting up two projects, at Baroda for bulk drugs and for Explosives near Nagpur in Collaboration with Chematur, Sweden. He has worked with SICOM, a state level Financial Institution for about 30 years in various capacities including as General Manager for seven years. His Experience involved dealing with various projects in all aspects including identification, implementation, financing, revival and rehabilitation etc. He was also head of Merchant Banking and management of equity portfolio at SICOM. Presently he is engaged as Management Consultant with several companies in enhancing operating performance, both in manufacturing and services sector and also Strategic Planning / Turnaround of sick / weak companies.

Mr. Arvind Vithal Deshingkar – Independent Director
Mr. Arvind Vithal Deshingkar is an Independent Director of our Company. He is a Bachelor of Engineering (Civil) and a Master of Technology (Civil Engineering) from the Indian Institute of Technology Bombay. He has over 35 years of wide experience in the construction and infrastructure industry. He was for long years the Chief Engineer P.W.D, Government of Maharashtra and was also the Additional Metro Commissioner to Government of Maharashtra and was involved in various construction and infrastructure projects including implementation of River Channelisation, fly overs, bridges and implementationof urban Infrastructure projects. Presently he is a menber of the Expert Committee on Urban Hydrology MMRDA, Mumbai and Advisor to SVNIT, Surat on construction aspects.

Mr. Pratap Ratilal Merchant - Independent Director
Mr. Pratap R. Merchant is an Independent Director of our Company. He has done his graduation in Commerce. He has wide experience in the field of Banking & Finance for the last 27 years. He was the General Manager of Dena Bank and retired as the Executive Director of Bank of Baroda .

Mr. Yogesh Anandlal Shah – Independent Director
Mr. Yogesh Anandlal Shah is an Independent Director of our Company. He has over 14 years of experience in the area of Cable TV industry. A science graduate, He was also in the forefront of the Cable Operators Association's fight for Copyright for the cable TV networks. He also introduced through his partnership firm the legal copyrighted Hindi movie software under the Head 'Cable Master'. In 2002 he was one of the promoter director to start an Internet Service Provider Company named Broadband pacenet (India) Pvt. Ltd. which has a category A licence and is providing Internet Services in more than 40 cities across the country. He is also one of the promoter director of Digicable Netwrok (India) Pvt. Ltd. which has a presence in over 70 cities in the Country and is one of the players in the field of Cable TV sector.

TERMS OF APPOINTMENT & COMPENSATION OF CHAIRMAN, MANAGING DIRECTOR, JT MANAGING DIRECTOR AND EXECUTIVE DIRECTOR

i. Mr. Rakesh P Shah, Chairman

Mr.Rakesh P Shah was appointed as Chairman w.e.f March 03, 2008 at the Board Meeting held on March 3, 2008, for a period of five years. The terms of his appointment were later revised by the Board of Directors in their meeting held on April 1, 2010. He has been re-appointed as the Whole Time Director designated as Chairman w.e.f April 1, 2010 for a period of five years.

The terms of his appointment are as follows:

Particulars	Remuneration
Salary	Rs. 2,75,000/- per month with an increase of Rs.50,000/- every year
Performance Bonus	As decided by the Board subject to maximum of Rs. 36,00,000/- per year in addition to salary, perquisites and allowances payable
Perquisites	i. Accomodation (furnished or otherwise) or house rent allowance of Rs.1,25,000/- per month ii. City Compensatory Allowance – Rs.50,000/- per month iii. Reimbursement of medical/accident insurance iv. Leave Travel Concession: For self and family in accordance with the rules of our Company. v. Club Fee: Fees of clubs, subject to a maximum of two clubs provided that no entrance fee will be allowed**.** vi. Such other perquisites and allowances in accordance with the rules of our Company or as may be agreed to by the Board All the above perquisites and allowances will be subject to a maximum of an amount equal to the annual salary vii. Provision for use of Company's car for official duties and telephone at residence viii. Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, Gratuity and encashment of leave at the end of tenure as per the rules of our Company ix. One month's leave with full pay and allowances but not more than one month's leave for every eleven months of service. Lleave accumulated but not availed of will be allowed to be encashed x. Benefits under loan and other schemes in accordance with the practice, rules and regulations in force from time to time

	xi. Such other benefits as may be provided by our Company to the other senior officers from time to time
Minimum Remuneration	During any financial year in the tenure of Rakesh P Shah as the Chairman, if our Company has loss or inadequate profits, the payment of salary, perquisites and other allowances shall be governed by the limits prescribed under Schedule XIII of the Companies Act, 1956.

Termination: Our Company or Mr. Rakesh P Shah can terminate the appointment by giving 180 days notice in writing.

If at any time Mr. Rakesh P Shah ceases to be the director of our Company for any cause whatsoever, he shall cease to be the Chairman of our Company.

ii. Mr. Tejas P Shah, Managing Director

Mr.Tejas P Shah was appointed as Managing Director w.e.f April 01, 2008 at the Board Meeting held on March 11, 2008, for a period of five years. The terms of his appointment were later revised by the Board of Directors in their meeting held on April 1, 2010. He has been re-appointed as the Managing Director w.e.f April 1, 2010 for a period of five years..

The terms of his appointment are as follows:

Particulars	Remuneration
Salary	Rs. 2,75,000/- per month with an increase of Rs.50,000/- every year
Performance Bonus	As decided by the Board subject to maximum of Rs. 36,00,000/- per year in addition to salary, perquisites and allowances payable
Perquisites	i. Accomodation (furnished or otherwise) or house rent allowance of Rs.1,25,000/- per month ii. City Compensatory Allowance – Rs.50,000/- per month iii. Reimbursement of medical/accident insurance iv. Leave Travel Concession: For self and family in accordance with the rules of our Company. v. Club Fee: Fees of clubs, subject to a maximum of two clubs provided that no entrance fee will be allowed**.** vi. Such other perquisites and allowances in accordance with the rules of our Company or as may be agreed to by the Board All the above perquisites and allowances will be subject to a maximum of an amount equal to the annual salary vii. Provision for use of Company's car for official duties and telephone at residence viii. Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, Gratuity and encashment of leave at the end of tenure as per the rules of our Company ix. One month's leave with full pay and allowances but not more than one month's leave for every eleven months of service. leave accumulated but not availed of will be allowed to be encashed x. Benefits under loan and other schemes in accordance with the practice, rules and regulations in force from time to time xi. Such other benefits as may be provided by our Company to the other senior officers from time to time
Minimum Remuneration	During any financial year in the tenure of Tejas P Shah as the Managing Director, if our Company has loss or inadequate profits, the payment of salary, perquisites and other allowances shall be governed by the limits prescribed under Schedule XIII of the Companies Act, 1956.

Termination: Our Company or Mr. Tejas P Shah can terminate the appointment by giving 180 days notice in writing.

If at any time Mr. Tejas P Shah ceases to be the director of our Company for any cause whatsoever, he shall cease to be the Managing Director of our Company.

iii. Mr. Jainendra P Shah, Jt Managing Director

Mr.Jainendra P Shah was appointed as Jt. Managing Director w.e.f April 01, 2008 at the Board Meeting held on March 11, 2008, for a period of five years. The terms of his appointment were later revised by the Board of Directors in their meeting held on April 1, 2010. He has been re-appointed as the Jt. Managing Director w.e.f April 1, 2010 for a period of five years.

The terms of his appointment are as follows:

Particulars	Remuneration
Salary	Rs. 2,75,000/- per month with an increase of Rs.50,000/- every year
Performance Bonus	As decided by the Board subject to maximum of Rs. 36,00,000/- per year in addition to salary, perquisites and allowances payable
Perquisites	i. Accomodation (furnished or otherwise) or house rent allowance of Rs.1,25,000/- per month ii. City Compensatory Allowance – Rs.50,000/- per month iii. Reimbursement of medical/accident insurance iv. Leave Travel Concession: For self and family in accordance with the rules of our Company. v. Club Fee: Fees of clubs, subject to a maximum of two clubs provided that no entrance fee will be allowed**.** vi. Such other perquisites and allowances in accordance with the rules of our Company or as may be agreed to by the Board All the above perquisites and allowances will be subject to a maximum of an amount equal to the annual salary vii. Provision for use of Company's car for official duties and telephone at residence viii. Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, Gratuity and encashment of leave at the end of tenure as per the rules of our Company ix. One month's leave with full pay and allowances but not more than one month's leave for every eleven months of service. leave accumulated but not availed of will be allowed to be encashed x. Benefits under loan and other schemes in accordance with the practice, rules and regulations in force from time to time xi. Such other benefits as may be provided by our Company to the other senior officers from time to time
Minimum Remuneration	During any financial year in the tenure of Jainendra P Shah as the Jt. Managing Director, if our Company has loss or inadequate profits, the payment of salary, perquisites and other allowances shall be governed by the limits prescribed under Schedule XIII of the Companies Act, 1956.

Termination: Our Company or Mr. Jainendra P Shah can terminate the appointment by giving 180 days notice in writing.

If at any time Mr. Jainendra P Shah ceases to be the director of our Company for any cause whatsoever, he shall cease to be the Jt. Managing Director of our Company.

iv. Mr.Dipan P Shah, Executive Director

Mr.Dipan P Shah was appointed as Executive Director w.e.f March 03, 2008 at the Board Meeting held on March 03, 2008, for a period of five years. The terms of his appointment were later revised by the Board of Directors in their meeting held on April 1, 2010. He has been re-appointed as the Whole Time Director designated as the Executive Director w.e.f April 1, 2010 for a period of five years.

The terms of his appointment are as follows:

Particulars	Remuneration
Salary	Rs. 2,75,000/- per month with an increase of Rs.50,000/- every year
Performance Bonus	As decided by the Board subject to maximum of Rs. 36,00,000/- per year in addition to salary, perquisites and allowances payable
Perquisites	i. Accomodation (furnished or otherwise) or house rent allowance of Rs.1,25,000/- per month ii. City Compensatory Allowance – Rs.50,000/- per month iii. Reimbursement of medical/accident insurance iv. Leave Travel Concession: For self and family in accordance with the rules of our

	Company. v. Club Fee: Fees of clubs, subject to a maximum of two clubs provided that no entrance fee will be allowed. vi. Such other perquisites and allowances in accordance with the rules of our Company or as may be agreed to by the Board All the above perquisites and allowances will be subject to a maximum of an amount equal to the annual salary vii. Provision for use of Company's car for official duites and telephone at residence viii. Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, Gratuity and encashment of leave at the end of tenure as per the rules of our Company ix. One month's leave with full pay and allowances but not more than one month's leave for every eleven months of service. Leave accumulated but not availed of will be allowed to be encashed x. Benefits under loan and other schemes in accordance with the practice, rules and regulations in force from time to time xi. Such other benefits as may be provided by our Company to the other senior officers from time to time
Minimum Remuneration	During any financial year in the tenure of Dipan P Shah as the Executive Director, if our Company has loss or inadequate profits, the payment of salary, perquisites and other allowances shall be governed by the limits prescribed under Schedule XIII of the Companies Act, 1956.

Termination: Our Company or Mr. Dipan P Shah can terminate the appointment by giving 180 days notice in writing.

If at any time Mr. Dipan P Shah ceases to be the director of our Company for any cause whatsoever, he shall cease to be the Executive Director of our Company.

Payment or benefit to Directors of our Company

1. Remuneration paid to Whole Time Directors:

The aggregate value of salary and perquisites paid for the year 2009-10 to the Whole Time Directors of our Company are as follows :

Name of the Director	Total Remuneration (in Rs. Lakhs)
Mr. Rakesh P Shah	33.08
Mr. Tejas P Shah	33.08
Mr. Jainendra P Shah	33.08
Mr.Dipan P Shah	33.08

2. Remuneration details of Non Executive and Independent Directors

The Non-Executive and Independent Directors of our Company are not paid any remuneration other than sitting fees for attending meetings. Pursuant to the resolution passed by the Board on August 3, 2010, a sitting fee of Rs. 15,000 for attending each meeting of the Board and a sitting fee of Rs. 10,000 for attending each meeting of the Committee is being paid. Other than sitting fees payable as a Director, no fees is payable to the chairman of the committees.

Except as stated in this Draft Red Herring Prospectus, no amount or benefit (other than salaries paid in due course) has been paid by our Company within the two preceding years or is intended to be paid or given to any of the Directors.

Bonus or Profit Sharing Plan for the Directors

There is no bonus or profit sharing plan for the Directors of our Company.

Contingent and Deferred Compensation payable to Directors

The Whole Time Directors are also eligible for deferred payments like gratuity, leave salary etc. as per our Company policy apart from their regular remuneration.

Shareholding of Directors in our Company

The shareholding of the Directors on the date of filing the Draft Red Herring Prospectus is as follows:

Sl. No.	Name of the Director	No. of Shares	%Age of the Paid-up Share Capital
1.	Mr.Rakesh P Shah	21,94,990	24.39
2	Mr.Tejas P Shah	21,45,000	23.83
3	Mr.Jainendra P Shah	21,45,000	23.83
4.	Mr.Dipan P Shah	21,94,990	24.39

For details of shareholding of our Directors in our Company, see section titled "Capital Structure" on page no. 21.

Relationships between Directors

Except as provided below, none of our other Directors are related to each other:

Sr. No.	Names of Directors	Nature of Relationship
1	Mr. Rakesh P Shah, Mr. Tejas P Shah, Mr. Jainendra P Shah and Mr. Dipan P Shah	Brothers

Details of Service Contracts

There are no service contracts entered into with any Directors for provision of benefits or payments of any amount upon termination of employment except statutory benefits upon termination of their employment in our Company or retirement. All the Whole Time Directors of our Company can terminate the appointment as Whole Time Director by giving 180 days notice in writing.

Interest of Directors

All of our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses, if any, payable to them under our Articles. Further, our Directors may also be regarded as interested in the equity shares if any, held by them or by the companies/firms/ventures promoted by them or held by relatives of our Directors or that may be subscribed by or allotted to the companies, firms, trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Issue. All the independent Directors are entitled to receive sitting fees for attending the Board/committee meetings within the limits laid down in the Companies Act and as decided by our Board. The Managing Director, Executive Director and Whole Time Directors of our Company are interested to the extent of remuneration paid to them for services rendered as officers or employees of our Company (For more details, please refer "Related Party Disclosures" as mentioned in the "Financial Information" given in this Draft Red Herring Prospectus at page no. F-27). Further, the Directors are also interested to the extent of Equity Shares, if any, already held by them or their relatives in our Company, or that may be subscribed for and allotted to them, out of the present Issue in terms of this Draft 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 have no interest in any property acquired by our Company within two preceeding years from the date of filing of this Draft Red Herring Prospectus, or presently intended to be acquired by our Company as disclosed in this Draft Red Herring Prospectus. Except as stated in "Financial Information– Related Party Transactions" on page no. F-27, and to the extent of shareholding in our Company, our Directors do not have any other interest in our business. Except as stated in this section, respectively, no amount or benefits were paid or were intended to be paid to our Directors within two preceeding years from the date of filing of this Draft Red Herring Prospectus. All Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any Company in which they hold Directorships or any partnership firm in which they are partners as may be declared in their respective declarations. Except as stated otherwise in this Draft Red Herring Prospectus, we have not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of the Draft Red Herring Prospectus in which the directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered with them.

Directorships of our Directors in Listed Companies
The Directors of our Company are not, and for a period of five years prior to the date of filing the DRHP have not been on the board of any listed company whose shares have been / were suspended from being traded on the Bombay Stock Exchange Limited or the National Stock Exchange of India Limited.

None of our Directors have been or are directors on the board of listed companies which have been/were delisted from any stock exchange(s). For details of our directors associated with securities market, see section titled "Other Regulatory and Statutory Disclosures" on page no. 185.

Changes in our Board during the last three years

Sl. No	Name	Date of Appointment	Date of Cessation	Reason
1.	Smt. Kamakshi P. Shah		03.03.2008	Resignation
2.	Mr. Rakesh P Shah	03.03.2008		Appointed as Additional Director
3.	Mr. Dipan P Shah	03.03.2008		Appointed as Additional Director
4.	Mr. Dilip K Patel	27.08.2010		Appointed as an Additional Director
5.	Mr. Arvind Vithal Deshingkar	27.08.2010		Appointed as an Additional Director
6.	Mr. Pratap Ratilal Merchant	27.08.2010		Appointed as an Additional Director
7.	Mr. Yogesh Anandlal Shah	27.08.2010		Appointed as an Additional Director

Details Of Borrowing Powers
The shareholders in their Extra-Ordinary General Meeting held on September 21, 2010 have pursuant to the provisions of section 293 (1)(d) of the Companies Act, 1956, authorized our Company to borrow money from time to time up to a limit not exceeding in the aggregate of Rs. 30000 lakhs notwithstanding that money to be borrowed, together with the money already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of our Company and its free reserves.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE & SUB-COMMITTEES
The provisions of the listing agreement to be entered into with the Stock Exchanges with respect to corporate governance and the SEBI Regulations in respect of corporate governance will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company has complied with the corporate governance code in accordance with Clause 49 of such listing agreement, particularly, in relation to appointment of independent Directors to the Board of Directors of our Company and constitution of the audit committee, the share transfer & investor grievance committee and the remuneration committee. The Board of our Company functions either as a full board of directors or through various committees constituted to oversee specific operational areas. Our Company undertakes to take all necessary steps to continue to comply with all the requirements of Clause 49 of the listing agreement to be entered into with the Stock Exchanges.

Currently the Board of Directors of our Company has 8 Directors, of which since the Chairman of the Board is an Executive Non Independent Director. In compliance with the requirements of Clause 49 of the listing agreement, our Company has four independent Directors. In terms of the Clause 49 of the listing agreement, our Company has constituted the following committees:

a. Audit Committee
b. Remuneration Committee
c. Share Transfer and Investors' Grievance Committee and
d. IPO Committee.

Composition of the Board of Directors

To comply with the guidelines in relation to Corporate Governance, we have already appointed four (4) independent directors, viz. Mr. Dilip K Patel, Mr. Arvind Vithal Deshingkar, Mr. Pratap Ratilal Merchant and Mr. Yogesh Anandlal Shah on its Board. As the Chairman of our Company is a Non Independent Chairman, half of the Board of Directors comprises of Independent Directors.

As on date our Company has the following Directors on its Board:

Name	Designation	Status
Mr. Rakesh P Shah	Chairman	Executive & Non-Independent Director
Mr. Tejas P Shah	Managing Director	Executive & Non-Independent Director
Mr. Jainendra P Shah	Jt Managing Director	Executive & Non-Independent Director
Mr. Dipan P Shah	Executive Director	Executive & Non-Independent Director
Mr. Dilip K Patel	Director	Non-Executive & Independent Director
Mr. Arvind Vithal Deshingkar	Director	Non-Executive & Independent Director
Mr. Pratap Ratilal Merchant	Director	Non-Executive & Independent Director
Mr. Yogesh Anandlal Shah	Director	Non-Executive & Independent Director

Committees of the Board

Audit Committee

The audit committee was constituted on 27.08.2010 with the following members:

Mr. Pratap R Merchant : *Independent Non- Executive Director (Chairman)*
Mr. Dilip K Patel : *Independent Non- Executive Director (Member)*
Mr. Rakesh P Shah : *Executive Director (Member)*

The powers of the Audit Committee shall include the power to (i) investigate any activity within its terms of reference; (ii) seek information from any employee; (iii) obtain outside legal or other professional advice; and (iv) secure attendance of outsiders with relevant expertise, if it considers necessary.

The terms of reference of the Audit Committee shall include the following :

- To Review with the management as and when applicable, the quarterly, half yearly and annual financial statements before submission to the board for approval.
- To review with the management, performance of the Statutory and Internal auditors, adequacy of internal control system.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- To review the adequacy of internal audit function, the structure of the internal audit department and frequency of internal audit.
- To discuss with Internal Auditors any significant findings and follow up thereon
- 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.
- To discuss with statutory auditor before the audit commences about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- To Review with the management the annual financial statements before submission to the board for approval with reference to:
  - ✓Matter required to be included in the Director Responsibility statement to be included in Board report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
  - ✓Changes if any, in accounting policies and practices and reason for the same.
  - ✓Major accounting entries involving estimates based on exercise of judgment by management.
  - ✓Compliance with the listing and other legal requirement relating to financial statement.
  - ✓Disclosure of any related party transaction.
  - ✓Qualification in the draft audit report.
- To carry such other function as is mentioned in the terms of reference of Audit Committee.
- Monitor the Utilization of the issue proceeds.

The quorum necessary for the meeting of the Audit Committee shall be two directors other than the Executive Directors.

Remuneration Committee:
The Remuneration Committee was constituted on August 27, 2010 with the following Directors of the Board:

Mr. Arvind V Deshingkar	: *Independent Non- Executive Director (Chairman)*
Mr. Pratap R Merchant	: *Independent Non- Executive Director (Member)*
Mr. Dilip K Patel	: *Independent Non- Executive Director (Member)*

The terms of reference of the Remuneration Committee shall include the following :

- To fix the Salary & Perquisites of Executive Directors of our Company.
- .
- To consider the profits of our Company and to decide about the adequacy of profits of our Company.
- To consider the adequacy of profits of our Company and to consider remuneration payable to the Managerial persons as per requirement of the companies Act and Schedule XIII of the companies Act.
- To approve the remuneration payable to the managerial personnel of our Company in case of inadequacy of the profits as per requirement of Schedule XIII of the Companies Act, 1956.
- To take all other consequential and incidental action and measure.

The quorum necessary for the meeting of the Remuneration Committee shall be two directors.

Share Transfer & Investors' Grievances Committee
The Share Transfer & Investors' Grievance Committee was constituted by the Board in its meeting held on August 27, 2010.

The committee consists of the following members:

Mr. Dilip K Patel	: *Independent Non- Executive Director (Chairman)*
Mr. Pratap R Merchant	: *Independent Non- Executive Director (Member)*
Mr. Dipan P Shah	: *Executive Director (Member)*

This committee has been constituted with powers to specifically look into redressing the shareholders and investors' complaints and monitors investors' grievances including complaints on transfer of shares, dematerialization of shares in physical form, issue of duplicate share certificate, non-receipt of balance sheet, non-receipt of declared dividends etc. and redressal thereof.

The terms of reference of the Share Transfer & Investors' Grievance Committee shall include the following:

- To accept the share application along with the share application money and reject the application as may be deem fit and proper;
- To do all work relating to transfer, transmission, consolidation, split and issue of duplicate shares of our Company;
- To do all the necessary things as may be required from time to time under the Companies Act, 1956 and other related enactment; and
- To look into the shareholder complaints, if any, and to redress the same expeditiously.
- .
- To inform the shareholders regarding provisions of various act and the redressal agency for their grievance.
- To take all other consequential and incidental action and measure.

The Company Secretary of the Company, Mr. Hoshang F Kapadia is the Compliance Officer.

There were no unresolved complaints/transfers pending.

The quorum necessary for the meeting of the Share Transfer & Investors' Grievance Committee shall be two directors.

IPO Committee
The IPO Committee was constituted on August 27, 2010. The IPO Committee constitutes the following Directors :

Mr. Rakesh P Shah	: *Executive Director (Chairman)*
Mr. Tejas P Shah	: *Executive Director (Member)*
Mr. Jainendra P Shah	: *Executive Director (Member)*
Mr. Dipan P Shah	: *Executive Director (Member)*

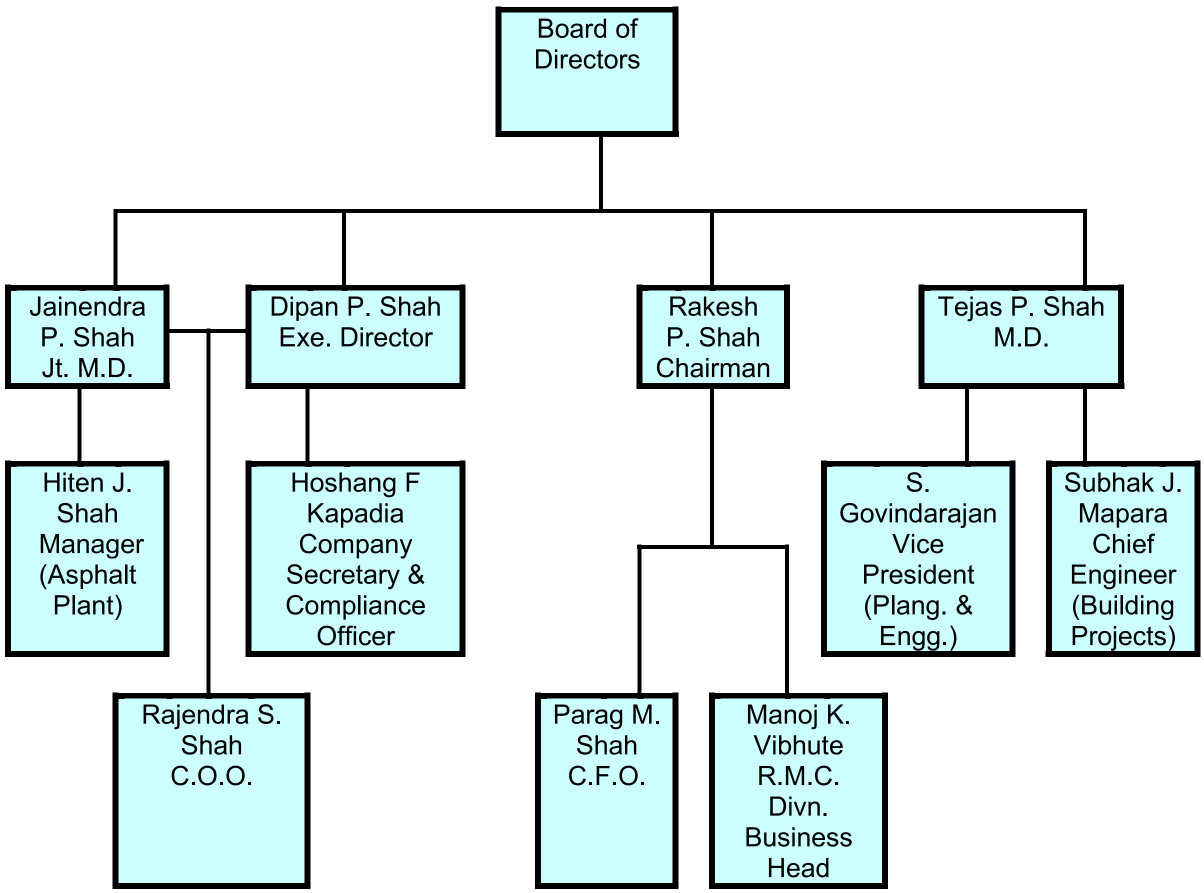
The terms of reference of the IPO Committee shall include the following:

- making applications to all regulatory and such other authorities as may be required for the purpose of allotment of shares to Non-Resident investors;
- deciding on the timing, pricing and all the terms and conditions of the issue of the shares for the Public Issue, including the price, and to accept any amendments, modifications, variations or alterations thereto;
- appointment of and entering into arrangements with the book running lead managers, underwriters to the Issue, syndicate members to the Issue, brokers to the Issue, escrow collection bankers to the Issue, registrars, legal advisors and any other agencies or persons or intermediaries to the Issue and to negotiate and finalise the terms of their appointment, including but not limited to execution of the BRLMs mandate letter, negotiation, finalisation and execution of the memorandum of understanding with the BRLMs etc.;
- opening of such accounts with the bankers to the Issue as are required by the regulations issued by SEBI;
- authorisation and approval of the incurring of expenditure and payment of fees in connection with the Issue;
- to do all such acts, deeds, matters and things and execution of all such other documents, etc. as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of share certificates in accordance with the relevant rules;
- submission of applications for listing of the shares in one or more stock exchange(s) for listing of the equity shares of our Company and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s);
- settlement of all questions, difficulties or doubts that may arise in regard to such issues or allotment as it may, in its absolute discretion deem fit;
- delegation of any of the powers mentioned above to such persons as may be decided by the Committee from time to time;

The quorum necessary for the meeting of the IPO Committee shall be two directors.

ORGANISATION CHART-RELCON INFRAPROJECTS LIMITED

MANAGEMENT ORGANISATION STRUCT



KEY MANAGERIAL PERSONNEL
The details of our Key Managerial Personnel as on the date of the Draft Red Herring Prospectus are as follows :

Mr. Parag M. Shah, aged 37 years, is the Chief Financial Officer of our Company and has been associated with our Company since incorporation. He is a Bachelor of Commerce and an Associate Member of Institute of Chartered Accountants of India. He has previously worked at Jogish Mehta & Co., Chartered Accountants and has a total experience of 10 years. He looks after the entire finance operations in our Company. The remuneration paid to him for the last Fiscal was Rs.15,00,000/-.

Mr.Subhak J. Mapara, aged 56 years, is the Chief Engineer (Building Projects) and has been associated with our Company since August 1, 2008. He is a Bachelor of Engineering in Civil Engineering. He has previously worked at Vineet Constructions Pvt Ltd. and has a total experience of 33 years. He manages the project sites of our Company. The remuneration paid to him for the last Fiscal was Rs. 6,75,000/-.

Mr. Rajendra S. Shah, aged 51 years, is the Chief Operating Officer and has been associated with our Company since July 01, 2007. He is a Bachelor of Commerce and an Associate Member of Institute of Chartered Accountants of India. He was previously Self Employed and has a total experience of 25 years in the RMC field. He is overall responsible for the RMC division and the entire administration of our Company. The remuneration paid to him for the last Fiscal was Rs. 4,60,000/-.

Mr. Manoj K. Vibhute, aged 41 years, is the RMC Business Head and has been associated with our Company since incorporation . He is a Bachelor of Engineering (Const.) and an MBA (Mktg.). He has previously worked at ACC Ltd.and has a total experience of 19 years. He is the Business Head for all the RMC plants of our Company. The remuneration paid to him for the last Fiscal was Rs. 17,04,000/-.

Mr. S. Govindrajan, aged 62 years, is the Vice President (Planning & Engineering) and has been associated with our Company since September 16, 2009. He is a Diploma in Civil & Rural Engineering and has an Associated Membership of The Institution of Engineers (India). He has previously worked at Ambrosia Designs and has a total experience of 37 years. He looks after Contract Management, Personnel Management, Works Management (including QC & QA), implementation of new proposals & avenues for the growth of our Company. The remuneration paid to him for the last Fiscal was Rs.5,66,664/-*.

Mr. Hoshang F Kapadia, aged 48 years, is the Company Secretary of our Company and has been associated with our Company since June 11, 2009. He is a Master in Commerce and an Associate Member of Institute of Company Secretaries of India and is also an Associate Member of Institute of Cost and Works Accountants of India. He has previously worked at Tata Engineering & Locomotive Co. Limited and has a total experience of 18 years. He looks after the entire secretarial functions of our Company. The remuneration paid to him for the last Fiscal was Rs. 3,60,000/-*.

Mr. Hiten Jamnadas Shah, aged 48 years, is the Manager – Asphalt Plant of our Company and has been associated with our Company since April 01, 2008. He is a Bachelor of Engineering (Mechanical) and D.O.M. He has previously worked at Ruby Coach Builders Ltd., Mumbai and has a total experience of 25 years. He looks after the entire operations of the Ashphalt Plant of our Company. The remuneration paid to him for the last Fiscal was Rs. 8,19,000/-.

* For part of the year

All the Key Management Personnel are permanent employees of our Company. It is confirmed that except as otherwise stated in this Draft Red Herring Prospectus, all the above-mentioned key managerial personnel have no other material / pecuniary interest in our Company.

Details of Service Contracts of our Key Management Personnel
Except for terms set forth in the appointment letters, our Key Mangement Personnel have not entered into any other contractual arrangements with our Company.

Contingent and Deferred Compensation payable to Key Management Personnel
As per the appointment letter(s), the following contingent and deferred compensation are payable to the Key Management Personnel:
• Gratuity as per the Payment of Gratuity Act; and
• Leave encashment benefits at the time of cessation/retirement from service.

Interest of Key Management Personnel
None of our Key Management Personnel have any interest in our Company except to the extent of remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them in the ordinary course of business. None of our key managerial personnel have been paid any consideration of any nature by our Company, other than their remuneration in the last two years. All our key managerial personnel may also be deemed to be interested to the extent of Equity Shares, if any, that may be subscribed for and allotted to them, out of the present Issue in terms of the Red Herring Prospectus and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares. As of the date of the Draft Red Herring Prospectus, none of our key managerial personnel holds any Equity Shares. None of our key managerial personnel have entered into any arrangements or undertakings with major shareholders, customers, suppliers or others pursuant to which the key managerial personnel was selected as a director or a member of senior management.

Shareholding of Key Managerial Personnel
None of the Key Managerial Personnel hold any shares of our Company as on the date of this Draft Red Herring Prospectus.

Changes in Key Managerial personnel during the last three years
The changes in our Key Management Personnel during the last three years are as follows:

Sl. No.	Name	Designation	Date of		Reason
			Joining	Leaving	
1.	Mr.Subhak J. Mapara	Chief Engineer (Building Projects)	01.08.2008	-	Appointment
2.	Mr. S. Govindrajan	Vice President (Planning & Engineering)	16.09.2009	-	Appointment
3.	Mr. Hoshang F Kapadia	Company Secretary	11.06.2009	-	Appointment
4	Mr. Hiten Jamnadas Shah	Manager – Asphalt Plant	01.04.2008	-	Appointment

Bonus or Profit Sharing Plan for the Key Managerial Personnel
There is no Profit Sharing Plan or bonus for the Key Managerial Personnel.

Disclosures Regarding Employees Stock Option Scheme / Employees Stock Purchase Scheme
Our Company has not issued any Employees Stock Option Scheme / Employees Stock Purchase Scheme, as required by the Guidelines or Regulations of SEBI relating to Employee Stock Option Scheme and Employee Stock Purchase Scheme.

Payment of Benefit to Officers of our Company (Non-Salary Related)
No amount of benefit has been paid or given to any officer of our Company within the two preceding years from the date of filing of this Draft Red Herring Prospectus or is intended to be paid, other than in the ordinary course of their employment, except reimbursement as per the policies 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 terminationof such officer's employment in our Company or superannuation.

Loans taken by Directors / Key Management Personnel
Except as mentioned in the "Financial Information" beginning at page no. 145, none of our directors / Key Management Personnel have taken any loans from our Company.

Arrangements and Understanding with Major Shareholders
None of our Key Management Personnel or Directors have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Nature of Family Relationship between the Key Management Personnel

There is no family relationship between the Key Management Personnel or between the promoters/directors and the key managerial personnel.

SUBSIDIARIES AND JOINT VENTURES

As on the date of this Draft Red Herring Prospectus, our Company has one subsidiary namely Relcon Realty Private Limited. Our subsidiary has not made any public or rights issue in the last three years. Our Subsidiary is not a sick company under the meaning of SICA and is not under winding up.

Relcon Realty Private Limited ("Relcon Realty")
Relcon Realty was incorporated on June 16, 2008 with the Registrar of Companies, Maharashtra, Mumbai as a private limited company, with its registered office at A-01/101, Krishna Co op Hsg Soc Ltd., C,D, Barfiwala Marg, Juhu Lane, Andheri (West), Mumbai – 400058, Maharashtra. It is inter-alia carrying on the business of purchasing , selling, development, taking in exchange, or on lease, hire or otherwise acquire, whether for own use or investment or sale or working the same, any real or personal estate.For details on slump sale agreement, please see the Section titled "Our Business" on page no. 66.

Capital Structure:

	Equity Share Capital (Rs.)
Authorised capital	15,00,00,000
Issued, subscribed and paid-up capital	10,00,000

Shareholding Pattern:
The shareholding pattern of Relcon Realty is as follows:

Sl. No.	Name of Shareholder	No. of Shares held (Rs.10 face value)	%age Shareholding
1	Relcon Infraprojects Ltd	9,900	99.00
2	Ami T Shah*	10	0.10
3	Nipa J Shah*	10	0.10
4	Dipan P Shah*	10	0.10
5	Rakesh P Shah *	30	0.30
6	Heena R Shah *	10	0.10
7	Sejal D Shah *	10	0.10
8	Jainendra P Shah *	10	0.10
9	Tejas P Shah *	10	0.10
	TOTAL	**10,000**	**100.00**

*Holding as nominee of Relcon

BOARD OF DIRECTORS

Name of the Director	Designation
Mr. Rakesh P Shah	Director
Mr. Jignesh P. Sanghavi	Director
Mr. Dipan P Shah	Director

The financial highlights for the last 2 years are given below

(Rs. in lakhs)

Year Ended March 31	2009-10 (Audited)	2008-09 (Audited) (from 16.6.08 to 31.3.09)
Total Income	-	-
Administrative and other expenses	0.13	0.42
Profit/(Loss) after tax (PAT)	(0.13)	(0.42)
Share Capital (1)	1.00	1.00
Reserves (excluding revaluation reserve)	(0.56)	(0.42)
Earnings per share (EPS) (Rs.)	(1.34)	(5.35)
Net Asset Value (NAV) per share (Rs.)	4.43	5.77
Net worth	0.44	0.58

Notes:
1. Face value of each equity share is Rs.10/-.

2. For the calculation of Earnings Per Share and Net Asset Value per share, number of equity shares outstanding at the end of the year have been considered.
3. Networth means aggregate of value of the paid-up share capital and free reserves (excluding revaluation reserves) reduced by the aggregate value of accumulated losses and deferred expenditure not written off (including miscellaneous expenses not written off) as per the audited balance sheet.

In our restated consolidated financial information we have accounted for the accumulated profits and losses of our Subsidiary.

Interest of the Subsidiary in our Company

Our Subsidiary does not hold any equity shares in our Company. Except as stated in "Related Party Transactions" on page no. F-27, our Subsidiary does not have any other interest in our Company's business.

Common Pursuits

Except as disclosed in this Draft Red Herring Prospectus, the Subsidiary does not have any interest in any venture that is involved in any activities similar to those conducted by our Company. Our Company will adopt the necessary procedures and practices as permitted by law to address any conflict situation as and when they arise.

Joint Ventures/Partnerships

Our Company has entered into the following joint ventures/ partnerships/ memoranda of understanding where the projects are at various stages of pre qualification/ tendering/ execution / completed but under Defect Liability period. Unless extended expressly, joint ventures at the pre qualification/ tendering stage expire if the projects are not awarded to the joint venture. None of these joint ventures are incorporated entities.

1. Joint Venture agreement with M/s J. P. Enterprises

We have entered into a Joint Venture agreement dated 19th March, 2004 with M/S J. P. Enterprises, a partnership firm, to form a joint venture in the name and style of 'M/s Reliance Construction & JP Enterprises Joint Venture'. to excute the project of Widening and construction of Main Linking Road Dahisar to LT Road (km 0.00 to 5.30) for MMRDA as per the terms and conditions and specifications contained in the tender. The principal place of business ofthe Joint Venture is at 105-C, Shyam Kamal, 1st Floor, Agarwal Market, Vile Parle (East), Mumbai 400 057. Profits / Losses of the joint venture shall be shared by the parties as under

- Lead Contractor – 51%
- Associate Contractor – 49%

Subsequently, we have entered into a Supplementary Agreement on 23rd January, 2007 consequent to convertion of "Reliance Construction Company", a partnership firm into Private Ltd Company under the Companies Act., 1956. The aforesaid project has been completed on July 31, 2007.

2. Joint Venture agreement with M/s Michigan Engineers Pvt. Ltd.

We have entered into a Joint Venture agreement dated 25th June, 2004 with M/s Michigan Engineers Pvt. Ltd., a Company, to form a joint venture in the name and style of 'M/s Reliance & Michigan Joint Venture'to execute the project of Widening and construction at Main Link Road from LT Road to Joglekar Naka (km 5.30 to 8.869) for MMRDA as per the terms and conditions and specifications conatined in the tender The pricncipal place of business of the Joint Venture is at 105-C, Shyam Kamal, 1st Floor, Agarwal Market, Vile Parle (East), Mumbai 400 057. Profits / Losses of the joint venture shall be shared by the parties as under

- Lead Contractor – 51%
- Associate Contractor – 49%

Subsequently, we have entered into a Supplementary Agreement on 23rd January, 2007 consequent to convertion of "Reliance Construction Company", a partnership firm into Private Ltd Company under the Companies Act., 1956. The aforesaid Project has been completed on July 31, 2007.

3. Joint Venture agreement with M/s Michigan Engineers Pvt. Ltd.

We have entered into a Joint Venture agreement dated 21st March, 2006 with M/s Michigan Engineers Pvt. Ltd., a Company, to form a joint venture in the name and style of 'M/s Reliance Michigan JV'. to execute the project of PHASE – I – Widening and desilting of Mithi River from Mahim Causeway to Dharavi Bridge (ch.0.00 m to 1280.00 m) and Vakola Nalla from Vakola Bridge to SCLR (Ch.645.00 m to Ch.2433.00 m) in BKC for MMRDA as per the terms and conditions and specifications contained in the tender The principal place of business of the joint venture is at 105-C, Shyam Kamal, 1st Floor, Agarwal Market, Vile Parle (East), Mumbai 400 057. Profits / Losses of the joint venture shall be shared by the parties as under

- Lead Contractor – 60%
- Associate Contractor – 40%

Subsequently, we have entered into a Supplementary Agreement on 23rd January, 2007 consequent to convertion of "Relliance Construction Co", a partnership firm into Private Ltd Company under the Companies Act., 1956. The aforesaid Project has been completed on June 30, 2006.

4. Joint Venture agreement with M/s Sunrise Stone Industries
We have entered into a Joint Venture agreement dated 9th March, 2006 with M/s Sunrise Stone Industries., a partnership firm, to form a joint venture in the name and style of 'M/s Reliance & Sunrise Stone Industries (JV)'to execute the project of AC-52: Widening and Improvement of various roads in F/N Ward, Group F/N for MCGM as per the terms and conditions and specification contained in the tender The principal place of business of the joint venture is at 105-C, Shyam Kamal, 1st Floor, Agarwal Market, Vile Parle (East), Mumbai 400 057. Profits / Losses of the joint venture shall be shared by the parties as under

- Lead Contractor – 65%
- Associate Contractor – 35%

Subsequently, we have entered into a Supplementary Agreement on 23rd January, 2007 consequent to convertion of "Reliance Construction Company", a partnership firm into Private Ltd Company under the Companies Act, 1956. The aforesaid Project has been completed on November 29, 2007.

5. Joint Venture agreement with M/s Sunrise Stone Industries
We have entered into a Joint Venture agreement dated 9th March, 2006 with M/s Sunrise Stone Industries, a partnership firm, to form a joint venture in the name and style of'M/s Reliance Construction Co. & Sunrise Stone Industries (JV)' to execute the project of AW-42 Widening and Improvement of various roads in R/Central Ward, to the West of Railway line and South of LT Road for MCGM as per the terms and conditions and specifications contained in the tender The principal place of business of the joint venture is at 105-C, Shyam Kamal, 1st Floor, Agarwal Market, Vile Parle (East), Mumbai 400 057. Profits / Losses of the joint venture shall be shared by the parties as under

- Lead Contractor – 55%
- Associate Contractor – 45%

Subsequently, we have entered into a Supplementary Agreement on 23rd January, 2007 consequent to convertion of "Relliance Construction Co", a partnership firm into Private Ltd Company under the Companies Act., 1956. The aforesaid Project has been completed on May 25, 2007.

6. Joint Venture agreement with M/s New India Roadways
We have entered into a Joint Venture agreement dated 21st March, 2006 with M/s New India Roadways, a proprietory concern to form a joint venture under the name 'M/s Reliance Construction Co. & New India Roadways (JV)' to execute the project of AW-39 Widening and Improvement of various roads in 'P/North' Ward, to the East of Railway line for MCGM as per the terms and conditions of the tender and as per the specifications of the tender.The principal place of business of the joint venture is at 105-C, Shyam Kamal, 1st Floor, Agarwal Market, Vile Parle (East), Mumbai 400 057. . Profits / Losses of the joint venture shall be shared by the parties as under

- Lead Contractor – 51%
- Associate Contractor – 49%

Subsequently, we have entered into a Supplementary Agreement on 23rd January, 2007 consequent to convertion of "Reliance Construction Company", a partnership firm into Private Ltd Company under the Companies Act., 1956. The aforesaid Project has been completed on January 19, 2008.

7. Joint Venture agreement with M/s New India Roadways
We have entered into a Joint Venture agreement dated 21st March, 2006 with M/s New India Roadways, a proprietory concern to form a joint venture in the name and style of 'M/s Reliance Construction Co. & New

India Roadways (JV)' to execute the project of AW-40 Widening and Improvement of various roads in 'P/North' Ward, to the West of Railway line and Daftary Road at Malad (E) for MCGM as per the terms and conditions and specifications contained in the tender The principal place of business of the joint venture is at 105-C, Shyam Kamal, 1st Floor, Agarwal Market, Vile Parle (East), Mumbai 400 057. Profits / Losses of the joint venture shall be shared by the parties as under

- Lead Contractor – 51%
- Associate Contractor – 49%

The aforesaid Project has been completed on March 26, 2008 .

8. Joint Venture agreement with M/s Michigan Engineers Pvt. Ltd.

We have entered into a Joint Venture agreement dated 16th October, 2006 with M/s Michigan Engineers Pvt. Ltd., , to form a joint venture in the name and style of 'M/s Reliance Michigan Joint Venture' to execute the project of construction of road over bridge in lieu of LC No.31 between Malad and Kandivali Station on Western Raiway for MCGM as per the terms and conditions and specifications contained in the tender. The principal place of business of the Joint Venture shall be at D-7, Commerce Centre, 78, Javji Dadaji Road, Tardeo, Mumbai 400 034. Profits / Losses of the joint venture shall be shared by the parties as under

- Lead Contractor – 60%
- Associate Contractor – 40%

Subsequently, we have entered into a Supplementary Agreement on 23rd January, 2007 consequent to conversion of "Reliance Construction Company", a partnership firm into Private Ltd Company under the Companies Act., 1956. The aforesaid Project has been completed on January 22, 2009.

9. Agreement with M/s Michigan Engineers Pvt. Ltd.

We have entered into an agreement dated 29th June, 2007 with M/s Michigan Engineers Pvt. Ltd., a Company, and formed a partnership firm in the name and style of 'M/s Reliance Michigan Joint Venture – Mithi River' to execute the project of Training of Mithi River (widening & deepening, RCC retaining wall, service road) from Airport New Bridge to Marwe F.O.B. L/Ward for MCGM as per the terms and conditions and specifications contained in the tender The principal place of business of the firm shall be at 105-C, Shyam Kamal, 1st Floor, Agarwal Market, Vile Parle (East), Mumbai 400 057. Profits / Losses of the joint venture shall be shared by the parties as under

- Lead Partner – 51%
- Associate Partner – 49%

The aforesaid Project is currently under execution.

10. Joint Venture agreement with M/s R.K.Madhani & Co.

We have entered into a Joint Venture agreement dated 27th August, 2008 with M/s R.K.Madhani & Co., a partnership firm, to form a joint venture in the name and style of 'M/s R. K. Mandhani & Co. & Ms. Relcon Infraprojects Pvt. Ltd to Construct skywalk at Bhandup (West) and Ghatkopar (West) for MMRDA as per the terms and conditions and specifications contained in the tender. The principal place of business of the Joint Venture shall be at 68/70, C. P. Tank Road, Mumbai 400 004. Profits / Losses of the joint venture shall be shared by the parties as under

- M/s R.K.Madhani & Co. – 75%
- Relcon – 25%

The aforesaid Project is currently under execution.

11. Agreement with M/s Michigan Engineers Pvt. Ltd.

We have entered into an agreement dated 29th April, 2009 with M/s Michigan Engineers Pvt. Ltd., a Company, and formed a partnership firm in the name and style of 'M/s Relcon Michigan (Joint Venture)' to participate in the tender for the work of construction of ROB at Jogeshwari (North) in lieu of LC No.26 & 27 for MCGM as per the terms and conditions and specifications contained in the tender The principal place of business of the firm shall be at A-01/101, Krishna Apartment, Juhu Lane, Opp. Mahavir Jain Vidyalaya, Andheri (W), Mumbai 400 058. Profits / Losses of the joint venture shall be shared by the parties as under

- Lead Partner – 51%
- Associate Contractor – 49%

The aforesaid Project is currently under execution.

OUR PROMOTERS, PROMOTER GROUP AND GROUP COMPANIES

PROMOTERS

The Promoter of our Company are Mr. Rakesh P Shah, Mr. Tejas P Shah, Mr. Jainendra P Shah and Mr. Dipan P Shah.

PROMOTERS AND THEIR BACKGROUND

Name of the Promoter	**Mr. Rakesh P Shah**
Photo of the promoter	
Driving Licence No.	MH02 20070063504
Passport Details	A 5253823
PAN No.	AAEPS1610E
Voter Id No	Applied for on 05.10.2010
Name of Bank and Branch	THE BHARAT CO-OP, BANK (MUMBAI) LTD, VILE PARLE(E), MUMBAI
Bank Account No.	101/5372

Name of the Promoter	**Mr. Tejas P Shah**
Photo of the promoter	
Driving Licence No.	89/W/21007
Passport Details	G2455795
PAN No.	AAEPS1609R
Voter Id No	AJO1565472
Name of Bank and Branch	THE BHARAT CO-OP, BANK (MUMBAI) LTD, VILE PARLE(E), MUMBAI
Bank Account No.	101/5380

Name of the Promoter	Mr. Jainendra P Shah
Photo of the promoter	
Driving Licence No.	MH02 20100005007
Passport Details	A5251414
PAN No.	AAEPS1611F
Voter Id No	Applied for on 05.10.2010
Name of Bank and Branch	THE BHARAT CO-OP, BANK (MUMBAI) LTD, VILE PARLE(E), MUMBAI
Bank Account No.	101/5371

Name of the Promoter	Mr. Dipan P Shah
Photo of the promoter	
Driving Licence No.	MH02 20090184214
Passport Details	A5722542
PAN No.	AAEPS1612G
Voter Id No	Applied for on 15.6.2010
Name of Bank and Branch	THE BHARAT CO-OP, BANK (MUMBAI) LTD, VILE PARLE(E), MUMBAI
Bank Account No.	101/5378

For further details on the promoters, please see the section entitled "Our Management – Board of Directors" on page no. 107.

Confirmations

The Promoters, member of our Promoter Group and Group Company have confirmed that there are no violations of securities laws committed by them in the past or are currently pending against them nor have they been declared as wilful defaulters by the RBI or any other Governmental Authority. Further our Promoters have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority.

Further, none of the Promoters was or is a promoter or person in control of any other company which is debarred from accessing the capital market under any order or directions made by SEBI.

Undertakings
Our Company confirms that the details of the PAN, bank account numbers, driving licence numbers and passport numbers of the Promoters shall be submitted to the Stock Exchanges, at the time of filing the Draft Red Herring Prospectus with them.

Outstanding Litigation
There are no outstanding litigation against our Promoters except as disclosed in the sections titled "Risk Factors" and "Outstanding Litigation and Material Developments" on page nos xi and 167, respectively.

Disassociation by the Promoters in the Last Three Years
Except as mentioned below, our Promoters have not disassociated with any venture during the three years preceding the date of filing of this Draft Red Herring Prospectus.

a) Dynasty Engineering and Construction Company - Mr. Jainendra P Shah and Mr. Tejas P Shah promoters of our Company alongwith Relcon were partners in the erstwhile partnership firm Dynasty Engineering & Construction Co. Vide Deed of Retirement dated 31st March, 2008, Mr. Jainendra P Shah and Mr. Tejas P Shah retired as partners of the firm as part of their business strategy. Thus, with effect from 1.4.2008, the operations of erstwhile Dynasty have been vested with our Company .

b) Amul Construction Company – Mr. Dipan P Shah promoter of Relcon was a partner of the partnership firm Amul Construction Company. Vide Deed of Dissolution dated 9th June, 2009, the partnership firm has been dissolved with effect from March 31, 2009 as part of business strategy.

c) Bina Construction Company – Mr. Tejas P Shah promoter of Relcon was a partner of the partnership firm Bina Construction Company. Vide Deed of Dissolution dated 5th June, 2009, the partnership firm has been dissolved with effect from March 31, 2009 as part of business strategy.

d) Mr. Rakesh P Shah, promoter of Relcon has transferred his entire shareholding of 5000 shares and also resigned from the directorship of Rel Star Infrastructure Private Limited with effect from October 1, 2010 as part of business strategy.

e) Mr. Rakesh P Shah, promoter of Relcon has transferred his entire shareholding of 12000 Equity shares and also resigned from the directorship of RelTek Tiles India Pvt. Ltd. with effect from March 1, 2008and Mr. Dipan P Shah, promoter of Relcon has transferred his entire shareholding of 12000 Equity shares and also resigned from the directorship of RelTek Tiles India Pvt. Ltd. with effect from March 1, 2008 as part of business strategy.

Experience of the Promoters in the business of our Company
All our promoters have an experience of over 15 years each, in the construction business sector. Our Promoters are assisted by a team of highly qualified professionals to manage the operations of our Company.

Common Pursuits
The Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company except as disclosed in the section titled "Common Pursuits of our Group Companies and Associate Companies with our Company" on page no. 140 and the sections titled "Group Companies" on page no. 135.

Interests of Promoters
The Promoters are interested to the extent of their shareholding and directorship in our Company. For details of the Promoter's shareholding in our Company, please see the sections entitled Capital Structure and Our Management on page nos 21 and 107 respectively.

Further, the Promoters who are also Director may be deemed to be interested to the extent of remuneration received, reimbursement of expenses payable to them and dividend declared, if any, by our Company. For further details please see the section entitled Our Management on page no. 107.

Further, the Promoters are also member(s), or partner(s), of certain Promoter Group entities and may be deemed to be interested to the extent of the payments made by our Company, if any, to these Promoter Group entities. For the payments that are made by our Company to certain Promoter Group entities, please see the section entitled Related Party Transactions on page no. F-27.

The Promoters are not interested in any loan or advance given by our Company, neither are they beneficiaries of any such loans or advances except as mentioned under the head "Related Party Transactions" on page no. F-27 of the Draft Red Herring Prospectus.

Except as stated otherwise in this Draft Red Herring Prospectus, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus in which the Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business. For further details please see the section titled Related Party Transactions on page no. F-27 of the Draft Red Herring Prospectus.

Our Promoters have confirmed that they do not have any interest in any property acquired by our Company within two years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company as on the date of filing of the Draft Red Herring Prospectus. Further, other than as mentioned in the sections titled "Our Business", our Promoters do not have any interest in any transactions in the acquisition of land, construction of any building or supply of any machinery.

Payment of benefits to the Promoter
Except as stated in the section entitled "Related Party Transactions" on page no. F-27, there have been no payment of benefits to the Promoters during the two years prior to the filing of this Draft Red Herring Prospectus.

Related Party Transactions
Except as disclosed in the section "Financial Information – Related Party Transactions" on page no. F-27, our Company has not entered into any related party transactions with the Promoters or Group Companies.

Shareholding of the Promoter Group in our Company
For details of shareholding of members of our Promoter Group as on the date of filing of this Draft Red Herring Prospectus see section titled "Capital Structure – Notes to Capital Structure" beginning on page no. 21.

Other confirmations
Our Company has neither made any payments in cash or otherwise to the Promoters or to firms or companies in which our Promoters are interested as members, directors or promoters nor have our Promoters been offered any inducements to become directors or otherwise to become interested in any firm or company, in connection with the promotion or formation of our Company other wise than as stated in the section "Related Party Transactions" on page no. F-27.

Change in our management and control
Other than as disclosed in the Draft Red Herring Prospectus, there has been no change in the management and control of our Company.

Promoter Group
In addition to the Promoters named above, the following persons constitute the Promoter Group of our Company:

1. Natural persons who are part of the Promoter Group
The natural persons who are part of the Promoter Group (due to their relationship with the promoters), other than the Promoters are as follows:

Relatives of Mr. Rakesh P Shah :

Name	Relationship with Mr. Rakesh P Shah
Mrs. Kamakshi P Shah	Mother
Mrs. Heena R Shah	Wife
Master Henyl R Shah	Son
Master Sheel R Shah	Son
Mrs. Jankhana M Parikh	Sister
Mrs. Mrudula A Shah	Mother of Spouse
Mr. Chetan A. Shah	Brother of Spouse
Mr. Himanshu A. Shah	Brother of Spouse

Relatives of Mr. Tejas P Shah :

Name	Relationship with Mr. Tejas P Shah
Mrs. Kamakshi P Shah	Mother
Mrs. Ami T Shah	Wife
Master Dhairya T Shah	Son
Master Mahir T Shah	Son
Mrs. Jankhana M Parikh	Sister
Mr. Bipinchandra N Shah	Father of Spouse
Mrs. Sanyukta B Shah	Mother of Spouse
Mrs. Pooja G Shah	Sister of Spouse

Relatives of Mr. Jainendra P Shah :

Name	Relationship with Mr. Jainendra P Shah
Mrs. Kamakshi P Shah	Mother
Mrs. Nipa J Shah	Wife
Master Jeet J Shah	Son
Ms. Jahnvi J Shah	Daughter
Mrs. Jankhana M Parikh	Sister
Mr. Anilbhai H Shah	Father of Spouse
Mrs. Damyantiben A Shah	Mother of Spouse
Mr. Hiten Anilbhai Shah	Brother of Spouse

Relatives of Mr. Dipan P Shah :

Name	Relationship with Mr. Dipan P Shah
Mrs. Kamakshi P Shah	Mother
Mrs. Sejal D Shah	Wife
Master Jash D Shah	Son
Master Kaival D Shah	Son
Mrs. Jankhana M Parikh	Sister
Mrs. Surekha C Gandhi	Mother of Spouse
Mr. Ashit C. Gandhi	Brother of Spouse
Mr. Keyur C. Gandhi	Brother of Spouse

2. Corporate entities forming part of the Promoter Group

The following entities form part of the Promoter Group:

Companies :

i. Rel Tek Tiles (India) Pvt Ltd.
ii. Rel Vit Engineers Pvt Ltd.
iii. Rohak Infraprojects Pvt Ltd.
iv. Rolf Infra Concrete Pvt Ltd.

Partnerships :

i. Deepcon Engineers
ii. Jainam Developers
iii. Sunrise Stone Industries
iv. Zenith Developers
v. Manubhai Natwarlal
vi. R Natwarlal & Co.
vii. Vinod Gandhi & Co.
viii. Innovation Forever

Proprietorships :

i. Shubham Developers
ii. Meditec Pacific

HUFs

i. Rakesh P Shah (HUF)
ii. Tejas P Shah (HUF)
iii. Jainendra P Shah (HUF)
iv. Dipan P Shah (HUF)
v. Pravin C. Shah (HUF)
vi. Bipinchandra Natwarlal Shah (HUF)
vii. Hiten A Shah (HUF)
viii. Ashit C Gandhi (HUF)
ix. Keyur C Gandhi (HUF)
x. Chandrakant D Gandhi (HUF)

GROUP COMPANIES

Besides our Company the following are the companies, firms and ventures promoted by our Promoters, as on the date of this Draft Red Herring Prospectus. Unless otherwise stated, none of the companies forming part of Group Companies is a sick company under the meaning of SICA and none of them are under winding up. Further, all the Group Companies are unlisted companies and they have not made any public issue of securities in the preceding five years. There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against our Group Companies.

Name of Group Companies	
Five Largest Group Companies (based on turnover- Fiscal 2010)	
1	Sunrise Stone Industries
2	Deepcon Engineers
3	Dipan P. Shah HUF
4	Rakesh P Shah (HUF)
5	Jainendra P. Shah HUF
Other Group Companies	
1	Jainam Developers
2	Zenith Developers
3	Shubham Developers
4	Tejas P. Shah HUF
5	Pravin C. Shah HUF

Five Largest Group Companies (based on turnover- Fiscal 2010)

1. Sunrise Stone Industries ("Sunrise")

Sunrise Stone Industries was formed on March 3, 1991 with Mr. Rakesh P Shah and Mr. Dipan P Shah and was registered with Assistant Registrar of Firms, Bombay on October 1, 1991 under the Indian Partnership Act, 1932. The partnership is carrying on the business of running and managing a stone crusher and supply of stone metals, running hot mix plant and accepting and executing job work of laying Asphalt Macadam and also undertake work for Government Organisation, Semi Government Organisation, Municipal Corporation, Public Works Department, Semi Government Organisation, Companies or any other bodies or corporation or any other business.

Interest of our Promoters

Sl.No.	**Name of Partner**	**Ratio in Partners Capital Account**
1.	Rakesh P Shah (HUF)	50%
2.	Dipan P Shah (HUF)	50%
	TOTAL	**100%**

Change in capital structure

There has been no change in the partners capital account of Sunrise in the last six months prior to filing this Draft Red Herring Prospectus.

Audited Financial Information

(Rs. in lakhs)

Year Ended March 31st	**2009-10 (Audited)**	**2008-09 (Audited)**	**2007-08 (Audited)**
Gross Receipts	2270.10	1497.20	918.65
Total Income	2280.70	1501.32	940.94
Profit/(Loss) after tax	105.24	31.62	26.12
Partners Capital	30.63	136.57	(9.79)

Significant Notes of Auditors for the last three Fiscals
There are no significant notes of auditors in respect of the financial results of Sunrise for the last three Fiscals other than as mentioned as follows :

2009-10

a. Closing balances of creditors are subject to confirmation by them
b. As the audit is done with reference to accounts of one year, it is assumed that the information under clause 24 of form no. 3CD is required only in respect of loan/deposit taken or accepted during the year. Advances received from Contractee in the course of business have not been reported.
c. For the transactions of the assessee, which are not supported by proper documents, we have relied on the certification from the partner that they are genuine and incurred only for the purpose of the business.
d. As the firm does not maintain any stock records, the stock as on March 31, 2010 is physically verified and certified by the partners

2008-09

a. Closing balances of creditors are subject to confirmation by them
b. As the audit is done with reference to accounts of one year, it is assumed that the information under clause 24 of form no. 3CD is required only in respect of loan/deposit taken or accepted during the year. Advances received from Contractee in the course of business have not been reported.
c. For the transactions of the assessee, which are not supported by proper documents, we have relied on the certification from the partner that they are genuine and incurred only for the purpose of the business.
d. As the firm does not maintain any stock records, the stock as on March 31, 2010 is physically verified and certified by the partners

2007-08

a. Closing balances of creditors are subject to confirmation by them
b. As the audit is done with reference to accounts of one year, it is assumed that the information under clause 24 of form no. 3CD is required only in respect of loan/deposit taken or accepted during the year. Advances received from Contractee in the course of business have not been reported.
c. For the transactions of the assessee, which are not supported by proper documents, we have relied on the certification from the partner that they are genuine and incurred only for the purpose of the business.
d. As the firm does not maintain any stock records, the stock as on March 31, 2008 is physically verified and certified by the partners

Sunrise is in similar business as that of the Issuer Company.

2. Deepcon Engineers ("Deepcon")

Deepcon Engineers was formed on July 2, 2001 and was registered with Assistant Registrar of Firms, Bombay on October 8, 2001 under the Indian Partnership Act, 1932. The principal place of business of the firm is at 105-C, Shyam Kamal, Agrawal market, Vile Parle (East), Mumbai – 400 057. Deepcon is carrying on the business of that of contractor for government organisation, Municipal Corporation, Public Works Department, Semi Government Organisation, Companies or any other bodies or corporation or any other business.

Interest of our Promoters

Sl.No.	Name of Partner	Ratio of share of profit and/or losses
1.	Rakesh P Shah	55%
2.	Dipan P Shah	45%

Change in capital structure
There has been no change in the partners capital account of Deepcon in the last six months prior to filing this Draft Red Herring Prospectus.

The audited financial highlights of Deepcon for the last 3 years are given below:

(Rs. in lakhs)

Year Ended March 31	**2009-10 (Audited)**	**2008-09 (Audited)**	**2007-08 (Audited)**
Gross Receipts	178.67	85.42	217.08
Total Income	179.42	90.67	217.34
Profit after tax (PAT)	5.95	5.67	15.90
Partners Capital	51.03	45.07	42.40

Significant Notes of Auditors for the last three Fiscals

There are no significant notes of auditors in respect of the financial results of Deepcon for the last three Fiscals other than as mentioned as follows :

2009-10

a. Closing balances of creditors and debtors are subject to confirmation by them
b. In respect of payments it is not possible for us to verify whether the payments in excess of Rs 20,000/- have been made otherwise than by crossed cheque or drafts as the assessee does not receive the same back from the bank. The partners certify that every voucher is a distinct expenditure.
c. For the transactions of the assessee, which are not supported by proper documents, we have relied on the certification from the partner that they are genuine and incurred only for the purpose of the business.

2008-09

a. Closing balances of creditors and debtors are subject to confirmation by them
b. In respect of payments it is not possible for us to verify whether the payments in excess of Rs 20,000/- have been made otherwise than by crossed cheque or drafts as the assessee does not receive the same back from the bank. The partners certify that every voucher is a distinct expenditure.
c. For the transactions of the assessee, which are not supported by proper documents, we have relied on the certification from the partner that they are genuine and incurred only for the purpose of the business.

2007-08

a. Closing balances of creditors and debtors are subject to confirmation by them
b. In respect of payments it is not possible for us to verify whether the payments in excess of Rs 20,000/- have been made otherwise than by crossed cheque or drafts as the assessee does not receive the same back from the bank. The partners certify that every voucher is a distinct expenditure.
c. For the transactions of the assessee, which are not supported by proper documents, we have relied on the certification from the partner that they are genuine and incurred only for the purpose of the business.

Deepson is in similar business as that of the Issuer Company.

3. **Dipan P Shah HUF** is a Hindu Undivided Family, represented by its Karta Mr. Dipan P Shah

The audited financial highlights of for the last 3 years are given below

(Rs. in lakhs)

Year Ended March 31	**2009-10 (Audited)**	**2008-09 (Audited)**	**2007-08 (Audited)**
Total Income	16.70	1.21	1.09
Profit carried forward to capital account	16.68	1.21	1.03
Capital	59.89	43.11	41.20

Significant Notes of Auditors for the last three Fiscals

There are no significant notes of auditors in respect of the financial results of Dipan P Shah (HUF) for the last three Fiscals

4. **Rakesh P Shah HUF** is a Hindu Undivided Family, represented by its Karta Mr. Rakesh P Shah

The audited financial highlights of for the last 3 years are given below

(Rs. in lakhs)

Year Ended March 31	2009-10 (Audited)	2008-09 (Audited)	2007-08 (Audited)
Total Income	15.74	1.06	1.56
Profit carried forward to capital account	15.74	1.06	1.51
Capital	59.01	60.74	58.98

Significant Notes of Auditors for the last three Fiscals
There are no significant notes of auditors in respect of the financial results of Rakesh P Shah (HUF) for the last three Fiscals

5. **Jainendra P Shah HUF** is a Hindu Undivided Family, represented by its Karta Mr. Jainendra P Shah

The audited financial highlights of for the last 3 years are given below

(Rs. in lakhs)

Year Ended March 31	2009-10 (Audited)	2008-09 (Audited)	2007-08 (Audited)
Total Income	6.05	5.10	2.13
Profit carried forward to capital account	6.04	5.10	2.07
Capital	74.29	68.81	63.01

Significant Notes of Auditors for the last three Fiscals
There are no significant notes of auditors in respect of the financial results of Jainendra P Shah (HUF) for the last three Fiscals

Other Group Companies :

1. **Jainam Developers ("Jainam")**
M/s. Jainam Developers was formed on June 30, 2003 and was registered with Assistant Registrar of Firms, Bombay on December 4, 2003 under the Indian Partnership Act, 1932. The principal place of business of the firm is at 105/C, Shyam Kamal, Agarwal Market, Vile Parle (East), Mumbai – 400 057. The business of the partnership shall be that of Builders Developers and Civil Contractors or any other business as may be mutually agreed upon.

Interest of our Promoters

Sl.No.	Name of Partner	Ratio of Net Profits/Losses
1.	Rakesh P Shah	25%
2	Jainendra P Shah	25%
3	Tejas P Shah	25%
4.	Dipan P Shah	25%
	TOTAL	**100%**

Change in capital structure
There has been no change in the partners capital account of Jainam in the last six months prior to filing this Draft Red Herring Prospectus.

Jainam is in similar business as that of the Issuer Company.

2. **Zenith Developers ("Zenith")**
Messrs Zenith Developers was formed on September 1, 2007 and was registered with Assistant Registrar of Firms, Bombay on April 28, 2008 under the Indian Partnership Act, 1932. The principal place of business of the firm is at 103 Sai Drishti, B-2, Sai Complex, Besides Shanti Vihar, Mita Road (E), Thane – 401107. The business of the partnership shall be that of Builders & Developers or any other business as mutually agreed upon by the partners.

Interest of our Promoters

Sl.No	Name of Partner	Capital Sharing Ratio	Profit/Loss Sharing Ratio
1.	Rakesh P Shah	37.50%	30%
2.	Dipan P Shah	37.50%	30%

Change in capital structure

There has been no change in the partners capital account of Zenith in the last six months prior to filing this Draft Red Herring Prospectus.

Zenith is in similar business as that of the Issuer Company.

3. **Shubham Developers ("Shubham")**

Shubham is the proprietory firm of Mr. Rakesh P Shah. The business of the proprietorship concern is that of developers and builders, realty development and allied civil construction activities.

Change in capital structure

There has been no change in the proprietor capital account of Shubham in the last six months prior to filing this Draft Red Herring Prospectus.

Shubham is in similar business as that of the Issuer Company.

4. **Tejas P Shah HUF** is a Hindu Undivided Family, represented by its Karta Mr. Tejas P Shah

5. **Pravin C Shah HUF** is a Hindu Undivided Family, represented by its Karta Mr. Jainendra P Shah

Interest of our Promoters in our Group Companies

Except to the extent of their shareholding and/or directorship, as detailed above, our Promoters have no other interest in our Group Companies.

Defunct Group Companies

Except as stated in this Draft Red Herring Prospectus, there are no Group Companies, which had remained defunct or for which application was made to the Registrar of Companies for striking off its name, during the five years preceeding the date of filing of this Draft Red Herring Prospectus.

Group Companies with negative net worth

Except as stated in this Draft Red Herring Prospectus, none of the Group Companies have negative Net Worth on date of end of the respective financial years audited and mentioned herein. There are no adverse factors related to our Group Companies in relation to losses incurred by them in the immediately preceding three years prior to the filing of this DRHP.

None of our group companies are sick companies within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and are not under the Board for Industrial and Financial Reconstruction. Further, they are not under winding up.

Interest of Group Companies in promotion of our Company

None of our Group Companies have any interest in the promotion of our Company.

Interest of Group Companies in the properties acquired or proposed to be acquired by our Company in the past 2 years before filing the Draft Red Herring Prospectus with SEBI

The Group Companies do not have any interest in the properties acquired or proposed to be acquired by our Company in the past 2 years before filing the Draft Red Herring Prospectus with SEBI.

Interest of Group Companies in transactions for acquisition of land, construction of building and supply of machinery

None of our Group Companies are interested in any transactions for the acquisition of land, construction of building or supply of machinery.

Outstanding Litigation
There are no outstanding litigation against our Promoters and Group Companies, except as disclosed in the sections "Risk Factors" and "Outstanding Litigation and Material Developments" on page nos. xi and 167, respectively.

Previous Public Issues by Group Companies and Promise v/s Performance
None of our Group Companies have made any public issue (including any rights issue to the public) during the last three years and the equity shares of our Group Companies are not listed on any stock exchange.

Common Pursuits of our Group Companies and Associate Companies with our Company
There is no common pursuit among our Company and our Group Companies and Associate Companies except as stated below :

Name of the Concern	Nature of Main Activity	Nature of Interest
Deepcon Engineers	The business is that of Contractor for Government Organisation, Municipal Corporation, Public Works Department, Semi Government Organisation, Companies or any other bodies or corporation	Mr. Rakesh P Shah has 55% share in Profit and / or losses and Mr. Dipan P Shah has 45% shares in Profit and / or losses
Jainam Developers	The business is that of Builders Developers and Civil Contractors	Mr. Rakesh P Shah, Mr. Tejas P Shah, Mr. Jainendra P Shah and Mr. Dipan P Shah, the promoters of our Company have 25% stake each in the net profits/losses
Sunrise Stone Industries	The business is that of running and managing a stone crusher and supply of stone metals, running hot mix plant and accepting and executing job work of laying Asphalt Macadam and also undertake work as Contract for Government Organisation, Semi Government Organisation, Municipal Corporation, Public Works Department, Semi Government Organisation, Companies or any other bodies or corporation	Rakesh P Shah (HUF) and Mr. Dipan P Shah (HUF) are equal partners
Zenith Developers	The business is that of Builders & Developers	Rakesh P Shah and Mr. Dipan P Shah hold 37.50% each of the capital and have a 30% each profit/loss sharing ratio
Shubham Developers	The business is that of developers and builders, realty development and allied civil construction activities	Proprietorship firm of Mr. Rakesh P Shah.
Rel - Vit Engineers Private Limited	The business is that of builders, developers, contractors, sellers, purchasers, lessors, lessee & dealers in all kinds of civil structures including but not limited to real estate	Mrs. Heena Rakesh Shah (wife of Mr. Rakesh P Shah), Tejas P Shah (HUF), Mrs. Nipa Jainendra Shah (wife of Mr. Jainendra P Shah) and Mrs. Sejal Dipan Shah (wife of Mr.Dipan P Shah) hold 15% shares each
Rohak Infraprojects Private Limited	The business is that of to construct, execute, carry out, improve develop, administer, supervise, manage any civil contract of any nature either in India or out of India for any government, semi government, public body, local authority or any entity incorporated or not and to carry on the business of builders, developers, contractors,	Mrs. Heena Rakesh Shah (wife of Mr. Rakesh P Shah) has 75% stake

	sellers, purchasers, lessors, lessee & dealers in all kinds of civil structures including but not limited to real estate	
Rolf Infra Concrete Private Limited	The business is that of to construct, execute, carry out, improve develop, administer, supervise, manage any civil contract of any nature either in India or out of India for any government, semi government, public body, local authority or any entity incorporated or not and to carry on the business of builders, developers, contractors, sellers, purchasers, lessors, lessee & dealers in all kinds of civil structures including but not limited to real estate.	Mrs. Nipa Jainendra Shah (wife of Mr. Jainendra P Shah) has 73% stake
Zenal Jainam Developers (Zenal Jainam)	JV to develop specific property	Jainam Developers has a 45% stake

For, further details on the related party transactions, to the extent of which our Company is involved, see "Related Party Transactions" forming part of the section "Financial Information" on page no. F-27.

Related Business Transactions within the Group Companies and Significance on the Financial Performance of our Company

For details of the related party transactions, see "Related Party Transactions" forming part of the "Financial Information" beginning on page no. F-27.

Sales or purchases between Group Companies, Subsidiaries and Associate Companies exceeding 10% in aggregate of the total sales or purchases of our Company

There have been no sales or purchases between the Group Companies, Subsidiaries and Associate Companies, where the sales or purchases exceed in value in in the aggregate ten per cent of the total sales or purchases of our Company except as disclosed in "Related Party Transactions" in the section titled "Financial Information " beginning on page no. F-27 of this Draft Red Herring Prospectus.

Payment of amount or benefits to our Group Companies during the last two years

Except as disclosed in the section "Financial Information – Related Party Transactions" beginning on page no. F-27, no amount or benefits were paid or were intended to be paid to our Group Companies since the incorporation of our Company.

Interest of Group Companies in any transaction by our Company

Except as disclosed in the section "Financial Information – Related Party Transactions" beginning on page no. F-27, none of our Group Companies were interested in any transaction by our Company involving acquisition of land, construction of building or supply of any machinery.

Business interests of our Group Companies, Subsidiaries and Associate Companies in our Company

Except as disclosed in the section "Financial Information – Related Party Transactions" beginning on page no. F-27 of this Draft Red Herring Prospectus, none of our Group Companies and associate companies has any business interest in our Company.

Shareholding of our Group Companies in our Company

None of our Group Companies hold any shares in our Company.

RELATED PARTY TRANSACTIONS

For details on related party transactions of our Company, see the section titled "Financial Information" on page no. F-27.

CURRENCY OF PRESENTATION

In this Draft Red Herring Prospectus, all references to "Rupees" and "Rs." and "Indian Rupees" are to the legal currency of the Republic of India.

DIVIDEND POLICY

Dividends, other than interim dividends, if any, will be declared at the Annual General Meetings of the shareholders of our Company based on the recommendation of the Board of Directors. The Board may, at its discretion, recommend dividend to be paid to the shareholders. Generally, the factors that may be considered by the Board of Directors before making any recommendations for dividend include, but not limited to, the future expansion plans and capital requirements, profits earned during the fiscal year, cost of raising funds from alternate sources, liquidity position, applicable taxes including tax on dividend as well as exemptions under tax laws available to various categories of investors from time to time and general market conditions. The Board of Directors may also, from time to time, pay interim dividends to the shareholders of our Company.

However, our Company has not declared any dividend in the last five years. The policy of not having declared any dividend in the past few years is not necessarily indicative of the dividend amounts, if any, or the dividend policy, for the future.

SECTION VI: FINANCIAL INFORMATION

AUDIOTRS' REPORT AND FINANCIAL INFORMATION OF OUR COMPANY

Auditors' report as required by Part II of Schedule II to the Companies Act, 1956

To
The Board of Directors
Relcon Infraprojects Limited
105/C, Shyam Kamal,
Agarwal market,
Ville Parle (East),
Mumbai – 400057.

Dear Sirs,

We have examined the unconsolidated financial information of Relcon Infraprojects Limited (formerly Relcon Infraprojects Private Limited) (the 'Company') annexed to this report and initialed by us for identification purposes, for inclusion in the Draft Red Herring Prospectus (the 'DRHP'). This Unconsolidated financial information has been prepared by the management and approved by the Board of Directors of the Company for the purpose of disclosure in the DRHP being issued by the Company in connection with the proposed Initial Public Offering ('IPO') of equity shares (the 'Issue'). This Unconsolidated financial information has been prepared in accordance with the requirements of:

i) Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 (the 'Act');

ii) The Securities and Exchange Board of India ('SEBI') (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the 'SEBI Regulations'), as amended from time to time, issued by SEBI in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments;

iii) The Guidance Note on the Reports in Company Prospectuses (revised) issued by the Institute of Chartered Accountants of India ('ICAI'); and

iv) In accordance with the terms of letter of engagement agreed upon us with the company in connection with the Draft Red Herring Prospectus (DRHP) being issued by the Company relating to IPO.

A. Unconsolidated Financial Information as per the Audited unconsolidated Financial Statements:

1. We have examined the attached Statement of Unconsolidated restated assets and liabilities (Annexure I) of the Company as at September 30, 2010 and March 31, 2010, 2009, 2008, 2007 and 2006 and the attached Summary statement of Unconsolidated restated profits and losses (Annexure II) and also the Statement of Unconsolidated restated cash flows (Annexure III) for the six months ended September 30, 2010 and years ended March 31, 2010, 2009, 2008, 2007 and 2006 collectively referred to as 'Unconsolidated Restated Statements'. These Unconsolidated Restated Statements have been arrived at after making such adjustments and regroupings to the Unconsolidated financial statements of the Company which are appropriate and are more fully described in 'Impact of changes due to restatement' in Annexure IV .

2 The figures in the unconsolidated Restated statements as of and for the for the six months ended 30th September, 2010 and for the years ended March 31 , 2006 , March 31 , 2007 , March 31 , 2008 , March 31 , 2009 and March 31 , 2010 have been entered from the audited financial statements of the company for the respective years

3 Based on our examination of these Unconsolidated Restated Statements, we state that:

a) The Unconsolidated Restated Statements have to be read in conjunction with the Statement of significant accounting policies and notes to the Unconsolidated restated statements given in Annexure V ;

b) Unconsolidated Restated Statements have been restated with retrospective effect, as applicable to reflect the accounting policies being adopted by the Company as at September 30, 2010, as stated in the Statement of significant accounting policies and notes to Unconsolidated restated statements given in Annexure V

c) The Unconsolidated Restated Net profit/(loss) have been arrived at after making such adjustments and regroupings as in our opinion are appropriate in the year to which they relate as described in the 'Impact of changes due to restatement' given in Annexure IV.

d) The prior period items have been adjusted in Unconsolidated Restated Statements in the years to which they relate;

e) We for the half year ended September 30th 2010 and for the year ended March 31st 2010, March 31st 2009, March 31st 2008, March 31st 2007, March 31st 2006, did not audit the Financial Statement of jointly controlled entities whose Financial Statement reflects company's share of profit/ (loss) net of Rs.2.14 lakhs, Rs 25.74 lakhs, Rs 20.58 lakhs, Rs 31.29 lakhs, Rs 10.24 lakhs and Rs (.79) lakhs respectively for those period / year end.

Those financial statements have been audited by other firm of Chartered Accountants and accordingly reliance has been placed on the financial statement audited for those respective years.

f) The company has transferred as a slump sale, its Realty business comprising of various Assets and Liabilities at the book value to its wholly owned subsidiary – Relcon Realty Pvt. Ltd. w.e.f 28th February, 2011.

g) There are no exceptional items that require separate disclosure in the Unconsolidated Restated Statements; and

g) Qualifications in the auditors report which do not require any corrective adjustments in the restated unconsolidated statements are disclosed in Note 7 to Annexure IV.

B. Other Unconsolidated Financial Information as per Audited Unconsolidated Financial Statements

2. We have examined the following Unconsolidated financial information in respect of six months ended September, 2010 and years ended March 31, 2010, 2009, 2008 ,2007 and 2006 of the Company, proposed to be included in the DRHP, as approved by the Board of Directors and annexed to this report:

i. Statement on Impact of changes due to restatement. (Annexure IV);
ii. Statement of significant accounting policies and notes to restated statements .(Annexure V)
iii. Statement of restated reserves & surplus. (Annexure VI)
iv. Statement of restated fixed assets. (Annexure VII)
v. Statement of restated accounting ratios. (Annexure VIII)
vi. Statement of Restated capitalization Statement .(Annexure IX)
vii. Statement of tax shelters .(Annexure X)
viii. Statement of Restated summary of other income. (Annexure XI)
ix. Statement of restated sundry debtors. (Annexure XII)
x. Statement of Restated quoted and unquoted investments. (Annexure XIII)
xi. Statement of restated loans and advances. (Annexure XIV)
xii. Statement of restated secured loans. (Annexure XV)

xiii. Statement of restated unsecured loans .(Annexure XVI)

xiv. Statement of restated current liability & provisions. (Annexure XVII)

xv. Statement of Restated director's remuneration. (Annexure XVIII)

xvi. The company has not declared any dividend (Whether Interim or Final) during the financial year / period covered in the report and hence this information regarding rates of dividend has not been disclosed.

3. In our opinion, the 'Financial Information as per the Audited Unconsolidated Financial Statements' and 'Other Financial Information' mentioned above for the six months ended September 30, 2010 and years ended March 31, 2010, 2009, 2008, 2007 and 2006. have been prepared in accordance with Part II of Schedule II to the Act and the applicable SEBI Regulations.

4. This report should not be in any way construed as a re-issuance or re-dating of any of the previous audit reports issued by us nor should it be construed as a fresh opinion on any of the Unconsolidated financial statements referred to therein.

5. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

6. This report is intended solely for your information and for inclusion in the DRHP in connection with the proposed Initial Public Offering of equity shares of the Company and is not to be used, referred to or distributed to anyone for any other purpose without our prior written consent.

For **Jogish Mehta & Co.**
Chartered Accountants
Firm Registration No: 104326W

per **Jogish N. Mehta**
Proprietor
Membership No: F-38974
Place: Mumbai
Date: 28th March, 2011

ANNEXURE – I

UNCONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(₹ in lakhs)

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
1. FIXED ASSETS*						
Gross Block	4,163.77	3,689.34	3,186.06	2,183.92	1,754.79	1,447.01
Less: Depreciation	**(1,745.54)**	**(1,568.54)**	**(1,195.30)**	**(865.31)**	**(675.71)**	**(510.96)**
Net Block	**2,418.23**	**2,120.80**	**1,990.76**	**1,318.62**	**1,079.08**	**936.04**
Add: Capital Work in Progress	8.13	4.48	36.56	116.02	-	-
Net Block Including Capital Work in Progress	**2,426.36**	**2,125.28**	**2,027.32**	**1,434.64**	**1,079.08**	**936.04**
2. INVESTMENTS	**269.09**	**258.58**	**232.34**	**164.84**	**98.77**	**80.91**
3. Deferred Tax Assets/(Liability) (net)	148.42	146.25	122.47	121.18	62.53	64.39
4. CURRENT ASSETS, LOANS AND ADVANCES						
a) Inventories	504.71	722.40	766.58	312.19	132.52	270.42
b) Sundry Debtors	5,999.25	8,716.20	4,627.18	3,415.45	2,297.26	1,730.71
c) Cash & Bank Balances	2,732.61	1,137.18	1,827.15	378.42	1,040.49	430.58
d) Loans & Advances	8,181.66	6,498.50	4,693.49	2,829.18	1,577.88	930.08
e) Interest Accrued on Investment	19.31	7.76	15.36	4.22	2.10	-
TOTAL CURRENT ASSETS, LOANS AND ADVANCES	**17,437.54**	**17,082.05**	**11,929.76**	**6,939.47**	**5,050.25**	**3,361.80**
5. TOTAL ASSETS (1+2+3+4)	**20,281.40**	**19,612.16**	**14,311.89**	**8,660.12**	**6,290.63**	**4,443.14**

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
6. LIABILITIES & PROVISIONS						
a) Secured Loans	1,307.20	1,428.17	2,135.50	1,442.95	1,138.01	1,121.31
b) Unsecured Loans	659.68	376.55	432.43	715.62	1,255.87	911.04
c) Current Liabilities and Provisions	11,741.21	12,157.87	8,011.38	4,529.73	3,226.06	2,028.69
TOTAL LIABILITIES	**13,708.08**	**13,962.59**	**10,579.30**	**6,688.30**	**5,619.93**	**4,061.04**
7. NET WORTH (5-6)	**6,573.32**	**5,649.57**	**3,732.59**	**1,971.82**	**670.70**	**382.10**
NET WORTH REPRESENTED BY						
A. Equity Share Capital	900.00	900.00	900.00	900.00	700.00	500.00
Reserves and Surplus	5,710.78	4,760.75	2,832.59	1,071.82	(22.52)	(117.90)
Less Revaluation Reserve	-	-	-	-	-	-
B. Reserves and Surplus (Net of Revaluation Reserve)	5,710.78	4,760.75	2,832.59	1,071.82	(22.52)	(117.90)
C. Misc. Expenditure (to the extent not written off or adjusted)	37.46	11.18	-	-	6.78	
NET WORTH (A + B - C)	**6,573.32**	**5,649.57**	**3,732.59**	**1,971.82**	**670.70**	**382.10**

The accompaning significant accounting policies and notes (Annexure IV) are an integral part of this statement.

Adjustment in Share Capital/Unsecured Loan

Reliance Construction Company the erstwhile partnership firm had been incorporated as Relcon Infraprojects Pvt Ltd on 4th December, 2006 under part IX of the Indian Companies Act 1956.The balance in the partners capital account as at 31/3/2006 in the erstwhile partnership firm was Rs 1265.30 lacs and Rs 500 Lacs from the same was appropriated as permanent capital of the partners and balance Rs 765.30 Lakhs was regrouped under the head unsecured loan.

ANNEXURE - II

UNCONSOLIDATED STATEMENT OF PROFITS AND LOSSES, AS RESTATED

(₹ in lakhs)

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
INCOME:						
Civil Contract Receipt	9,554.13	23,091.59	22,197.41	8,623.34	7,082.91	4,801.36
Supply of Civil Material & Services	4,208.49	5,964.42	5,092.69	4,991.09	4,362.69	3,237.92
Realty Income	430.41	1,129.74	-	-	-	-
Gross Earnings from Civil Work	**14,193.03**	**30,185.75**	**27,290.10**	**13,614.43**	**11,445.61**	**8,039.28**
Other Income	79.48	191.09	223.84	150.25	124.28	71.94
Total	**14,272.51**	**30,376.84**	**27,513.94**	**13,764.68**	**11,569.88**	**8,111.22**
EXPENDITURE:						
Change in Work in Progress	69.35	179.37	(462.15)	(173.76)	186.30	139.07
Consumption of Raw Materials	5,226.52	13,591.48	12,725.61	6,999.05	5,594.24	3,987.34
Sub Contract Exp./ Labour Chg. / Job Work Exp. Etc	5,447.23	9,535.56	9,051.87	2,990.32	2,898.40	2,063.71
Other Direct Expenses	1,116.47	2,233.44	2,264.87	1,394.90	1,161.32	936.32
Staff Cost	377.57	648.19	469.95	201.68	114.77	81.21
Administration Expenses	308.68	575.24	498.87	453.36	316.18	205.40
Interest and Financial Charges	106.41	228.83	236.22	160.57	143.04	95.80
Depreciation	197.43	388.57	326.98	201.37	194.63	179.96
Total	**12,849.65**	**27,380.67**	**25,112.21**	**12,227.49**	**10,608.88**	**7,688.81**
Net Profit / Loss Before Tax, Extra-ordinary Items & Prior Period Adjustments	**1,422.86**	**2,996.17**	**2,401.73**	**1,537.18**	**961.00**	**422.40**

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Provision for Taxation						
- For Current Year / (MAT)	(475.00)	(1,091.79)	(634.41)	(496.18)	(411.80)	(247.13)
- Fringe Benefit Tax			(7.85)	(5.31)	(5.86)	(3.75)
- Wealth Tax						
- Deferred Tax Liability / (Asset)	2.16	23.78	1.29	58.65	(1.86)	84.15
Net Profit / Loss after tax and before Extra-ordinary Items	**950.03**	**1,928.16**	**1,760.77**	**1,094.34**	**541.48**	**255.67**
Adjustments for extra-ordinary items	**-**	**-**	**-**	**-**	**-**	**-**
Net Profit after Extra-ordinary Items	**950.03**	**1,928.16**	**1,760.77**	**1,094.34**	**541.48**	**255.67**
Balance of Profit brought forward	**4,760.75**	**2,832.59**	**1,071.82**	**(22.52)**	**(117.90)**	**-**
Adjustments in Reserve & Surplus (refer annexure - V)					(446.11)	(373.57)
Balance carried forward, as restated	**5,710.78**	**4,760.75**	**2,832.59**	**1,071.82**	**(22.52)**	**(117.90)**

The accompaning significant accounting policies and notes (Annexure IV) are an integral part of this statement.

ANNEXURE - III

UNCONSOLIDATED STATEMENT OF CASH FLOWS, AS RESTATED

(₹ in lakhs)

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
A) CASH FLOW FROM OPERATING ACTIVITIES						
Net Profit before tax	**1,422.86**	**2,996.17**	**2,401.73**	**1,537.18**	**961.00**	**422.40**
Adjustments for :						
Profit / Loss on sale of Asset	1.71	3.02	(0.29)	25.09	25.83	(0.45)
Depreciation on Fixed Assets	197.43	388.57	326.98	201.37	194.63	179.96
Preliminary Expenses Written Off	-	-	-	6.78	1.69	-
Impairment loss on Fixed Assets	-	-	6.29	-	-	-
Interest Expenses	89.70	189.68	216.74	128.82	143.05	89.58
Dividend Income	(0.26)	(0.26)	(0.26)	(0.17)	(0.15)	(0.17)
Interest income	(39.14)	(59.42)	(48.80)	(37.31)	(24.60)	(24.69)
Profit from Investments in Joint Ventures / Firms	(27.06)	(35.34)	(106.23)	(111.54)	(88.30)	(14.18)
Operating profit before working capital changes	**1,645.24**	**3,482.41**	**2,796.16**	**1,750.23**	**1,213.15**	**652.46**
Increase in trade receivables and other receivables	1,606.42	(5,829.28)	(2,023.52)	(2,145.67)	(1,016.79)	(414.37)
Decrease in Inventories	217.69	44.18	(454.39)	(179.67)	137.90	96.41
Increase /(Decrease) in trade and other payables	(908.16)	4,035.33	2,782.12	1,009.44	865.20	321.06
Cash Generated from Operations	**2,561.19**	**1,732.64**	**3,100.37**	**434.33**	**1,199.46**	**655.57**
Direct Taxes paid	(572.64)	(1,037.73)	(1,006.85)	(430.49)	(277.31)	(205.98)
Net Cash flow from Operating Activities Total (A)	**1,988.56**	**694.91**	**2,093.52**	**3.84**	**922.16**	**449.58**

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
B) CASH FLOW FROM INVESTING ACTIVITIES						
Purchase of Fixed Assets / Capital work in progress	(503.24)	(494.13)	(930.90)	(584.69)	(386.69)	(285.64)
Sale of fixed assets	3.02	4.58	5.25	2.68	23.20	1.34
Dividend Income	0.26	0.26	0.26	0.17	0.15	0.17
Other Investment	-	2.73	(50.30)	0.75	(8.50)	-
Investments/withdrawal in/from Joint Ventures / Firms	16.55	6.37	89.03	44.47	71.44	(13.26)
Interest Received	27.59	67.02	37.66	35.18	15.78	24.13
Net Cash used in Investing Activities Total (B)	**(455.82)**	**(413.17)**	**(849.00)**	**(501.45)**	**(284.62)**	**(273.25)**
C) CASH FLOW FROM FINANCING ACTIVITIES						
Issue of Share Capital	-	-	-	200.00	200.00	-
Receipt / Repayment of Loan / Capital (Net)	283.13	(55.88)	(283.19)	(540.24)	(101.28)	15.71
Amount Raised under Finance Lease	-	-	-	-	16.70	109.30
Issue Expenses	(6.28)	(11.18)	-	-	-	-
Receipt / Repayment of Secured Loan (Net)	(120.98)	(707.32)	692.55	304.94	-	-
Interest paid	(93.19)	(197.33)	(205.14)	(129.16)	(143.05)	(89.58)
Net Cash flow from Financing Activities Total (C)	**62.68**	**(971.71)**	**204.21**	**(164.47)**	**(27.63)**	**35.43**
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	1,595.42	(689.96)	1,448.73	(662.08)	609.91	211.76
Cash and Cash Equivalents at the beginning of the year	1,137.18	1,827.15	378.42	1,040.49	430.58	218.83
Cash and Cash Equivalents at the end of the period	**2,732.61**	**1,137.18**	**1,827.15**	**378.42**	**1,040.49**	**430.58**

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Cash and Cash Equivalents includes the following:-						
Cash in hand	110.12	86.21	70.95	36.03	33.99	16.38
Cheques in hand	-	-	67.95	-	500.00	98.00
Balances with Scheduled Banks	-	-	-	-	-	-
- In Current Accounts	148.66	74.51	403.74	31.59	342.57	209.80
- In Deposit Account (Note 1)	2,473.83	976.46	1,284.50	310.79	163.93	106.41
Total	**2,732.61**	**1,137.18**	**1,827.15**	**378.42**	**1,040.49**	**430.58**

Notes:

1.The cash flow statement has been prepared under the Indirect Method as set out in Accounting Standard (AS)-3, Cash flow Statements, as notified under the Companies Act, 1956.

2.Cash and cash equivalents for the six months ended 30th September, 2010, 31st March, 2010, 31st March, 2009, 31st March, 2008, 31st March, 2007 & 31st March, 2006 includes a fixed deposit of Rs 873.83 lakhs, Rs. 676.46 lakhs, Rs. 568.04 lakhs, Rs. 310.79 lakhs, Rs. 163.92 lakhs & Rs. 105.85 lakhs respectively pledged with the bank as margin money for bank guarantee.

ANNEXURE – IV

UNCONSOLIDATED STATEMENT ON ADJUSTMENTS TO AUDITED FINANCIAL STATEMENTS

(₹ in lakhs)

No.	Particulars	For the six months ended September 30,2010	For the year ended March 31,				
			2010	2009	2008	2007	2006
	Profit After Tax as per Audited Statement of Accounts	926.81	1,942.67	1,545.14	1,019.78	842.48	433.07
	Adjustments on account of:						
1	Retention Money	5.00	10.15	198.38	38.94	(250.91)	(228.83)
2	Depreciation	(2.98)	(2.79)	(3.41)	(5.25)	19.13	(45.29)
3	Prior Period Adjustment						
	a) Other Expenses	-	-	-	-	(40.66)	40.66
	b) Auditors Remuneration	-	-	-	1.50	(1.50)	-
	c) Insurance Expenses	-	8.98	-	-	-	(8.98)
	d) Consumption of Raw Material	(1.41)	-	1.41	-	-	-
	e) Gratuity	-	-	-	-	-	2.59
	f) Legal & Registration Expenses	45.56	(6.78)	(13.20)	(17.51)	(8.06)	-
4	Share of Profit from Joint Venture	(7.09)	7.15	(0.05)	(6.19)	6.98	(0.79)
	Net adjusted profit before tax	965.89	1,959.37	1,728.25	1,031.26	567.45	192.44
5	Income Tax	-	(28.72)	94.82	17.82	(52.80)	(31.13)
6	Deferred Tax	(15.86)	(2.49)	(62.31)	45.26	26.83	94.36
	Net adjusted profit after tax, as Restated	**950.03**	**1,928.16**	**1,760.77**	**1,094.34**	**541.48**	**255.67**

Notes on adjustments:

1) **Retention Money**

From 1st April, 2008 the company has recognized revenue from retention money/security deposit retained by the contractee, being earlier of (i) the defect liability period or (ii) the raising of the final bill on the contractee or (iii) receipt of the retention money/security deposit from the contractee. Accordingly for the purpose of summary statement of restated profit & losses revenue from retention money/security deposit for all the earlier years prior to 1st April, 2008 has been recognized accordingly.

2) **Depreciation**

Reliance Construction Company the erstwhile partnership firm had been incorporated as Relcon Infraprojects Pvt Ltd on 4th December, 2006 under part IX of the Indian Companies Act 1956.The erstwhile partnership firm had charged depreciation as per the rates prescribed under the Income Tax Act 1961. On incorporation the Company charged depreciation as per the rates prescribed under the Indian Companies Act 1956, accordingly for the purpose of the summary statement of restated profit & losses depreciation has been charged as per the rates prescribed under the Indian Companies Act 1956 for the earlier year/period prior to incorporation.

3) **Prior Period Adjustment**

Prior period adjustments in respect of items of income and expenditure have been retrospectively adjusted in arriving at the profits/(losses) of the years/period to which they relate although the event triggering the income or expense occurred in the subsequent years, as per SEBI ICDR, Regulations 2009.

4) **Share of Profit from Joint ventures**

The audited profit & loss for the year ended 31st March 2008 includes a loss of Rs 78,620/- attributable to the financial year 2005-06 and also includes a profit of Rs 6,97,848/- attributable to the financial year 2006-07. Similarly for the period ended 30th September 2010 the audited Profit & Loss A/c includes a loss of Rs 5,450/- attributable to the financial year 2008-09 and also includes a profit of Rs 7,14,543/- attributable to the financial year 2009-10. The same have been adjusted to the summary statement of profit & losses for the relevant financial years.

5) Income Tax

Short / Excess provision of Income Tax in respect of earlier year as reported in the financial statement for the financial year ended 31st March 2006, 2007, 2008, 2009 & 2010 & September 2010 have been adjusted in restated financial or profit & loss for the respective year.

6) Deferred Tax

Deferred Tax impact of adjustments made has been computed on the profit arrived after making the adjustment and on the basis of rates applicable to respective years.

7) Qualifications in Auditors Report

1 There are no qualifications in the in Auditors report for the year ended March 31 2006.

2 The following qualification as reported in the Auditors Report dated 30th October 2007 for the year ended 31st March 2007 were resolved subsequently as under :

2.1 In respect of loans, secured or unsecured, granted or taken by the company, to or from companies, firm or other parties covered in register maintained under section 301 of the companies Act, 1956 where the stipulation for repayment of the principal amount has not been specified. The company is of the view that the aforesaid amounts are mainly a short term accomodation from promoters and the same are repayable on demand.

2.2 Regarding the absence of an internal audit system during the year. The company has appointed an internal auditor in the subsequent year and subsequently there is no qualification

2.3 Regarding undisputable amount payable for Value added tax of Rs. 23,12,072/- outstanding for a period of more than six months from the date they became payable. The company has discharged the aforesaid obligation subsequently

3 The following qualification as reported in the Auditors Report dated 22nd September 2008 for the year ended 31st March 2008 were resolved subsequently as under :

3.1 In respect of loans, secured or unsecured, granted or taken by the company, to or from companies, firm or other parties covered in register maintained under section 301 of the companies Act, 1956 where the stipulation for repayment of the principal amount has not been specified. The company is of the view that the aforesaid amounts are mainly of short term accomodation from the promoters and the same are repayable on demand.

3.2 Regarding undisputable amount payable for service tax of Rs. 6,04,704/- outstanding for a period of more than six months from the date they became payable. The company has discharged the aforesaid obligation subsequently.

4 The following qualification as reported in the Auditors Report dated 27th September 2009 for the year ended 31st March 2009 were resolved subsequently as under :

4 .1 In respect of loans, secured or unsecured, granted or taken by the company, to or from companies, firm or other parties covered in register maintained under section 301 of the companies Act, 1956 where the stipulation for repayment of the principal income has not been specified. The company is of the view that the aforesaid amounts are mainly of short term accomodation from promoters and the same are repayable on demand.

5 The following qualification as reported in the Auditors Report dated 23rd September 2010 for the year ended 31st March 2010 were resolved subsequently as under :

5 .1 In respect of loans, secured or unsecured, granted or taken by the company, to or from companies, firm or other parties covered in register maintained under section 301 of the companies Act, 1956 where the stipulation for repayment of the principal income has not been specified. The company is of the view that the aforesaid amounts are mainly a short term accomodation from promoters and the same are repayable on demand.

ANNEXURE – V

Significant Accounting Policies and Notes to Accounts

1 Background

a) Relcon Infraprojects Ltd. was incorporated on 04.12.2006 under part IX of the Companies Act 1956 and w.e.f. 20.07.2010 the company has been converted into a Public Company .The Company is engaged in the business of Civil Construction & supply of civil materials and services

b) The Statement of restated assets and liabilities of the Company as at September 30, 2010 and March 31, 2010, 2009, 2008, 2007 and 2006 and the Summary statement of restated profits and losses and also the Statement of restated cash flows for the six months ended September 30, 2010, years ended March 31, 2010, 2009, 2008 2007 and 2006 (hereinafter collectively referred to as "Restated Summary Statements") have been prepared specifically for inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with its proposed Initial Public Offering.

These Restated Summary Statements have been prepared to comply in all material respects with the requirements of Schedule II to the Companies Act, 1956 (the "Act") and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI.

2 Basis of preparation

a) The Restated Summary Statements have been prepared on a going concern basis under the Historical Cost Convention on the accrual basis of accounting, are in accordance with the applicable requirements of the Companies Act, 1956 (the 'Act') and comply in all material aspects with the Accounting Standards as notified by the Companies (Accounting Standards) Rules, 2006, to the extent applicable. The accounting policies have been consistently applied by the Company.

b) **Use of Estimates**

The preparation of Restated Summary Statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of income and expenses of the period / year, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include useful lives of fixed assets, future obligations under employee retirement benefit plans, provision for doubtful debts and advances, etc. Actual results could differ from those estimates. Any revisions to accounting estimates are recognised prospectively in the current and future periods.

3 Significant Accounting Policies

A Accounting Convention

a) The financial statements have been prepared under historical cost convention on going concern basis and in accordance with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956.

b) The Company generally follows mercantile system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties.

B Provisions and contingencies

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are determined based on best estimate of the amount required to settle the obligation at the Balance Sheet date. Provisions are reviewed at each Balance Sheet date and adjusted to reflect current best estimates. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

C Fixed Assets & Depreciation

a) Fixed Assets are stated at cost less accumulated depreciation. Cost includes capital cost and other incidental expenses attributable to bringing the asset to working condition for its intended use.

b) Capital Work in Progress is stated at amount spend up to the date of the financial statements and includes advances for capital expenditure and for assets acquired but not ready for use

c) Depreciation on fixed assets is provided under the Written down value method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956 which, as per the management represents the estimated useful life of the assets.

4 **Impairment of Assets**

If the carrying amount of fixed assets exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured at the higher of the net selling price and value in use, determined by the present value of estimated future cash flows.

Impairment Loss if any on fixed assets on the basis of review carried out by the Management in accordance with the Accounting Standard – 28 “Impairment of Assets” issued by the Institute of Chartered Accountants of India are dealt with in the Profit & Loss Account.

5 **Borrowings Costs**

Borrowing cost attributable to the acquisition or construction of qualifying assets are capitalized as a part of the cost of such assets. All other borrowing costs are charged to revenue.

6 **Leases**

a) Assets acquired under lease where the company has substantially all the risks and rewards incidental to ownership are classified as finance leases. Such assets are capitalized at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

b) Assets acquired on leases where significant portions of the risks and rewards incidental to ownership are retained by the lessors, are classified as operating leases. Lease rentals are charged to the profit and loss account on straight line basis over the lease term.

7 **Investments**

a) Long-term investments are stated at cost. Provision for diminution in value of long-term investments is made, if the diminution is other than temporary.

b) Current Investments are stated at cost or fair value, whichever is lower.

8 **Jobs in Progress, advance receipts and work done not billed**

Jobs in progress are valued at lower of cost or net realisable value. Cost of jobs in progress comprises direct material, direct expenses and an appropriate allocation of overheads for which revenue has not been recognised. Advance receipts against contracts are current liabilities. Work done not billed for jobs in progress is included in current assets.

9 **Revenue Recognition**

a.1) The Company has recognised profits based on percentage of completion method. The stage of completion of contract is determined by considering the proportion of contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs. Revenue from contracts and projected losses, if any, are provided based on the management's current estimate of costs to completion arrived at on the basis of technical data, forecasts and estimate for further expenditure.

a.2) Contract costs include all direct materials, subcontracts costs , labour costs & those indirect costs related to contract performance.

a.3) Revenues from time & material contracts are recognized currently as and when the work is performed.

a.4) As and when the loss on a contract can be determined, the entire amount of the estimated loss on contract is recognized & provided in the financial statement.

a.5) The aggregate of costs incurred & income recognized on incompleted contracts in excess of related billings is shown as a current asset, & the aggregate of billing on incompleted contracts in excess of related costs incurred & income recognized is shown as current liability.

b) Revenue from Service is generally recognized when Service is about to be completed and no uncertainties exist about the collection of amount of service.

c) Sale is recognized when the risk and rewards of ownership are passed onto the customers, which is generally on dispatch of goods.

d) Dividend Income is recognized when the right to receive the dividend is unconditional.

e) Interest income on term deposit is recognized using the time proportion method based on interest rates implicit in the transactions.

f) Profit / Loss From Joint Venture / Firms

Share of profit /Loss from joint ventures/firms is accounted on the basis of their audited accounts as on the balance sheet date

g) Revenue from the sale of properties in realty projects is recognized only when the significant risks and rewards of ownership have been transferred to the customer, which coincides with the entering into of a legally binding agreement.

h) The Company has recognized revenue on the Retention Money / Security Deposit retained by the contractee, being earlier of the expiry of the defect liability period or raising of the final bill on the contractee or receipt of the Retention Money from the contractee

10 **Inventories**

a) Stock of Material is valued at lower of cost or net realizable value.

b) Properties held for development represents TDR acquired for future development, other cost and construction related direct and indirect expenditure.

11 **Transaction in Foreign Currencies**

a) Transactions in foreign currencies are translated to Indian rupees at the rate of exchange ruling on the date of transaction.

b) Monetary items denominated in foreign currencies are translated into Indian rupees at the rate of exchange ruling in the Balance Sheet date.

c) Exchange differences arising on Settlement of transaction and on account of restatement of monetary items are dealt with in the profit and loss account and Balance Sheet.

12 **Retirement Benefits**

a) Provident Fund is a defined contribution scheme and the contributions as required by the statute made to Government Provident Fund are charged to profit and Loss account.

b) Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognised in the Balance Sheet in respect of gratuity is the present value of the defined benefit / obligation at the Balance Sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit / obligation is calculated at or near the Balance Sheet date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged or credited to the Profit and Loss Account

c) The expected cost of short term compensated absences is recognized & discharged by the company before the Balance Sheet date.

13 **Accounting for Taxes on Income**

a) Current tax is determined as the amount of tax payable in respect of taxable income for the year.

b) Deferred Tax is recognized subject to the consideration of prudence on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and measured using relevant enacted tax rates.

14 **Share Issue Expenses**

Share issue expenses are carried forward as miscellaneous expenditure to the extent not written off and on issuance of shares are adjusted against the Securities Premium Account.

15 **Earnings Per Share**

Basic earnings per share is computed and disclosed using the weighted average number of common shares outstanding during the year. Dilutive earnings per share is computed and disclosed using the weighted average number of common and dilutive common equivalent shares outstanding during the year, except when the results would be anti-dilutive.

Notes to Accounts

1 The company has transferred as a slump sale, its Realty business comprising of various Assets and Liabilities at the book value to its wholly owned subsidiary – Relcon Realty Pvt. Ltd. The effective date for this sale is 28th February, 2011. Hence, from 28th February, 2011 the company no longer owns the Realty business & same shall be carried on by its wholly owned subsidiary – Relcon Realty Pvt. Ltd. & all transaction relating to Realty shall be recorded & included in the financial statements of Relcon Realty Pvt. Ltd. on or after 28th February, 2011.

2 Disclosure in accordance with Accounting Standard AS-7 (Revised) in respect of Contracts entered into by the company:

(₹ in lakhs)

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Contracting Receipts	9,554.13	23,091.59	22,197.41	8,623.34	7,082.91	4,801.36
Contracts Cost Incurred & recognized profits (Less recognized losses) for contracts in progress up to the reporting date	26,558	27,195	23,831	6,867	3,762	5,253
Advances Received	434.69	543.73	420.07	495.16	166.35	-
Gross Amount due from Customers for Contract Work	1,346.69	2,091.84	840.99	332.21	529.31	552.76
Gross Amount due to Customers for Contract Work	13.08	-	-	-	-	-
Retention Money	506.10	706.68	498.99	127.01	112.06	334.86

3 Retirement benefits

Consequent to the Accounting Standard on Employee Benefits (AS-15) (Revised 2005), issued by the Institute of Chartered Accountants of India (ICAI), becoming mandatory w.e.f. April 1, 2007 the company has adopted the revised AS 15 – Employee benefits issued by the Institute of Chartered Accountants of India during the current year.

Disclosure in respect of gratuity liability

(₹ in lakhs)

Reconciliation of opening and closing balance of the present value of the defined benefit obligation for gratuity benefits is given below:	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Change in obligations						
Present value of obligations	48.09	24.41	13.04	7.65	3.50	2.59
Interest Cost	1.92	1.83	0.98	0.57	0.26	0.19
Current Service Cost	8.56	10.08	5.02	2.79	1.71	0.69
Benefit Paid	-	-	-	-	-	-
Actuarial (gain)/loss on obligations	7.01	11.77	5.37	2.03	2.18	0.03
Present value of obligations	65.59	48.09	24.41	13.04	7.65	3.50

Fair value of plan assets	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Fair value of plan assets						
Actual Return on plan assets						
Contributions						
Benefits Paid						
Actuarial gain/(loss) on plan assets						
Fair value of plan assets as at						
Funded Status	(65.59)	(48.09)	(24.41)	(13.04)	(7.65)	(3.50)
Excess of actual over estimated return on plan Assets						

Actuarial Gain/(Loss) Recognised	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Actuarial Gain/(Loss) for the period (Obligation)	(7.01)	(11.77)	(5.37)	(2.03)	(2.18)	(0.03)
Actuarial Gain/(Loss) for the period (Plan Assets)	-	-	-	-	-	-
Total Gain/(Loss) for the period	(7.01)	(11.77)	(5.37)	(2.03)	(2.18)	(0.03)
Actual Gain/(Loss) recognised for the period	(7.01)	(11.77)	(5.37)	(2.03)	(2.18)	(0.03)
Unrecognised Actual Gain/(Loss) at the end of period	-	-	-	-	-	-

Amount Recognised in Balance Sheet	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Present value of obligation	65.59	48.09	24.41	13.04	7.65	3.50
Fair value of plan assets	-	-	-	-	-	-
Funded Status	(65.59)	(48.09)	(24.41)	(13.04)	(7.65)	(3.50)
Unrecognised past service cost	-	-	-	-	-	-
Net assets/(Liability) recognised in the Balance Sheet	(65.59)	(48.09)	(24.41)	(13.04)	(7.65)	(3.50)

Expenses Recognized in Profit and Loss Account	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Current Service Cost	8.56	10.08	5.02	2.79	1.71	0.69
Interest Cost	1.92	1.83	0.98	0.57	0.26	0.19
Expected Return on plan assets	-	-	-	-	-	-
Net Actuarial (gain)/loss recognised in the current period	7.01	11.77	5.37	2.03	2.18	0.03
Expenses Recognised in the statement of Profit & Loss	17.49	23.68	11.37	5.39	4.15	0.91

Movement in the Liability recognised in Balance Sheet	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Opening Net Liability	48.09	24.41	13.04	7.65	3.50	2.59
Expenses as above	17.49	23.68	11.37	5.39	4.15	0.91
Contribution paid	-	-	-	-	-	-
Closing Net Liability	65.59	48.09	24.41	13.04	7.65	3.50

Actuarial assumptions used	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Discount rate	8.00%	8.00%	7.50%	7.50%	7.50%	7.50%
Expected Return on plan assets	-	-	-	-	-	-
Mortality	LIC (1994-96)ULT	LIC (1994-96)ULT	LIC (1994-96)ULT	LIC (1994-96)ULT	LIC (1994-96)ULT	LIC (1994-96)ULT
Future Salary increase	5.00%	5.00%	4.00%	4.00%	4.00%	4.00%
Withdrawal rate	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%

4 Segmental Reporting

The segmental reporting disclosures as required under Accounting Standard – 17

(₹ in lakhs)

Particulars		For the six months ended September 30,2010	For the year ended March 31,				
			2010	2009	2008	2007	2006
REVENUE							
External sales	**Civil Contract Receipt**	9,554.13	23,091.59	22,197.41	8,623.34	7,082.91	4,801.36
	Supply of Civil Materials & Services	4,208.49	5,964.42	5,092.69	4,991.09	4,362.69	3,237.92
	Realty	430.41	1,129.74	-	-	-	-
	Unallocable / (Elimination)						
	Total	14,193.03	30,185.75	27,290.10	13,614.43	11,445.61	8,039.28
Inter Segment sales	**Civil Contract Receipt**						
	Supply of Civil Materials & Services	1,345.15	3,866.82	4,561.75	2,088.71	1,967.93	1,182.48
	Realty						
	Unallocable / (Elimination)	(1,345.15)	(3,866.82)	(4,561.75)	(2,088.71)	(1,967.93)	(1,182.48)
	Total	-	-	-	-	-	-
Total Revenue	**Civil Contract Receipt**	**9,554.13**	**23,091.59**	**22,197.41**	**8,623.34**	**7,082.91**	**4,801.36**
	Supply of Civil Materials & Services	**5,553.65**	**9,831.24**	**9,654.45**	**7,079.81**	**6,330.62**	**4,420.40**
	Realty	**430.41**	**1,129.74**	-	-	-	-
	Unallocable / (Elimination)	**(1,345.15)**	**(3,866.82)**	**(4,561.75)**	**(2,088.71)**	**(1,967.93)**	**(1,182.48)**
	Total	**14,193.03**	**30,185.75**	**27,290.10**	**13,614.43**	**11,445.61**	**8,039.28**

RESULT							
Segment result	**Civil Contract Receipt**	940.85	2,008.31	1,214.24	972.52	393.65	369.11
	Supply of Civil Materials & Services	802.32	1,436.56	1,617.05	666.70	764.43	164.12
	Realty	12.57	85.07	-	-	-	-
	Unallocable / (Elimination)						
	Total	1,755.74	3,529.94	2,831.29	1,639.22	1,158.08	533.23
Unallocable corporate Expenses		316.97	524.91	428.89	89.92	164.92	129.99
Operating profit		1,438.77	3,005.03	2,402.40	1,549.31	993.16	403.24
Other income/(Expenses), Net		34.65	121.39	167.27	111.14	86.29	84.05
Less: Interest expenses		89.70	189.68	216.74	160.57	143.05	89.58
Add: Interest income		39.14	59.42	48.80	37.31	24.60	24.69
Net profit before taxes		**1,422.86**	**2,996.17**	**2,401.73**	**1,537.18**	**961.00**	**422.40**
Income Taxes		472.84	1,068.01	640.97	442.83	419.52	166.73
Net Profit after taxes		**950.03**	**1,928.16**	**1,760.76**	**1,094.35**	**541.48**	**255.67**

OTHER INFORMATION							
Segment assets	**Civil Contract Receipt**	11,506.80	12,375.38	7,109.18	4,885.65	2,268.80	1,545.69
	Supply of Civil Materials & Services	3,798.10	3,364.75	3,293.28	2,206.83	2,112.99	1,949.02
	Realty	216.23	920.02	660.40	-	-	-
	Unallocable / (Elimination)	4,611.85	2,805.77	3,126.55	1,446.46	1,846.31	884.04
	Total	20,132.98	19,465.91	14,189.42	8,538.95	6,228.10	4,378.75
Segment liabilities	**Civil Contract Receipt**	7,545.07	8,316.00	5,032.17	2,551.53	899.32	646.34
	Supply of Civil Materials & Services	1,120.02	1,199.53	948.41	647.76	875.71	827.48
	Realty	148.46	316.38	170.35	-	-	-
	Unallocable / (Elimination)	2,927.66	2,325.97	1,860.45	1,330.44	1,451.03	554.87
	Total	11,741.21	12,157.87	8,011.38	4,529.73	3,226.06	2,028.69
Capital Expenditure	**Civil Contract Receipt**	392.27	148.35	83.96	21.05	48.07	13.32
	Supply of Civil Materials & Services	80.78	363.18	818.45	433.52	317.86	216.13
	Realty	-	-	-	-	-	-
	Unallocable / (Elimination)	26.54	14.67	138.71	14.10	20.75	57.87
	Total	499.59	526.20	1,041.11	468.68	386.69	287.32
Depreciation	**Civil Contract Receipt**	33.65	37.60	29.72	19.61	16.13	12.61
	Supply of Civil Materials & Services	147.40	316.57	257.44	163.70	158.18	157.63
	Realty	-	-	-	-	-	-
	Unallocable / (Elimination)	16.38	34.40	39.82	18.06	20.32	9.72
	Total	197.43	388.57	326.98	201.37	194.63	179.96

Non-cash expenses other than Depreciation	**Civil Contract Receipt**	-	-	-	0.23	-	-
	Supply of Civil Materials & Services	1.67	3.02	7.20	24.86	25.01	-
	Realty	-	-	-	-	-	-
	Unallocable / (Elimination)	0.05	-	-	-	0.83	-
	Total	1.71	3.02	7.20	25.09	25.83	-

The Company is operating in the same geographical segment.

5 A) Name of related parties

i) Subsidiaries

Sr. No.	Name of the related party
1	Relcon Realty Pvt. Ltd.

ii) Key Management Personnel

Sr. No.	Name of the related party
1	Pravin C. Shah
2	Jainendra P. Shah
3	Rakesh P. Shah
4	Dipan P. Shah
5	Tejas P. Shah

iii) Relatives of Key Management Personnel

Sr. No.	Name of the related party
1	Ami T. Shah
2	Arvind R. Shah
3	Chandravati A. Shah
4	Heena R. Shah
5	Jankhana M. Parikh
6	Kamakshi P. Shah
7	Kirit C. Shah
8	Kirtikant Thakordas Shah
9	Nipa J. Shah
10	Sejal D. Shah

iv) Associates / Joint Ventures

Sr. No.	Name of the related party
1	New India Roadways & Sunrise Stone Industries - JV
2	R.K. Madhani & Co.& Relcon Infraprojects Pvt. Ltd. JV
3	Relcon Michigan (Joint Venture)
4	Reliance & Michigan Joint Venture
5	Reliance & Sunrise Stone Industries JV
6	Reliance Construction Co. & J.P. Enterprises. - JV
7	Reliance Construction Co. & New India Roadways – JV
8	Reliance Construction Co. & Sunrise Stone Industries JV
9	Reliance Michigan (JV)
10	Reliance Michigan Joint Venture
11	Reliance Michigan Joint Venture Mithi River

v) Other Related Party

Sr. No.	Name of the related party
1	Amul Construction Co.
2	Bina Construction Co.
3	Deepcon Engineers
4	Dipan Construction Co.
5	Divya Costruction Co.
6	Dynasty Engg. & Const. Co.
7	Jainendra P. Shah (HUF)
8	Pravin C. Shah (HUF)
9	Rakesh P. Shah (HUF)
10	Rel Tek Tiles India Pvt. Ltd.
11	Rolf Infra Concrete Pvt. Ltd.
12	Shubham Developers
13	Sunrise Stone Industries
14	Tejas P. Shah (HUF)
15	Zenal Jainam Developers

B) Related Party Transactions

Transactions with Related Parties

(₹ in lakhs)

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
A) Transactions with Related Parties						
a) Sales and Other Income						
Associates / Joint Ventures	**950.93**	**1,310.91**	**827.55**	**1,637.72**	**2,199.15**	**2,221.14**
New India Roadways & Sunrise Stone Industries - JV	-	-	-	85.56	44.90	-
Relcon Michigan (Joint Venture)	854.23	1,131.90	-	-	-	-
Reliance & Michigan Joint Venture	12.57	49.00	-	197.59	812.75	1,051.99
Reliance & Sunrise Stone Industries JV	-	-	-	-	2.75	0.23
Reliance Construction Co. & J.P. Enterprises. - JV	4.14	75.33	-	334.19	1,067.06	1,167.80
Reliance Construction Co. & New India Roadways – JV	-	-	-	102.57	65.88	-
Reliance Construction Co. & Sunrise Stone Industries JV	-	-	-	-	22.92	1.12
Reliance Michigan (JV)	79.98	-	-	-	135.05	-
Reliance Michigan Joint Venture	-	54.68	788.89	187.04	47.84	-
Reliance Michigan Joint Venture Mithi River	-	-	38.66	730.76	-	-
Other Related Parties	**178.44**	**247.40**	**184.02**	**281.62**	**534.37**	**234.74**
Deepcon Engineers	-	-	10.93	97.65	92.80	2.17
Divya Costruction Co.	-	-	-	2.43	9.12	40.18
Dynasty Engg. & Const. Co.	-	-	-	46.26	30.37	17.23
Rel Tek Tiles India Pvt. Ltd.	-	0.46	2.73	-	-	-
Shubham Developers	0.84	2.16	-	-	0.21	0.38
Sunrise Stone Industries	177.60	244.78	170.35	135.28	401.88	174.77
b) Purchase of Goods and Other Expenses						
Associates / Joint Ventures	**21.84**	**12.82**	-	-	-	-
Relcon Michigan (Joint Venture)	21.84	12.82	-	-	-	-

Other Related Parties	**538.16**	**1,831.21**	**656.19**	**510.83**	**332.00**	**294.67**
Deepcon Engineers	0.60	64.31	3.90	-	-	2.76
Dynasty Engg. & Const. Co.	-	-	-	202.16	140.38	119.91
Rel Tek Tiles India Pvt. Ltd.	60.13	167.84	320.09	155.15	-	-
Rolf Infra Concrete Pvt. Ltd.	-	60.18	-	-	-	-
Sunrise Stone Industries	477.44	1,538.89	332.20	153.53	191.62	172.01
Directors / Key Managerial Personnel & Relatives	**19.20**	**37.13**	**67.87**	**19.39**	**3.72**	**3.60**
Kamakshi P. Shah	19.20	37.13	67.87	19.20	3.60	3.60
Kirtikant Thakordas Shah	-	-	-	0.19	0.12	-
c) Sale of Fixed Assets						
Other Related Parties	**-**	**2.22**	**-**	**-**	**-**	**-**
Sunrise Stone Industries	-	2.22	-	-	-	-
d) Purchase of Fixed Assets						
Other Related Parties	**-**	**-**	**-**	**0.37**	**-**	**-**
Rel Tek Tiles India Pvt. Ltd.	-	-	-	0.37	-	-
Associates / Joint Ventures	**-**	**-**	**-**	**2.30**	**-**	**-**
Reliance Construction Co. & Sunrise Stone Industries JV	-	-	-	2.30	-	-
e) Profit / Loss from Joint Ventures / Partnership Firm	**27.06**	**35.34**	**106.23**	**111.54**	**88.30**	**14.18**
R.K. Madhani & Co.& Relcon Infraprojects Pvt. Ltd. JV	1.96	23.98	(0.05)	-	-	-
Relcon Michigan (Joint Venture)	14.01	26.05	-	-	-	-
Dynasty Engg. & Const. Co.	-	-	-	4.21	-	-
Reliance & Michigan Joint Venture	0.08	(0.15)	(0.15)	1.06	5.65	7.05
Reliance & Sunrise Stone Industries JV	(0.00)	0.88	0.97	10.80	12.27	-
Reliance Construction Co. & J.P. Enterprises. - JV	(0.51)	0.40	(0.18)	1.48	7.52	8.22
Reliance Construction Co. & New India Roadways – JV	0.29	1.61	1.99	17.63	6.98	(0.79)
Reliance Construction Co. & Sunrise Stone Industries JV	(0.01)	0.66	0.66	3.49	12.67	-
Reliance Michigan (JV)	2.60	(0.06)	(0.02)	(0.71)	39.95	(0.30)
Reliance Michigan Joint Venture	(0.11)	0.15	18.65	13.66	3.26	-
Reliance Michigan Joint Venture Mithi River	8.75	(18.18)	84.38	59.92	-	-

f) Interest Received						
Other Related Parties	**-**	**-**	**11.67**	**15.71**	**13.02**	**15.55**
Deepcon Engineers	-	-	-	-	1.14	-
Dynasty Engg. & Const. Co.	-	-	-	-	-	4.21
Sunrise Stone Industries	-	-	11.67	15.71	11.89	11.34
g) Interest Paid						
Other Related Parties	**5.60**	**3.05**	**2.66**	**-**	**-**	**-**
Deepcon Engineers	0.09	0.19	2.66	-	-	-
Sunrise Stone Industries	5.50	2.86	-	-	-	-
Directors / Key Managerial Personnel & Relatives	**-**	**-**	**-**	**0.19**	**0.60**	**0.61**
Arvind R. Shah	-	-	-	0.09	0.29	0.29
Chandravati A. Shah	-	-	-	0.10	0.31	0.32
h) Remuneration and Reimbursement						
Directors / Key Managerial Personnel & Relatives						
Remuneration	**110.16**	**132.32**	**63.96**	**44.11**	**30.00**	**24.00**
Pravin C. Shah	-	-	-	11.77	10.00	8.00
Jainendra P. Shah	27.54	33.08	15.99	15.00	10.00	8.00
Rakesh P. Shah	27.54	33.08	15.99	15.00	10.00	8.00
Tejas P. Shah	27.54	33.08	15.99	1.17	-	-
Dipan P. Shah	27.54	33.08	15.99	1.17	-	-
i) Loans, Advances and Deposit given (including repayment of loans & advances taken)						
Other Related Parties	**8.29**	**154.53**	**94.59**	**1,002.65**	**-**	**671.37**
Amul Construction Co.	-	-	-	25.80	-	15.30
Bina Construction Co.	-	-	-	0.73	-	0.42
Deepcon Engineers	1.74	1.02	50.11	96.63	-	5.00
Dipan Construction Co.	-	-	-	2.00	-	26.55
Dynasty Engg. & Const. Co.	-	-	-	94.00	-	43.25
Jainendra P. Shah (HUF)	-	0.12	-	-	-	-
Pravin C. Shah (HUF)	-	-	-	0.50	-	-
Rakesh P. Shah (HUF)	-	-	-	0.75	-	-

Rolf Infra Concrete Pvt. Ltd.	6.00	-	-	-	-	-
Sunrise Stone Industries	0.55	153.29	44.48	782.25	-	535.85
Tejas P. Shah (HUF)	-	0.11	-	-	-	-
Zenal Jainam Developers	-	-	-	-	-	45.00
Subsidiary Company	**-**	**0.23**	**-**	**-**	**-**	**-**
Relcon Realty Pvt. Ltd.	-	0.23	-	-	-	-
Directors / Key Managerial Personnel & Relatives	**291.40**	**111.77**	**437.40**	**610.25**	**-**	**0.61**
Pravin C. Shah	-	-	116.50	44.00	-	-
Kamakshi P. Shah	110.80	1.33	33.30	24.00	-	-
Jainendra P. Shah	81.85	86.69	100.75	166.50	-	-
Nipa J. Shah	-	-	-	14.00	-	-
Rakesh P. Shah	55.50	-	2.00	4.50	-	-
Heena R. Shah	-	-	-	24.50	-	-
Tejas P. Shah	40.00	23.75	184.85	274.00	-	-
Ami T. Shah	-	-	-	29.00	-	-
Dipan P. Shah	3.25	-	-	-	-	-
Sejal D. Shah	-	-	-	28.50	-	-
Jankhana M. Parikh	-	-	-	1.25	-	-
Arvind R. Shah	-	-	-	-	-	0.29
Chandravati A. Shah	-	-	-	-	-	0.32
Associates / Joint Ventures	**60.80**	**38.32**	**-**	**-**	**-**	**-**
Relcon Michigan (Joint Venture)	60.80	38.32	-	-	-	-
j) Loans and Advances Received						
Other Related Parties	**112.00**	**167.15**	**374.50**	**813.96**	**-**	**679.78**
Deepcon Engineers	-	-	49.00	142.90	-	4.50
Dipan Construction Co.	-	-	-	4.11	-	10.65
Dynasty Engg. & Const. Co.	-	-	-	99.00	-	133.47
Jainendra P. Shah (HUF)	-	6.00	-	-	-	-
Sunrise Stone Industries	112.00	155.00	325.50	522.95	-	531.16
Tejas P. Shah (HUF)	-	6.15	-	-	-	-
Zenal Jainam Developers	-	-	-	45.00	-	-

Directors / Key Managerial Personnel & Relatives	**149.72**	**40.23**	**81.00**	**187.00**	**-**	**-**
Kamakshi P. Shah	-	16.00	79.00	46.50	-	-
Jainendra P. Shah	69.37	12.11	-	50.00	-	-
Nipa J. Shah	-	-	-	8.50	-	-
Rakesh P. Shah	61.75	-	2.00	-	-	-
Heena R. Shah	-	-	-	19.00	-	-
Tejas P. Shah	4.00	12.11	-	50.50	-	-
Dipan P. Shah	14.60	-	-	-	-	-
Sejal D. Shah	-	-	-	12.50	-	-
Associates / Joint Ventures	**-**	**428.85**	**-**	**-**	**-**	**-**
Relcon Michigan (Joint Venture)	-	428.85	-	-	-	-
B) Balances						
a) Sundry Debtors						
Other Related Parties	**84.04**	**14.21**	**67.94**	**47.30**	**131.90**	**57.45**
Deepcon Engineers	-	-	7.03	27.94	98.94	-
Divya Costruction Co.	-	-	-	-	-	27.64
Dynasty Engg. & Const. Co.	-	-	-	(0.34)	28.02	5.45
Rel Tek Tiles India Pvt. Ltd.	-	0.51	2.84	-	-	-
Shubham Developers	3.34	2.39	4.13	4.13	4.13	3.89
Sunrise Stone Industries	80.70	11.30	53.94	15.57	0.81	20.48
Associates / Joint Ventures /Partnership Firm	**397.84**	**1,143.23**	**64.05**	**166.87**	**519.14**	**545.85**
New India Roadways & Sunrise Stone Industries - JV	-	-	-	-	17.42	-
Relcon Michigan (Joint Venture)	310.71	1,042.03	-	-	-	-
Reliance & Michigan Joint Venture	53.62	77.33	29.31	29.31	160.58	167.72
Reliance & Sunrise Stone Industries JV	-	-	-	-	3.17	0.23
Reliance Construction Co. & J.P. Enterprises. - JV	(3.36)	7.39	10.81	54.81	283.55	376.63
Reliance Construction Co. & New India Roadways – JV	-	-	-	0.25	30.43	-
Reliance Construction Co. & Sunrise Stone Industries JV	-	-	1.17	-	-	1.26
Reliance Michigan (JV)	20.38	-	-	-	-	-
Reliance Michigan Joint Venture	16.49	16.49	22.77	82.50	24.00	-
Reliance Michigan Joint Venture Mithi River	-	-	-	-	-	-

b) Sundry Creditors						
Other Related Parties	**424.33**	**760.97**	**98.98**	**127.29**	**15.84**	**18.93**
Deepcon Engineers	2.40	67.93	6.82	-	-	0.65
Divya Costruction Co.	-	-	-	-	6.68	6.68
Dynasty Engg. & Const. Co.	-	-	-	54.06	0.54	6.64
Sunrise Stone Industries	400.70	564.51	24.62	2.65	8.61	4.96
Rel Tek Tiles India Pvt. Ltd.	21.24	70.11	67.54	70.57	-	-
Rolf Infra Concrete Pvt. Ltd.	-	58.42	-	-	-	-
Associates / Joint Ventures	**-**	**-**	**-**	**-**	**0.22**	**-**
Reliance Construction Co. & Sunrise Stone Industries JV	-	-	-	-	0.22	-
Directors / Key Managerial Personnel & Relatives	**24.10**	**15.19**	**16.78**	**23.15**	**1.82**	**-**
Pravin C. Shah	-	-	-	9.41	1.08	-
Kamakshi P. Shah	2.84	2.84	6.12	-	-	-
Jainendra P. Shah	5.48	3.47	2.11	5.95	0.37	-
Rakesh P. Shah	4.61	2.00	3.85	1.17	-	-
Tejas P. Shah	5.50	3.63	3.12	5.95	0.37	-
Dipan P. Shah	5.67	3.25	1.59	0.67	-	-
c) Loans and Advances given (Including Deposit)						
Other Related Parties	**516.00**	**510.00**	**-**	**273.36**	**94.14**	**186.93**
Deepcon Engineers	-	-	-	-	45.07	-
Dipan Construction Co.	-	-	-	-	2.11	0.11
Dynasty Engg. & Const. Co.	-	-	-	-	0.04	103.04
Rolf Infra Concrete Pvt. Ltd.	6.00	-	-	-	-	-
Sunrise Stone Industries	510.00	510.00	-	273.36	1.91	38.78
Zenal Jainam Developers	-	-	-	-	45.00	45.00
Directors / Key Managerial Personnel & Relatives	**24.00**	**24.00**	**24.00**	**24.00**	**-**	**0.40**
Kamakshi P. Shah	24.00	24.00	24.00	24.00	-	-
Nipa J. Shah	-	-	-	-	-	0.40
Subsidiary Company	**0.23**	**0.23**	**-**	**-**	**-**	**-**
Relcon Realty Pvt. Ltd.	0.23	0.23	-	-	-	-

d) Loans and Advances Received						
Other Related Parties	**143.90**	**28.60**	**12.94**	**16.62**	**38.24**	**27.83**
Amul Construction Co.	-	-	-	-	25.80	25.80
Bina Construction Co.	-	-	-	-	0.73	0.73
Deepcon Engineers	-	1.65	2.48	1.20	-	0.05
Dynasty Engg. & Const. Co.	-	-	-	4.96	-	-
Jainendra P. Shah (HUF)	9.37	9.37	3.49	3.49	3.49	-
Pravin C. Shah (HUF)	3.49	3.49	3.49	3.49	3.99	0.50
Rakesh P. Shah (HUF)	-	-	-	-	0.75	0.75
Sunrise Stone Industries	121.53	4.57	-	-	-	-
Tejas P. Shah (HUF)	9.53	9.53	3.49	3.49	3.49	-
Directors / Key Managerial Personnel & Relatives	**206.27**	**347.95**	**419.49**	**699.00**	**1,105.69**	**795.06**
Pravin C. Shah	0.07	0.07	0.07	116.57	148.07	188.39
Kamakshi P. Shah	11.05	121.85	107.18	61.48	14.98	1.00
Jainendra P. Shah	103.30	115.77	190.34	248.86	365.36	212.88
Nipa J. Shah	-	-	-	-	5.50	-
Rakesh P. Shah	6.25	-	-	-	4.50	4.50
Heena R. Shah	-	-	-	-	5.50	5.50
Tejas P. Shah	74.26	110.26	121.90	272.10	495.60	364.03
Ami T. Shah	-	-	-	-	29.00	-
Dipan P. Shah	11.35	-	-	-	-	-
Sejal D. Shah	-	-	-	-	16.00	-
Jankhana M. Parikh	-	-	-	-	1.25	1.25
Kirit C. Shah	-	-	-	-	11.91	11.91
Kirtikant Thakordas Shah	-	-	-	-	5.12	-
Arvind R. Shah	-	-	-	-	-	2.69
Chandravati A. Shah	-	-	-	-	2.91	2.92
Associates / Joint Ventures	**329.73**	**390.54**	**-**	**-**	**-**	**-**
Relcon Michigan (Joint Venture)	329.73	390.54	-	-	-	-

e) Investment in Joint Ventures / Partnership Firm	**213.58**	**203.07**	**174.10**	**161.11**	**94.04**	**77.18**
R.K. Madhani & Co.& Relcon Infraprojects Pvt. Ltd. JV	9.05	23.92	(0.05)	-	-	-
Relcon Michigan (Joint Venture)	43.74	26.45	-	-	-	-
Dynasty Engg. & Const. Co.	-	-	-	4.21	-	-
Reliance & Michigan Joint Venture	27.85	25.30	26.42	23.81	39.70	11.24
Reliance & Sunrise Stone Industries JV	26.36	26.21	24.98	24.89	13.84	10.20
Reliance Construction Co. & J.P. Enterprises. - JV	1.55	24.11	30.35	28.68	20.26	48.92
Reliance Construction Co. & New India Roadways – JV	5.01	4.72	3.11	1.12	(1.63)	(0.79)
Reliance Construction Co. & Sunrise Stone Industries JV	3.48	3.49	2.48	(0.50)	(5.99)	4.53
Reliance Michigan (JV)	21.92	19.33	32.95	8.41	24.22	3.07
Reliance Michigan Joint Venture	5.74	5.85	0.09	12.30	3.64	-
Reliance Michigan Joint Venture Mithi River	68.88	43.70	53.79	58.20	-	-
f) Investment in Subsidiary						
Equity shares	**1.00**	**1.00**	**1.00**	**-**	**-**	**-**
Relcon Realty Pvt. Ltd.	1.00	1.00	1.00	-	-	-

Mr. Kirit C. Shah and Kirtikant Thakordas Shah ceased to be related party from the 1st April, 2008.

6 Operating Leases:

The company has entered into cancellable operating lease agreements. The lease payments recognized in the profit and loss account are as under:

(₹ in lakhs)

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Operating Leases	24.96	45.74	45.74	20.78	Nil	Nil

7 Earnings per Share: Calculation of EPS - Basic and Diluted

(₹ in lakhs)

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Total number of shares outstanding	90.00	90.00	90.00	90.00	70.00	50.00
Weighted average number of shares outstanding – Basic and Diluted	90.00	90.00	90.00	71.15	50.05	50.00
Profit after Tax (₹)	950.03	1,928.16	1,760.77	1,094.34	541.48	255.67
Nominal value of equity shares (₹)	10	10	10	10	10	10
Earnings per share – Basic and Diluted	10.56	21.42	19.56	15.38	10.82	5.11

EPS for the six months ended 30th September, 2010 is not annualised.

8 Deferred Tax Balances

The Components of Deferred Tax balances are as under:

(₹ in lakhs)

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Deferred Tax Assets						
WDV difference of Fixed Assets	34.39	35.63	22.88	(46.50)	(76.70)	(24.42)
Retention Money	75.64	77.30	80.75	148.18	161.41	76.99
Stamp Duty Payable U/s 43B	17.51	15.48	13.18	8.69	2.74	-
Auditors Remuneration	-	-	-	-	0.51	-
CAR Insurance	-	-	3.05	3.05	3.05	3.05
Purchase	-	(0.48)	(0.48)	-	-	-

Provision for Retirement Benefits	21.79	15.98	8.30	4.43	2.60	1.18
Work Contract Tax Payable	1.10	1.10	1.12	1.12	1.12	7.58
Disallowed As per Section 40a	-	-	0.04	0.54	1.23	-
Preliminary Expenses	-	0.56	1.15	1.73	-	-
Disallowance U/s. 43B	-	1.05	-	-	-	-
Vat on closing stock (Added u/s 145A)	0.04	3.60	-	-	1.51	-
Total	**150.47**	**150.22**	**129.99**	**121.25**	**97.49**	**64.39**
Deferred Tax Liabilities						
Provision for Rent Equaliser	2.05	3.96	7.52	-	-	-
Depreciation	-	-	-	-	34.96	-
Vat on closing stock (Added u/s 145A)	-	-	-	0.07	-	-
Total	**2.05**	**3.96**	**7.52**	**0.07**	**34.96**	**-**
Net Deferred Tax Assets / Liability	**148.42**	**146.25**	**122.47**	**121.18**	**62.53**	**64.39**

9 Details of Joint Ventures:

a) Details of Joint Ventures / Partnership Firm entered into by the Company:

Sr. No.	Name of the Joint Venture	Description of Interest	% of Ownership Interest as at September 30, 2010	% of Ownership Interest as at March 31, 2010	% of Ownership Interest as at March 31, 2009	% of Ownership Interest as at March 31, 2008	% of Ownership Interest as at March 31, 2007	% of Ownership Interest as at March 31, 2006
1	Reliance Michigan (JV)	Jointly Controlled Entities	49%	49%	49%	49%	49%	49%
2	Reliance & Sunrise Stone Industries (JV)	Jointly Controlled Entities	65%	65%	65%	65%	65%	65%
3	Reliance Construction Co. & Sunrise Stone Industries (JV)	Jointly Controlled Entities	55%	55%	55%	55%	55%	55%
4	Reliance Construction & J.P. Enterprises (JV)	Jointly Controlled Entities	49%	49%	49%	49%	49%	49%
5	Reliance Michigan (Joint Venture)	Jointly Controlled Entities	40%	40%	40%	40%	40%	40%
6	Reliance Michigan Joint Venture	Jointly Controlled Entities	40%	40%	40%	40%	40%	N.A.

7	Reliance Construction Co. & New India Roadways – JV	Jointly Controlled Entities	51%	51%	51%	51%	51%	51%
8	R.K. Madhani & Co.& Relcon Infraprojects Pvt. Ltd. JV	Jointly Controlled Entities	25%	25%	25%	N.A.	N.A.	N.A.
9	Reliance Michigan Joint Venture Mithi River	Jointly Controlled Entities	51%	51%	51%	51%	N.A.	N.A.
10	Relcon Michigan (Joint Venture)	Jointly Controlled Entities	51%	51%	N.A.	N.A.	N.A.	N.A.

b) Details of Share of Assets, Liabilities, Income & Expenditure in Joint Ventures:

(₹ in lakhs)

Sr. No.	Name of Joint Venture	Pro. of ownership Interest	Particulars	For the six months ended September 30,2010	For the year ended March 31,				
					2010	2009	2008	2007	2006
1	Reliance Michigan (JV)	49%	**Assets**	70.31	81.00	60.00	60.04	169.48	132.85
			Liabilities	54.50	66.48	44.86	45.25	147.45	125.63
			Capital	27.85	25.30	26.42	23.81	39.70	11.24
			Income	6.29	24.60	-	71.50	448.07	543.96
			Expenses	6.21	24.75	0.15	70.44	442.41	536.92
2	Reliance & Sunrise Stone Industries Joint Venture	65%	**Assets**	24.78	24.80	26.37	34.02	220.08	8.83
			Liabilities	17.41	18.28	18.31	26.00	205.67	1.08
			Capital	26.36	26.21	24.98	24.89	13.84	10.20
			Income	-	25.03	24.09	280.61	324.77	-
			Expenses	0.00	24.16	23.12	269.82	312.50	-
3	Reliance Construction Co. & Sunrise Stone Industries Joint Venture	55%	**Assets**	33.30	33.39	32.04	30.99	212.53	6.77
			Liabilities	24.10	24.20	24.35	25.92	209.42	3.57
			Capital	3.48	3.49	2.48	(0.50)	(5.99)	4.53
			Income	-	16.36	16.36	99.30	325.98	-
			Expenses	0.01	15.70	15.71	95.81	313.30	-

4	Reliance Construction Co. & J.P. Enterprises (JV)	49%	**Assets**	53.63	69.85	77.95	99.93	234.62	257.95
			Liabilities	48.61	53.52	58.77	81.47	221.04	231.22
			Capital	1.55	24.11	30.35	28.68	20.26	48.92
			Income	2.03	41.29	-	134.45	571.78	631.87
			Expenses	2.54	40.89	0.18	132.97	564.27	623.66
5	Reliance Michigan (Joint Venture)	40%	**Assets**	73.26	95.18	96.54	96.62	120.61	1.35
			Liabilities	46.08	70.60	70.60	70.89	89.13	0.30
			Capital	21.92	19.33	32.95	8.41	24.22	3.07
			Income	69.72	-	-	0.22	504.83	-
			Expenses	67.11	0.06	0.02	0.93	464.88	0.30
6*	Reliance Michigan Joint Venture	40%	**Assets**	30.45	30.71	67.33	86.52	28.67	-
			Liabilities	24.04	24.18	49.71	73.28	23.17	-
			Capital	5.74	5.85	0.09	12.30	3.64	-
			Income	-	8.00	422.33	240.30	55.86	-
			Expenses	0.11	7.85	403.68	226.64	52.60	-
7*	Reliance Construction Co. & New India Roadways – JV	51%	**Assets**	73.60	101.54	185.77	448.76	214.65	6.31
			Liabilities	57.21	85.44	171.28	436.00	211.94	3.29
			Capital	5.01	4.72	3.11	1.12	(1.63)	(0.79)
			Income	0.80	19.31	52.12	912.93	412.19	-
			Expenses	0.51	17.70	50.14	895.30	405.21	0.79
8*	R.K. Madhani & Co.& Relcon Infraprojects Pvt. Ltd. JV	25%	**Assets**	86.73	105.98	72.24	-	-	-
			Liabilities	94.36	114.23	72.25	-	-	-
			Capital	9.05	23.92	(0.05)	-	-	-
			Income	178.00	474.88	-	-	-	-
			Expenses	176.04	450.91	0.05	-	-	-
9	Reliance Michigan Joint Venture Mithi River	51%	**Assets**	120.59	116.78	556.55	994.56	-	-
			Liabilities	81.14	90.32	504.13	935.39	-	-
			Capital	68.88	43.70	53.79	58.20	-	-
			Income	624.48	704.45	2,106.52	1,496.58	-	-
			Expenses	615.74	722.63	2,022.14	1,436.66	-	-

10	Relcon Michigan (Joint Venture)	51%	**Assets**	276.15	798.20	-	-	-	-
			Liabilities	252.81	772.14	-	-	-	-
			Capital	43.74	26.45	-	-	-	-
			Income	338.98	632.56	-	-	-	-
			Expenses	324.96	606.51	-	-	-	-

Note:

1) The above details represent proportionate amount of company's share in the jointly controlled entities.

2) All above entities are resident in India.

3) The above information is furnished on the basis of information available with us.

4) *Information provided in sr. no. 6, 7 & 8 & is based on the financial statements audited by other auditors whose reports are furnished to us by the management of the company.

10 Contingent Liabilities

(i) (₹ in lakhs)

Particulars	**For the six months ended September 30,2010**	**For the year ended March 31,**				
		2010	**2009**	**2008**	**2007**	**2006**
Bank Guarantee	6,583.89	4,794.03	4,594.11	2,133.75	1,261.02	788.51
*Disputed Income Tax Demand	25.75	26.59	0.84	160.25	178.12	-
*Disputed Work contract Tax	-	-	53.30	53.30	53.30	-
**Service Tax (Including Penalties)	191.28	191.28	191.28	-	-	-

**Relcon is a member of Joint Venture namely Reliance Michigan JV ("JV") & its share in the said JV is 40%. Further, total demand (including penalties) raised by Service Tax Department on the said JV is ₹ 1,91,28,081/- and of which ₹ 3,31,500/- has been paid as of date. Further, the said JV has filed an appeal in the appellate Tribunal against said demand raised on the JV.

(ii) Estimated amount of contracts remaining to be executed on capital account not provided for (Net of Advances) are as under:

(₹ in lakhs)

Particulars	**For the six months ended September 30,2010**	**For the year ended March 31,**				
		2010	**2009**	**2008**	**2007**	**2006**
Estimated amount of contracts remaining to be executed	0.40	Nil	Nil	14.81	Nil	Nil

(iii) Capital work in progress includes capital advances are as under:

(₹ in lakhs)

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Capital work in progress includes capital advances	8.13	4.48	0.15	5.48	Nil	Nil

11 Auditors' Remuneration included in Administration & Other Expenses

(₹ in lakhs)

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Audit Fees	7.50	8.75	8.50	6.50	1.75	Nil
Tax Audit fees	Nil	5.50	5.50	1.50	6.75	4.50
Company Law Matters	Nil	Nil	Nil	Nil	0.53	Nil
Taxation Matter	0.85	1.08	2.85	2.63	1.63	1.49
Other Services	20.23	0.58	0.55	Nil	0.23	Nil
Total (Net of Service Tax)	**28.58**	**15.90**	**17.39**	**10.63**	**10.88**	**5.99**

Other services for the six months ended September 30,2010 relates to assurance services for Initial Public Offering (IPO) and hence has been included in share issue expenses are carried forward as miscellaneous expenditure to the extent not written off and on issuance of shares shall be adjusted against the Securities Premium Account.

12 Quantitative Details: Additional information pursuant to provisions of paragraph 3, 4C, and 4D of Part II of schedule VI to the Companies Act,

Particulars			For the six months ended September 30,2010	For the year ended March 31,				
				2010	2009	2008	2007	2006
Op. Raw Material	**Cement**	**Qty.**	1,130	62	231	192	230	173
	(M.T.)	(₹ in lakhs)	50.56	2.71	10.10	8.04	7.90	5.19
	Stone	**Qty.**	895	291	189	715	561	428
	(Brass)	(₹ in lakhs)	17.84	4.90	3.44	13.37	9.83	5.62
	Sand (Brass)	**Qty.**	753	229	115	675	398	241
		(₹ in lakhs)	33.99	7.86	3.65	22.13	11.11	4.54
	Other	(₹ in lakhs)	21.51	9.81	11.42	12.46	10.66	11.81
Purchase During the Year	**Cement**	**Qty.**	36,080	66,818	55,515	49,236	40,313	38,873
	(M.T.)	(₹ in lakhs)	1,500.63	2,858.62	2,416.97	2,047.92	1,569.16	1,095.73
	Stone	**Qty.**	23,490	43,892	35,993	30,301	29,473	28,690
	(Brass)	(₹ in lakhs)	481.43	771.46	490.10	497.77	474.28	338.21
	Sand (Brass)	**Qty.**	15,612	29,775	23,965	23,116	21,112	19,373
		(₹ in lakhs)	629.94	1,067.64	814.75	741.46	626.61	387.89
	Other	(₹ in lakhs)	395.70	732.96	633.54	440.88	372.62	305.62
Sale during the Year	**Cement**	**Qty.**	1	-	-	-	-	-
	(M.T.)	(₹ in lakhs)	0.05	-	-	-	-	-
	Stone	**Qty.**	-	-	-	-	14	-
	(Brass)	(₹ in lakhs)	-	-	-	-	0.28	-
	Sand (Brass)	**Qty.**	14	-	-	-	-	-
		(₹ in lakhs)	0.74	-	-	-	-	-
	Other	(₹ in lakhs)	1.00	1.37	0.78	11.73	21.62	-
Consumption During the Year	**Cement**	**Qty.**	36,337	65,749	55,684	49,198	40,351	38,816
	(M.T.)	(₹ in lakhs)	1,516.06	2,810.76	2,424.36	2,045.86	1,569.03	1,093.02
	Stone	**Qty.**	23,890	43,288	35,892	30,828	29,304	28,557
	(Brass)	(₹ in lakhs)	488.89	758.52	488.64	507.69	470.46	334.01
	Sand (Brass)	**Qty.**	16,280	29,252	23,851	23,677	20,835	19,216
		(₹ in lakhs)	659.34	1,041.51	810.54	759.94	615.59	381.31
	Other	(₹ in lakhs)	384.36	719.89	634.37	433.63	349.20	306.77

Closing Stock of Raw Material	**Cement (M.T.)**	**Qty.**	872	1,130	62	231	192	230
		(₹ in lakhs)	35.09	50.56	2.71	10.10	8.04	7.90
	Stone (Brass)	**Qty.**	494	895	291	189	715	561
		(₹ in lakhs)	10.38	17.84	4.90	3.44	13.37	9.83
	Sand (Brass)	**Qty.**	71	753	229	115	675	398
		(₹ in lakhs)	3.85	33.99	7.86	3.65	22.13	11.11
	Other	(₹ in lakhs)	31.85	21.51	9.81	11.42	12.46	10.66

Particulars		**Ready Mix Concrete**					
		For the six months ended September 30,2010	**For the year ended March 31,**				
			2010	**2009**	**2008**	**2007**	**2006**
Op. Stock of Finished Goods	**Qty**	-	-	-	-	-	-
	(₹ in lakhs)	-	-	-	-	-	-
Purchase During the Year	**Qty**	1,880	738	323	1,184	693	1,458
	(₹ in lakhs)	65.06	24.04	9.46	33.72	20.02	28.93
Quantity Manufactured	**Qty**	110,150	210,265	176,536	145,426	137,535	126,204
	(₹ in lakhs)	3,048.85	5,330.87	4,357.91	3,747.13	4,321.40	3,024.16
Sale during the Year	**Qty**	94,653	153,708	117,790	113,357	105,788	114,101
	(₹ in lakhs)	3,629.60	5,349.82	4,060.47	3,901.52	3,270.95	2,712.54
Consumption During the Year	**Qty**	17,378	57,295	59,069	33,253	32,440	13,561
	(₹ in lakhs)	688.43	1,993.59	2,130.49	1,184.73	1,070.46	340.55
Closing Stock of Finished Goods	**Qty**	-	-	-	-	-	-
	(₹ in lakhs)	-	-	-	-	-	-

13 Gross Income derived from services rendered are as under:

(₹ in lakhs)

Particulars	**For the six months ended September 30,2010**	**For the year ended March 31,**				
		2010	**2009**	**2008**	**2007**	**2006**
Gross Income derived from services rendered	72.91	120.75	100.12	327.80	206.32	150.94

14 Borrowings by the company in the form of unsecured loans are mainly from promoters and the same are repayable on demand.

15 Balance Confirmations in respect of Sundry Creditors, Sundry Debtors and Loans and Advances have not been called for. The balances are therefore as per the books of accounts only.

16 The company has not received any intimation from the suppliers regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and the disclosures relating to amount unpaid as at the end of the year together with interest paid/payable as required under the said Act has not been furnished and the provision for interest, if any, on delayed payments, is not ascertainable at this stage.

17 Director's remuneration does not include any provision for gratuity & leave encashment as such amounts can not be specifically ascertained.

18 **Expenditure in Foreign Currency.**

(₹ in lakhs)

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Traveling Expenses	2.28	Nil	0.37	0.29	Nil	Nil
Fixed Assets	219.06	Nil	181.38	Nil	Nil	Nil

19 The Company has prepared interim financial statements in accordance with Accounting Standard 25, Interim Financial Reporting, notified under the Companies Act, 1956 for the first time, in respect of the six months ended September 30, 2010, hence figures for the corresponding period in the previous year have not been disclosed in respect of the Profit and Loss Account and Cash Flow Statement for the six months ended September 30, 2010.

ANNEXURE – VI

UNCONSOLIDATED STATEMENT OF RESERVES & SURPLUS, AS RESTATED

(₹ in lakhs)

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Opening balance (A)	4,760.75	2,832.59	1,071.82	(22.52)	(117.90)	-
Restated Profit / (loss) during the year (B)	950.03	1,928.16	1,760.77	1,094.34	541.48	255.67
Adjustments on account of						
1) Depreciation (refer note 1)	-	-	-	-	-	92.27
2) Gratuity (refer note 2)	-	-	-	-	-	(2.59)
3) Defered tax assets / Defered tax liabilty on above (refer note 3)	-	-	-	-	-	(30.18)
4) Appropriation from Partners capital account to Partners Unsecured loan. (refer note 4)					(446.11)	(433.07)
Total Adjustment (C)	-	-	-	-	**(446.11)**	**(373.57)**
Total Reserves & Surplus (A+B+C)	**5,710.78**	**4,760.75**	**2,832.59**	**1,071.82**	**(22.52)**	**(117.90)**

Notes :

1) **Depreciation** : Reliance Construction Company the erstwhile partnership firm had been incorporated as Relcon Infraprojects Pvt Ltd on 4th December, 2006 under part ix of the Indian Companies Act 1956.The erstwhile partnership firm had charged depreciation as per the rates prescribed under the Income Tax Act 1961. On incorporation the Company charged depreciation as per the rates prescribed under the Indian Companies Act 1956, accordingly depreciation has been charged as per the rates prescribed under the Indian Companies Act 1956 for the earlier year/period prior to incorporation and the excess depreciation aggregating to Rs 92.27 Lacs has been adjusted in the balance under the head reserves and surplus for the F.Y 2005-06 .

2) **Gratuity** : Gratuity of Rs 2.59 lacs pertaining to the period before the F.Y 2005-06 is provided in the F.Y 2005-06 and is adjusted in the balance under the head reserves & surplus for the F.Y 2005-06 .

3) **Defered tax assets / liabilty** : Deferred tax assets/Deferred tax liabilty relating to depreciation (note 1) and gratuity (note 2) is adjusted under the head reserves and surplus for the F.Y 2005-06 .

4) This amount represents appropriation from Partners capital account to Partners Unsecured loan.

ANNEXURE – VII

UNCONSOLIDATED STATEMENT OF FIXED ASSETS, AS RESTATED

(₹ in lakhs)

Particulars		For the six months ended September 30,2010	For the year ended March 31,				
			2010	2009	2008	2007	2006
Plant & Machinery	**Gross**	2,674.80	2,241.82	1,972.20	1,465.55	1,069.48	807.80
	Depreciation	910.74	804.96	606.30	422.65	299.46	224.33
	Net	1,764.06	1,436.86	1,365.90	1,042.90	770.02	583.48
Lorries	**Gross**	899.30	902.51	748.38	443.88	437.89	429.09
	Depreciation	580.74	537.97	419.33	335.49	291.01	229.74
	Net	318.56	364.54	329.04	108.39	146.88	199.34
Motor Car & Jeep	**Gross**	175.47	149.30	139.37	96.54	85.37	80.58
	Depreciation	88.42	79.82	64.66	45.27	35.40	27.22
	Net	87.04	69.47	74.71	51.27	49.97	53.36
Office Equipment	**Gross**	52.25	48.49	43.86	19.96	16.06	10.82
	Depreciation	24.33	21.79	17.00	10.21	8.18	5.01
	Net	27.93	26.70	26.86	9.75	7.88	5.80
Scooter	**Gross**	13.50	10.58	10.51	7.88	5.97	4.16
	Depreciation	6.85	6.23	5.28	3.97	3.07	2.47
	Net	6.65	4.35	5.24	3.90	2.90	1.69
Data Processing Equipment	**Gross**	58.51	53.61	42.80	31.82	26.98	16.88
	Depreciation	40.76	36.75	28.67	20.64	14.66	9.38
	Net	17.75	16.86	14.13	11.18	12.32	7.50
Office & Factory Structure	**Gross**	196.19	191.60	145.47	86.07	87.16	76.20
	Depreciation	48.10	40.48	25.82	13.72	15.68	8.35
	Net	148.09	151.12	119.65	72.35	71.48	67.85
Furniture & Fixture	**Gross**	93.74	91.43	83.48	32.22	25.88	21.49
	Depreciation	45.61	40.53	28.23	13.35	8.25	4.46
	Net	48.13	50.90	55.24	18.88	17.63	17.02
Total (A)	**Gross**	**4,163.77**	**3,689.34**	**3,186.06**	**2,183.92**	**1,754.79**	**1,447.01**
	Depreciation	**1,745.54**	**1,568.54**	**1,195.30**	**865.31**	**675.71**	**510.96**
	Net	**2,418.23**	**2,120.80**	**1,990.76**	**1,318.62**	**1,079.08**	**936.04**
Capital Work in Progress (B)		8.13	4.48	36.56	116.02		
Total (A+B)		**2,426.36**	**2,125.28**	**2,027.32**	**1,434.64**	**1,079.08**	**936.04**

The company has not revalued any of its fixed assets during the reporting period

ANNEXURE – VIII

UNCONSOLIDATED STATEMENT OF ACCOUNTING RATIOS, AS RESTATED

(₹ in lakhs)

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Net Worth (Excluding Share Application Money pending allotment)	6,573.32	5,649.57	3,732.59	1,971.82	670.70	382.10
Restated Net Profit after Tax (₹ in Lakhs)	950.03	1,928.16	1,760.77	1,094.34	541.48	255.67
No. of equity shares outstanding at the Beginning of the year / period	90.00	90.00	90.00	70.00	50.00	50.00
No. of equity shares outstanding at the end of the year / period	90.00	90.00	90.00	90.00	70.00	50.00
Weighted Avg. no. of Equity Shares	90.00	90.00	90.00	71.15	50.05	50.00
Basic & diluted Earning per equity share (₹)	10.56	21.42	19.56	15.38	10.82	5.11
Return on Net Worth (%)	14.45	34.13	47.17	55.50	80.73	66.91
Net Assets Value per share of ₹ 10/- each	73.04	62.77	41.47	21.91	9.58	7.64

1) The figures for the six months period ended September 30, 2010 have not been annualized

2) The ratios have been computed as below :

Earning Per Share (₹) = Restated Net Profit / (Loss) attributable to equity shareholders / Weighted average number of equity shares during the period

Return on Net Worth = Restated Net Profit after Tax * 100 / Net worth excluding revaluation reserve , share application money and preference share capital at the end of the period

Net Assets Value (₹) = Net Worth excluding revaluation reserve , share application money and preferance share capital at the end of the period / year / Number of equity shares outstanding at the end of the period / year

3) Earnings per share calculations are done in accordance with Accounting Standard 20 , " Earnings Per Share " as notified under the companies Act , 1956

4) Calculations of ratios post issue has not been considered

ANNEXURE – IX

UNCONSOLIDATED CAPITALIZATION STATEMENT, AS RESTATED

(₹ in lakhs)

PARTICULARS	Pre Issue As at 30.09.2010	Post Issue*
Borrowings		
Short Term Debt	1,524.42	
Long Term Debt	442.46	
Total Borrowings	**1,966.88**	**-**
Shareholders Funds		
Equity Share Capital	900.00	
Reserves & Surplus	5,710.78	
Less : Revaluation Reserve	-	
Less: Miscellaneous Expenditure to the extent not written off	(37.46)	
Total Shareholders' Funds	**6,573.32**	**-**
Long-Term Debt / Equity	**0.07**	

The corresponding post issue figures are not determinable at this stage pending the completion of the Book Building Process and hence have not been furnished. The Post issue capitalisation shall be updated before filing the prospectus.

Note:

The Long term debt/ equity ratio has been computed as under:

Long term debt/ total shareholders' funds

Other Note:

1. Short Term Debts are debts maturing within next one year.
2. The figures included above are as per the standalone (unconsolidated) restated statement of assets and liabilities and profit and loss.
3. Figures of debts (Short Term and Long Term Debt) has been taken as on 30.09.10
4. Loan repayable on demand is considered as short term loan.

ANNEXURE – X

UNCONSOLIDATED STATEMENT OF TAX SHELTER, AS RESTATED

(₹ in lakhs)

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Profit/(Loss) Before Tax And Extraordinary Items As Per Restated Accounts	1,422.86	2,996.17	2,401.73	1,537.18	961.00	422.40
Tax Rate (%)	33.2175%	33.99%	33.99%	33.99%	33.66%	33.66%
A) Tax at notional rate	**472.64**	**1,018.40**	**816.35**	**522.49**	**323.47**	**142.18**
Adjustments:						
1) Permanent Differences						
Donation	3.21	6.83	4.03	6.03	3.07	0.47
Penalty	9.80	11.45	0.39	-	10.86	0.36
(Profit) /Loss on Sale of Fixed Assets	1.15	5.24	(0.44)	24.53	17.09	(0.58)
Prior Period Expenses	-	8.98	1.41	-	(40.66)	0.72
Disallowed u/s 14A	1.30	1.21	0.99	-	-	-
Provident Fund u/s 43B	-	0.60	-	-	-	-
Share of Profit In Joint Ventures u/s 10 (2A)	(11.39)	(20.33)	(21.91)	(53.60)	(81.33)	(14.96)
Share of Profit In Firms u/s 10 (2A)	(22.76)	(7.87)	(84.38)	(64.13)	-	-
Other Income	-	-	-	-	-	24.24
Dividend Income exempt u/s 10 (34)	(0.26)	-	(0.26)	(0.17)	(0.15)	(0.17)
Impairment Loss	-	-	6.29	-	-	-
Total Permanent Difference	**(18.94)**	**6.11**	**(93.88)**	**(87.34)**	**(91.12)**	**10.09**
2) Timing Difference						
Difference between tax depreciation and booked depreciation	(7.29)	29.39	26.70	(13.16)	(4.92)	(7.74)
Disallowed u/s 40(a)(ia)	-	0.13	0.12	1.58	3.62	-
Disallowance u/s 43 B (Provident Fund)	-	3.22	-	-	0.13	0.17
Provision for Gratuity	17.49	23.68	11.48	5.39	4.15	3.50
Adjustment u/s 145A	0.12	10.82	1.03	(0.21)	4.46	-
Adjustment for Lease Rent Equalisation	5.76	8.62	(22.13)	(3.62)	-	-
Deduction u/s 43 B	-	-	-	-	(19.23)	(8.40)
Service Tax	-	-	-	-	2.08	-
Deduction u/s 35D Preliminary Exp.	(1.69)	(1.69)	(1.69)	5.08	-	-
Total Timing Difference	**14.40**	**74.16**	**15.50**	**(4.94)**	**(9.71)**	**(12.46)**

Net adjustments	**(4.54)**	**80.28**	**(78.38)**	**(92.27)**	**(100.83)**	**(2.37)**
B) Tax impact on account of adjustments (net)	**(1.51)**	**27.29**	**(26.64)**	**(31.36)**	**(33.94)**	**(0.80)**
C) Impact of restatement adjustment on profit / (loss) before tax	(39.08)	(16.71)	(183.11)	(11.48)	275.03	240.63
D) Tax impact on restatement adjustments	(12.98)	(5.68)	(62.24)	(3.90)	92.57	80.99
E) Tax under normal provisions of the Income Tax Act, 1961 (A+B+D)	458.15	1,040.01	727.47	487.22	382.11	222.38
F) Adjusted profit u/s 115JB for MAT before restatement	1,422.86	2,996.17	2,401.73	1,537.18	961.00	422.40
MAT rate	19.9305%	17%	11.33%	11.22%	11.22%	8.415%
G) Tax under MAT	283.58	509.35	272.12	172.47	107.82	35.55
Current domestic tax payable for the year (higher of E and G)	458.15	1,040.01	727.47	487.22	382.11	222.38
Interest u/s 234 of the Income Tax Act, 1961	-	16.82	2.00	18.19	18.99	2.16
Adjusted tax liability	458.15	1,056.83	729.47	505.42	401.10	224.53
Total tax as per return of income / computation	458.15	1,056.83	729.47	505.42	401.10	224.53

Notes

1) The Permanent / timing difference for the period ended March 31 ,2010 , 2009 , 2008 , 2007 , 2006 , have been computed based on acknowledged copies of income tax returns of the respective years

2) The permanent/ timing differences for the six months ended September 30, 2010 have been determined on the basis of provisional computation of the total income prepared by the Company in line with the final return of income filed for the assessment year 2010-2011 and are subject to any change that may be considered at the time of filing of final return of income for the assessment year 2011-12.

ANNEXURE – XI

UNCONSOLIDATED STATEMENT OF OTHER INCOME, AS RESTATED

(₹ in lakhs)

Particulars	Nature of Income	For the six months ended September 30,2010	For the year ended March 31,				
			2010	2009	2008	2007	2006
Hire Charges	Non-Recurring	-	-	-	-	0.57	12.25
Insurance Claim Income	Non-Recurring	-	-	-	-	0.13	1.37
Interest on FD with Bank & KVP	Recurring	38.08	59.42	36.36	21.02	11.40	9.13
Interest on Security Deposit - MSED	Non-Recurring	-	-	0.77	0.58	-	-
Interest on Loan	Non-Recurring	-	-	11.67	15.71	13.20	15.56
Profit/Loss on Sale of Assets	Non-Recurring	-	-	-	-	-	0.45
Dividend	Recurring	0.26	0.26	0.26	0.17	0.15	0.17
Transport Income	Non-Recurring	-	-	-	-	0.46	13.11
Miscelleneus Income	Non-Recurring	14.08	96.07	68.55	1.24	10.06	5.73
Share of Profit from Joint Venture	Recurring	4.30	27.47	21.85	47.40	88.30	14.18
Share of Profit From Partnerhip Firm	Recurring	22.76	7.87	84.38	64.13	-	-
TOTAL		**79.48**	**191.09**	**223.84**	**150.25**	**124.28**	**71.94**

1) All items classified under other income were earned in the normal course of business.

2) The classification of "Other income" as recurring and non-recurring is based on the current operations and business activities of the Company, as determined by the management.

ANNEXURE – XII

UNCONSOLIDATED STATEMENT OF SUNDRY DEBTORS (AGE- WISE ANALYSIS), AS RESTATED

(₹ in lakhs)

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Unsecured, considered good						
Less than six months	5,477.41	8,439.76	4,158.14	3,144.16	1,782.08	1,619.66
More than six months	521.84	276.44	469.04	271.29	515.18	111.06
Total	**5,999.25**	**8,716.20**	**4,627.18**	**3,415.45**	**2,297.26**	**1,730.71**
The above includes Dues from Related Parties						

Dues from Related Parties						
Unsecured, considered good						
Less than six months	413.65	1,132.69	51.48	172.98	481.02	599.84
More than six months	68.23	24.75	80.51	41.20	170.01	3.46
Total	**481.88**	**1,157.44**	**131.99**	**214.17**	**651.03**	**603.30**
Maximum balance outstanding during the year/period	1,471.12	1,500.68	732.86	1,223.11	1,569.40	877.04

1) The figures disclosed above are based on the Statement of restated assets and liabilities of the Company.

ANNEXURE – XIII

UNCONSOLIDATED STATEMENT OF INVESTMENTS, AS RESTATED

(₹ in lakhs)

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Unquoted - Non Trade						
Shares in The Bharat co. Op. Bank Ltd.	1.75	1.75	1.75	1.00	2.00	1.00
Shares in Co-op Credit Society	0.51	0.51	0.51	-	-	-
Immovable property	52.25	52.25	52.25	-	-	-
Capital Account with Partnership Firms	112.62	70.15	53.79	62.41	-	-
Capital Account with Joint Ventures	100.96	132.93	120.32	98.71	94.04	77.18
Other Investments	-	-	2.73	2.73	2.73	2.73
Unquoted - Trade						
I. Investment in Subsidiaries						
(a) Relcon Realty Pvt. Ltd. 10000 Eq. Shares of ₹ 10/- each	1.00	1.00	1.00	-	-	-
Total	**269.09**	**258.58**	**232.34**	**164.84**	**98.77**	**80.91**

ANNEXURE – XIV

UNCONSOLIDATED STATEMENT OF LOANS AND ADVANCES, AS RESTATED

(₹ in lakhs)

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Unsecured, Considered Good						
(Advances Recoverable in cash/in kind/for Value to be received)						
- To Subsidiary Companies	0.23	0.23	-	-	-	-
- To related Parties	6.00	-	-	273.36	94.14	187.33
- Advances to Goods Suppliers	1,533.21	114.31	120.62	117.10	49.11	64.53
Advance Tax (Including TDS & MVAT)	2,368.04	1,947.49	2,039.34	767.36	520.21	320.51
Interest Accrued But not Due	-	-	0.01	-	-	-
Other Loans & Advances	116.71	126.36	140.51	273.18	50.99	6.15
Pre-paid Expenses	160.18	200.98	196.24	69.36	51.34	38.93
Staff Loans	12.96	7.14	10.30	1.52	2.44	1.37
Sundry Deposits						
- To related Parties	534.00	534.00	2,162.47	1,303.30	-	-
- To Others	3,450.32	3,567.99	24.00	24.00	809.65	311.25
Total	**8,181.66**	**6,498.50**	**4,693.49**	**2,829.18**	**1,577.88**	**930.08**

ANNEXURE – XV

UNCONSOLIDATED STATEMENT OF SECURED LOANS, AS RESTATED

(₹ in lakhs)

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Machineries / Vehicals Loans						
From Banks	711.46	522.65	581.88	166.01	267.91	311.28
From Others	138.04	249.34	373.36	342.07	183.66	11.78
Term Loans						
From Banks	144.76	156.19	150.00	210.00	283.33	-
Working Capital Loans (Cash Credit)						
From Banks	312.94	500.00	1,030.25	724.87	403.11	798.25
Total	**1,307.20**	**1,428.17**	**2,135.50**	**1,442.95**	**1,138.01**	**1,121.31**

UNCONSOLIDATED STATEMENT OF SECURED LOAN OUTSTANDING AS ON 30.09.2010

(₹ in lakhs)

Particulars	Name of the Sanctioned Bank	Nature of Loan	Amt. Sanction	Amt Outstanding	Rate of Interest (Monthly Reducing)	Repayments Terms (No. Of Monthly Installment)	Security / Principal Terms and conditions
(i) Fund Based							
Vehicle Loans from Banks							
Equipment / Vehicle Loans from Banks	HDFC Bank Ltd.	Hire Purchase	1,175.45	690.77	7.98% to 15.50%	35 Months	Charge on Specific assets
	ICICI Bank Ltd.	Hire Purchase	31.73	16.44	10.36% to 11.62%	35 Months	Charge on Specific assets
	Axis Bank Ltd	Hire Purchase	8.53	4.24	10.14% to 13.53%	35 Months	Charge on Specific assets
	Total		**1,215.70**	**711.46**			
Equipment / Vehicle Loans from Others	GE Capital Tranportation Services Ltd.	Hire Purchase	32.35	1.10	12.02% to 14.47%	35 Months	Charge on Specific assets
	Reliance Capital Ltd.	Hire Purchase	42.17	8.02	8.85%	35 Months	Charge on Specific assets
	SREI Equipment Finance Pvt. Ltd.	Hire Purchase	317.32	123.13	12.5%	23 Months	Charge on Specific assets
	Tata Capital Ltd	Hire Purchase	15.24	5.79	11.24%	35 Months	Charge on Specific assets
	Total		**407.08**	**138.04**			

Term Loans							
Term Loans form Banks	The Bharat Co-Op (Mumbai) Bank Ltd.	Term Loan	160.00	144.76	13.00%	84 Months	Primary Security: (i)Hypothecation charge over stock in trade (ii)Charge over sundry Debtors Continuity of Equitable Mortgage by Deposit of title deeds of: (i)Office premises owned by Mrs. Kamakshi P. Shah. (ii)Flat owned by Tejas P Shah (iii) Flat owned by Dipan P Shah (iv) Plot owned by Sunrise Stone Industries Hypothecation of: Existing Furniture & Fixtures and machineries. Pledge of: a). Recurring Deposits b). Tender Deposits/Security Deposit at MCGM, MMRDA & others. c). Public Provident Fund of family members d). 10% cash margin of Bank Guarantee Guarantors: • Jainendra P Shah • Rakesh P Shah • Dipan P Shah • Tejas P Shah • Kamakshi P Shah • Sunrise Stone Industries
			540.00	Unutilised			
	Total		**700.00**	**144.76**			
Working Capital Loans	The Bharat Co-Op (Mumbai) Bank Ltd.	Cash Credit	500.00	312.94	13.00%		
	Total		**500.00**	**312.94**			
	Grand Total		**2,822.79**	**1,307.20**			
(ii) Non Fund Based							
Working Capital Loans (Non Fund Based)	The Bharat Co-Op (Mumbai) Bank Ltd.	BG	1,500.00	894.32			

Working Capital Loans (Non Fund Based)	ICICI Bank Ltd.	BG	6,700.00	3,985.62			Primary Security: First charge (ranking pari passu with Bharat Co-op Bank Ltd) , by way of Hypothecation of company's entire stocks of raw materials, semi finished and finished goods, consumable stores and spares and such other movables including book debts, bills whether documentary or clean, outstanding monies, receivables both present and future. Collateral Security: Equitable mortgage of commercial property in the name of Mrs. Kamakshi Shah Unconditional and irrevocable personal Guarantee of Directors and property owner: a) Rakesh P Shah b) Jainendra P Shah c) Tejas P Shah d) Dipan P Shah g)Kamakshi Shah
	ICICI Bank Ltd.	Letter of credit (as sublimit of BG.)	2,500.00	-			
	ICICI Bank Ltd.	Fund based Cash Credit Facility (As a sub limit of BG limit)	200.00	-			
	ICICI Bank Ltd.	Sublimit: Working Capital Demand Loan (as a sublimit of CC Limit)	200.00	-			

Working Capital Loans (Non Fund Based)	Vijaya Bank	BG	3,000.00	1,703.95			Primary: Bank Guarantee 1) 15% Cash Margin by way of Terms Deposits and 2) Counter guarantee by the company. Inland Letter of Credit: 1) 10% Cash Margin and 2) Hypothecation of goods purchased under LC Collateral Securities: Mortgage of residential flat jointly owned by Mrs. Nipa Jinendra Shah Mr. Jinendra P Shah & Mrs. Kamakshi Pravin Shah. Mortgage of Lease hold right of the residential flat owned by Mrs. Heena Rakesh Shah.
	Grand Total		**14,100.00**	**6,583.89**			

ANNEXURE – XVI

UNCONSOLIDATED DETAILS OF UNSECURED LOANS, AS RESTATED

(₹ in lakhs)

Particulars	**For the six months ended September 30,2010**	**For the year ended March 31,**				
		2010	**2009**	**2008**	**2007**	**2006**
1. From Promoters$	195.15	226.03	312.24	520.95	865.45	581.41
Rate of Interest on above (%)	-	-	-	-	-	-
2.(i) From Promoters Group & Group Companies of Promoters	149.43	147.47	117.52	194.67	258.54	223.97
2.(ii) Interest Accured & Due On Above	5.60	3.05	2.66	-	-	-
Rate of Interest on above (%)	0 - 12	0 - 12	0 - 12	-	-	-

3. From Companies-Inter Corporate Deposits$	209.50	-	-	-	-	-
Rate of Interest on above (%)	-				-	-
4. From Bank(obtained from HDFC Bank Ltd. & secured by the charge on Promoters personal property & Personal guarantee)*	100.00	-	-	-	-	-
Rate of Interest on above (%)	0 - 8.75				-	-
5. From Others$	-	-	-	-	131.88	105.66
Rate of Interest on above (%)					0 - 12	0 - 12
Total	**659.68**	**376.55**	**432.43**	**715.62**	**1,255.87**	**911.04**

$ These Unsecured loan are Short Term in nature & Payable on Demand

***UNCONSOLIDATED STATEMENT OF UNSECURED LOANS ON 30.09.2010**

(₹ in lakhs)

Particulars	Name of the Party	Nature of Loan	Amt. Sanction	Amt Outstanding	Rate of Interest (Monthly Reducing)	Repayments Terms (No. Of Monthly Installment)	Securities Offered
From Promoters	Jainendra P. Shah			103.30	-		
	Rakesh P. Shah			6.25	-		
	Tejas P. Shah			74.26	-		
	Dipan P. Shah			11.35	-		
	Total		-	**195.15**			
Promoter Groups & Group Companies of Promoters	Pravin C. Shah			0.07	-		
	Pravin C. Shah - HUF			3.49	-		
	Kamakshi P. Shah			11.05	-		
	Jainendra P. Shah - HUF			9.37	-		
	Sunrise Stone Industries			121.53	12%		
	Tejas P. Shah - HUF			9.53	-		
	Total		-	**155.02**			

From Companies-Inter Corporate Deposits$	Amish Infrastructure Pvt. Ltd.			200.00	-		
	Bucon Engineers & Infrastructure Pvt. Ltd.			9.50	-		
	Total		**-**	**209.50**			
From Bank	HDFC Bank Ltd.			100.00	8.74%	6 Months	
	Total		**-**	**100.00**			
	Grand Total		**-**	**659.68**			

ANNEXURE – XVII

UNCONSOLIDATED STATEMENT OF CURRENT LIABILITIES & PROVISIONS, AS RESTATED

(₹ in lakhs)

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	**2009**	**2008**	**2007**	**2006**
A) Current Liabilities						
Sundry Creditors						
- For Goods	3,480.35	4,794.04	2,935.39	1,254.54	1,080.31	947.48
- For Expenses	2,771.01	3,188.99	2,514.76	1,485.08	518.90	471.73
Book Overdrafts with Banks	85.51	466.90	10.45	168.65	591.53	144.71
Due To Directors	21.26	12.35	10.67	13.74	0.74	-
Advances/credits from Customers	71.13	203.81	157.58	25.30	180.04	3.68
Security Deposit	1,005.55	899.43	85.58	67.71	102.25	12.02
Mobilisation Advances	434.69	543.73	420.07	495.16	-	-
Statutory Dues	160.95	83.24	70.92	82.95	112.72	112.16
Outstanding Expenses	1,370.01	117.13	105.60	39.39	52.15	6.90
Sub - Total	**9,400.46**	**10,309.61**	**6,311.02**	**3,632.52**	**2,638.65**	**1,698.67**
B) Provisions						
- For Gratuity	65.59	48.09	24.41	13.04	7.65	3.50
- For Taxation	2,275.16	1,800.16	1,675.95	884.17	579.76	326.52
Sub - Total	**2,340.74**	**1,848.26**	**1,700.36**	**897.21**	**587.41**	**330.02**
Total (A + B)	**11,741.21**	**12,157.87**	**8,011.38**	**4,529.73**	**3,226.06**	**2,028.69**

ANNEXURE – XVIII

UNCONSOLIDATED STATEMENT OF DIRECTORS REMUNERATION, AS RESTATED

(₹ in lakhs)

Name of Directors Designation	Break up of Remune- Ration	For the six months ended September 30,2010	For the year ended March 31,				
			2010	2009	2008	2007	2006
Shri Pravinchandra C.Shah Partner	Remuneration	-	-	-	11.77	10.00	8.00
	Contribution to PF	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Sub - Total	**-**	**-**	**-**	**11.77**	**10.00**	**8.00**
Shri Jainendra P.Shah Director / Partner	Remuneration	27.00	32.00	15.00	15.00	10.00	8.00
	Contribution to PF	0.54	1.08	0.99	-	-	-
	Commission	-	-	-	-	-	-
	Sub - Total	**27.54**	**33.08**	**15.99**	**15.00**	**10.00**	**8.00**
Shri Tejas P.Shah Director / Partner	Remuneration	27.00	32.00	15.00	15.00	10.00	8.00
	Contribution to PF	0.54	1.08	0.99	-	-	-
	Commission	-	-	-	-	-	-
	Sub - Total	**27.54**	**33.08**	**15.99**	**15.00**	**10.00**	**8.00**
Shri Rakesh P.Shah Director / Partner	Remuneration	27.00	32.00	15.00	1.17	-	-
	Contribution to PF	0.54	1.08	0.99	-	-	-
	Commission	-	-	-	-	-	-
	Sub - Total	**27.54**	**33.08**	**15.99**	**1.17**	**-**	**-**
Shri Dipan P.Shah Director / Partner	Remuneration	27.00	32.00	15.00	1.17	-	-
	Contribution to PF	0.54	1.08	0.99	-	-	-
	Commission	-	-	-	-	-	-
	Sub - Total	**27.54**	**33.08**	**15.99**	**1.17**	**-**	**-**
GRAND TOTAL		**110.16**	**132.32**	**63.96**	**44.11**	**30.00**	**24.00**

Note:- Reliance Construction Co. is a Partnership Firm is incorporated w.e.f. 04.12.2006 as Relcon Infraprojects Pvt. Ltd.

Auditors' report as required by Part II of Schedule II to the Companies Act, 1956

To
The Board of Directors
Relcon Infraprojects Limited
105/C, Shyam Kamal,
Agarwal market,
Ville Parle (East),
Mumbai – 400057.

Dear Sirs,

We have examined the consolidated financial information of Relcon Infraprojects Limited (formerly Relcon Infraprojects Private Limited) (the 'Company') annexed to this report and initialed by us for identification purposes, for inclusion in the Draft Red Herring Prospectus (the 'DRHP'). This Consolidated financial information has been prepared by the management and approved by the Board of Directors of the Company for the purpose of disclosure in the DRHP being issued by the Company in connection with the proposed Initial Public Offering ('IPO') of equity shares (the 'Issue'). This Consolidated financial information has been prepared in accordance with the requirements of:

i) Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 (the 'Act');

ii) The Securities and Exchange Board of India ('SEBI') (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the 'SEBI Regulations'), as amended from time to time, issued by SEBI in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments;

iii) The Guidance Note on the Reports in Company Prospectuses (revised) issued by the Institute of Chartered Accountants of India ('ICAI'); and

iv) In accordance with the terms of letter of engagement agreed upon us with the company in connection with the Draft Red Herring Prospectus (DRHP) being issued by the Company relating to IPO.

A. Consolidated Financial Information as per the Audited consolidated Financial Statements:

1. We have examined the attached Statement of Consolidated restated assets and liabilities (Annexure I) of the Company as at September 30, 2010 and March 31, 2010, 2009, 2008, 2007 and 2006 and the attached Summary statement of Consolidated restated profits and losses (Annexure II) and also the Statement of Consolidated restated cash flows (Annexure III) for the six months ended September 30, 2010 and years ended March 31, 2010, 2009, 2008, 2007 and 2006 collectively referred to as 'Consolidated Restated Statements'.

2 The figures in the consolidated Restated statements as of and for the for the six months ended 30th September, 2010 and for the years ended March 31 , 2006 , March 31 , 2007 , March 31 , 2008 , March 31 , 2009 and March 31 , 2010 have been entered from the audited financial statements of the company for the respective years

3 Based on our examination of these Consolidated Restated Statements, we state that:

a) The Consolidated Restated Statements have to be read in conjunction with the Statement of significant accounting policies and notes to the Consolidated restated statements given in Annexure IV ;

b) Consolidated Restated Statements have been restated with retrospective effect, as applicable to reflect the accounting policies being adopted by the Company as at September 30, 2010, as stated in the Statement of significant accounting policies and notes to Consolidated restated statements given in Annexure IV

c) We for the half year ended September 30th 2010 and for the year ended March 31st 2010, March 31st 2009, March 31st 2008, March 31st 2007, March 31st 2006, did not audit the Financial Statements of certain jointly controlled entities whose financial statements reflect Group's share of total assets of Rs 188.81 lakhs, 251.74 lakhs , 287.39 lakhs , 485.24 lakhs , 211.99 lakhs , 6.05 lakhs respectively as at September 30th 2010 and for the year ended March 31st 2010, March 31st 2009, March 31st 2008, March 31st 2007, March 31st 2006 respectively. Groups share of total revenues of Rs 178 lakhs, 502.20 lakhs, 474.45 lakhs, 1153.23 lakhs, 468.05 lakhs and Rs Nil respectively and Net Cash inflows/(outflows) of the said jointly controlled entities aggregating to (Rs.40.43 lakhs), Rs.5.34 lakhs, (Rs.2.73 lakhs), (Rs.74.46 lakhs), Ra.112.78 lakhs and Rs.0.64 lakhs respectively for the half year ended September 30th 2010 and for the year ended March 31st 2010, March 31st 2009, March 31st 2008, March 31st 2007, March 31st 2006 respectively. Those financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management of the Company, and our opinion is based solely on the reports of the other auditors.

d) The company has transferred as a slump sale, its Realty business comprising of various Assets and Liabilities at the book value to its wholly owned subsidiary – Relcon Realty Pvt. Ltd. w.e.f 28th February, 2011.

e) There are no exceptional items that require separate disclosure in the Consolidated Restated Statements; and

B. Other Consolidated Financial Information as per Audited Consolidated Financial Statements

2) We have examined the following Consolidated financial information in respect of six months ended September, 2010 and years ended March 31, 2010, 2009, 2008 ,2007 and 2006 of the Company, proposed to be included in the DRHP, as approved by the Board of Directors and annexed to this report:

i. Statement of significant accounting policies and notes to restated statements .(Annexure IV)

ii. Statement of restated reserves & surplus. (Annexure V)

iii. Statement of restated fixed assets. (Annexure VI)

iv. Statement of restated accounting ratios. (Annexure VII)

v. Statement of Restated capitalization Statement .(Annexure VIII)

vi. Statement of tax shelters .(Annexure IX)

vii. Statement of Restated summary of other income. (Annexure X)

viii. Statement of restated sundry debtors. (Annexure XI)

ix. Statement of Restated quoted and unquoted investments. (Annexure XII)

x. Statement of restated loans and advances. (Annexure XIII)

xi. Statement of restated secured loans. (Annexure XIV)

xii. Statement of restated unsecured loans .(Annexure XV)

xiii. Statement of restated current liability & provisions. (Annexure XVI)

xiv. Statement of Restated director's remuneration. (Annexure XVII)

xv. The company has not declared any dividend (Whether Interim or Final) during the financial year / period covered in the report and hence this information regarding rates of dividend has not been disclosed.

3) In our opinion, the 'Financial Information as per the Audited Consolidated Financial Statements' and 'Other Financial Information' mentioned above for the six months ended September 30, 2010 and years ended March 31, 2010, 2009, 2008, 2007 and 2006. have been prepared in accordance with Part II of Schedule II to the Act and the applicable SEBI Regulations.

4) This report should not be in any way construed as a re-issuance or re-dating of any of the previous audit reports issued by us nor should it be construed as a fresh opinion on any of the consolidated financial statements referred to therein.

5) We have no responsibility to update our report for events and circumstances occurring after the date of the report.

6) This report is intended solely for your information and for inclusion in the DRHP in connection with the proposed Initial Public Offering of equity shares of the Company and is not to be used, referred to or distributed to anyone for any other purpose without our prior written consent.

For **Jogish Mehta & Co.**
Chartered Accountants
Firm Registration No: 104326W

per **Jogish N. Mehta**
Proprietor
Membership No: F-38974
Place: Mumbai
Date: 28th March, 2011

ANNEXURE – I

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(₹ in lakhs)

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
1. FIXED ASSETS						
Gross Block	4,163.77	3,689.34	3,186.06	2,183.92	1,760.92	1,451.09
Less: Depreciation	**(1,745.54)**	**(1,568.54)**	**(1,195.30)**	**(865.31)**	**(676.98)**	**(511.25)**
Net Block	**2,418.23**	**2,120.80**	**1,990.76**	**1,318.62**	**1,083.94**	**939.84**
Add: Capital Work in Progress	8.13	4.48	36.56	116.02	-	-
Net Block Including Capital Work in Progress	**2,426.36**	**2,125.28**	**2,027.32**	**1,434.64**	**1,083.94**	**939.84**
2. INVESTMENTS	**54.51**	**54.51**	**57.24**	**7.94**	**4.73**	**3.73**
3. Deferred Tax Assets/(Liability) (net)	148.42	146.25	122.47	121.18	62.53	64.39
4. CURRENT ASSETS, LOANS AND ADVANCES						
a) Inventories	512.71	730.40	766.58	312.19	132.87	294.36
b) Sundry Debtors	6,075.36	8,868.59	5,269.81	4,571.86	2,550.34	1,751.35
c) Cash & Bank Balances	2,788.07	1,182.63	1,872.61	449.99	1,472.21	433.73
d) Loans & Advances	8,830.07	7,146.19	5,092.53	3,287.48	1,725.06	991.22
e) Interest Accrued on Investment	19.31	7.76	15.36	4.22	2.10	-
TOTAL CURRENT ASSETS, LOANS AND ADVANCES	**18,225.53**	**17,935.58**	**13,016.89**	**8,625.74**	**5,882.58**	**3,470.66**
5. TOTAL ASSETS (1+2+3+4)	**20,854.81**	**20,261.62**	**15,223.91**	**10,189.50**	**7,033.78**	**4,478.62**

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
6. LIABILITIES & PROVISIONS						
a) Secured Loans	1,307.20	1,428.17	2,135.50	1,442.95	1,138.01	1,121.31
b) Unsecured Loans*	713.73	456.36	556.16	715.62	1,311.28	914.58
c) Current Liabilities and Provisions	12,261.12	12,728.07	8,800.09	6,059.10	3,913.79	2,060.62
TOTAL LIABILITIES	**14,282.06**	**14,612.61**	**11,491.75**	**8,217.67**	**6,363.08**	**4,096.51**
7. NET WORTH (5-6)	**6,572.76**	**5,649.01**	**3,732.16**	**1,971.82**	**670.70**	**382.10**
NET WORTH REPRESENTED BY						
A. Equity Share Capital*	900.00	900.00	900.00	900.00	700.00	500.00
Reserves and Surplus	5,710.22	4,760.19	2,832.16	1,071.82	(22.52)	(117.90)
Less Revaluation Reserve	-	-	-	-	-	-
B. Reserves and Surplus (Net of Revaluation Reserve)	5,710.22	4,760.19	2,832.16	1,071.82	(22.52)	(117.90)
C. Misc. Expenditure (to the extent not written off or adjusted)	37.46	11.18	-	-	6.78	
NET WORTH (A + B - C)	**6,572.76**	**5,649.01**	**3,732.16**	**1,971.82**	**670.70**	**382.10**

The accompaning significant accounting policies and notes (Annexure IV) are an integral part of this statement.

Adjustment in Share Capital/Unsecured Loan

Reliance Construction Company the erstwhile partnership firm had been incorporated as Relcon Infraprojects Pvt Ltd on 4th December, 2006 under part IX of the Indian Companies Act 1956.The balance in the partners capital account as at 31/3/2006 in the erstwhile partnership firm was Rs 1265.30 lacs and Rs 500 Lacs from the same was appropriated as permanent capital of the partners and balance Rs 765.30 Lakhs was regrouped under the head unsecured loan.

ANNEXURE - II

CONSOLIDATED STATEMENT OF PROFITS AND LOSSES, AS RESTATED

(₹ in lakhs)

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
INCOME:						
Civil Contract Receipt	10,415.59	24,379.14	24,818.83	11,264.26	8,687.51	4,824.87
Supply of Civil Material & Services	4,208.49	5,964.42	5,092.69	4,991.09	4,362.69	3,237.92
Realty Income	430.41	1,129.74	-	-	-	-
Gross Earnings from Civil Work	**15,054.50**	**31,473.30**	**29,911.53**	**16,255.35**	**13,050.20**	**8,062.79**
Other Income	52.42	155.75	117.61	42.92	35.97	57.76
Total	**15,106.92**	**31,629.05**	**30,029.13**	**16,298.27**	**13,086.17**	**8,120.56**
EXPENDITURE:						
Change in Work in Progress	69.35	179.37	(462.15)	(173.76)	186.30	139.07
Consumption of Raw Materials	5,226.52	13,591.48	12,725.61	6,999.05	5,594.24	3,987.34
Sub Contract Exp./ Labour Chg. / Job Work Exp. Etc	6,259.67	10,724.91	11,506.03	5,443.14	4,337.04	2,064.01
Other Direct Expenses	1,116.47	2,233.44	2,264.87	1,394.90	1,161.32	936.32
Staff Cost	377.67	648.19	471.31	205.70	124.46	81.21
Administration Expenses	311.49	625.74	505.82	483.64	341.70	206.69
Interest and Financial Charges	106.91	228.83	236.22	160.57	143.04	95.80
Depreciation	197.43	388.57	326.98	201.37	195.61	179.96
Total	**13,665.51**	**28,620.52**	**27,574.68**	**14,714.61**	**12,083.72**	**7,690.40**
Net Profit / Loss Before Tax, Extra-ordinary Items & Prior Period Adjustments	**1,441.41**	**3,008.53**	**2,454.45**	**1,583.66**	**1,002.45**	**430.16**

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Provision for Taxation						
- For Current Year / (MAT)	(493.55)	(1,104.29)	(687.55)	(542.63)	(453.25)	(254.88)
- Fringe Benefit Tax	-	-	(7.85)	(5.33)	(5.86)	(3.75)
- Wealth Tax						
- Deferred Tax Liability / (Asset)	2.16	23.78	1.29	58.65	(1.86)	84.15
Net Profit / Loss after tax and before Extra-ordinary Items	**950.02**	**1,928.03**	**1,760.34**	**1,094.34**	**541.48**	**255.67**
Adjustments for extra-ordinary items	**-**	**-**	**-**	**-**	**-**	**-**
Net Profit after Extra-ordinary Items	**950.02**	**1,928.03**	**1,760.34**	**1,094.34**	**541.48**	**255.67**
Balance of Profit brought forward	**4,760.19**	**2,832.16**	**1,071.82**	**(22.52)**	**(117.90)**	**-**
Adjustments in Reserve & Surplus (refer annexure - V)					(446.11)	(373.57)
Balance carried forward, as restated	**5,710.22**	**4,760.19**	**2,832.16**	**1,071.82**	**(22.52)**	**(117.90)**

The accompaning significant accounting policies and notes (Annexure IV) are an integral part of this statement.

ANNEXURE - III

CONSOLIDATED STATEMENT OF CASH FLOWS, AS RESTATED

(₹ in lakhs)

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
A) CASH FLOW FROM OPERATING ACTIVITIES						
Net Profit before tax	**1,441.41**	**3,008.54**	**2,454.45**	**1,583.66**	**1,002.45**	**430.16**
Adjustments for :						
Depreciation on Fixed Assets	197.43	388.57	326.98	201.37	195.61	179.96
Preliminary Expenses Written Off	-	-	-	6.78	1.69	-
Impairment loss on Fixed Assets	-	-	6.29	-	-	-
(Profit) / Loss on sale / Discard of Fixed Assets	1.71	3.02	(0.29)	25.09	25.83	(0.16)
Interest Expenses	89.70	189.68	216.74	128.82	143.05	89.58
Dividend Income	(0.26)	(0.26)	(0.26)	(0.17)	(0.15)	(0.17)
Interest income	(39.14)	(59.42)	(48.80)	(37.31)	(24.60)	(24.69)
Profit from Investments in Parnership Firm	-	-	-	(4.21)	-	-
Operating profit before working capital changes	**1,690.85**	**3,530.11**	**2,955.11**	**1,904.03**	**1,343.88**	**674.68**
Increase in trade receivables and other receivables	1,699.50	(5,542.86)	(1,345.63)	(3,338.91)	(1,288.10)	68.84
Decrease in Inventories	217.69	36.18	(454.39)	(179.32)	161.49	72.48
Increase /(Decrease) in trade and other payables	(969.83)	3,812.33	1,947.38	1,851.60	1,480.21	(162.72)
Cash Generated from Operations	**2,638.20**	**1,835.76**	**3,102.48**	**237.39**	**1,697.48**	**653.28**
Direct Taxes paid	(597.32)	(1,090.57)	(1,070.77)	(498.67)	(325.15)	(215.19)
Net Cash flow from Operating Activities Total (A)	**2,040.88**	**745.19**	**2,031.71**	**(261.28)**	**1,372.34**	**438.09**

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
B) CASH FLOW FROM INVESTING ACTIVITIES						
Purchase of Fixed Assets / Capital work in progress	(503.24)	(494.13)	(930.90)	(584.69)	(388.74)	(289.73)
Sale of fixed assets	3.02	4.58	5.25	7.54	23.20	1.34
Dividend Income	0.26	0.26	0.26	0.17	0.15	0.17
Other Investments	-	2.73	(49.30)	0.75	(8.50)	-
Interest Received	27.59	67.02	37.66	35.18	15.78	24.13
Net Cash used in Investing Activities Total (B)	**(472.37)**	**(419.53)**	**(937.03)**	**(541.06)**	**(358.11)**	**(264.08)**
C) CASH FLOW FROM FINANCING ACTIVITIES						
Issue of Share Capital	-	-	-	200.00	200.00	-
Receipt / Repayment of Loan / Capital (Net)	257.37	(99.80)	(159.46)	(595.66)	(49.41)	19.26
Issue Expenses	(6.28)	(11.18)	-	-	-	-
Receipt / Repayment of Secured Loan (Net)	(120.98)	(707.32)	692.55	304.94	16.70	109.30
Interest paid	(93.19)	(197.33)	(205.14)	(129.16)	(143.05)	(89.58)
Net Cash flow from Financing Activities Total (C)	**36.93**	**(1,015.64)**	**327.94**	**(219.89)**	**24.24**	**38.97**
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	1,605.44	(689.98)	1,422.62	(1,022.22)	1,038.47	212.98
Cash and Cash Equivalents at the beginning of the year	1,182.63	1,872.61	449.99	1,472.21	433.73	220.75
Cash and Cash Equivalents at the end of the period	**2,788.07**	**1,182.63**	**1,872.61**	**449.99**	**1,472.21**	**433.73**

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Cash and Cash Equivalents includes the following:-						
Cash in hand	110.83	86.92	71.68	36.03	33.99	16.38
Cheques in hand	-	-	67.95	-	500.00	98.00
Balances with Scheduled Banks	-	-	-	-	-	-
- In Current Accounts	203.42	119.25	448.47	103.17	774.29	212.95
- In Deposit Account (Note 1)	2,473.83	976.46	1,284.50	310.79	163.93	106.41
Total	**2,788.07**	**1,182.63**	**1,872.61**	**449.99**	**1,472.21**	**433.73**

Notes:

1.The cash flow statement has been prepared under the Indirect Method as set out in Accounting Standard (AS)-3, Cash flow Statements, as notified under the Companies Act, 1956.

2.Cash and cash equivalents for the six months ended 30th September, 2010, 31st March, 2010, 31st March, 2009, 31st March, 2008, 31st March, 2007 & 31st March, 2006 includes a fixed deposit of Rs 873.83 lakhs, Rs. 676.46 lakhs, Rs. 568.04 lakhs, Rs. 310.79 lakhs, Rs. 163.92 lakhs & Rs. 105.85 lakhs respectively pledged with the bank as margin money for bank guarantee.

ANNEXURE – IV

Significant Accounting Policies and Notes to Accounts

1 Background

a) Relcon Infraprojects Pvt. Ltd. was incorporated on 04.12.2006 under part IX of the Companies Act 1956 and w.e.f. 20.07.2010 the company has been converted into a Public Company as Relcon Infraprojects Ltd. The Company is engaged in business of Civil Construction & supply of Ready Mix Concrete.

b) The Statement of restated assets and liabilities of the Company as at September 30, 2010 and March 31, 2010, 2009, 2008, 2007 and 2006 and the Summary statement of restated profits and losses and also the Statement of restated cash flows for the six months ended September 30, 2010, years ended March 31, 2010, 2009, 2008 2007 and 2006 (hereinafter collectively referred to as "Restated Summary Statements") have been prepared specifically for inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with its proposed Initial Public Offering.

These Restated Summary Statements have been prepared to comply in all material respects with the requirements of Schedule II to the Companies Act, 1956 (the "Act") and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI.

c) These consolidated financial statements pertain to Relcon Infraprojects Limited (formerly known as Relcon Infraprojects Private Limited) ("the Company"/ "the Parent"/ "the Holding Company"), its subsidiary (Relcon Realty Pvt. Ltd.) & jointly controlled entities

d) The financial statements of the subsidiary & jointly controlled entities (including partnership firms) are drawn up to the same reporting date as that of the Holding Company i.e. period ended September 30, 2010.

e) The Parent Company is not a listed company and hence are not required to prepare Consolidated Financial Statements. The comparative financial information disclosed is for the previous year ended 31st March 2010 and not for the corresponding previous year

2 Basis of preparation

a) The Restated Summary Statements have been prepared on going concern basis under Historical Cost Convention on the accrual basis of accounting, are in accordance with the applicable requirements of the Companies Act, 1956 (the 'Act') and comply in all material aspects with the Accounting Standards as notified by the Companies (Accounting Standards) Rules, 2006, to the extent applicable. The accounting policies have been consistently applied by the Company.

b) **Use of Estimates**

The preparation of Restated Summary Statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of income and expenses of the period / year, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include useful lives of fixed assets, future obligations under employee retirement benefit plans, provision for doubtful debts and advances, etc. Actual results could differ from those estimates. Any revisions to accounting estimates are recognised prospectively in the current and future periods.

3 Significant Accounting Policies

A Accounting Convention

a) The financial statements have been prepared under historical cost convention on going concern basis and in accordance with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956.

b) The Company generally follows mercantile system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties.

B Provisions and contingencies

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are determined based on best estimate of the amount required to settle the obligation at the Balance Sheet date. Provisions are reviewed at each Balance Sheet date and adjusted to reflect current best estimates. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

C Fixed Assets & Depreciation

a) Fixed Assets are stated at cost less accumulated depreciation. Cost includes capital cost and other incidental expenses attributable to bringing the asset to working condition for its intended use.

b) Capital Work in Progress is stated at amount spend up to the date of the financial statements and includes advances for capital expenditure and for assets acquired but not ready for use

c) Depreciation on fixed assets is provided under the Written down value method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956 which, as per the management represents the estimated useful life of the assets.

4 Principles of Consolidation

These consolidated financial statements have been prepared on the following basis:

a) The financial statements of the Company and its subsidiaries have been consolidated in accordance with the Accounting Standard 21 (AS 21) “Consolidated Financial Statements”, on line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions.

b) The financial statements of entities, where there is joint control (pursuant to a contractual arrangement), have been combined by using proportionate consolidation method and accordingly, Company’s share of each of the assets, liabilities, income and expenses of jointly controlled entity is reported as a separate line items in the consolidated financial statements as per Accounting Standard 27 (AS-27)- ”Financial Reporting of Interests in Joint Ventures”

c) The financial statements of the Company and its subsidiary have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances to the extent practicable.

d) As Relcon Reality Pvt. Ltd. is a wholly owned subsidiary of the company, there is no minority interest in the income or loss and the net assets of the subsidiary.

5 **Impairment of Assets**

If the carrying amount of fixed assets exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured at the higher of the net selling price and value in use, determined by the present value of estimated future cash flows.

Impairment Loss if any on fixed assets on the basis of review carried out by the Management in accordance with the Accounting Standard – 28 "Impairment of Assets" issued by the Institute of Chartered Accountants of India are dealt with in the Profit & Loss Account.

6 **Borrowings Costs**

Borrowing cost attributable to the acquisition or construction of qualifying assets are capitalized as a part of the cost of such assets. All other borrowing costs are charged to revenue.

7 **Leases**

a) Assets acquired under lease where the company has substantially all the risks and rewards incidental to ownership are classified as finance leases. Such assets are capitalized at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

b) Assets acquired on leases where significant portions of the risks and rewards incidental to ownership are retained by the lessors, are classified as operating leases. Lease rentals are charged to the profit and loss account on straight line basis over the lease term.

8 **Investments**

a) Long-term investments are stated at cost. Provision for diminution in value of long-term investments is made, if the diminution is other than temporary.

b) Current Investments are stated at cost or fair value, whichever is lower.

9 **Jobs in Progress, advance receipts and work done not billed**

Jobs in progress are valued at lower of cost or net realisable value. Cost of jobs in progress comprises direct material, direct expenses and an appropriate allocation of overheads for which revenue has not been recognised. Advance receipts against contracts are current liabilities. Work done not billed for jobs in progress is included in current assets.

10 **Revenue Recognition**

a.1) The Company has recognised profits based on percentage of completion method. The stage of completion of contract is determined by considering the proportion of contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs. Revenue from contracts and projected losses, if any, are provided based on the management's current estimate of costs to completion arrived at on the basis of technical data, forecasts and estimate for further expenditure.

a.2) Contract costs include all direct materials, subcontracts costs , labour costs & those indirect costs related to contract performance.

a.3) Revenues from time & material contracts are recognized currently as and when the work is performed.

a.4) As and when the loss on a contract can be determined, the entire amount of the estimated loss on contract is recognized & provided in the financial statement.

a.5) The aggregate of costs incurred & income recognized on incompleted contracts in excess of related billings is shown as a current asset, & the aggregate of billing on incompleted contracts in excess of related costs incurred & income recognized is shown as current liability.

b) Revenue from Service is generally recognized when Service is about to be completed and no uncertainties exist about the collection of amount of service.

c) Sale is recognized when the risk and rewards of ownership are passed onto the customers, which is generally on dispatch of goods.

d) Dividend Income is recognized when the right to receive the dividend is unconditional.

e) Interest income on term deposit is recognized using the time proportion method based on interest rates implicit in the transactions.

f) Profit / Loss From Joint Venture / Firms

Share of profit /Loss from joint ventures/firms is accounted on the basis of their audited accounts as on the balance sheet date

g) Revenue from the sale of properties in realty projects is recognized only when the significant risks and rewards of ownership have been transferred to the customer, which coincides with the entering into of a legally binding agreement.

h) The Company has recognized revenue on the Retention Money / Security Deposit retained by the contractee, being earlier of the expiry of the defect liability period or raising of the final bill on the contractee or receipt of the Retention Money from the contractee

11 **Inventories**

a) Stock of Material is valued at lower of cost or net realizable value.

b) Properties held for development represents TDR acquired for future development, other cost and construction related direct and indirect expenditure.

12 **Transaction in Foreign Currencies**

a) Transactions in foreign currencies are translated to Indian rupees at the rate of exchange ruling on the date of transaction.

b) Monetary items denominated in foreign currencies are translated into Indian rupees at the rate of exchange ruling in the Balance Sheet date.

c) Exchange differences arising on Settlement of transaction and on account of restatement of monetary items are dealt with in the profit and loss account and Balance Sheet.

13 **Retirement Benefits**

a) Provident Fund is a defined contribution scheme and the contributions as required by the statute made to Government Provident Fund are charged to profit and Loss account.

b) Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognised in the Balance Sheet in respect of gratuity is the present value of the defined benefit / obligation at the Balance Sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit / obligation is calculated at or near the Balance Sheet date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged or credited to the Profit and Loss Account in

c) The expected cost of short term compensated absences is recognized & discharged by the company before the Balance Sheet date.

14 **Accounting for Taxes on Income**

a) Current tax is determined as the amount of tax payable in respect of taxable income for the year.

b) Deferred Tax is recognized subject to the consideration of prudence on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and measured using relevant enacted tax rates.

15 **Share Issue Expenses**

Share issue expenses are carried forward as miscellaneous expenditure to the extent not written off and on issuance of shares are adjusted against the Securities Premium Account.

16 **Earnings Per Share**

Basic earnings per share is computed and disclosed using the weighted average number of common shares outstanding during the year. Dilutive earnings per share is computed and disclosed using the weighted average number of common and dilutive common equivalent shares outstanding during the year, except when the results would be anti-dilutive.

Notes to Accounts

1 The company has transferred as a slump sale, its Realty business comprising of various Assets and Liabilities at the book value to its wholly owned subsidiary – Relcon Realty Pvt. Ltd. The effective date for this sale is 28th February, 2011. Hence, from 28th February, 2011 the company no longer owns the Realty business & same shall be carried on by its wholly owned subsidiary – Relcon Realty Pvt. Ltd. & all transaction relating to Realty shall be recorded & included in the financial statements of Relcon Realty Pvt. Ltd. on or after 28th February, 2011.

2 Disclosure in accordance with Accounting Standard AS-7 (Revised) in respect of Contracts entered into by the company:

(₹ in lakhs)

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Contracting Receipts	10,415.59	24,379.14	24,818.83	11,264.26	8,687.51	4,824.87
Contracts Cost Incurred & recognized profits (Less recognized losses) for contracts in progress up to the reporting date	26,558	27,195	23,831	6,867	3,762	5,253
Advances Received	434.69	543.73	420.07	495.16	166.35	-
Gross Amount due from Customers for Contract Work	1,346.69	2,091.84	840.99	332.21	529.31	552.76
Gross Amount due to Customers for Contract Work	13.08	-	-	-	-	-
Retention Money	506.10	706.68	498.99	127.01	112.06	334.86

3 Retirement benefits

Consequent to the Accounting Standard on Employee Benefits (AS-15) (Revised 2005), issued by the Institute of Chartered Accountants of India (ICAI), becoming mandatory w.e.f. April 1, 2007 the company has adopted the revised AS 15 – Employee benefits issued by the Institute of Chartered Accountants of India during the current year.

Disclosure in respect of gratuity liability

(₹ in lakhs)

Reconciliation of opening and closing balance of the present value of the defined benefit obligation for gratuity benefits is given below:	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Change in obligations						
Present value of obligations	48.09	24.41	13.04	7.65	3.50	2.59
Interest Cost	1.92	1.83	0.98	0.57	0.26	0.19
Current Service Cost	8.56	10.08	5.02	2.79	1.71	0.69
Benefit Paid	-	-	-	-	-	-
Actuarial (gain)/loss on obligations	7.01	11.77	5.37	2.03	2.18	0.03
Present value of obligations	65.59	48.09	24.41	13.04	7.65	3.50

Fair value of plan assets	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Fair value of plan assets						
Actual Return on plan assets						
Contributions						
Benefits Paid						
Actuarial gain/(loss) on plan assets						
Fair value of plan assets as at						
Funded Status	(65.59)	(48.09)	(24.41)	(13.04)	(7.65)	(3.50)
Excess of actual over estimated return on plan Assets						

Actuarial Gain/(Loss) Recognised	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Actuarial Gain/(Loss) for the period (Obligation)	(7.01)	(11.77)	(5.37)	(2.03)	(2.18)	(0.03)
Actuarial Gain/(Loss) for the period (Plan Assets)	-	-	-	-	-	-
Total Gain/(Loss) for the period	(7.01)	(11.77)	(5.37)	(2.03)	(2.18)	(0.03)
Actual Gain/(Loss) recognised for the period	(7.01)	(11.77)	(5.37)	(2.03)	(2.18)	(0.03)
Unrecognised Actual Gain/(Loss) at the end of period	-	-	-	-	-	-

Amount Recognised in Balance Sheet	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Present value of obligation	65.59	48.09	24.41	13.04	7.65	3.50
Fair value of plan assets	-	-	-	-	-	-
Funded Status	(65.59)	(48.09)	(24.41)	(13.04)	(7.65)	(3.50)
Unrecognised past service cost	-	-	-	-	-	-
Net assets/(Liability) recognised in the Balance Sheet	(65.59)	(48.09)	(24.41)	(13.04)	(7.65)	(3.50)

Expenses Recognized in Profit and Loss Account	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Current Service Cost	8.56	10.08	5.02	2.79	1.71	0.69
Interest Cost	1.92	1.83	0.98	0.57	0.26	0.19
Expected Return on plan assets	-	-	-	-	-	-
Net Actuarial (gain)/loss recognised in the current period	7.01	11.77	5.37	2.03	2.18	0.03
Expenses Recognised in the statement of Profit & Loss	17.49	23.68	11.37	5.39	4.15	0.91

Movement in the Liability recognised in Balance Sheet	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Opening Net Liability	48.09	24.41	13.04	7.65	3.50	2.59
Expenses as above	17.49	23.68	11.37	5.39	4.15	0.91
Contribution paid	-	-	-	-	-	-
Closing Net Liability	65.59	48.09	24.41	13.04	7.65	3.50

Actuarial assumptions used	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Discount rate	8.00%	8.00%	7.50%	7.50%	7.50%	7.50%
Expected Return on plan assets	-	-	-	-	-	-
Mortality	LIC (1994-96)ULT	LIC (1994-96)ULT	LIC (1994-96)ULT	LIC (1994-96)ULT	LIC (1994-96)ULT	LIC (1994-96)ULT
Future Salary increase	5.00%	5.00%	4.00%	4.00%	4.00%	4.00%
Withdrawal rate	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%

4 Segmental Reporting

The segmental reporting disclosures as required under Accounting Standard – 17

(₹ in lakhs)

Particulars		For the six months ended September 30,2010	For the year ended March 31,				
			2010	2009	2008	2007	2006
REVENUE							
External sales	**Civil Contract Receipt**	10,415.59	24,379.14	24,818.83	11,264.26	8,687.51	4,824.87
	Supply of Civil Materials & Services	4,208.49	5,964.42	5,092.69	4,991.09	4,362.69	3,237.92
	Realty	430.41	1,129.74	-	-	-	-
	Unallocable / (Elimination)	-	-	-	-	-	-
	Total	15,054.50	31,473.30	29,911.53	16,255.35	13,050.20	8,062.79
Inter Segment sales	**Civil Contract Receipt**	-	-	-	-	-	-
	Supply of Civil Materials & Services	1,345.15	3,866.82	4,561.75	2,088.71	1,967.93	1,182.48
	Realty	-	-	-	-	-	-
	Unallocable / (Elimination)	(1,345.15)	(3,866.82)	(4,561.75)	(2,088.71)	(1,967.93)	(1,182.48)
	Total	-	-	-	-	-	-

Total Revenue	**Civil Contract Receipt**	**10,415.59**	**24,379.14**	**24,818.83**	**11,264.26**	**8,687.51**	**4,824.87**
	Supply of Civil Materials & Services	**5,553.65**	**9,831.24**	**9,654.45**	**7,079.81**	**6,330.62**	**4,420.40**
	Realty	**430.41**	**1,129.74**	**-**	**-**	**-**	**-**
	Unallocable / (Elimination)	**(1,345.15)**	**(3,866.82)**	**(4,561.75)**	**(2,088.71)**	**(1,967.93)**	**(1,182.48)**
	Total	**15,054.50**	**31,473.30**	**29,911.53**	**16,255.35**	**13,050.20**	**8,062.79**
RESULT							
Segment result	**Civil Contract Receipt**	986.45	2,056.15	1,373.62	1,126.32	523.41	391.04
	Supply of Civil Materials & Services	802.32	1,436.56	1,617.05	666.70	764.43	164.12
	Realty	12.57	85.07	-	-	-	-
	Unallocable / (Elimination)						
	Total	1,801.35	3,577.78	2,990.67	1,793.03	1,287.84	555.16
Unallocable corporate Expenses		316.97	525.04	429.31	121.66	164.92	129.99
Operating profit		1,484.38	3,052.74	2,561.36	1,671.36	1,122.92	425.17
Other income/(Expenses), Net		7.59	86.05	61.04	3.81	(2.02)	69.88
Less: Interest expenses		89.70	189.68	216.74	128.82	143.05	89.58
Add: Interest income		39.14	59.42	48.80	37.31	24.60	24.69
Net profit before taxes		**1,441.41**	**3,008.53**	**2,454.45**	**1,583.66**	**1,002.45**	**430.16**
Income Taxes		491.39	1,080.51	694.11	489.31	460.97	174.48
Net Profit after taxes		**950.02**	**1,928.03**	**1,760.34**	**1,094.35**	**541.48**	**255.67**

OTHER INFORMATION							
Segment assets	**Civil Contract Receipt**	12,080.69	13,025.23	8,021.38	6,415.02	3,011.94	1,581.17
	Supply of Civil Materials & Services	3,798.10	3,364.75	3,293.28	2,206.83	2,112.99	1,949.02
	Realty	215.76	919.62	660.23	-	-	-
	Unallocable / (Elimination)	4,611.85	2,805.77	3,126.55	1,446.46	1,846.31	884.04
	Total	20,706.40	20,115.36	15,101.44	10,068.32	6,971.25	4,414.23
Segment liabilities	**Civil Contract Receipt**	8,064.90	8,886.04	5,820.63	4,080.90	1,587.05	678.27
	Supply of Civil Materials & Services	1,120.02	1,199.53	948.41	647.76	875.71	827.48
	Realty	148.54	316.54	170.60	-	-	-
	Unallocable / (Elimination)	2,927.66	2,325.97	1,860.45	1,330.44	1,451.03	554.87
	Total	12,261.12	12,728.07	8,800.09	6,059.10	3,913.79	2,060.62
Capital Expenditure	**Civil Contract Receipt**	392.27	148.35	83.96	21.05	48.07	13.32
	Supply of Civil Materials & Services	80.78	363.18	818.45	433.52	317.86	216.13
	Realty	-	-	-	-	-	-
	Unallocable / (Elimination)	26.54	14.67	138.71	14.10	20.75	57.87
	Total	499.59	526.20	1,041.11	468.68	386.69	287.32

Depreciation	**Civil Contract Receipt**	33.65	37.60	29.72	19.61	17.11	12.61
	Supply of Civil Materials & Services	147.40	316.57	257.44	163.70	158.18	157.63
	Realty	-	-	-	-	-	-
	Unallocable / (Elimination)	16.38	34.40	39.82	18.06	20.32	9.72
	Total	197.43	388.57	326.98	201.37	195.61	179.96
Non-cash expenses other than Depreciation	**Civil Contract Receipt**	-	-	-	0.23	-	-
	Supply of Civil Materials & Services	1.67	3.02	7.20	24.86	25.01	-
	Realty	-	-	-	-	-	-
	Unallocable / (Elimination)	0.05	-	-	-	0.83	-
	Total	1.71	3.02	7.20	25.09	25.83	-

The Company is operating in the same geographical segment.

5 A) Name of related parties

i) Subsidiaries

Sr. No.	Name of the related party
1	Relcon Realty Pvt. Ltd.

ii) Key Management Personnel

Sr. No.	Name of the related party
1	Pravin C. Shah
2	Jainendra P. Shah
3	Rakesh P. Shah
4	Dipan P. Shah
5	Tejas P. Shah

iii) Relatives of Key Management Personnel

Sr. No.	Name of the related party
1	Ami T. Shah
2	Arvind R. Shah
3	Chandravati A. Shah
4	Heena R. Shah
5	Jankhana M. Parikh
6	Kamakshi P. Shah
7	Kirit C. Shah
8	Kirtikant Thakordas Shah
9	Nipa J. Shah
10	Sejal D. Shah

iv) Associates / Joint Ventures

Sr. No.	Name of the related party
1	New India Roadways & Sunrise Stone Industries - JV
2	R.K. Madhani & Co.& Relcon Infraprojects Pvt. Ltd. JV
3	Relcon Michigan (Joint Venture)
4	Reliance & Michigan Joint Venture
5	Reliance & Sunrise Stone Industries JV
6	Reliance Construction Co. & J.P. Enterprises. - JV
7	Reliance Construction Co. & New India Roadways – JV
8	Reliance Construction Co. & Sunrise Stone Industries JV
9	Reliance Michigan (JV)
10	Reliance Michigan Joint Venture
11	Reliance Michigan Joint Venture Mithi River

v) Other Related Party

Sr. No.	Name of the related party
1	Amul Construction Co.
2	Bina Construction Co.
3	Deepcon Engineers
4	Dipan Construction Co.
5	Divya Costruction Co.
6	Dynasty Engg. & Const. Co.
7	Jainendra P. Shah (HUF)
8	Pravin C. Shah (HUF)
9	Rakesh P. Shah (HUF)
10	Rel Tek Tiles India Pvt. Ltd.
11	Rolf Infra Concrete Pvt. Ltd.
12	Shubham Developers
13	Sunrise Stone Industries
14	Tejas P. Shah (HUF)
15	Zenal Jainam Developers

B) Related Party Transactions

Transactions with Related Parties

(₹ in lakhs)

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
A) Transactions with Related Parties						
a) Sales and Other Income						
Associates / Joint Ventures	**592.11**	**651.96**	**827.55**	**1,042.74**	**1,112.42**	**1,094.98**
New India Roadways & Sunrise Stone Industries - JV	-	-	-	85.56	44.90	-
Reliance Michigan Joint Venture Mithi River	535.59	537.29	-	-	-	-

Reliance & Michigan Joint Venture	6.41	24.99	-	128.02	373.64	518.90
Reliance & Sunrise Stone Industries JV	-	-	-	-	1.11	0.21
Reliance Construction Co. & J.P. Enterprises. - JV	2.11	35.00	-	202.47	506.91	574.75
Reliance Construction Co. & New India Roadways – JV	-	-	-	102.57	65.88	-
Reliance Construction Co. & Sunrise Stone Industries JV	-	-	-	-	19.76	1.12
Reliance Michigan (JV)	47.99	-	-	-	52.38	-
Reliance Michigan Joint Venture	-	54.68	788.89	187.04	47.84	-
Reliance Michigan Joint Venture Mithi River	-	-	38.66	337.08	-	-
Other Related Parties	**178.44**	**247.40**	**184.02**	**281.62**	**534.37**	**234.74**
Deepcon Engineers	-	-	10.93	97.65	92.80	2.17
Divya Costruction Co.	-	-	-	2.43	9.12	40.18
Dynasty Engg. & Const. Co.	-	-	-	46.26	30.37	17.23
Rel Tek Tiles India Pvt. Ltd.	-	0.46	2.73	-	-	-
Shubham Developers	0.84	2.16	-	-	0.21	0.38
Sunrise Stone Industries	177.60	244.78	170.35	135.28	401.88	174.77
b) Purchase of Goods and Other Expenses						
Associates / Joint Ventures	**21.84**	**12.82**	**-**	**-**	**-**	**-**
Relcon Michigan (Joint Venture)	21.84	12.82	-	-	-	-
Other Related Parties	**538.16**	**1,831.21**	**656.19**	**510.83**	**332.00**	**294.67**
Deepcon Engineers	0.60	64.31	3.90	-	-	2.76
Dynasty Engg. & Const. Co.	-	-	-	202.16	140.38	119.91
Rel Tek Tiles India Pvt. Ltd.	60.13	167.84	320.09	155.15	-	-
Rolf Infra Concrete Pvt. Ltd.	-	60.18	-	-	-	-
Sunrise Stone Industries	477.44	1,538.89	332.20	153.53	191.62	172.01
Directors / Key Managerial Personnel & Relatives	**19.20**	**37.13**	**67.87**	**19.39**	**3.72**	**3.60**
Kamakshi P. Shah	19.20	37.13	67.87	19.20	3.60	3.60
Kirtikant Thakordas Shah	-	-	-	0.19	0.12	-

c) Sale of Fixed Assets						
Other Related Parties	**-**	**2.22**	**-**	**-**	**-**	**-**
Sunrise Stone Industries	-	2.22	-	-	-	-
d) Purchase of Fixed Assets						
Other Related Parties	**-**	**-**	**-**	**0.37**	**-**	**-**
Rel Tek Tiles India Pvt. Ltd.	-	-	-	0.37	-	-
Associates / Joint Ventures	**-**	**-**	**-**	**2.30**	**-**	**-**
Reliance Construction Co. & Sunrise Stone Industries JV	-	-	-	2.30	-	-
e) Profit from Partnership Firm	**-**	**-**	**-**	**4.21**	**-**	**-**
Dynasty Engg. & Const. Co.	-	-	-	4.21	-	-
f) Interest Received						
Other Related Parties	**-**	**-**	**11.67**	**15.71**	**13.02**	**15.55**
Deepcon Engineers	-	-	-	-	1.14	-
Dynasty Engg. & Const. Co.	-	-	-	-	-	4.21
Sunrise Stone Industries	-	-	11.67	15.71	11.89	11.34
g) Interest Paid						
Other Related Parties	**5.60**	**3.05**	**2.66**	**-**	**-**	**-**
Deepcon Engineers	0.09	0.19	2.66	-	-	-
Sunrise Stone Industries	5.50	2.86	-	-	-	-
Directors / Key Managerial Personnel & Relatives	**-**	**-**	**-**	**0.19**	**0.60**	**0.61**
Arvind R. Shah	-	-	-	0.09	0.29	0.29
Chandravati A. Shah	-	-	-	0.10	0.31	0.32

h) Remuneration and Reimbursement						
Directors / Key Managerial Personnel & Relatives						
Remuneration	**110.16**	**132.32**	**63.96**	**44.11**	**30.00**	**24.00**
Pravin C. Shah	-	-	-	11.77	10.00	8.00
Jainendra P. Shah	27.54	33.08	15.99	15.00	10.00	8.00
Rakesh P. Shah	27.54	33.08	15.99	15.00	10.00	8.00
Tejas P. Shah	27.54	33.08	15.99	1.17	-	-
Dipan P. Shah	27.54	33.08	15.99	1.17	-	-
i) Loans, Advances and Deposit given (including repayment of loans & advances taken)						
Other Related Parties	**8.29**	**154.53**	**94.59**	**1,002.65**	**-**	**671.37**
Amul Construction Co.	-	-	-	25.80	-	15.30
Bina Construction Co.	-	-	-	0.73	-	0.42
Deepcon Engineers	1.74	1.02	50.11	96.63	-	5.00
Dipan Construction Co.	-	-	-	2.00	-	26.55
Dynasty Engg. & Const. Co.	-	-	-	94.00	-	43.25
Jainendra P. Shah (HUF)	-	0.12	-	-	-	-
Pravin C. Shah (HUF)	-	-	-	0.50	-	-
Rakesh P. Shah (HUF)	-	-	-	0.75	-	-
Rolf Infra Concrete Pvt. Ltd.	6.00	-	-	-	-	-
Sunrise Stone Industries	0.55	153.29	44.48	782.25	-	535.85
Tejas P. Shah (HUF)	-	0.11	-	-	-	-
Zenal Jainam Developers	-	-	-	-	-	45.00
Directors / Key Managerial Personnel & Relatives	**291.40**	**111.77**	**437.40**	**610.25**	**-**	**0.61**
Pravin C. Shah	-	-	116.50	44.00	-	-
Kamakshi P. Shah	110.80	1.33	33.30	24.00	-	-
Jainendra P. Shah	81.85	86.69	100.75	166.50	-	-
Nipa J. Shah	-	-	-	14.00	-	-
Rakesh P. Shah	55.50	-	2.00	4.50	-	-
Heena R. Shah	-	-	-	24.50	-	-

Tejas P. Shah	40.00	23.75	184.85	274.00	-	-
Ami T. Shah	-	-	-	29.00	-	-
Dipan P. Shah	3.25	-	-	-	-	-
Sejal D. Shah	-	-	-	28.50	-	-
Jankhana M. Parikh	-	-	-	1.25	-	-
Arvind R. Shah	-	-	-	-	-	0.29
Chandravati A. Shah	-	-	-	-	-	0.32
Associates / Joint Ventures	**60.80**	**38.32**	**-**	**-**	**-**	**-**
Relcon Michigan (Joint Venture)	60.80	38.32	-	-	-	-
j) Loans and Advances Received						
Other Related Parties	**112.00**	**167.15**	**374.50**	**813.96**	**-**	**679.78**
Deepcon Engineers	-	-	49.00	142.90	-	4.50
Dipan Construction Co.	-	-	-	4.11	-	10.65
Dynasty Engg. & Const. Co.	-	-	-	99.00	-	133.47
Jainendra P. Shah (HUF)	-	6.00	-	-	-	-
Sunrise Stone Industries	112.00	155.00	325.50	522.95	-	531.16
Tejas P. Shah (HUF)	-	6.15	-	-	-	-
Zenal Jainam Developers	-	-	-	45.00	-	-
Directors / Key Managerial Personnel & Relatives	**149.72**	**40.23**	**81.00**	**187.00**	**-**	**-**
Kamakshi P. Shah	-	16.00	79.00	46.50	-	-
Jainendra P. Shah	69.37	12.11	-	50.00	-	-
Nipa J. Shah	-	-	-	8.50	-	-
Rakesh P. Shah	61.75	-	2.00	-	-	-
Heena R. Shah	-	-	-	19.00	-	-
Tejas P. Shah	4.00	12.11	-	50.50	-	-
Dipan P. Shah	14.60	-	-	-	-	-
Sejal D. Shah	-	-	-	12.50	-	-
Associates / Joint Ventures	**-**	**428.85**	**-**	**-**	**-**	**-**
Relcon Michigan (Joint Venture)	-	428.85	-	-	-	-

B) Balances						
a) Sundry Debtors						
Other Related Parties	**84.04**	**14.21**	**67.94**	**47.30**	**131.90**	**57.45**
Deepcon Engineers	-	-	7.03	27.94	98.94	-
Divya Costruction Co.	-	-	-	-	-	27.64
Dynasty Engg. & Const. Co.	-	-	-	(0.34)	28.02	5.45
Rel Tek Tiles India Pvt. Ltd.	-	0.51	2.84	-	-	-
Shubham Developers	3.34	2.39	4.13	4.13	4.13	3.89
Sunrise Stone Industries	80.70	11.30	53.94	15.57	0.81	20.48
Associates / Joint Ventures /Partnership Firm	**318.98**	**515.71**	**14.19**	**45.29**	**154.47**	**212.68**
New India Roadways & Sunrise Stone Industries - JV	-	-	-	-	17.42	-
Relcon Michigan (Joint Venture)	296.38	493.25	-	-	-	-
Reliance & Michigan Joint Venture	0.47	12.57	-	-	23.42	54.13
Reliance & Sunrise Stone Industries JV	-	-	-	-	1.11	0.08
Reliance Construction Co. & J.P. Enterprises. - JV	-	-	-	-	83.21	157.90
Reliance Construction Co. & New India Roadways – JV	-	-	-	0.25	14.91	-
Reliance Construction Co. & Sunrise Stone Industries JV	-	-	0.53	-	-	0.57
Reliance Michigan (JV)	12.23	-	-	-	-	-
Reliance Michigan Joint Venture	9.89	9.89	13.66	45.04	14.40	-
Reliance Michigan Joint Venture Mithi River	-	-	-	-	-	-
b) Sundry Creditors						
Other Related Parties	**424.33**	**760.97**	**98.98**	**127.29**	**15.84**	**18.93**
Deepcon Engineers	2.40	67.93	6.82	-	-	0.65
Divya Costruction Co.	-	-	-	-	6.68	6.68
Dynasty Engg. & Const. Co.	-	-	-	54.06	0.54	6.64
Sunrise Stone Industries	400.70	564.51	24.62	2.65	8.61	4.96
Rel Tek Tiles India Pvt. Ltd.	21.24	70.11	67.54	70.57	-	-
Rolf Infra Concrete Pvt. Ltd.	-	58.42	-	-	-	-

Associates / Joint Ventures	**-**	**-**	**-**	**-**	**0.22**	**-**
Reliance Construction Co. & Sunrise Stone Industries JV	-	-	-	-	0.22	-
Directors / Key Managerial Personnel & Relatives	**24.10**	**15.19**	**16.78**	**23.15**	**1.82**	**-**
Pravin C. Shah	-	-	-	9.41	1.08	-
Kamakshi P. Shah	2.84	2.84	6.12	-	-	-
Jainendra P. Shah	5.48	3.47	2.11	5.95	0.37	-
Rakesh P. Shah	4.61	2.00	3.85	1.17	-	-
Tejas P. Shah	5.50	3.63	3.12	5.95	0.37	-
Dipan P. Shah	5.67	3.25	1.59	0.67	-	-
c) Loans and Advances given (Including Deposit)						
Other Related Parties	**516.00**	**510.00**	**-**	**273.36**	**94.14**	**186.93**
Deepcon Engineers	-	-	-	-	45.07	-
Dipan Construction Co.	-	-	-	-	2.11	0.11
Dynasty Engg. & Const. Co.	-	-	-	-	0.04	103.04
Rolf Infra Concrete Pvt. Ltd.	6.00	-	-	-	-	-
Sunrise Stone Industries	510.00	510.00	-	273.36	1.91	38.78
Zenal Jainam Developers	-	-	-	-	45.00	45.00
Directors / Key Managerial Personnel & Relatives	**24.00**	**24.00**	**24.00**	**24.00**	**-**	**0.40**
Kamakshi P. Shah	24.00	24.00	24.00	24.00	-	-
Nipa J. Shah	-	-	-	-	-	0.40
d) Loans and Advances Received						
Other Related Parties	**143.90**	**28.60**	**12.94**	**16.62**	**38.24**	**27.83**
Amul Construction Co.	-	-	-	-	25.80	25.80
Bina Construction Co.	-	-	-	-	0.73	0.73
Deepcon Engineers	-	1.65	2.48	1.20	-	0.05
Dynasty Engg. & Const. Co.	-	-	-	4.96	-	-
Jainendra P. Shah (HUF)	9.37	9.37	3.49	3.49	3.49	-
Pravin C. Shah (HUF)	3.49	3.49	3.49	3.49	3.99	0.50

Rakesh P. Shah (HUF)	-	-	-	-	0.75	0.75
Sunrise Stone Industries	121.53	4.57	-	-	-	-
Tejas P. Shah (HUF)	9.53	9.53	3.49	3.49	3.49	-
Directors / Key Managerial Personnel & Relatives	**206.27**	**347.95**	**419.49**	**699.00**	**1,105.69**	**795.06**
Pravin C. Shah	0.07	0.07	0.07	116.57	148.07	188.39
Kamakshi P. Shah	11.05	121.85	107.18	61.48	14.98	1.00
Jainendra P. Shah	103.30	115.77	190.34	248.86	365.36	212.88
Nipa J. Shah	-	-	-	-	5.50	-
Rakesh P. Shah	6.25	-	-	-	4.50	4.50
Heena R. Shah	-	-	-	-	5.50	5.50
Tejas P. Shah	74.26	110.26	121.90	272.10	495.60	364.03
Ami T. Shah	-	-	-	-	29.00	-
Dipan P. Shah	11.35	-	-	-	-	-
Sejal D. Shah	-	-	-	-	16.00	-
Jankhana M. Parikh	-	-	-	-	1.25	1.25
Kirit C. Shah	-	-	-	-	11.91	11.91
Kirtikant Thakordas Shah	-	-	-	-	5.12	-
Arvind R. Shah	-	-	-	-	-	2.69
Chandravati A. Shah	-	-	-	-	2.91	2.92
Associates / Joint Ventures	**329.73**	**390.54**	-	-	-	-
Relcon Michigan (Joint Venture)	329.73	390.54	-	-	-	-
e) Investment in Joint Ventures / Partnership Firm	-	-	-	**4.21**	-	-
Dynasty Engg. & Const. Co.	-	-	-	4.21	-	-

Mr. Kirit C. Shah and Kirtikant Thakordas Shah ceased to be related party from the 1st April, 2008.

6 Operating Leases:

The company has entered into cancellable operating lease agreements. The lease payments recognized in the profit and loss account are as under:

(₹ in lakhs)

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Operating Leases	24.96	45.74	45.74	20.78	Nil	Nil

7 Earnings per Share: Calculation of EPS - Basic and Diluted

(₹ in lakhs)

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Total number of shares outstanding	90.00	90.00	90.00	90.00	70.00	50.00
Weighted average number of shares outstanding – Basic and Diluted	90.00	90.00	90.00	71.15	50.05	50.00
Profit after Tax (`)	950.02	1,928.03	1,760.34	1,094.34	541.48	255.67
Nominal value of equity shares (`)	10	10	10	10	10	10
Earnings per share – Basic and Diluted	10.56	21.42	19.56	15.38	10.82	5.11

EPS for the six months ended 30th September, 2010 is not annualised.

8 Deferred Tax Balances

The Components of Deferred Tax balances are as under:

(Amount in `) (₹ in lakhs)

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Deferred Tax Assets						
WDV difference of Fixed Assets	34.39	35.63	22.88	(46.50)	(76.70)	(24.42)
Retention Money	75.64	77.30	80.75	148.18	161.41	76.99
Stamp Duty Payable U/s 43B	17.51	15.48	13.18	8.69	2.74	-
Auditors Remuneration	-	-	-	-	0.51	-
CAR Insurance	-	-	3.05	3.05	3.05	3.05
Purchase	-	(0.48)	(0.48)	-	-	-
Provision for Retirement Benefits	21.79	15.98	8.30	4.43	2.60	1.18
Work Contract Tax Payable	1.10	1.10	1.12	1.12	1.12	7.58
Disallowed As per Section 40a	-	-	0.04	0.54	1.23	-
Preliminary Expenses	-	0.56	1.15	1.73	-	-
Disallowance U/s. 43B	-	1.05	-	-	-	-
Vat on closing stock (Added u/s 145A)	0.04	3.60	-	-	1.51	-
Total	**150.47**	**150.22**	**129.99**	**121.25**	**97.49**	**64.39**
Deferred Tax Liabilities						
Provision for Rent Equaliser	2.05	3.96	7.52	-	-	-
Depreciation	-	-	-	-	34.96	-
Vat on closing stock (Added u/s 145A)	-	-	-	0.07	-	-
Total	**2.05**	**3.96**	**7.52**	**0.07**	**34.96**	**-**
Net Deferred Tax Assets / Liability	**148.42**	**146.25**	**122.47**	**121.18**	**62.53**	**64.39**

9 **Details of entities included in these consolidated financial statements are as under :**

a) Subsidiary Company Consolidated on line by line basis as per AS-21

Sr. No.	Name	Country of incorporation	% of Ownership Interest as at September 30, 2010	% of Ownership Interest as at March 31, 2010	% of Ownership Interest as at March 31, 2009
1	Relcon Realty Pvt. Ltd.	India	100%	100%	100%

b) Details of Joint Ventures / Partnership Firm accounted on proportionate consolidation basis as per AS-27

Sr. No.	Name of the Joint Venture	Description of Interest	% of Ownership Interest as at September 30, 2010	% of Ownership Interest as at March 31, 2010	% of Ownership Interest as at March 31, 2009	% of Ownership Interest as at March 31, 2008	% of Ownership Interest as at March 31, 2007	% of Ownership Interest as at March 31, 2006
1	Reliance Michigan (JV)	Jointly Controlled Entities	49%	49%	49%	49%	49%	49%
2	Reliance & Sunrise Stone Industries (JV)	Jointly Controlled Entities	65%	65%	65%	65%	65%	65%
3	Reliance Construction Co. & Sunrise Stone Industries (JV)	Jointly Controlled Entities	55%	55%	55%	55%	55%	55%
4	Reliance Construction & J.P. Enterprises (JV)	Jointly Controlled Entities	49%	49%	49%	49%	49%	49%
5	Reliance Michigan (Joint Venture)	Jointly Controlled Entities	40%	40%	40%	40%	40%	40%
6	Reliance Michigan Joint Venture	Jointly Controlled Entities	40%	40%	40%	40%	40%	N.A.

7	Reliance Construction Co. & New India Roadways – JV	Jointly Controlled Entities	51%	51%	51%	51%	51%	51%
8	R.K. Madhani & Co.& Relcon Infraprojects Pvt. Ltd. JV	Jointly Controlled Entities	25%	25%	25%	N.A.	N.A.	N.A.
9	Reliance Michigan Joint Venture Mithi River	Jointly Controlled Entities	51%	51%	51%	51%	N.A.	N.A.
10	Relcon Michigan (Joint Venture)	Jointly Controlled Entities	51%	51%	N.A.	N.A.	N.A.	N.A.

10 Contingent Liabilities

(i) (₹ in lakhs)

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Bank Guarantee	6,583.89	4,794.03	4,594.11	2,133.75	1,261.02	788.51
*Disputed Income Tax Demand	25.75	26.59	0.84	160.25	178.12	-
*Disputed Work contract Tax	-	-	53.30	53.30	53.30	-
**Service Tax (Including Penalties)	191.28	191.28	191.28	-	-	-

**Relcon is a member of Joint Venture namely Reliance Michigan JV (“JV”) & its share in the said JV is 40%. Further, total demand (including penalties) raised by Service Tax Department on the said JV is ` 1,91,28,081/- and of which ` 3,31,500/- has been paid as of date. Further, the said JV has filed an appeal in the appellate Tribunal against said demand raised on the JV.

(ii) Estimated amount of contracts remaining to be executed on capital account not provided for (Net of Advances) are as under:

(₹ in lakhs)

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Estimated amount of contracts remaining to be executed	0.40	Nil	Nil	14.81	Nil	Nil

(iii) Capital work in progress includes capital advances are as under:

(₹ in lakhs)

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Capital work in progress includes capital advances	8.13	4.48	0.15	5.48	Nil	Nil

11 Auditors' Remuneration included in Administration & Other Expenses

(₹ in lakhs)

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Audit Fees	7.50	8.75	8.50	6.50	1.75	-
Tax Audit fees	Nil	6.53	6.03	2.79	8.04	4.82
Company Law Matters	Nil	Nil	Nil	Nil	0.53	-
Taxation Matter	0.85	1.43	3.42	2.83	1.82	1.53
Other Services	20.23	0.58	0.55	Nil	0.23	-
Total (Net of Service Tax)	**28.58**	**17.29**	**18.50**	**12.12**	**12.36**	**6.35**

Other services for the six months ended September 30,2010 relates to assurance services for Initial Public Offering (IPO) and hence has been included in share issue expenses are carried forward as miscellaneous expenditure to the extent not written off and on issuance of shares shall be adjusted against the Securities Premium Account.

12 Quantitative Details: Additional information pursuant to provisions of paragraph 3, 4C, and 4D of Part II of schedule VI to the Companies

Particulars			For the six months ended September 30,2010	For the year ended March 31,				
				2010	2009	2008	2007	2006
Op. Raw Material	Cement	Qty.	1,130.00	62.00	230.54	192.46	230.00	173.14
	(M.T.)	(₹ in lakhs)	50.56	2.71	10.10	8.04	7.90	5.19
	Stone	Qty.	895.00	291.00	189.07	715.17	561.00	427.50
	(Brass)	(₹ in lakhs)	17.84	4.90	3.44	13.37	9.83	5.62
	Sand (Brass)	Qty.	753.00	229.00	114.86	674.95	398.00	241.09
		(₹ in lakhs)	33.99	7.86	3.65	22.13	11.11	4.54
	Other	(₹ in lakhs)	21.51	9.81	11.42	12.46	10.66	11.81
Purchase During the Year	Cement	Qty.	36,080.00	66,818.00	55,514.74	49,236.38	40,313.00	38,873.20
	(M.T.)	(₹ in lakhs)	1,500.63	2,858.62	2,416.97	2,047.92	1,569.16	1,095.73
	Stone	Qty.	23,490.00	43,892.00	35,993.33	30,301.49	29,473.00	28,689.77
	(Brass)	(₹ in lakhs)	481.43	771.46	490.10	497.77	474.28	338.21
	Sand (Brass)	Qty.	15,612.00	29,775.00	23,965.26	23,116.48	21,112.00	19,373.12
		(₹ in lakhs)	629.94	1,067.64	814.75	741.46	626.61	387.89
	Other	(₹ in lakhs)	395.70	732.96	633.54	440.88	372.62	305.62
Sale during the Year	Cement	Qty.	1.00	-	-	-	-	-
	(M.T.)	(₹ in lakhs)	0.05	-	-	-	-	-
	Stone	Qty.	-	-	-	-	14.00	-
	(Brass)	(₹ in lakhs)	-	-	-	-	0.28	-
	Sand (Brass)	Qty.	14.00	-	-	-	-	-
		(₹ in lakhs)	0.74	-	-	-	-	-
	Other	(₹ in lakhs)	1.00	1.37	0.78	11.73	21.62	-

Consumption During the Year	**Cement**	**Qty.**	36,336.78	65,749.00	55,683.55	49,198.30	40,351.00	38,816.31
	(M.T.)	(₹ in lakhs)	1,516.06	2,810.76	2,424.36	2,045.86	1,569.03	1,093.02
	Stone	**Qty.**	23,890.00	43,288.00	35,891.72	30,827.59	29,304.00	28,556.70
	(Brass)	(₹ in lakhs)	488.89	758.52	488.64	507.69	470.46	334.01
	Sand (Brass)	**Qty.**	16,280.00	29,252.00	23,850.73	23,676.57	20,835.00	19,216.11
		(₹ in lakhs)	659.34	1,041.51	810.54	759.94	615.59	381.31
	Other	(₹ in lakhs)	384.36	719.89	634.37	433.63	349.20	306.77
Closing Stock of Raw Material	**Cement**	**Qty.**	872.00	1,130.00	61.73	230.54	192.00	230.03
	(M.T.)	(₹ in lakhs)	35.09	50.56	2.71	10.10	8.04	7.90
	Stone	**Qty.**	494.00	895.00	290.68	189.07	715.00	560.57
	(Brass)	(₹ in lakhs)	10.38	17.84	4.90	3.44	13.37	9.83
	Sand (Brass)	**Qty.**	71.00	753.00	229.39	114.86	675.00	398.10
		(₹ in lakhs)	3.85	33.99	7.86	3.65	22.13	11.11
	Other	(₹ in lakhs)	31.85	21.51	9.81	11.42	12.46	10.66

Particulars		**Ready Mix Concrete**					
		For the six months ended September 30,2010	**For the year ended March 31,**				
			2010	**2009**	**2008**	**2007**	**2006**
Op. Stock of Finished Goods	**Qty**	-	-	-	-	-	-
	(₹ in lakhs)	-	-	-	-	-	-
Purchase During the Year	**Qty**	1,880	738	323	1,184	693	1,458
	(₹ in lakhs)	65.06	24.04	9.46	33.72	20.02	28.93
Quantity Manufactured	**Qty**	110,150	210,265	176,536	145,426	137,535	126,204
	(₹ in lakhs)	3,048.85	5,330.87	4,357.91	3,747.13	4,321.40	3,024.16
Sale during the Year	**Qty**	94,653	153,708	117,790	113,357	105,788	114,101
	(₹ in lakhs)	3,629.60	5,349.82	4,060.47	3,901.52	3,270.95	2,712.54
Consumption During the Year	**Qty**	17,378	57,295	59,069	33,253	32,440	13,561
	(₹ in lakhs)	688.43	1,993.59	2,130.49	1,184.73	1,070.46	340.55
Closing Stock of Finished Goods	**Qty**	-	-	-	-	-	-
	(₹ in lakhs)	-	-	-	-	-	-

13 Gross Income derived from services rendered are as under:

(₹ in lakhs)

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Gross Income derived from services rendered	72.91	120.75	100.12	327.80	206.32	150.94

14 Borrowings by the company in the form of unsecured loans are mainly from promoters and the same are repayable on demand.

15 Balance Confirmations in respect of Sundry Creditors, Sundry Debtors and Loans and Advances have not been called for. The balances are therefore as per the books of accounts only.

16 The company has not received any intimation from the suppliers regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and the disclosures relating to amount unpaid as at the end of the year together with interest paid/payable as required under the said Act has not been furnished and the provision for interest, if any, on delayed payments, is not ascertainable at this stage.

17 Director's remuneration does not include any provision for gratuity & leave encashment as such amounts can not be specifically ascertained.

18 Expenditure in Foreign Currency.

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Traveling Expenses	2.28	Nil	0.37	0.29	Nil	Nil
Fixed Assets	219.06	Nil	181.38	Nil	Nil	Nil

19 The Company has prepared interim financial statements in accordance with Accounting Standard 25, Interim Financial Reporting, notified under the Companies Act, 1956 for the first time, in respect of the six months ended September 30, 2010, hence figures for the corresponding period in the previous year have not been disclosed in respect of the Profit and Loss Account and Cash Flow Statement for the six months ended September 30, 2010.

ANNEXURE – V

CONSOLIDATED STATEMENT OF RESERVES & SURPLUS, AS RESTATED

(₹ in lakhs)

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Opening balance (A)	4,760.19	2,832.16	1,071.82	(22.52)	(117.90)	-
Restated Profit / (loss) during the year (B)	950.02	1,928.03	1,760.34	1,094.34	541.48	255.67
Adjustments on account of						
1) Depreciation (refer note 1)	-	-	-	-	-	92.27
2) Gratuity (refer note 2)	-	-	-	-	-	(2.59)
3) Defered tax assets / Defered tax liabilty on above (refer note 3)	-	-	-	-	-	(30.18)
4) Appropriation from Partners capital account to Partners Unsecured loan. (refer note 4)					(446.11)	(433.07)
Total Adjustment (C)	-	-	-	-	**(446.11)**	**(373.57)**
Total Reserves & Surplus (A+B+C)	**5,710.22**	**4,760.19**	**2,832.16**	**1,071.82**	**(22.52)**	**(117.90)**

Notes :

1) Depreciation : Reliance Construction Company the erstwhile partnership firm had been incorporated as Relcon Infraprojects Pvt Ltd on 4th December, 2006 under part IX of the Indian Companies Act 1956.The erstwhile partnership firm had charged depreciation as per the rates prescribed under the Income Tax Act 1961. On incorporation the Company charged depreciation as per the rates prescribed under the Indian Companies Act 1956, accordingly depreciation has been charged as per the rates prescribed under the Indian Companies Act 1956 for the earlier year/period prior to incorporation and the excess depreciation aggregating to Rs 92.27 Lacs has been adjusted in the balance under the head reserves and surplus for the F.Y 2005-06 .

2) Gratuity : Gratuity of Rs 2.59 lacs pertaining to the period before the F.Y 2005-06 is provided in the F.Y 2005-06 and is adjusted in the balance under the head reserves & surplus for the F.Y 2005-06 .

3) Defered tax assets / liabilty : Deferred tax assets/Deferred tax liabilty relating to depreciation (note 1) and gratuity (note 2) is adjusted under the head reserves and surplus for the F.Y 2005-06 .

4) This amount represents appropriation from Partners capital account to Partners Unsecured loan.

ANNEXURE – VI

CONSOLIDATED STATEMENT OF FIXED ASSETS, AS RESTATED

(₹ in lakhs)

Particulars		For the six months ended September 30,2010	For the year ended March 31,				
			2010	2009	2008	2007	2006
Plant & Machinery	**Gross**	2,674.80	2,241.82	1,972.20	1,465.55	1,075.61	811.89
	Depreciation	910.74	804.96	606.30	422.65	300.73	224.62
	Net	1,764.06	1,436.86	1,365.90	1,042.90	774.88	587.27
Lorries	**Gross**	899.30	902.51	748.38	443.88	437.89	429.09
	Depreciation	580.74	537.97	419.33	335.49	291.01	229.74
	Net	318.56	364.54	329.04	108.39	146.88	199.34
Motor Car & Jeep	**Gross**	175.47	149.30	139.37	96.54	85.37	80.58
	Depreciation	88.42	79.82	64.66	45.27	35.40	27.22
	Net	87.04	69.47	74.71	51.27	49.97	53.36
Office Equipment	**Gross**	52.25	48.49	43.86	19.96	16.06	10.82
	Depreciation	24.33	21.79	17.00	10.21	8.18	5.01
	Net	27.93	26.70	26.86	9.75	7.88	5.80
Scooter	**Gross**	13.50	10.58	10.51	7.88	5.97	4.16
	Depreciation	6.85	6.23	5.28	3.97	3.07	2.47
	Net	6.65	4.35	5.24	3.90	2.90	1.69
Data Processing Equipment	**Gross**	58.51	53.61	42.80	31.82	26.98	16.88
	Depreciation	40.76	36.75	28.67	20.64	14.66	9.38
	Net	17.75	16.86	14.13	11.18	12.32	7.50
Office & Factory Structure	**Gross**	196.19	191.60	145.47	86.07	87.16	76.20
	Depreciation	48.10	40.48	25.82	13.72	15.68	8.35
	Net	148.09	151.12	119.65	72.35	71.48	67.85
Furniture & Fixture	**Gross**	93.74	91.43	83.48	32.22	25.88	21.49
	Depreciation	45.61	40.53	28.23	13.35	8.25	4.46
	Net	48.13	50.90	55.24	18.88	17.63	17.02
Total (A)	**Gross**	**4,163.77**	**3,689.34**	**3,186.06**	**2,183.92**	**1,760.92**	**1,451.09**
	Depreciation	**1,745.54**	**1,568.54**	**1,195.30**	**865.31**	**676.98**	**511.25**
	Net	**2,418.23**	**2,120.80**	**1,990.76**	**1,318.62**	**1,083.94**	**939.84**
Capital Work in Progress (B)		8.13	4.48	36.56	116.02		
Total (A+B)		**2,426.36**	**2,125.28**	**2,027.32**	**1,434.64**	**1,083.94**	**939.84**

The company has not revalued any of its fixed assets during the reporting period

ANNEXURE – VII

CONSOLIDATED STATEMENT OF ACCOUNTING RATIOS, AS RESTATED

(₹ in lakhs)

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Net Worth (Excluding Share Application Money pending allotment)	6,572.76	5,649.01	3,732.16	1,971.82	670.70	382.10
Restated Net Profit after Tax (₹ in Lakhs)	950.02	1,928.03	1,760.34	1,094.34	541.48	255.67
No. of equity shares outstanding at the Beginning of the year / period	90.00	90.00	90.00	70.00	50.00	50.00
No. of equity shares outstanding at the end of the year / period	90.00	90.00	90.00	90.00	70.00	50.00
Weighted Avg. no. of Equity Shares	90.00	90.00	90.00	71.15	50.05	50.00
Basic & diluted Earning per equity share (₹)	10.56	21.42	19.56	15.38	10.82	5.11
Return on Net Worth (%)	14.45	34.13	47.17	55.50	80.73	66.91
Net Assets Value per share of ₹ 10/- each	73.03	62.77	41.47	21.91	9.58	7.64

1) The figures for the six months period ended September 30, 2010 have not been annualized

2) The ratios have been computed as below :

Earning Per Share (₹) = $\frac{\text{Restated Net Profit / (Loss) attributable to equity shareholders}}{\text{Weighted average number of equity shares during the period}}$

Return on Net Worth = $\frac{\text{Restated Net Profit after Tax * 100}}{\text{Net worth excluding revaluation reserve , share application money and preference share capital at the end of the period}}$

Net Assets Value (₹) = $\frac{\text{Net Worth excluding revaluation reserve , share application money and preferance share capital at the end of the period / year}}{\text{Number of equity shares outstanding at the end of the period / year}}$

3) Earnings per share calculations are done in accordance with Accounting Standard 20 , " Earnings Per Share " as notified under the companies Act , 1956

4) Calculations of ratios post issue has not been considered

ANNEXURE – VIII

CONSOLIDATED CAPITALIZATION STATEMENT, AS RESTATED

(₹ in lakhs)

PARTICULARS	Pre Issue As at 30.09.2010	Post Issue*
Borrowings		
Short Term Debt	1,578.47	
Long Term Debt	442.46	
Total Borrowings	**2,020.93**	**-**
Shareholders Funds		
Equity Share Capital	900.00	
Reserves & Surplus	5,710.22	
Less : Revaluation Reserve	-	
Less: Miscellaneous Expenditure to the extent not written off	(37.46)	
Total Shareholders' Funds	**6,572.76**	**-**
Long-Term Debt / Equity	**0.07**	

The corresponding post issue figures are not determinable at this stage pending the completion of the Book Building Process and hence have not been furnished. The Post issue capitalisation shall be updated before filing the prospectus.

Note:

The Long term debt/ equity ratio has been computed as under:

Long term debt/ total shareholders' funds

Other Note:

1. Short Term Debts are debts maturing within next one year.
2. The figures included above are as per the consolidated restated statement of assets and liabilities and profit and loss.
3. Figures of debts (Short Term and Long Term Debt) has been taken as on 30.09.10
4. Loan repayable on demand is considered as short term loan.

ANNEXURE – IX

CONSOLIDATED STATEMENT OF TAX SHELTER, AS RESTATED

(₹ in lakhs)

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Profit/(Loss) Before Tax And Extraordinary Items As Per Restated Accounts after eliminating the share of Jointly controlled entities	1,395.81	2,960.83	2,295.50	1,429.86	872.69	408.23
Tax Rate (%)	33.2175%	33.99%	33.99%	33.99%	33.66%	33.66%
a) Tax at notional rate	**463.65**	**1,006.39**	**780.24**	**486.01**	**293.75**	**137.41**
Profit/(Loss) Before Tax And Extraordinary Items of subsidiary & Jointly controlled entities	**45.60**	**47.70**	**158.96**	**153.80**	**129.76**	**21.93**
b) Tax on above	**14.29**	**20.29**	**53.75**	**52.16**	**43.17**	**7.75**
A) Total tax at applicable rates (a + b)	**477.94**	**1,026.67**	**833.99**	**538.17**	**336.92**	**145.16**
Adjustments:						
1) Permanent Differences						
Donation	3.21	6.83	4.03	6.03	4.07	0.47
Penalty	9.80	11.45	0.39	0.31	10.86	0.36
(Profit) /Loss on Sale of Fixed Assets	1.15	5.24	(0.44)	24.53	17.09	(0.58)
Prior Period Expenses	-	8.98	1.41	-	(40.66)	0.72
Disallowed u/s 14A	1.30	1.21	0.99	-	-	-
Provident Fund u/s 43B	-	0.60	-	-	-	-
Share of Profit In Joint Ventures u/s 10 (2A)	-	-	-	-	-	-
Share of Profit In Firms u/s 10 (2A)	-	-	-	(4.21)	-	-
Other Income	-	-	-	-	-	24.24
Dividend Income exempt u/s 10 (34)	-	-	-	-	-	-
Dividend Income (Exempt u/s 10 (34))	(0.26)	-	(0.26)	(0.17)	(0.15)	(0.17)
Impairment Loss	-	-	6.29	-	-	-
Other Disallowance u/s 36	-	0.01	-	-	-	-
Total Permanent Difference	**15.21**	**34.32**	**12.41**	**26.49**	**(8.79)**	**25.05**

2) Timing Difference						
Difference between tax depreciation and booked depreciation	(7.29)	29.39	26.70	(13.16)	(4.92)	(7.74)
Disallowed u/s 40(a)(ia)	-	0.13	0.12	1.58	4.33	-
Disallowance u/s 43 B (Provident Fund)	-	3.22	-	-	0.13	0.17
Provision for Gratuity	17.49	23.68	11.48	5.39	4.15	3.50
Adjustment u/s 145A	0.12	10.82	1.03	(0.21)	4.46	-
Adjustment for Lease Rent Equalisation	5.76	8.62	(22.13)	(3.62)	-	-
Deduction u/s 43 B	-	-	-	-	(19.23)	(8.40)
Service Tax	-	-	-	-	2.08	-
Deduction u/s. 35D Preliminary Exp.	(1.69)	(1.69)	(1.69)	5.08	-	-
Brought Forward Loss	-	(0.18)	-	-	(0.79)	-
Total Timing Difference	**14.40**	**73.98**	**15.50**	**(4.94)**	**(9.79)**	**(12.46)**
Net adjustments	**29.60**	**108.30**	**27.91**	**21.55**	**(18.58)**	**12.59**
B) Tax impact on account of adjustments (net)	**9.83**	**36.81**	**9.49**	**7.33**	**(6.25)**	**4.24**
C) Impact of restatement adjustment on profit / (loss) before tax	(46.17)	(9.56)	(183.17)	(17.68)	282.01	239.84
D) Tax impact on restatement adjustments	(15.34)	(3.25)	(62.26)	(6.01)	94.92	80.73
E) Tax under normal provisions of the Income Tax Act, 1961 (A+B+D)	472.44	1,060.24	781.21	539.49	425.58	230.12
F) Adjusted profit u/s 115JB for MAT before restatement	1,441.41	3,008.53	2,454.45	1,583.66	1,002.45	430.16
MAT rate	19.9305%	17%	11.33%	11.22%	11.22%	8.415%
G) Tax under MAT	287.28	511.45	278.09	177.69	112.48	36.20

Current domestic tax payable for the year (higher of E and G)	472.44	1,060.24	781.21	539.49	425.58	230.12
Interest u/s 234 of the Income Tax Act, 1961	-	16.82	2.00	18.32	19.10	2.16
Adjusted tax liability	472.44	1,077.06	783.22	557.81	444.68	232.28
Total tax as per return of income / computation	472.44	1,077.06	783.22	557.81	444.68	232.28

Notes

1) The Permanent / timing difference for the period ended March 31 ,2010 , 2009 , 2008 , 2007 , 2006 , have been computed based on acknowledged copies of income tax returns of the respective years

2) The permanent/ timing differences for the six months ended September 30, 2010 have been determined on the basis of provisional computation of the total income prepared by the Company in line with the final return of income filed for the assessment year 2010-2011 and are subject to any change that may be considered at the time of filing of final return of income for the assessment year 2011-12.

ANNEXURE – X

CONSOLIDATED STATEMENT OF OTHER INCOME, AS RESTATED

(₹ in lakhs)

Particulars	Nature of Income	For the six months ended September 30,2010	For the year ended March 31,				
			2010	2009	2008	2007	2006
Hire Charges	Non-Recurring	-	-	-	-	0.57	12.25
Insurance Claim Income	Non-Recurring	-	-	-	-	0.13	1.37
Interest on FD with Bank & KVP	Recurring	38.08	59.42	36.36	21.02	11.40	9.13
Interest on Security Deposit - MSED	Non-Recurring	-	-	0.77	0.58	-	-
Interest on Loan	Non-Recurring	-	-	11.67	15.71	13.20	15.56
Profit/Loss on Sale of Assets	Non-Recurring	-	-	-	-	-	0.45
Dividend	Recurring	0.26	0.26	0.26	0.17	0.15	0.17
Transport Income	Non-Recurring	-	-	-	-	0.46	13.11
Miscelleneus Income	Non-Recurring	14.08	96.07	68.55	1.24	10.06	5.73
Share of Profit From Partnerhip Firm	Recurring	(0.00)	(0.00)	0.00	4.21	0.00	(0.00)
TOTAL		**52.42**	**155.75**	**117.61**	**42.92**	**35.97**	**57.76**

1) All items classified under other income were earned in the normal course of business.

2) The classification of “Other income” as recurring and non-recurring is based on the current operations and business activities of the Company, as determined by the management.

ANNEXURE – XI

CONSOLIDATED STATEMENT OF SUNDRY DEBTORS (AGE- WISE ANALYSIS), AS RESTATED

(₹ in lakhs)

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Unsecured, considered good						
Less than six months	5,524.73	8,477.02	4,672.91	3,340.67	2,015.29	1,638.83
More than six months	550.63	391.57	596.90	1,231.19	535.05	112.53
Total	**6,075.36**	**8,868.59**	**5,269.81**	**4,571.86**	**2,550.34**	**1,751.35**
The above includes Dues from Related Parties						
Dues from Related Parties						
Unsecured, considered good						
Less than six months	345.96	518.59	32.03	74.79	211.58	268.58
More than six months	57.06	11.33	50.10	17.81	74.78	1.55
Total	**403.02**	**529.92**	**82.13**	**92.60**	**286.36**	**270.13**
Maximum balance outstanding during the year/period	1,471.12	1,500.68	732.86	1,223.11	1,569.40	877.04

1) The figures disclosed above are based on the Statement of restated assets and liabilities of the Company.

ANNEXURE – XII

CONSOLIDATED STATEMENT OF INVESTMENTS, AS RESTATED

(₹ in lakhs)

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Unquoted - Non Trade						
Shares in The Bharat co. Op. Bank Ltd.	1.75	1.75	1.75	1.00	2.00	1.00
Shares in Co-op Credit Society	0.51	0.51	0.51	-	-	-
Immovable property	52.25	52.25	52.25	-	-	-
Capital Account with Joint Ventures	-	0.00	-	4.21	-	-
Other Investments	-	-	2.73	2.73	2.73	2.73
Total	**54.51**	**54.51**	**57.24**	**7.94**	**4.73**	**3.73**

ANNEXURE – XIII

CONSOLIDATED STATEMENT OF LOANS AND ADVANCES, AS RESTATED

(₹ in lakhs)

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Unsecured, Considered Good						
(Advances Recoverable in cash/in kind/for Value to be received)						
- To related Parties	6.00	-	-	273.36	94.14	187.33
- Advances to Goods Suppliers	1,533.21	114.31	120.62	117.10	49.11	64.53
Advance Tax (Including TDS & MVAT)	2,638.27	2,210.39	2,264.72	918.73	599.41	341.73
Interest Accrued But not Due	-	-	0.01	-	-	-
Other Loans & Advances	495.13	511.38	314.16	580.11	118.97	46.07
Pre-paid Expenses	160.18	200.98	196.24	69.36	51.34	38.93
Staff Loans	12.96	7.14	10.30	1.52	2.44	1.37
Sundry Deposits	-	-	-	-	-	-
- To related Parties	534.00	534.00	2,162.47	1,303.30	-	-
- To Others	3,450.32	3,567.99	24.00	24.00	809.65	311.25
Total	**8,830.07**	**7,146.19**	**5,092.53**	**3,287.48**	**1,725.06**	**991.22**

ANNEXURE – XIV

CONSOLIDATED STATEMENT OF SECURED LOANS, AS RESTATED

(₹ in lakhs)

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Machineries / Vehicals Loans						
From Banks	711.46	522.65	581.88	166.01	267.91	311.28
From Others	138.04	249.34	373.36	342.07	183.66	11.78
Term Loans						
From Banks	144.76	156.19	150.00	210.00	283.33	-
Working Capital Loans (Cash Credit)						
From Banks	312.94	500.00	1,030.25	724.87	403.11	798.25
Total	**1,307.20**	**1,428.17**	**2,135.50**	**1,442.95**	**1,138.01**	**1,121.31**

CONSOLIDATED STATEMENT OF SECURED LOAN OUTSTANDING AS ON 30.09.2010

(₹ in lakhs)

Particulars	Name of the Sanctioned Bank	Nature of Loan	Amt. Sanction	Amt Outstanding	Rate of Interest (Monthly Reducing)	Repayments Terms (No. Of Monthly Installment)	Security / Principal Terms and conditions
(i) Fund Based							
Vehicle Loans from Banks							
Equipment / Vehicle Loans from Banks	HDFC Bank Ltd.	Hire Purchase	1,175.45	690.77	7.98% to 15.50%	35 Months	Charge on Specific assets
	ICICI Bank Ltd.	Hire Purchase	31.73	16.44	10.36% to 11.62%	35 Months	Charge on Specific assets
	Axis Bank Ltd	Hire Purchase	8.53	4.24	10.14% to 13.53%	35 Months	Charge on Specific assets
	Total		**1,215.70**	**711.46**			
Equipment / Vehicle Loans from Others	GE Capital Tranportation Services Ltd.	Hire Purchase	32.35	1.10	12.02% to 14.47%	35 Months	Charge on Specific assets
	Reliance Capital Ltd.	Hire Purchase	42.17	8.02	8.85%	35 Months	Charge on Specific assets
	SREI Equipment Finance Pvt. Ltd.	Hire Purchase	317.32	123.13	12.5%	23 Months	Charge on Specific assets
	Tata Capital Ltd	Hire Purchase	15.24	5.79	11.24%	35 Months	Charge on Specific assets
	Total		**407.08**	**138.04**			

Term Loans							
Term Loans form Banks	The Bharat Co-Op (Mumbai) Bank Ltd.	Term Loan	160.00	144.76	13.00%	84 Months	Primary Security: (i)Hypothecation charge over stock in trade (ii)Charge over sundry Debtors Continuity of Equitable Mortgage by Deposit of title deeds of: (i)Office premises owned by Mrs. Kamakshi P. Shah. (ii)Flat owned by Tejas P Shah (iii) Flat owned by Dipan P Shah (iv) Plot owned by Sunrise Stone Industries Hypothecation of: Existing Furniture & Fixtures and machineries. Pledge of: a). Recurring Deposits b). Tender Deposits/Security Deposit at MCGM, MMRDA & others. c). Public Provident Fund of family members d). 10% cash margin of Bank Guarantee Guarantors: • Jainendra P Shah • Rakesh P Shah • Dipan P Shah • Tejas P Shah • Kamakshi P Shah • Sunrise Stone Industries
			540.00	Unutilised			
	Total		**700.00**	**144.76**			
Working Capital Loans	The Bharat Co-Op (Mumbai) Bank Ltd.	Cash Credit	500.00	312.94	13.00%		
	Total		**500.00**	**312.94**			
	Grand Total		**2,822.79**	**1,307.20**			
(ii) Non Fund Based							
Working Capital Loans (Non Fund Based)	The Bharat Co-Op (Mumbai) Bank Ltd.	BG	1,500.00	894.32			

Working Capital Loans (Non Fund Based)	ICICI Bank Ltd.	BG	6,700.00	3,985.62			Primary Security: First charge (ranking pari passu with Bharat Co-op Bank Ltd) , by way of Hypothecation of company's entire stocks of raw materials, semi finished and finished goods, consumable stores and spares and such other movables including book debts, bills whether documentary or clean, outstanding monies, receivables both present and future. Collateral Security: Equitable mortgage of commercial property in the name of Mrs. Kamakshi Shah Unconditional and irrevocable personal Guarantee of Directors and property owner: a) Rakesh P Shah b) Jainendra P Shah c) Tejas P Shah d) Dipan P Shah g)Kamakshi Shah
	ICICI Bank Ltd.	Letter of credit (as sublimit of BG.)	2,500.00	-			
	ICICI Bank Ltd.	Fund based Cash Credit Facility (As a sub limit of BG limit)	200.00	-			
	ICICI Bank Ltd.	Sublimit: Working Capital Demand Loan (as a sublimit of CC Limit)	200.00	-			

Working Capital Loans (Non Fund Based)	Vijaya Bank	BG	3,000.00	1,703.95			Primary: Bank Guarantee 1) 15% Cash Margin by way of Terms Deposits and 2) Counter guarantee by the company. Inland Letter of Credit: 1) 10% Cash Margin and 2) Hypothecation of goods purchased under LC Collateral Securities: Mortgage of residential flat jointly owned by Mrs. Nipa Jinendra Shah Mr. Jinendra P Shah & Mrs. Kamakshi Pravin Shah. Mortgage of Lease hold right of the residential flat owned by Mrs. Heena Rakesh Shah.
	Grand Total		**14,100.00**	**6,583.89**			

ANNEXURE – XV

CONSOLIDATED DETAILS OF UNSECURED LOANS, AS RESTATED

(₹ in lakhs)

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
1. From Promoters$	195.15	226.03	312.24	520.95	865.45	741.41
Rate of Interest on above (%)	-	-	-	-	-	-
2.(i) From Promoters Group & Group Companies of Promoters	149.43	147.47	117.52	194.67	258.54	63.97
2.(ii) Interest Accured & Due On Above	5.60	3.05	2.66	-	-	-
Rate of Interest on above (%)	0 - 12	0 - 12	0 - 12	-	-	-

3. From Companies-Inter Corporate Deposits$	209.50	-	-	-	-	-
Rate of Interest on above (%)	-				-	-
4. From Bank(obtained from HDFC Bank Ltd. & secured by the charge on Promoters personal property & Personal guarantee)*	100.00	-	-	-	-	-
Rate of Interest on above (%)	0 - 8.75				-	-
5. From Others$	54.06	79.81	123.73	-	187.29	109.21
Rate of Interest on above (%)					0 - 12	0 - 12
Total	**713.73**	**456.36**	**556.16**	**715.62**	**1,311.28**	**914.58**

$ These Unsecured loan are Short Term in nature & Payable on Demand

***CONSOLIDATED STATEMENT OF UNSECURED LOANS ON 30.09.2010**

(₹ in lakhs)

Particulars	Name of the Party	Nature of Loan	Amt. Sanction	Amt Outstanding	Rate of Interest (Monthly Reducing)	Repayments Terms (No. Of Monthly Installment)	Securities Offered
From Promoters	Jainendra P. Shah			103.30	-		
	Rakesh P. Shah			6.25	-		
	Tejas P. Shah			74.26	-		
	Dipan P. Shah			11.35	-		
	Total		-	**195.15**			

Promoter Groups & Group Companies of Promoters	Pravin C. Shah			0.07	-		
	Pravin C. Shah - HUF			3.49	-		
	Kamakshi P. Shah			11.05	-		
	Jainendra P. Shah - HUF			9.37	-		
	Sunrise Stone Industries			121.53	12%		
	Tejas P. Shah - HUF			9.53	-		
	Total		-	**155.02**			
From Companies-Inter Corporate Deposits$	Amish Infrastructure Pvt. Ltd.			200.00	-		
	Bucon Engineers & Infrastructure Pvt. Ltd.			9.50	-		
	Total		-	**209.50**			
From Bank	HDFC Bank Ltd.			100.00	8.74%	6 Months	
	Total		-	**100.00**			
From Others	New India Roadways			54.06			
	Total		-	**54.06**			
	Grand Total		-	**713.73**			

ANNEXURE – XVI

CONSOLIDATED STATEMENT OF CURRENT LIABILITIES & PROVISIONS, AS RESTATED

(₹ in lakhs)

Particulars	For the six months ended September 30,2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
A) Current Liabilities						
Sundry Creditors						
- For Goods	3,489.61	4,864.61	2,947.28	1,276.40	1,231.77	949.68
- For Expenses	2,945.46	3,267.72	3,138.27	2,886.61	768.71	477.13
Book Overdrafts with Banks	85.51	466.90	10.45	168.65	812.70	144.76
Due To Directors	21.26	12.35	10.67	13.74	0.74	-
Advances/credits from Customers	71.13	259.50	157.58	25.30	180.04	3.68
Security Deposit	1,005.55	899.43	85.58	67.71	102.25	12.02
Mobilisation Advances	607.44	743.69	420.07	495.16	-	-
Statutory Dues	162.13	97.59	77.86	95.83	124.91	122.93
Outstanding Expenses	1,370.01	117.13	105.60	39.39	52.42	8.35
Sub - Total	**9,758.09**	**10,728.92**	**6,953.36**	**5,068.78**	**3,273.53**	**1,718.54**
B) Provisions						
- For Gratuity	65.59	48.09	24.41	13.04	7.65	3.50
- For Taxation	2,437.44	1,951.06	1,822.33	977.28	632.60	338.57
Sub - Total	**2,503.03**	**1,999.16**	**1,846.74**	**990.33**	**640.26**	**342.08**
Total (A + B)	**12,261.12**	**12,728.07**	**8,800.09**	**6,059.10**	**3,913.79**	**2,060.62**

ANNEXURE – XVII

CONSOLIDATED STATEMENT OF DIRECTORS REMUNERATION, AS RESTATED

(₹ in lakhs)

Name of Directors Designation	Break up of Remune- Ration	For the six months ended September 30,2010	For the year ended March 31,				
			2010	2009	2008	2007	2006
Shri Pravinchandra C.Shah Partner	Remuneration	-	-	-	11.77	10.00	8.00
	Contribution to PF	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Sub - Total	**-**	**-**	**-**	**11.77**	**10.00**	**8.00**
Shri Jainendra P.Shah Director / Partner	Remuneration	27.00	32.00	15.00	15.00	10.00	8.00
	Contribution to PF	0.54	1.08	0.99	-	-	-
	Commission	-	-	-	-	-	-
	Sub - Total	**27.54**	**33.08**	**15.99**	**15.00**	**10.00**	**8.00**
Shri Tejas P.Shah Director / Partner	Remuneration	27.00	32.00	15.00	15.00	10.00	8.00
	Contribution to PF	0.54	1.08	0.99	-	-	-
	Commission	-	-	-	-	-	-
	Sub - Total	**27.54**	**33.08**	**15.99**	**15.00**	**10.00**	**8.00**
Shri Rakesh P.Shah Director / Partner	Remuneration	27.00	32.00	15.00	1.17	-	-
	Contribution to PF	0.54	1.08	0.99	-	-	-
	Commission	-	-	-	-	-	-
	Sub - Total	**27.54**	**33.08**	**15.99**	**1.17**	**-**	**-**
Shri Dipan P.Shah Director / Partner	Remuneration	27.00	32.00	15.00	1.17	-	-
	Contribution to PF	0.54	1.08	0.99	-	-	-
	Commission	-	-	-	-	-	-
	Sub - Total	**27.54**	**33.08**	**15.99**	**1.17**	**-**	**-**
GRAND TOTAL		**110.16**	**132.32**	**63.96**	**44.11**	**30.00**	**24.00**

Note:- Reliance Construction Co. is a Partnership Firm is incorporated w.e.f. 04.12.2006 as Relcon Infraprojects Pvt. Ltd.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS AS REFLECTED IN THE FINANCIAL STATEMENTS

You should read the following discussion of our financial condition and results of operations together with our restated consolidated financial statements including the notes thereto and the examination reports thereon, which appear elsewhere in this Draft Red Herring Prospectus. This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the section "Risk Factors", which discusses a number of factors and contingencies that could impact our financial condition and results of operations.

We were admitted as a incoming partner of M/s. Dynasty Engineering & Construction Co. (Dynasty) vide partnership deed dated February 15, 2008. The business of the partnership was that of running and managing a stone crusher and supply of stone metals, running hot mix plant and accepting and executing job work for laying Asphalt Macadam and also to undertake work as contract for Government Organisations, Semi- Government Organisation, Municipal Corporation, PWD, Companies or any other bodies or corporation or any other business as may be mutually agreed upon. Vide a Deed of Retirement dated March 31, 2008, Mr. Jainendra P Shah and Mr. Tejas P Shah, the other partners retired from the partnership firm and thus with effect from 1.4.2008, the operations of erstwhile Dynasty have been vested with our Company. Accordingly, the financial condition and results of operations of our Company discussed below for the period / years ended September 30, 2010, March 31, 2009 and March 31, 2010 include the financial results of Dynasty from 1.4.2008. In this section, any reference to "we", "us", "our", unless the context otherwise implies, refers to our Company and its Subsidiaries on a consolidated basis.

Overview of the Business

We are an Infrastructure Development and Construction company with backward integration into manufacturing of ready mix concrete and quarrying activities. Our Company also operates Asphalt Batch Mix Plant, Drum Mix Plant, Wet Mix Plant and Crushers. We have an experience of around 3 decades in construction industry. We provide construction services for road infrastructure projects, commercial projects, urban infrastructure and redevelopment projects. Under redevelopment projects, we work with building societies for redevelopment of old buildings in Mumbai through our subsidiary. Our backward integration into manufacture of Ready Mix Concrete, asphalt and quarrying activities ensures assured and quality supply of materials. We also sell surplus Ready Mix Concrete to other construction companies. Our order book comprises of the unfinished and uncertified portion of projects that we have undertaken and includes the projects awarded to us but where we have not yet commenced work. Our Order Book as of February 15, 2011, was Rs. 59154.77 lakhs.

We have experienced high growth in recent years. In fiscal 2007, 2008, 2009 and 2010, our consolidated total income, as per our restated consolidated financial statements, was Rs. 13086.17 lakhs, Rs. 16298.27 lakhs, Rs.30029.13 lakhs and Rs. 31629.05 lakhs, respectively, and grew at a CAGR of 34.20% over these four years, and our net profit, as per our restated consolidated financial statements, was Rs. 541.48 lakhs, Rs. 1,094.34 lakhs, Rs. 1,760.34 lakhs and Rs. 1,928.03 lakhs respectively, and grew at a CAGR of 52.70% over these four years.

Significant Developments after September 30, 2010

We were carrying on the business of redevelopment of buildings and had entered into certain re-development agreements with societies for redevelopment of its land and building. With a view to focus on infrastructure development and construction activities, we have entered into an agreement for Slump Sale dated 28th February, 2011 with our wholly owned subsidiary, Relcon Realty Private Ltd, for transfer of our realty business, as a going concern together with all our rights and obligations, including but not limited to our rights and obligations under the said aforesaid development agreements, to our Subsidiary. For details please see the section titled "Our Business" on page 66.

Except as stated above and otherwise stated in this Draft Red Herring Prospectus, to our knowledge, no circumstances have arisen since September 30, 2010, the date of the last financial statements contained in this Draft Red Herring Prospectus, which have materially and adversely affected or are likely to affect our business, results of operations, profitability, the value of our assets or our ability to pay our material liabilities within the next 12 months.

Basis and Method of Preparation of Consolidated Financial Statements

The consolidated financial statements of our Company and our subsidiary ("Consolidated Financial Statements") have been consolidated in accordance with the Accounting Standard – 21 on "Consolidated Financial Statements" ("AS– 21"), on line by line basis by adding together the book value of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances, intra-group transactions.

The financial statements of entities, where there is joint control (pursuant to contractual arrangement) have been combined by using proportionate consolidation method and accordingly, Company's share of each of the assets, liabilities, income and expenses jointly controlled entity is reported as a separate line items in the consolidated financial statements as per Accounting Standard 27 (AS – 27) – "Financial Reporting of Interests in Joint Ventures".

Factors Affecting Results of Operations

Set forth below is a discussion of some of the important factors affecting our results of operations:

Exposure to significant construction risks under item rate contracts/fixed price contracts: We derive significant contract revenue from item rate contracts/*fixed price contracts*. Under the terms and conditions of such contracts, we agree to provide certain construction activities in a particular project at a rate specified in the relevant Bill of Quantities ("BOQ") for performing each such activity. The BOQ is an estimate of the quantity of activities involved and these quantities may be varied by the parties during the course of the project. The rate, however, is fixed, although it may be increased pursuant to the occurrence of agreed escalation events. The actual expense to us for executing an item rate contract/*fixed price contracts* may vary substantially from the assumptions underlying our bid for several reasons, including:

i. Unanticipated increases in the cost of equipment, materials or manpower, to the extent such increases are not covered by price escalation clauses;
ii. Delays associated with the delivery of equipment and materials to the project site;
iii. Unforeseen construction conditions, resulting in delays and increased costs;
iv. Delays caused by local weather conditions; and
v. Suppliers' or sub-contractors' failure to perform.

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 generally inherent to the construction industry may result in our profits being different from those originally estimated and these variations from estimated contract performance could have a significant effect on our results of operations

Ability to maintain the bid capacity and pre qualification capability: The business and growth are dependent on the ability of us to bid for and secure large and varied projects. Bid capacity relates to 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. It is imperative to enhance the bid capacity and pre-qualification capability. However, we may not always be able to maintain the bid capacity and the pre-qualification capabilities, and that we shall be able to continually secure projects so as to enhance the financial performance and results of operations.

Changes in our order book: Our order book of Rs.59154.77 lakhs as on 15th February, 2011, represents business that is based on contracts entered into with our customers, but cancellations or scope or schedule adjustments may occur in the future. Our results of operations will be affected by any delay, reduction in scope, cancellation, execution difficulty, payment postponement or payment default with respect to the projects included in the order book or any other uncompleted projects, or disputes with customers in respect of any of the foregoing.

Dependence on small number of customers and ability to win business: We derive a high proportion of our revenues from a small number of customers. The top five and top ten clients contributed 59.90% and 62.20% respectively of our total income for year ended 31st March, 2010. We may not be successful in winning significant business each year from our existing or future clients as the award of project is dependent on various factors, with the lowest price being a major factor. Since our revenues are derived primarily from these contracts, our results of operations and cash flows could be adversely affected or fluctuate materially from period to period depending on our ability to win new contracts.

Competition: Our business is subject to intense price competition. We compete against various construction companies at national and regional level. Our competition varies depending on the size, nature and complexity of the project and on the location the project. In selecting contractors for major projects, clients generally limit the tender to contractors they have pre-qualified based on technical and financial criteria. The technical criteria includes experience, technical ability, past performance, reputation for quality, safety record and the size of previous contracts executed in similar projects with them or otherwise. Additionally, while these are important considerations, price is a major factor in most tender awards and negotiated contracts.

Ability to attract, recruit and retain skilled personnel: We have / require employees who are skilled engineers and we face strong competition to attract, recruit and retain these and other skilled and professionally qualified staff. The loss of any of the members of our senior management or other key personnel or an inability to retain / recruit key people may materially and adversely impact our business and results of operations.

Changes in interest rates: Our business requires a significant amount of working capital and we may need to incur indebtedness in the future to satisfy our working capital needs depending upon the terms of payment of the contract. Our working capital requirements are also affected by the credit that we extend to our customers, in line with industry practice. All of these factors have resulted, or may result, in increases in the amount of our short-term borrowings from time to time. We also avail equipment finance/ vehicle loans from various lenders. Our borrowings from banks / lenders are subject to changes in interest rates depending on market conditions.

Government policies and budgetary allocations: Our business and revenues are substantially dependent on projects awarded by government authorities, including central, state and local authorities and agencies and public sector undertakings. Any adverse changes in government policies and budgetary allocation for the infrastructure sector could materially and adversely affect our financing, capital expenditure, revenues, development or operations relating to our existing and proposed projects as well as our ability to participate in competitive bidding or negotiations for our future projects.

General economic and business conditions: We are affected by general global and Indian economic conditions and economic and other conditions of the States in which we operate or intend to operate has been and will continue to be of importance in determining our operating results and future growth

Critical Accounting Policies

Relcon Infraprojects Ltd. was incorporated on 04.12.2006 under part IX of the Companies Act 1956 and w.e.f. 20.07.2010 our company has been converted into a Public Company .Our Company is engaged in the business of Civil Construction & supply of civil materials and services.

The Statements of restated consolidated assets and liabilities of the Company as at September 30, 2010 and March 31, 2010, 2009, 2008, 2007 and 2006 and the Summary statement of restated profits and losses and also the Statement of restated cash flows for the six months ended September 30, 2010, years ended March 31, 2010, 2009, 2008 2007 and 2006 (hereinafter collectively referred to as "Restated Summary Statements") have been prepared specifically for inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with its proposed Initial Public Offering. These Restated Consolidated Summary Statements have been prepared to comply in all material respects with the requirements of Schedule II to the Companies Act, 1956 (the "Act") and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI. The Restated Consolidated Summary Statements have been prepared on a going concern basis under the Historical Cost Convention on the accrual basis of accounting, are in accordance with the applicable requirements of the Companies Act, 1956 (the 'Act') and comply in all material aspects with the Accounting Standards as notified by the Companies (Accounting Standards) Rules, 2006, to the extent applicable. The accounting policies have been consistently applied by the Company.

The preparation of Restated Summary Statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of income and expenses of the period / year, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include useful lives of fixed assets, future obligations under employee retirement benefit plans, provision for doubtful debts and advances, etc. Actual results could differ from those estimates. Any revisions to accounting estimates are recognised prospectively in the current and future periods.

Certain key accounting policies relevant to our business and operations have been described below. Our significant accounting policies are more fully described in Annexure IV of our restated consolidated summary statements included in the section "Financial Information" beginning on page F-1 of this Draft Red Herring Prospectus.

Results of Operations:

The following table sets forth select financial data from the profit and loss account of our consolidated financial statements, for the Half year ended 30th September, 2010 and Fiscals 2010, 2009, 2008 and 2007, the components of which are also expressed as percentages of the total income for such periods.

Particulars	For Half year ended 30.9. 2010	% of Total Income	2009-10	% of Total Income	2008-09	% of Total Income	2007-08	% of Total Income	2006-07	% of Total Income
Income										
Civil Contract Receipt	10415.59	68.95	24379.14	77.08	24818.83	82.65	11264.26	69.11	8687.51	66.39
Supply of Civil Material & Services	4208.49	27.86	5964.42	18.86	5092.69	16.96	4991.09	30.62	4362.69	33.34
Realty Income	430.41	2.85	1129.74	3.57	0.00	0.00	0.00	0.00	0.00	0.00
Gross Earnings from Civil Work	**15054.50**	**99.65**	**31473.30**	**99.51**	**29911.53**	**99.61**	**16255.35**	**99.74**	**13050.20**	**99.73**
Other Income	52.42	0.35	155.75	0.49	117.61	0.39	42.92	0.26	35.97	0.27
Total	**15106.92**	**100.00**	**31629.05**	**100.00**	**30029.13**	**100.00**	**16298.27**	**100.00**	**13086.17**	**100.00**
EXPENDITURE:										
Change in Work in Progress	69.35	0.46	179.37	0.57	-462.15	-1.54	-173.76	-1.07	186.30	1.42
Consumption of Raw Materials	5226.52	34.60	13591.48	42.97	12725.61	42.38	6999.05	42.94	5594.24	42.75
Sub Contract Exp./ Labour Chg. / Job Work Exp. Etc	6259.67	41.44	10724.91	33.91	11506.03	38.32	5443.14	33.40	4337.04	33.14
Other Direct Expenses	1116.47	7.39	2233.44	7.06	2264.87	7.54	1394.90	8.56	1161.32	8.87
Staff Cost	377.67	2.50	648.19	2.05	471.31	1.57	205.70	1.26	124.46	0.95
Administration Expenses	311.49	2.06	625.74	1.98	505.82	1.68	483.64	2.97	341.70	2.61
Interest and Financial Charges	106.91	0.71	228.83	0.72	236.22	0.79	160.57	0.99	143.04	1.09
Depreciation	197.43	1.31	388.57	1.23	326.98	1.09	201.37	1.24	195.61	1.49
Total	**13665.51**	**90.46**	**28620.52**	**90.49**	**27574.68**	**91.83**	**14714.61**	**90.28**	**12083.72**	**92.34**
Net Profit / Loss Before Tax, Extra-ordinary Items & Prior Period Adjustments	**1441.41**	**9.54**	**3008.53**	**9.51**	**2454.45**	**8.17**	**1583.66**	**9.72**	**1002.45**	**7.66**
Provision for Taxation										
- For Current Year / (MAT)	-493.55	-3.27	-1104.29	-3.49	-687.55	-2.29	-542.63	-3.33	-453.25	-3.46
- Fringe Benefit Tax	0.00	0.00	0.00	0.00	-7.85	-0.03	-5.33	-0.03	-5.86	-0.04
- Deferred Tax Liability / (Asset)	2.16	0.01	23.78	0.08	1.29	0.00	58.65	0.36	-1.86	-0.01

Net Profit / Loss after tax and before Extra-ordinary Items	**950.02**	**6.29**	**1928.03**	**6.10**	**1760.34**	**5.86**	**1094.34**	**6.71**	**541.48**	**4.14**
Adjustments for extra-ordinary items	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Profit after Extra-ordinary Items	**950.02**	**6.29**	**1928.03**	**6.10**	**1760.34**	**5.86**	**1094.34**	**6.71**	**541.48**	**4.14**

Jobs in Progress, advance receipts and work done not billed

Jobs in progress are valued at lower of cost or net realisable value. Cost of jobs in progress comprises direct material, direct expenses and an appropriate allocation of overheads for which revenue has not been recognised. Advance receipts against contracts are current liabilities. Work done not billed for jobs in progress is included in current assets.

Revenue Recognition:

1.
   a. We have recognised profits based on percentage of completion method. The stage of completion of contract is determined by considering the proportion of contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs. Revenue from contracts and projected losses, if any, are provided based on the management's current estimate of costs to completion arrived at on the basis of technical data, forecasts and estimate for further expenditure.
   b. Contract costs include all direct materials, subcontracts costs , labour costs & those indirect costs related to contract performance.
   c. Revenues from time & material contracts are recognized currently as and when the work is performed.
   d. As and when the loss on a contract can be determined, the entire amount of the estimated loss on contract is recognized & provided in the financial statement.
2. The aggregate of costs incurred & income recognized on uncompleted contracts in excess of related billings is shown as a current asset, & the aggregate of billing on uncompleted contracts in excess of related costs incurred & income recognized is shown as current liability.
3. Revenue from Service is generally recognized when Service is about to be completed and no uncertainties exist about the collection of amount of service.
4. Sale is recognized when the risk and rewards of ownership are passed onto the customers, which is generally on dispatch of goods.
5. Dividend Income is recognized when the right to receive the dividend is unconditional.
6. Interest income on term deposit is recognized using the time proportion method based on interest rates implicit in the transactions.
7. Profit / Loss From Joint Venture / Firms - Share of profit /Loss from joint ventures/firms is accounted on the basis of their audited / provisional accounts as on the balance sheet date
8. Revenue from the sale of properties in realty projects is recognized only when the significant risks and rewards of ownership have been transferred to the customer, which coincides with the entering into of a legally binding agreement.
9. The Company has recognized revenue on the Retention Money / Security Deposit retained by the contractee, being earlier of the expiry of the defect liability period or raising of the final bill on the contractee or receipt of the Retention Money from the contractee

Inventories:

1. Stock of Material is valued at lower of cost or net realizable value.
2. Properties held for development represents TDR acquired for future development, other cost and construction related direct and indirect expenditure.

Adjustments:

1. Retention Money : From 1st April, 2008 the company has recognized revenue from retention money/security deposit retained by the contractee, being earlier of (i) the defect liability period or (ii) the raising of the final bill on the contractee or (iii) receipt of the retention money/security

deposit from the contractee. Accordingly for the purpose of summary statement of restated profit & losses revenue from retention money/security deposit for all the earlier years prior to 1st April, 2008 has been recognized accordingly.

2. Depreciation: Reliance Construction Company the erstwhile partnership firm had been incorporated as Relcon Infraprojects Pvt Ltd on 4th December, 2006 under part ix of the Indian Companies Act 1956.The erstwhile partnership firm had charged depreciation as per the rates prescribed under the Income Tax Act 1961. On incorporation the Company charged depreciation as per the rates prescribed under the Indian Companies Act 1956, accordingly for the purpose of the summary statement of restated profit & losses depreciation has been charged as per the rates prescribed under the Indian Companies Act 1956 for the earlier year/period prior to incorporation.
3. Prior period Adjustment- Prior period adjustments in respect of items of income and expenditure have been retrospectively adjusted in arriving at the profits/(losses) of the years/period to which they relate although the event triggering the income or expense occurred in the subsequent years, as per SEBI ICDR, Regulations 2009.
4. Share of Profit from Joint Ventures: The audited profit & loss for the year ended 31st March 2008 includes a loss of Rs 78,620/- attributable to the financial year 2005-06 and also includes a profit of Rs 6,97,848/- attributable to the financial year 2006-07. Similarly for the period ended 30th September 2010 the audited Profit & Loss A/c includes a loss of Rs 5,450/- attributable to the financial year 2008-09 and also includes a profit of Rs 7,14,543/- attributable to the financial year 2009-10. The same have been adjusted to the summary statement of profit & losses for the relevant financial years.
5. Income Tax - Short / Excess provision of Income Tax in respect of earlier year as reported in the financial statement for the financial year ended 31st March 2007, 2008, 2009 & 2010 & September 2010 have been adjusted in restated financial or profit & loss for the respective year.
6. Deferred Tax : Deferred Tax impact of adjustments made has been computed on the profit arrived after making the adjustment and on the basis of rates applicable to respective years.
7. Qualifications in Auditors Report :
    a. The Auditors had qualified for the financial year 2006-07, 2007-08, 2008-09 and 2009-10, in respect of loans, secured or unsecured, granted or taken by the company, to or from companies, firm or other parties covered in register maintained under section 301 of the companies Act, 1956 where the stipulation for repayment of the principal amount has not been specified. We are of the view that the aforesaid amount are mainly of short term accomodation from promoters and the same are repayable on demand.
    b. Regarding the qualification for absence of an internal audit system during the year 2006-07, we have appointed an internal auditor in the subsequent year and subsequently there is no qualification. As regards to qualification regarding undisputable amount payable for value added tax of Rs. 23,12,072/- outstanding for a period of more than six months from the date they became payable for the year FY 2006-07, we have discharged the aforesaid obligation subsequently.
    c. Regarding qualification for the year FY 2007-08 regarding undisputable amount payable for service tax of Rs. 6,04,704/- outstanding for a period of more than six months from the date they became payable, we have discharged the aforesaid obligation subsequently.

Year Ended March 31, 2010 Compared with Year Ended March 31, 2009

Income

Our total income increased from Rs. 30029.13 lakhs in fiscal 2009 to Rs.31629.05 lakhs in fiscal 2010, an increase of Rs.1599.92 lakhs or 5.33%.

Turnover (Income from Operations):

Our civil contract receipts decreased from Rs. 24818.83 lakhs in fiscal 2009 to Rs.24379.14 lakhs in fiscal 2010, decrease of Rs.439.70 lakhs or 1.33%. Our supply of civil material & services revenue increased from Rs. 5092.69 lakhs in fiscal 2009 to Rs.5964.42 lakhs in fiscal 2010, an increase of Rs. 871.73 lakhs or 17.12%. This increase was primarily due to the increase in sales of ready-mix concrete from Rs.4060.47 lakhs in fiscal 2009 to Rs.5349.82 lakhs in fiscal 2010. We started with redevelopment projects and for first time booked realty income was Rs.1129.74 lakhs in fiscal 2010.

Other Income
Other income increased from Rs. 117.61 lakhs in fiscal 2009 to Rs.155.75 lakhs in fiscal 2010, an increase of Rs. 38.14 lakhs or 32.43%. The increase was primarily due to an increase in interest income by Rs. 10.62 lakhs and increase in other miscellaneous income.

Expenditure
Our total expenditure increased from Rs. 27574.68 lakhs in fiscal 2009 to Rs.28620.52 lakhs in fiscal 2010, an increase of Rs. 1045.84 lakhs or 3.79%. As a percentage of total income, total expenditure decreased from 91.83% in fiscal 2009 to 90.49% in fiscal 2010. Our consumption of raw materials increased from Rs. 12725.61 lakhs in fiscal 2009 to Rs.13591.48 lakhs in fiscal 2010, an increase of Rs.865.87 lakhs or 6.80% in line with increase in income. Our sub contract expenses / labour charges/ Job work expenses decreased from Rs. 11506.03 lakhs in fiscal 2009 to Rs.10724.91 lakhs in fiscal 2010, decrease of Rs. 781.12 lakhs or 6.79% due to reduction in job work.

Our other direct expenses decreased from Rs. 2264.87 lakhs in fiscal 2009 to Rs. 2233.44 lakhs in fiscal 2010, decrease of Rs.31.44 lakhs or 1.39% which is due to reduction in transport charges and hire charges.

Staff Expenses
Staff expenses increased by 37.53% from Rs. 471.31 lakhs in fiscal 2009 to Rs.648.19 lakhs in fiscal 2010. The increase in employees cost was primarily attributable to increases in salary & wages and increase in mumber of employees.

Administrative Expenses
Administrative expenses increased by 23.71% from Rs. 505.82 lakhs in fiscal 2009 to Rs. 625.74 lakhs in fiscal 2010. The increase in administrative expenses was primarily attributable to commission expenses of Rs.9.17 lakhs in fiscal 2010, increase in professional and consultancy charges by Rs.19.30 lakhs and increase in rent, rates and taxes by Rs.28.90 lakhs.

Finance Costs
Our finance costs decreased by 3.13% from Rs. 236.22 lakhs in fiscal 2009 to Rs. 228.83 lakhs in fiscal 2010. This increase was primarily due to reduction in working capital borrowings.

Depreciation
Depreciation increased by 18.84% from Rs. 326.98 lakhs in fiscal 2009 to Rs.388.57 lakhs in fiscal 2010. This increase was primarily due to an increase in gross block of fixed assets by Rs.503.28 lakhs.

Profit before Tax, Prior Period Adjustments and Extra Ordinary Items
Principally for the reasons discussed above, our profit before tax, prior period adjustments and extra ordinary items increased from Rs. 2454.45 lakhs in fiscal 2009 to Rs.3008.53 lakhs in fiscal 2010, an increase of Rs. 554.08 lakhs, or 22.57%. Our profit before tax, prior period adjustments and extra ordinary items as a percentage of total income was 9.51% in fiscal 2010 compared with 8.17% in fiscal 2009.

Provision for Tax
Our provision for tax increased from Rs. 694.11 lakhs for fiscal 2009 to Rs.1080.50 lakhs in fiscal 2010.

Net Profit after Tax
There were no extraordinary items. Our Net Profit after tax increased from Rs. 1760.34 lakhs in fiscal 2009 to Rs. 1928.03 lakhs in fiscal 2010, an increase of Rs. 167.69 Lakhs or 9.53%. Our profit after tax, as a percentage of total income was 6.10% in fiscal 2010 compared with 5.86% in fiscal 2009.

Year Ended March 31, 2009 Compared with Year Ended March 31, 2008

Income
Our total income increased from Rs. 16298.27 lakhs in fiscal 2008 to Rs.30029.13 lakhs in fiscal 2009, an increase of Rs.13730.86 lakhs or 84.25%.

Turnover (Income from Operations):
Total income increased mainly due increase in civil contract receipts. Our civil contract receipts increased from Rs. 11264.26 lakhs in fiscal 2008 to Rs.24818.83 lakhs in fiscal 2009, an increase of Rs. 13554.57 lakhs or 120.33%. This increase was primarily due to income from Pune Bus Route Transition (BRT) project of Rs.5651.27 lakhs. Our supply of civil material & services revenue increased from Rs. 4991.09 lakhs in fiscal 2008 to Rs.5092.69 lakhs in fiscal 2009, an increase of Rs. 101.60 lakhs or 2.04%.

Other Income
Other income increased from Rs. 42.92 lakhs in fiscal 2008 to Rs. 117.61 lakhs in fiscal 2009, an increase of Rs.74.69 lakhs or 174.03%. The increase was primarily due to an increase in interest income from Rs.37.31 lakhs to Rs. 48.80 lakhs and increase in miscellaneous income by Rs.67.31 lakhs.

Expenditure
Our total expenditure increased from Rs. 14714.61 lakhs in fiscal 2008 to Rs.27574.68 lakhs in fiscal 2009, an increase of Rs.12860.07 lakhs or 87.40% in line with increase in Contract receipts. As a percentage of total income, total expenditure increased from 90.28% in fiscal 2008 to 91.83 % in fiscal 2009. Our consumption of raw materials increased from Rs. 6999.05 lakhs in fiscal 2008 to Rs.12725.61 lakhs in fiscal 2009, an increase of Rs.5726.56 lakhs or 81.82%. Our sub contract expenses / labour charges/ Job work expenses increased from Rs. 5443.14 lakhs in fiscal 2008 to Rs. 11506.03 lakhs in fiscal 2009, an increase of Rs.6062.88 lakhs or 111.39 %, the reason for the increase was mainly due to increase in contract receipts and also due to increase in job work.

Our other direct expenses increased from Rs. 1394.90 lakhs in fiscal 2008 to Rs.2264.87 lakhs in fiscal 2009, an increase of Rs.869.97 lakhs or 62.37%. The primary reason for the increase was increase in contract receipts.

Staff Expenses
Staff expenses increased by 129.12% from Rs. 205.70 lakhs in fiscal 2008 to Rs.471.31 lakhs in fiscal 2009. The increase in employees cost was primarily attributable to increases in salary and wages.

Administrative Expenses
Administrative expenses increased by 4.59% from Rs. 483.64 lakhs in fiscal 2008 to Rs.505.82 lakhs in fiscal 2009.

Finance Costs
Our finance costs increased by 47.11% from Rs. 160.57 lakhs in fiscal 2008 to Rs. 236.22 lakhs in fiscal 2009. This increase was primarily due to increase in borrowings from Rs.1442.95 lakhs to Rs.2135.49 lakhs and also due increase in borrowings cost.

Depreciation
Depreciation increased by 62.38% from Rs. 201.37 lakhs in fiscal 2008 to Rs.326.98 lakhs in fiscal 2009. This increase was primarily due to an increase in gross block by Rs.1002.14 lakhs which mainly includes purchase of slip form paver.

Profit before Tax, Prior Period Adjustments and Extra Ordinary Items
Principally for the reasons discussed above, our profit before tax, prior period adjustments and extra ordinary items increased from Rs. 1583.66 lakhs in fiscal 2008 to Rs.2454.45 lakhs in fiscal 2009, an increase of Rs.870.80 lakhs, or 54.99%. Our profit before tax, prior period adjustments and extra ordinary items as a percentage of total income was 8.17% in fiscal 2009 compared with 9.72% in fiscal 2008.

Provision for Tax
Our provision for tax decreased from Rs. 489.31 lakhs for fiscal 2008 to Rs.694.11 lakhs in fiscal 2009.

Net Profit after Tax
There were no extraordinary items. Our Net Profit after tax increased from Rs. 1094.34 lakhs in fiscal 2008 to Rs.1760.34 lakhs in fiscal 2009, an increase of Rs.666.00 Lakhs or 60.86%. Our profit after tax, as a percentage of total income was 5.86% in fiscal 2009 compared with 6.71% in fiscal 2008.

Year Ended March 31, 2008 Compared with Year Ended March 31, 2007

Income
Our total income increased from Rs. 13086.17 lakhs in fiscal 2007 to Rs. 16298.27 lakhs in fiscal 2008, an increase of Rs.3212.10 lakhs or 24.55%.

Turnover (Income from Operations):
Our civil contract receipts increased from Rs. 8687.51 lakhs in fiscal 2007 to Rs.11264.26 lakhs in fiscal 2008, an increase of Rs. 2576.75 lakhs or 29.66% mainly due to increase in income due to work of widening & improvement of various roads in P/North Ward for MCGM of Rs.913 lakhs. Our supply of civil material & services revenue increased from Rs. 4362.69 lakhs in fiscal 2007 to Rs. 4991.09 lakhs in fiscal 2008, an increase of Rs.628.40 lakhs or 14.40%. Our sale of RMC increased by Rs.630.57 lakhs due to additional production of RMC due to additional plant.

Other Income
Other income increased from Rs. 35.97 lakhs in fiscal 2007 to Rs. 42.92 lakhs in fiscal 2008, an increase of Rs.6.95 lakhs or 19.31%. The increase was primarily due to an increase in interest income from Rs. 24.62 lakhs to Rs. 37.31 lakhs.

Expenditure
Our total expenditure increased from Rs. 12083.72 lakhs in fiscal 2007 to Rs. 14714.61 lakhs in fiscal 2008, an increase of Rs.2630.89 lakhs or 21.77% mainly due increase in contract receipts. As a percentage of total income, total expenditure decreased from 92.34% in fiscal 2007 to 90.28% in fiscal 2008. Our consumption of raw materials increased from Rs.5594.24 lakhs in fiscal 2007 to Rs.6999.05 lakhs in fiscal 2008, an increase of Rs.1404.81 lakhs or 25.11%. Our sub contract expenses / labour charges/ Job work expenses increased from Rs. 4337.04 lakhs in fiscal 2007 to Rs.5443.14 lakhs in fiscal 2008, an increase of Rs. 1106.10 lakhs or 25.50% in line with contract receipts.

Our other direct expenses increased from Rs. 1161.32 lakhs in fiscal 2007 to Rs. 1394.90 lakhs in fiscal 2008, an increase of Rs.233.59 lakhs or 20.11%.

Staff Expenses
Staff expenses increased by 78.82% from Rs. 124.46 lakhs in fiscal 2007 to Rs. 205.70 lakhs in fiscal 2008. The increase in employees cost was primarily attributable to increases in salary and wages.

Administrative Expenses
Administrative expenses increased by 41.54% from Rs.341.70 lakhs in fiscal 2007 to Rs.483.64 lakhs in fiscal 2008. The increase in administrative expenses was primarily attributable to a Rs. 56.80 lakhs increase in rent, rate and taxex and tender expenses by Rs.12.61 lakhs and legal and professional fees by Rs.21.16 lakhs.

Finance Costs
Our finance costs increased by 12.25% from Rs. 143.04 lakhs in fiscal 2007 to Rs. 160.57 lakhs in fiscal 2008 due to increase in borrowings by 304.94 lakhs.

Depreciation
Depreciation increased marginally by 2.94% from Rs. 195.61 lakhs in fiscal 2007 to Rs.201.37 lakhs in fiscal 2008.

Profit before Tax, Prior Period Adjustments and Extra Ordinary Items
Principally for the reasons discussed above, our profit before tax, prior period adjustments and extra ordinary items increased from Rs. 1002.45 lakhs in fiscal 2007 to Rs. 1583.66 lakhs in fiscal 2008, an increase of Rs.581.21 lakhs, or 57.98%. Our profit before tax, prior period adjustments and extra ordinary items as a percentage of total income was 9.72% in fiscal 2008 compared with 7.66% in fiscal 2007.

Provision for Tax
Our provision for tax decreased from Rs. 460.97 lakhs for fiscal 2007 to Rs. 489.31 lakhs in fiscal 2008. Our profit after tax, as a percentage of total income was 6.71% in fiscal 2008 compared with 4.14% in fiscal 2007.

Net Profit after Tax
There were no extraordinary items. Our Net Profit after tax increased from Rs.541.48 lakhs in fiscal 2007 to Rs.1094.34 lakhs in fiscal 2008, an increase of Rs.552.86 Lakhs or 102.10%.

Financial Condition, Liquidity and Capital Resources

Liquidity
We broadly define liquidity as our ability to generate sufficient funds from both internal and external sources to meet our obligations and commitments. Our primary liquidity requirements have been to finance our working capital requirements for our operations, capital expenditures and investments. We have financed our capital requirements primarily through funds generated from operations, an increase of share capital and borrowings.

Cash Flows
The table below summarizes our cash flow for the periods indicated:

(In Rs. lakhs)

Particulars	Half year ended 30.9.10	Fiscal 2010	Fiscal 2009	Fiscal 2008
Net cash generated from / (used in) operating activities	2040.88	745.19	2031.71	(261.28)
Net cash generated from / (used in) investing activities	(472.37)	(419.53)	(937.03)	(541.06)
Net cash generated from / (used in) financing activities	36.93	(1015.64)	327.94	(219.89)
Net cash increase / (decrease) at the end of the period	1605.44	(689.98)	1422.62	(1022.22)

Cash Flows from Operating Activities
Our net cash generated from operating activities in Fiscal 2010 was Rs. 745.19 lakhs which primarily consisted of operating profit before working capital changes of Rs. 3530.10 lakhs, net cash used for increase in working capital of Rs. 1694.35 lakhs and direct taxes paid of Rs. 1090.57 lakhs.

Our net cash generated from operating activities in Fiscal 2009 was Rs.2031.71 lakhs which primarily consisted of operating profit of Rs.2955.11 lakhs, net cash generated due to decrease in working capital Rs.147.37 lakhs and direct taxes paid of Rs. 1070.77 lakhs.

Our net cash used in operating activities in Fiscal 2008 was Rs 261.28 lakhs which primarily consisted of net of operating profit Rs. 1904.03 lakhs, net cash used for increase in working capital of Rs. 1666.64 lakhs and direct taxes Rs.498.67 lakhs.

Cash Flows from Investment Activities
Our net cash used in investing activities in Fiscal 2010 was Rs. 419.53 lakhs which primarily consisted of the purchase of fixed assets/capital work in progress of Rs. 494.13 lakhs, proceeds from the sale of fixed assets of Rs. 4.58 lakhs, dividend income of Rs.0.26 lakhs, other withdrawal of investment of Rs. 2.73 lakhs and interest received amounting to Rs. 67.02 lakhs.

Our net cash used in investing activities in Fiscal 2009 was Rs. 937.03 lakhs which primarily consisted of the purchase of fixed assets/capital work in progress of Rs. 930.90 lakhs, proceeds from the sale of fixed assets of Rs. 5.25 lakhs, dividend income of Rs.0.26 lakhs, other investments of Rs.49.30 lakhs and interest received amounting to Rs. 37.66 lakhs.

Our net cash used in investing activities in Fiscal 2010 was Rs. 541.06 lakhs which primarily consisted of the purchase of fixed assets/capital work in progress of Rs. 584.69 lakhs, proceeds from the sale of fixed assets of Rs. 7.54 lakhs, dividend income of Rs.0.17 lakhs, other investments of Rs.0.75 lakhs and interest received amounting to Rs. 35.18 lakhs.

Cash Flows from Financing Activities
Our net cash used in financing activities for Fiscal 2010 was Rs. 1015.64 lakhs which primarily consisted of net repayment of loan/ capital of Rs. 99.80 lakhs, issue expenses of Rs.11.18 lakhs, repayment of secured loans Rs. 707.32 lakhs and payment of interest of Rs.197.33 lakhs.

Our net cash generated in financing activities for Fiscal 2009 was Rs. 327.94 lakhs which primarily consisted of net repayment of loan/ capital of Rs. 159.46 lakhs, net availment of secured loans Rs. 692.55 lakhs and payment of interest of Rs.205.14 lakhs.

Our net cash used in financing activities for Fiscal 2008 was Rs. 219.89 lakhs which primarily consisted of proceeds from issue of share capital of Rs. 200 lakhs, net repayment of loan/ capital of Rs. 595.66 lakhs, net availment of secured loans Rs. 304.94 lakhs and payment of interest of Rs.129.16 lakhs.

Indebtedness
For details in relation to our indebtedness, please see the section titled "Financial Indebtedness" on page no. 159.

Our Contingent Liabilities
For details in relation to our contingent liabilities and the contingent liabilities of our Company, please see the section titled "Financial Information" beginning on page no. F-1.

Capital Expenditure
Our planned capital expenditure has been allocated to our Purchase of Equipments for expanding our infrastructure development and construction business, Setting up of Three (3) Ready Mix Concrete plants, One (1) Asphalt Batch Mix Plant, Two (2) Wet Mix Plants and One (1) Crushing Plant for strengthening in-house sourcing of raw materials, to meet margin money for additional working capital requirement, to meet the expenses of this Issue and for General Corporate Purpose. Our capital needs will require substantial funding, which we expect will be generated from internal accruals and proceeds from the Issue.

Quantitative and Qualitative Disclosure about Market Risk
Market risk is the risk of loss related to adverse changes in market prices, including interest rate and foreign exchange rates of financial instruments. We are exposed to various types of market risks, in the normal course of business. For instance, we are exposed to market interest rates and exchange rate movements on foreign currency denominated purchase of plant & machinery and equipments. The following discussion and analysis, which constitute "forward looking statements" that involve risk and uncertainties, summarise our exposure to different market risks.

Credit Risk
We currently generate a substantial portion of our operating revenues from customers in the public sector such as State Governments/ Municipal Corporations / Government Bodies etc. There may be delays associated with the collection of receivables from our clients, including Government owned, controlled or funded entities.

Commodities Risk
We are exposed to fluctuations in the prices of raw materials used in our projects which include commodities such as steel and cement, aggregates, sand, bitumen etc. The costs of raw materials sourced from external manufacturers may also fluctuate based on their availability from suppliers.

Foreign Exchange Rate Risk
We face exchange rate risk owing to import of some of our machinery which are billed in currencies other than the Indian Rupee, in which we receive our income from operations. These foreign currencies are subject to fluctuations against the Indian Rupee depending on market conditions and hence we are exposed to foreign exchange rate risk.

Interest Rate Risk
Our net profit is affected by changes in interest rates due to the impact such changes have on interest income and interest expense from short-term deposits and other interest-bearing financial assets and liabilities. In addition, an increase in the interest rates for our existing and future borrowings may adversely

affect our ability to service long-term debt and to finance additional working capital borrowings, all of which in turn may adversely affect our results of operations, financial conditions, planned capital expenditures and cash flows.

Related Party Transactions

Except as disclosed in the section "Related Party Transactions" on page F-27, we have not entered into any related party transactions.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, derivative instruments or other relationships with unconsolidated entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

Information required as per Clause IX. E. 5 of Schedule VIII of the SEBI Regulations

1. **Unusual or Infrequent Events or Transactions**

   Except as described in this Draft Red Herring Prospectus, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

2. **Significant Economic Changes that Materially Affected or are likely to Affect Income From Continuing Operations**

   Other than as mentioned under the paragraph "Factors Affecting Results of Performance" in the section "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 146, to our knowledge, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

3. **Known Trends or Uncertainties**

   Except as described in "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations as reflected in the Financial Statements" and elsewhere in this Draft Red Herring Prospectus, to our knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.

4. **Future Changes in Relationship between Costs and Revenues, in case of Events such as Future Increase in Labour or Material Costs or Prices that will cause a Material Change are known**

   Other than as described elsewhere in this Draft Red Herring Prospectus, particularly in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations as reflected in the Financial Statements" on page 146, to our knowledge, there are no known factors that might affect the future relationship between costs and revenues.

5. **The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices**

   Changes in revenues during the last three Fiscals are as explained in the sections titled "Management's Discussion and Analysis of Financial Condition and Results of Operations as reflected in the Financial Statements" on page nos 146.

6. **Total turnover of each major industry segment in which the issuer company operated**

   We operate in Infrastructure sector and more particularly in construction sector with in house facilities for manufacture of RMC and crush aggregates. We also sell extra RMC directly to outside customers. We have completed one redevelopment project and the ongoing redevelopment projects have been transferred to our wholly owned subsidiary, Relcon Realty Ltd. on a slump sale basis w.e.f. 28th February, 2011. However, we do not have any authentic industry data available with us which gives the total turnover of each of the above segment of the industry.

7. **Status of any publicly announced new products or business segment**

   Other than as described in this Draft Red Herring Prospectus, we do not have any new products or business segment.

8. **The Extent to which Business is seasonal**

Our operations are 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. Revenues recorded during the first half of our financial year, between April and September, are traditionally lower compared to revenues recorded during the second half of our financial year, due to the peak summer and monsoon seasons falling in the April to September period.

9. **Any Significant Dependence on a Single or few Suppliers or Customers**

Customer and supplier concentrations for our businesses have been disclosed under the sections titled "Our Business" and "Risk Factors" on pages 66 and xi respectively.

10. **Competitive conditions**

Competitive conditions are as described under the sections titled "Industry Overview" and "Risk Factors" on pages 52 and xi respectively.

FINANCIAL INDEBTEDNESS

Our Company's outstanding secured borrowings amounted to Rs. 6583.89 lakhs as of September 30, 2010. Set forth below is a brief summary of the borrowings by our Company together with a brief description of certain significant terms of such financing arrangements.

Secured loans from Banks

Name of Lender	**Loan Documentation**	**Nature of Facility**	**Amt Sanctioned (Rs. in lakhs)**	**Amt Outstanding as at 30.9.10 (Rs. In lakhs)**	**Interest/ Commission Rate, per annum**	**Repayment Schedule /Tenure**	**Security**
ICICI Bank	Credit Arrangement Letter dated January 13,2010 read with Amendment to Credit Aarrangement Letters dated 21st January, 2010, 2nd March, 2010 and June 15, 2010, Deed of Peronsal Guarantee by the Guarantors and Master Facility Agreement	**Fund based** Cash Credit Facility (As a sub limit of BG limit) Sublimit: Working Capital Demand Loan (as a sublimit of CC Limit) **Non Fund Based** Bank Guarantee Limit Letter of Credit (as a sub limit of Bank Guarantee)	Rs. 200 lakhs Rs. 200 lakhs Rs. 6700 lakhs Rs. 1500 lakhs is a one time limit and Rs.1000 lakhs is Both Inland LC and Foreign LC, Usance or Sight	Nil Nil Rs. 3985.62 lakhs Nil	**Cash Credit:** 2.75% below the sum of I-BAR and the Cash Credit Risk Premium prevailing on each day plus applicable interest tax or other statutory levy, if any on the principal amount of the loan remains outstanding each day Int to be paid mnthly **Working Capital Demand Loan:** Rate of interest for each drawal of the facility will be stipulated by ICICI Bank at the time of disbursement of each drawal on the basis of the repayment schedule for that	**Cash Credit :** 12 months **Working Capital Demand Loan:** Maximum tenor of each tranche : 180 days or upto 12 months whichever is earlier **Bank Guarantee:** Max period of BG (including claim period if any to be restricted to 3 yrs except for PMGSY & NHAI where the period is to be restricted to 5 yrs. Apart from the above a limit og Rs. 1000 lakhs within the overall BG limit to be carved out wherein the BG tenor may be extended upto 5 yrs	**Primary Security:** First charge (ranking pari passu with Bharat Co-op Bank Ltd) , by way of Hypothecation of company's entire stocks of raw materials, semi finished and finished goods, consumable stores and spares and such other movables including book debts, bills whether documentary or clean, outstanding monies, receivables both present and future. **Collateral Security:** Unconditional and irrevocable personal Guarantee of Directors and property owner: a) Rakesh P Shah b) Jainendra P Shah c) Tejas P Shah d) Dipan P Shah g)Kamakshi Shah

					drawal plus applicable interest tax or other statutory levy if any Int to be paid mnthly on the last date of each month **Bank Guarantee:** Commission – 1% p.a. (to be charged on daily basis) LCs- a. Import LCs- All inclusive charges of Rs.500 per LC amended, Retirement charges Rs.1000 per bill, b. Inland LCs – LCs with total tnor not exceeding 120 days – all inclusive charges of Rs.500 per LC amended and retirement charges Rs.1000 per bill	(including claim period/defect liability period if any) in case of BG beneficiaries being MCGM & MMRDA	
The Bharat Co-operative Bank (Mumbai) Ltd. * **<u>Borrowers:</u>** • M/S. Relcon Infraprojects Private Limited • **Joint Borrowers** • 1. Kamakshi Pravin Shah • 2. Sunrise Stone Industries	Sanction Letter dated November 9, 2009 read *with: Agreement for creating charge on Book Debts dated December 15, 2009 Guarantee Agreement by our Company dated December 15, 2009	**<u>Fund Based Working Capital</u>** Working Capital Term Loan Cash Credit limit **<u>Non Fund Based Working Capital</u>** Bank Guarantee Limit Pari Passu charge over Current Assets charged with ICICI Bank	Rs. 700 lakhs Rs. 500 lakhs Rs. 1500 lakhs	Rs.144.76 lakhs Rs.312.94 lakhs Rs.894.32 lakhs	14% p.a. or at such rate as may be determined by the Board of Directors of Bharat Bank from time to time as per the directives issued by the RBI	**Period - CC & BG** – Upto 31.10.2010 unless revoked earlier **WCTL** – 84 Months **Repayment Schedule CC & BG** – On	**<u>Primary Security</u>:** (i)Hypothecation charge over stock in trade (ii)Charge over sundry Debtors **<u>Continuity of Equitable Mortgage by Deposit of title deeds of:</u>** (i)Office premises no. 105, admeasuring 970 sq. ft. (built-up) situated

	Affidavit and Undertaking by our Company dated December 15, 2009 Irrevocable General Power of Attorney in favour of the Bank dated December 15, 2009 Loan Agreement dated December 15, 2009 Covering cum Undertaking and Authority cum Standing Instruction Letter dated December 15, 2009	for availing BG facility			**Note:** A Special rate of interest @ 12.5% is fixed under Credit rating system based on certain fixed criteria. This rate of interest shall be applicable till the firm: a) Is regular with all repayment of term loan, b) Has complied with all sanction conditions, c) Satisfactorily and regularly operates the account, d) All the business transactions/turnover is routed through account with the bank In case our Company fails to comply with such fixed criteria for reduced rate of interest under Credit rating system, the bank shall charge interest @ 15% p.a. or such other rate of interest as decided	Demand/Renewable on yearly basis **WCTL** – Rs. 8.33 lakhs for 84 months	at Shyamkamal "C" C.H.S. Ltd., Agarwal Market, Vile Parle (East), Mumbai-400057 owned by Mrs. Kamakshi P. Shah. (ii)Flat No. 201 admeasuring 1200 sq. ft. + open terrace situated at Phatak Bldg, 52, Nehru Road, Vile Parle (E), Mumbai 400057 owned by Tejas P Shah (iii) Flat No. 202 admeasuring 1200 sq. ft. + open terrace situated at Phatak Bldg, 52, Nehru Road, Vile Parle (E), Munbai 400057 owned by Dipan P Shah (iv) Plot of Land bearing survey no. 42 A (P), CTS No. 874 at Village Poisar, Damupada, Taluka Borivali admeasuring 2981.40 sq.mtrs., owned by Sunrise Stone Industries (v) Plot of Land bearing survey no. 42, CTS. No. 874 at Village Poisar, Damupada, Taluka Borivali, admeasuring 650.30 sq.mtrs., owned by Sunrise Stone Industries **Hypothecation of:** Existing Furniture & Fixtures and machineries. **Pledge of:** a). Recurring Deposits account nos. 261/3003 to 261/3010 b). Tender Deposits/Security Deposit at MCGM, MMRDA & others. c). Public Provident Fund of family members d). 10% cash margin of Bank Guarantee **Guarantors:** • Jainendra P Shah • Rakesh P Shah • Dipan P Shah • Tejas P Shah • Kamakshi P Shah • Sunrise Stone Industries

					by the Bank. **<u>Penal Interest;</u>** **<u>CC</u>:** Penal Interest @18% p.a. on debit balance (including existing rate of interest): a). For excess drawals above the drawing power/sanctioned limit (whichever is lower) b). For non submission of monthly stock/debtors/creditors, Sales and purchase statements on or before 10th of every month. c). For non submission of application for renewal of CC faclilty alongwith required papers/documents on pro-rata basis from due date of the limit till submission of application. **<u>WCTL</u>:** Penal Interest @2% p.a. on the defaulted Amount over and above the applicable rate of Interest.		i. Kamakshi P Shah & Sunrise Stone Industries **<u>Continuity Deed for continuation of equitable mortgage over:</u>** **i).** Premises No. 105, Shyamkamal "C" Co-op Hsg. Soc. Ltd. , Agarwal Market, Vile Parle (E), Mumbai 400 0067 owned by Mrs. Kamakshi P. Shah. **ii).** Plot of land viz. 42 & 42 A admeasuring 3631.70 sq. mtrs at Village Poisar, Taluka Borivali owned by M/s. Sunrise Stone industries. **iii).** Flat No. 201 admeasuring 1200 sq. ft. Build-up area + open terrace on 2nd Floor, Phatak Bldg, 52, Nehru Road, Vile Parle (E), Munbai 400057 owned by Mr. Dipan Shah. **iv).** Flat No. 202 admeasuring 1200 sq. ft. Build-up area + open terrace on 2nd Floor, Phatak Bldg, 52, Nehru Road, Vile Parle (E), Munbai 400057 owned by Mr. Tejas P. Shah. Shall be created on payment of requisite stamp duty.

Vijaya Bank **Borrower:** M/S. Relcon Infraprojects Private Limited (RIPL) **Guarantors:** i). Jainendra P Shah ii). Tejas P Shah iii). Rakesh P Shah iv). Dipan P Shah v). Mrs. Nipa J Shah (Co-owner of the property) vi). Mrs. Kamakshi P Shah (Co-owner of the property) vii). Mrs. Heena R Shah (owner of the property)	Sanction Letter dated November 15, 2010 Supplementary Agreement dated December 07, 2010 Letter of Guarantee by the Guarantors dated December 07, 2010 Counter Guarantee for an Individual Guarantee dated December 07, 2010	Bank Guarantee Limit **Sub-limits:** Inland Letter of Credit (90 days DA basis)	Rs. 3000 lakhs Rs.500 lakhs	Rs.1703.95 lakhs	Commission on Issue of Letter of Credit: 0.50% with a minimum of Rs. 305 + commitment charges for the period of liability at the rate of 0.25% for period of three months or part thereof. Commission per quarter on issue of each Bank Guarantee: Rs.609 + 0.30% per quarter or part thereof + Out of Pocket expenses for all type of guarantee (Performance & other then performance)		**Primary:** **Bank Guarantee** 1) 15% Cash Margin by way of Terms Deposits and 2) Counter guarantee by our Company. **Inland Letter of Credit:** 1) 10% Cash Margin and 2) Hypothecation of goods purchased under LC **Collateral Securities:** Mortgage of residential flat bearing No. 501, situated on the 5th floor of the building known as "Uday" (formerly known as Joy Apts) at Swastik Co-operative Housing Society Ltd. Constructed on the land bearing Plot No. 52 of C.S. No. 176 at Road No. 4, JVPD Scheme, Juhu, Vile Parle West, Mumbai – 400 056 having a built up area of 2073 sq.ft. jointly owned by Mrs. Nipa Jinendra Shah Mr. Jinendra P Shah & Mrs. Kamalakshi Pravin Shah having market value of Rs. 364.54 lakhs as per valuation report dated July 22, 2010 of D.R. Shetty & Associates, valuer. Mortgage of Lease hold right of the residential flat No. 201 situated on the 2nd floor of the Building no.1, Krishna Nivas constructed on the Plot bearing No. 9, Survey no. 287, Survana Nagar, CHS N.S. Road, No. 5 JVPD Scheme, Vile Parle (W), Mumbai – 56 owned by Mrs. Heena Rakesh Shah having market value of Rs. 334.60 lakhs as per valuation report dated July 22, 2010 of D.R. Shetty

							& Associates.

* The Bharat Co-operative Bank in its letter has mentioned Mrs. Kamakshi P. Shah and Ms. Sunrise Stone Industries as Joint Borrowers for the Banking facilities as the same was also secured by equitable mortgage by deposit of title deeds of office premises belonging to Mrs. Kamakshi P. Shah and 2 plot of lands of Sunrise Stone Industries. Mrs. Kamakshi P. Shah and Sunrise Stone Industries have not availed any money out of the said facilities nor would they avail in the future and accordingly have informed The Bharat Co-operative Bank vide their letter dated March 26, 2011.

Certain restrictive covenants as per the abovementioned loan documents executed with ICICI Bank:

(a) ICICI Bank has an unconditional right to cancel the outstanding un-drawn commitments at any time during the currency of the loan;

(b) ICICI Bank shall have the right to unconditionally cancel its outstanding un-drawn commitment in the event of deterioration in the Company's creditworthiness;

(c) The Bank must also be notified of any circumstances and conditions which are prejudicial to or affects or is likely to affect any of the business, operations or financial condition of the Company or its project(s) and/or any person who is party to any transaction documents with ICICI Bank;

(d) The Company has to inform the Bank of any change in the auditors of the Company and appoint another firm of independent chartered accountants, acceptable to the ICICI Bank, in accordance with applicable laws;

(e) The Company covenants and agrees that without the prior written approval of the Bank, the Company shall not:

   i. Undertake or permit any merger, de-merger, consolidation, reorganisation, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction including creation of any subsidiary or permit any company to become its subsidiary;

   ii. Create or permit to subsist any encumbrance (excluding for security borrowings for working capital requirements in the ordinary course of business, upto the limit approved by the ICICI Bank) or any type of preferential arrangement (including retention arrangements and escrow arrangements having the effect of granting security), in any form whatsoever on any of its assets, or (whether voluntarily or involuntarily) sell, transfer, grant lease or otherwise dispose of or deal with (or agree to do any of the foregoing at any future time), any of the assets;

   iii. Declare or pay any dividend or authorise or make any distribution to its shareholders / members / partners or permit withdrawals of amounts brought in unless:

      - It has paid all the dues in respect of the facilities upto the date on which the dividend is proposed to be declared or paid, or

      - If any event of default has occurred and is subsisting or would occur as a result of such declaration or payment of dividend or authorisation or making of distribution.

(f) Pay any commission to its promoters, directors, managers or other persons for furnishing guarantees, counter guarantees or indemnities or for undertaking any other liability in connection with any indebtedness incurred by the Company or in connection with any obligation undertaken for or by the Company;

(g) Undertake any new project, diversification, modernization, which are material in nature, or substantial expansion of any of its projects;

(h) Make any investments whether by way of deposits, loans or investments in share capital or otherwise, in any concern or provide any credit or give any guarantee, indemnity or similar assurance except as otherwise permitted under the abovementioned loan documents. This provision shall not apply to loans and advances granted to staff or contractors or suppliers in the ordinary course of business.

(i) Reorganise or register any transfer of shares in the Company's capital made or to be made by the promoters and their associates except as may be permitted by the ICICI Bank.

(j) Amend or modify its constitutional documents, if any;

(k) Buy back, cancel, retire, reduce, redeem, re-purchase, purchase or otherwise acquire any of its share capital now or hereafter outstanding, or set aside any funds for the foregoing purposes, or Issue any further share capital whether on a preferential basis or otherwise or change its capital structure in any manner whatsoever;

(l) Engage in any business or activities other than those which the Company is currently engaged in, either alone or in partnership or joint venture with any other person, nor acquire any ownership right in any other entity or person or enter into any profit-sharing or royalty agreement or other similar arrangement whereby the Company's income or profits are, or might be, shared with any other entity or person, or enter into any management contract or similar arrangement whereby its business or operations are managed by any other person; and

(m) The Bank shall have the right to appoint and remove from time to time, Director(s) on the Board of Directors of the Company.

(n) Any person acting singularly or with any other person (either directly or indirectly) acquires control of the Company or of any other person who controls who controls the Company, without the approval of the Bank would constitute an Event of Default.

Certain restrictive covenants as per the abovementioned loan documents executed with the Bharat Bank:

a) Bharat Bank has the right in its sole discretion to discontinue/terminate the loan facilities at any time without giving any notice in case of non-compliance/breach of the terms and conditions and call back the advances and the same shall be repayable on demand.

b) Bharat Bank reserves the right to withhold/suspend disbursement if the bank apprehends or the Bharat Bank has reason to believe that the Company is utilizing or is intending to utilize the sanctioned facilities for purposes other than for which it is sanctioned.

c) Bharat Bank reserves the right to withdraw and/or, amend the terms and conditions of loans/advances in the event of failure on the part of the Company in satisfying any of the terms and conditions.

d) The Company shall route all its business transactions through its account held with the Bharat Bank.

e) The Company has agreed and undertaken:

   i. To close all their Bank Accounts, if any, in other banks;

   ii. To pay the penal interest @2% over and above the usual rate of interest in case they commit any default;

   iii. That Bharat Bank shall have the absolute right to nominate its representatives on the Board of Directors of the Company at any time as deemed fit and proper, the Company confirms that they shall not make any constitutional changes or material alterations and/ or change in Directorship in the Company without prior permission of the Bharat Bank.

   iv. Not to change the Registered Office of the Company or name of the company without the prior consent of the Bharat Bank.

   v. They shall not transfer or assign their interest in the company and/or shall not retire or reign from the Company as Directors without the written consent from Bharat Bank obtained in writing.

vi. The Directors of the Company shall hold minimum 51% of the paid-up capital during the currency of Bank Finance.

vii. Not to venture into any expansion projects and will not make any amendments to its Memorandum of Association and Articles of Association without the prior permission of Bharat Bank.

viii. That the Company shall utilize the said entire loan amounts only for the purpose for which the said loan facilities is sanctioned by Bharat Bank.

ix. That the Company has not given personal guarantee/stood as Joint/Co-Borrowers to any bank or Financial Institutions and agree and undertake that it shall not give the personal guarantee/ stand as Joint/ Co-Borrowers to any Bank or Financial Institution in future also without the prior permission of Bharat Bank obtained in writing.

x. That they shall not avail any loan facilities against the aforementioned securities.

xi. That they shall not operate any Bank Account in any other bank without the permission of Bharat Bank.

xii. To submit the fresh Resolution passed by the Company for availing the loan facilities.

xiii. That Bharat Bank is free to nominate its representative as permanent invitee to any of the Board Meeting or Annual General Body Meeting or Special General Body Meeting.

xiv. Not to repay the unsecured loans of the Directors during the currency of the said loan facilities.

xv. That the Company shall not raise finance from any other Banks/financial institutions during the currency of the Bank Finance.

xvi. To give their consent and authorize Bharat Bank to disclose it names as defaulters to any authorities or any person or persons in case it commits any default in repayment of loan installments or clearance of the said loan amount in accordance with the terms and conditions contained in the said sanction letter and the terms and conditions contained in various loan documents executed by them in favour of Bharat Bank.

xvii. That the Company shall not sell, transfer, assign, mortgage, lease or create any third party interest or charge at any time during the currency of the bank loan over any their other existing movable and immovable property or over any other movable and immovable properties that the Company may acquire subsequent to sanction of aforesaid loan facilities

(f) If the Company fails to pay instalment with interest as provided in the aforesaid loan agreement it shall be liable to pay at once the whole amount then due together with interest due thereon.

Certain restrictive covenants as per the abovementioned loan documents executed with Vijaya Bank:

a) The Company shall undertake and ensure that the project receipts pertaining to the projects guaranteed by the Bank Guarantee should be routed through the Bank only.

b) The Bank shall be entitled without further consent from the Company to debit any of its account or accounts at any of its branches with the amount of any payments due to it.

In addition to the above facilities we have also availed of Equipment /Vehicle Loans from Banks and others aggregating to Rs. 849.5 lakhs outstanding as on September 30, 2010, details of which are given in the section titled "Financial Information" beginning on page no. 145 of this DRHP.

SECTION VII: LEGAL AND OTHER REGULATORY INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, show cause notices or legal notices against our Company, our Promoters, Directors and Group Companies or ventures with which our Promoters were associated in the past (in case our Promoters' name continue to be associated with such proceeding). There are no defaults including nonpayment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions, defaults in dues payable to holders of any debenture, bonds and fixed issued by our Company, defaults in creation of full security as per terms of issue/other liabilities, proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of our Company except as stated below. No disciplinary action has been taken by SEBI or any stock exchanges against our Company, our Promoters, Directors or the Group Companies or ventures with which our Promoters were associated in the past (in case our Promoters' name continue to be associated with such proceeding). No disciplinary action has been taken by SEBI or any stock exchange against our Company, our Directors, our Promoters, Group Companies

Neither our Company nor our Promoters or Group Companies have been declared 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 pending against them or any person or entity connected with them. Further, except as disclosed in this section, there are no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, show cause notices or legal notices pending against any company whose outcome could have a material adverse effect on the position of our Company, our Promoters, Group Companies or any person or entity connected with them. None of the Group Companies had faced/ is facing any litigation/defaults/ over dues or labour problems/ closure etc.

Other than in accordance with the mutually accepted terms in our agreements with our suppliers, wherein the credit period has been determined, there are no small scale undertakings to which a sum exceeding ` 100,000 is due for a period of more than 30 days to be paid by us.

For details of the contingent liabilities of our Company, see the chapter "Financial Information" beginning on page no. 145 of this Draft Red Herring Prospectus.

OUTSTANDING LITIGATION

<u>Civil Cases/Arbitrations filed against our Company</u>

(a) A Complaint under section 50 of the Building and other Construction Work (Regulation of Employment and Condition of Services) Act, 1996 ("**Act**") has been filed before the Hon'ble Court of Director General (I.N.S.P), New Delhi against our Company by the Labour Enforcement Officer alleging violation of section 7 of the said Act, and Rule(s) 238(1), 249, 240, 241(2)(a) and 243 of Building and Other Construction Workers (Regulation of Service and Conditions of Service) Central Rules, 1998 wherein it is *inter-alia* alleged that we failed to (a) obtain the Registration Certificate under the said Act, (b) maintain register of building workers in Form XV and (b) provide latrines and urinals at the ongoing construction site at Nirmal Park, Byculla, Mumbai. It has been further alleged that despite of the show cause notice issued to our Company pertaining to the violation of the aforesaid provisions, our Company has failed to provide a satisfactory reply in relation to the same. The Labour Enforcement Officer has *inter-alia* prayed (i) that the cognizance of the offences may be taken and our Company be summoned to stand trial under the said Act; and (ii) an appropriate amount of the fine imposed on our Company may be awarded to the Department of Labour as the part of the expense incurred in conducting prosecution. Our Company has *vide* its letter dated May 15, 2010 replied to the aforesaid allegations. The matter is currently pending.

(b) A complaint bearing the Complaint (ULP) No. 145 of 2010 has been filed before the Labour Court at Thane under Section 28 read with Item 1(a), (b), (d), (f) and (g) of Schedule IV of the Maharashtra Recognition of Trade Unions & Prevention of Unfair Labour Practices Act (MRTU & PULP Act) 1971 by the Maharashta Engineering & General Kamgar Sanghtana ("**Complainants**") against our Company, Mr. Tejas Shah and others ("**the Respondents**") alleging unfair labour practices. The Complainant has alleged that we did not pay overtime wages as required by law to one of our employees, Mr. Ramdev Saroj ("**the said Workman**") who was employed as a driver at the RMC plant of the Company at Mulund. It is further alleged that our Company orally terminated the services of the said Workman without giving any termination letter, show cause notice or chargesheet and without even paying his outstanding legal dues. The Complainant has, *inter-alia*, sought (a) for an order declaring that the Respondents have engaged in unfair labour practices; (b) for a direction that the Respondents cease and desist from engaging in unfair labour practices; (c) for a direction that the Respondents reinstate the said Workman on his orginal post with full back wages and continuity of services w.e.f August 1, 2010; (d) pending the hearing and final disposal of the complaint, an order directing the Respondents to allow the said Workman to resume his duties, provide work and pay wages and in the event the Respondents do not utilize their services, to pay them 90% of their last drawn full month's wages and (d) such other cost or compensation. The matter is currently pending.

Civil Cases/Arbitrations filed by our Company

A Suit No. 1762 of 2009 has been filed by our Company before the Hon'ble Bombay High Court against Mr. Dilip Kadam, as the proprietor of M/s Shivraj Builders ("**Shivraj**") pertaining to non - payment of Rs. 2.66 Lakhs against Ready Mix Concrete supplied by the Company to Shivraj. The matter is still pending.

Criminal Cases filed by our Company

(a) A Criminal Case bearing No. 4150/SS/2010 has been filed before the Court of Additional Metropolitan Magistrate's 44th Court by us against Mr. Hemendra Thakur and Mr. Dharmendra Thakur being partners in M/s Kalpavruksha Contruction Company ("**Respondents**") under section 138 of the Negotiable Instruments Act, 1881 and Section 420 of the India Penal Code, 1860 alleging non-payment of a sum aggregating to Rs. 2.05 Lakhs. We have alleged that the cheque dated June 7, 2010 issued by the Respondents in favour of our Company against the supply of Ready Mix Concrete was dishonoured and was returned unpaid by the bank with remarks "Exceeded Arrangement". We have *inter-alia* prayed (i) that summons be issued against the accused for having committed an offence under section 138 of Negotiable Instrument Act, (as amended) and offence under section 420 of the Indian Penal Code; (b) the accused be summoned and tried in accordance with the law for the offence committed and (c) the accused may, also be directed to pay compensation as per provision 357 of the Criminal Procedure Code. The matter is currently pending.

(b) A Criminal Case bearing No. 1575/SS/2010 has been filed before the Court of Additional Metropolitan Magistrate's 44th Court by the Company against M/s R.K Enterprises ("**Respondents**") under section 138 of the Negotiable Instruments Act, 1881 and Section 420 of the India Penal, 1860 Code alleging non-payment of a sum aggregating to Rs. 1.96 lakhs. Our Company has alleged that the Respondents issued two cheques dated November 7, 2009 and January 13, 2010 amounting to Rs. 0.99 lakhs and 0.97 lakhs, respectively in favour of our Company for the supply of Ready Mix Concrete which were dishonoured and returned unpaid by the Bank with remarks "Funds Insufficient". We have *inter-alia* prayed (i) that summons be issued against the accused for having committed an offence under section 139 of Negotiable Instrument Act, (as amended) and offence under section 420 of the Indian Penal Code; (b) the accused be summoned and tried in accordance with the law for the offence committed and (c) the promoters/accused may, also be directed to pay compensation as per provision 357 of the Criminal Procedure Code. The matter is currently pending.

Criminal Cases filed against our Company

NIL

Civil Cases filed by the Promoters/Directors

NIL

Civil Cases filed against the Promoters/Directors – Mr. Rakesh Shah

A Civil Suit bearing No. 1/2011 has been filed by one Mrs. Cynthia Joseph Kewe against the Late Mr. Pravin C Shah (through his Constituted Attorney Mr. Rakesh Shah) and others for the purposes of declaration and injunction against and setting aside the Sale Deed dated October 16, 2007 in respect of the property bearing Gut No. 173/A, 173/B and 173/C situated at Village Khadkoli, Taluka Palghar, District Thane. Further, the legal heirs of Late Mr. Pravin C Shah (being the Promoters) are to be taken on record and the matter is still pending.

Criminal Cases filed by the Promoters/Directors

NIL

Criminal Cases filed against the Promoters/Directors - Mr. Dilip Patel

Mr. Dilip Patel, being the Independent Director of our Company is also a Director of Celestial Biologicals Limited, Ahemdabad ("**Celestial**"). A criminal case is pending before the Hon'ble Chief Metropolitan Magistrate at Ahemdabad bearing Criminal Miscellaneous No. 96 of 2009 ("**the said Criminal Case**") against Celestial and its Directors, including Mr. Dilip Patel. The said Criminal Case has been filed by the Drug Inspector under section 18(c) and 27(d) of the Drugs and Cosmetics Act, 1940 on the ground that the Celestial had procured and stored a substance called "plasma" acquired from various blood banks without a valid licence for storage. Celestial, in its reply to the said complaint contended that the stored plasma was meant for transit to foreign country for a process called "fractionlisation" into plasma derived proteins, which does not require any licence.

Nevertheless, Celestial acquired a drug license for storage of plasma and filed an application for release of seized plasma in the Chief Metropolitan Court in February, 2009. *Vide* an interim order dated April 13, 2009, the said Court had *interalia* observed that the said complaint was for only the technical defect on the part of the Celestial. Further, the said Court had passed order to release the seized quantity of plasma on Celestial agreeing to pay Rs.12 Lac as and when an order to that effect was passed by the said Court and on Celestial providing Solvency Certificate of adequate amount. Celestial had submitted Solvency Certificate for Rs.40 Lac. *Vide* another order dated November 7, 2009, the said Court ordered Food and Drugs Department, Ahmedabad to release the seized quantity of plasma. Pursuant to the said order, the seized quantity of plasma was released to Celestial. However, the matter is not completely disposed off and is currently pending.

Litigations involving the Subsidiary

NIL

Claims and notices from Statutory Authorities against our Company

(i) **Labour Authorities**

(a) Two notices bearing Nos. B-26(51)/10- LEO(c) – MW and PW (C) 22 (08)/ 2010 - LEO(c) –I, dated April 8, 2010 have been issued to us from the Ministry of Labour, Government of India alleging certain irregularities in respect of minimum rate of wages, the details of which were mentioned in the inspection report on Stone Quary at Gat No. 356/00 at Village Owale Camp, Khargar, Taluka Panvel, Raigad prepared by the Labour Enforcement Officer (Central). We has been further asked to show cause as to why legal action under penal provisions of Minimum Wages Act, 1948 and the Minimum Wages (Central) Rules should not be taken against the Company. The Company *vide* its letter dated April 28, 2010 requested the Dy. Chief Labour Commissioner (C) to give them a further date for producing all records and registers. The matter is currently, pending.

(b) A notice dated January 2, 2010 has been issued to our Company by the Office of Deputy Commissioner of Labour wherein it has been alleged that the Assistant Commissioner of Labour was not shown relevant records of 80 employees/labourers engaged directly or indirectly or through sub-contractors for the construction of road at Stage-I in Phase-I and Stage II in Phase- I at Wadala. Our Company has been directed to furnish under section 175 and 176 of the Indian Penal Code, 1860, (a) the name of all the Directors and details of the address; (b) copy of the work orders (c) relavant records of contract labour and direct employees of last 2 (two) years; (d) bonus register; (e) P.F slips and P.F returns for the last 3 (three) months; (f) the expenditure incurred for the project upto the date of the notice (g) Copy of the registration certificate; (h) license under section 12 of the Contract Labour (R&A) Act, 1970 and (i) the exact date of commencement and completion of the project. We were further directed to ensure compliance of the irregularities mentioned in the Inspection Report pertaining to Minimum Wages Act, 1958 and Payment of Bonus Act, 1965 failing which, legal action would be taken. Our Company *vide* its letter dated February 28, 2010 has replied to the said inspection report and hence denied the aforesaid charges. The matter is currently pending.

(ii) **Income Tax Authorities**

(a) An intimation under Section 115WE of the Income Tax Act ("**IT Act**") was issued to our Company wherein the total fringe benefits was valued at Rs. 10.69 Lakhs instead of Rs. 4.81 Lakhs as determined by us and disallowing credit of Rs. 1.01 Lakhs being the Self Assessment Tax. By a letter dated May 11, 2009, we have requested the Income Tax Department to pass necessary rectification orders under section 154, allowing credit of Self Assessment Tax of Rs. 1.01 Lakhs and revising the value of fringe benefits to Rs. 4.81 Lakhs. The said matter is pending.

(b) A notice dated March 21, 2005 was issued to us by the Assistant Commissioner of Income Tax, Mumbai under section 148 of the IT Act for re-assessment of the income for the Assessment Year 2000-01. By an order dated March 14, 2006, our Company was held liable *inter alia* for (i) not disclosing retention money in the accounts amounting to Rs. 107.80 Lakhs which arose in A.Y. 2000-01; (ii) interest under section 234B and 234C and (iii) penalty was imposed under section 271(1)(c) of the I.T. Act ("**First Impugned Order**"). By a Notice of Demand dated March 14, 2006 the Company was ordered to pay Rs. 3.18 Lakhs as decided by the First Impugned Order. Further, by another Notice of Demand dated January 15, 2010 issued pursuant to an Order of the same date under section 154 of the IT Act, our Company was held liable to pay Rs. 12.35 Lakhs. By a letter dated February 10, 2010, our Company had made an application to the Income Tax authorities indicating that interest under Section 234B of the IT Act was not payable as they had fulfilled their advance tax obligations under section 202 of the IT Act. A rectification order dated July 14, 2010 was passed by the Assistant Commissioner of Income tax wherein the First Impugned Order was upheld and the application made by our Company was rejected. Our Company has by a letter dated August 17, 2010 again made an application to the Income Tax authorities, for passing a rectification order alleging that the Income Tax authorities had charged excess interest under Section 234B of the IT Act. The matter is currently pending.

(c) An assessment order dated July 2, 2008 was passed by the Deputy Commissioner of Income Tax, Mumbai under Section 143 (3) of the IT Act, pursuant to which a Notice of Demand was issued against us, wherein we were directed to pay a sum of Rs. 8.44 Lakhs towards its tax liability for the assessment year 2006-07 as inaccurate particular of income of Rs.64.90 Lakhs was filed by our Company. By its letter dated January 2, 2009, we have made an application to the Deputy Commissioner of Income Tax to allow credit of Rs. 5.24 Lakhs for the assessment year 2006-07 and pass a necessary rectification order under Section 155 of the IT Act for the same. The matter is currently pending.

(d) By an Order and a Notice of Demand dated 15th January 2010 passed by the Assistant Commissioner of Income tax, Mumbai, the Company was directed to pay a sum of Rs. 16.43 Lakhs towards its tax liability for the assessment year 2003-04. By its letter dated 10th February 2010, we made an application requesting the Income Tax Department to pass necessary rectification orders under section 154 of the IT Act, allowing credit of demand for the assessment year 2002-03 and 1998-99. The matter is pending.

(e) A notice dated March 21, 2005 was issued to us by the Assistant Commissioner of Income Tax, Mumbai under Section 148 of the IT Act for re-assessment of the income for the assessment year 2001-02. By an order dated March 14, 2006, our Company was held liable for (i) not disclosing retention money in the accounts amounting to Rs. 106.23 Lakhs which arose in A.Y. 2001-02; (ii) interest under section 234B and 234C of the IT Act and (iii) penalty under section 271(1)(c) of the I.T. Act ("**First Impugned Order**"). By an Order and Notice of Demand dated January 15, 2010 of the IT Act, our Company was held liable to pay Rs. 1.37 Lakhs. Our Company *vide* its letter dated February 10, 2010, made an application to the Income Tax authorities indicating that interest under Section 234B of the IT Act was not payable as they had fulfilled their advance tax obligations under section 202 of the IT Act. A rectification order dated July 14, 2010 was passed by the Assistant Commissioner of Income tax wherein the First Impugned Order was upheld and the application made by us was rejected. We have by a letter dated August 17, 2010 made an application to the Income Tax authorities, for passing a rectification order alleging that the Income Tax authorities had charged excess interest under Section 234B of the IT Act. The matter is currently pending.

Further, certain pending proceedings pertaining to Dynasty Engineering and Construction Company (now a division of our Company) are mention as follows: -

(f) An intimation dated March 29, 2009 under Section 115WE of of the IT Act, has been issued by the Assistant Commissioner of Income Tax to Dynasty Engineering and Construction Company ("**the Assessee**") raising a demand of Rs. 0.33 Lakhs for an incorrect claim on the value of fringe benefits and interest thereon under section 115 WJ of the IT Act for the assessment year 2007-2008. The Assessee by its letter dated May 4, 2009 applied for rectification under Section 154 of the IT Act for cancellation of the demand raised by the intimation under Section 115WE of the IT Act. The Assessee has alleged that overvaluation of fringe benefits has resulted into levy of interest under section 115WJ of the IT Act. The said matter is pending.

(g) An intimation dated December 1, 2009 under Section 115WE of the of the IT Act, has been issued by the Assistant Commissioner of Income Tax to Dynasty Engineering and Construction Company ("**the Assessee**") raising a demand of Rs. 0.09 Lakhs for an incorrect claim on the value of fringe benefits and interest thereon under section 115 WJ of the IT Act for the assessment year 2008-2009. The Assessee by its letter dated June 4, 2010 applied for rectification under Section 154 of the IT Act for allowing the credit of fringe benefit advance tax amounting to Rs. 0.04 Lakhs and fringe benefit Self Assessment Tax amounting to Rs. 0.04 Lakhs alleging overvaluation of the fringe benefits and for cancellation of the demand raised by the intimation under Section 115WE of the IT Act. The Assessee has contended that no fringe benefits tax is payable by the Assesee. The said matter is pending.

(h) An intimation dated March 29, 2009 under Section 143 (1) of the of the IT Act, has been issued by the Assistant Commissioner of Income Tax to Dynasty Engineering and Construction Company ("**the Assessee**") raising a demand of Rs. 22.82 Lakhs towards its income tax liability and interest thereon under section 234B and 234C of the IT Act for the assessment year 2007-2008. The Assessee by its letter dated May 4, 2009 applied for rectification under Section 154 of the IT Act for allowing the credit of TDS amounting to Rs. 3.64 Lakhs and Self Assessment Tax amounting to Rs. 16.34 Lakhs and for cancellation of the demand raised by the intimation under Section 115WE of the IT Act. The Assessee has stated that disallowance of the aforsaid credit had resulted into levy of interest under section 234B and section 234C of the IT Act. The said matter is pending.

(iii) **Sales Tax Authorities**

(a) By an indent dated September 14, 2010, the Assitant Commissoner of Sales Tax (I-14) ("**Assistant Commissioner"**) requested our Company to furnish *inter alia* the balance sheet, profit and loss account with audit report, sale & purchase register, and work orders on its investigation visit ("**Search"**) to our Company for evading or attempting to evade the payment of tax. Pursuant to the Search conducted under section 64 of the Maharastra Value Added Act, 2002 ("**MVAT Act, 2002**") on September 13 and 14, 2010, Summons to Witness dated September 17, 2010 was issued under section 14 of the MVAT Act, 2002 by Assistant Commissioner requesting the attendance of Mr. Rakesh Shah on September 20, 2010 to give evidence and submit necessary documents for the period beginning from April 01, 2005 till the date of such notice. Further, the date of such notice by its letter dated October 12, 2010, the Assistant Commissioner called upon us to discharge its tax liability for incorrectly claiming input tax credit, discovered during the Search. Our Company *vide* its letters dated November 24, 2010 and December 27, 2010 made the total payment of Rs. 87.82 Lakhs towards the sales tax liability as demanded by the Sales Tax Authorities. However, our Company has not received any order or any intimation from the Sales Tax Authorities stating that their demand has been met in full and the matter is closed.

(b) A notice bearing No. DC/LTU-21/Audit/2010-2011/B.149 dated August 24, 2010 was issued to us by the Dy. Commissioner of Sales Tax ("**Dy. Commissioner**") proposing to visit its place of business from September 29, 2010 for the purpose of conducting audit of the business for the period from April 01, 2008 to March 31, 2009. We were required to make available *inter alia* copies of Annual Report/ Balance Sheet/ Trading profit & loss account, month wise sales and purchase summary along with tax rate wise break up. Vide its letter dated September 29, 2010 we informed that the Enforcement Wing (I-14) of the Sales Tax department of Maharashtra State ("**Enforcement Wing**") had conducted a search and seizure operation and taken along records for the financial year 2008-09. We requested the Dy Commissioner to co-ordinate with the Enforcement Wing as the later would be handling the matter.

(c) Further, two Notices for Assessment both dated January 27, 2011 under Rule 9-A of the Central Sales Tax (Bombay) Rules, 1957 and Sub-section (2), (3) or (4) of section 23 of the Maharashtra Value Added Tax Act, 2002 were issued to us by the said Dy. Commissioner *inter alia* directing the Company to attend the office of the Dy. Commissoner for production of certain documents. *Vide* its letter dated February 8, 2011, our Company has stated that the jurisdiction to complete assessment remains with the Assistant Commissioner of Sales Tax (I-14), Investigation and not with the Dy. Commissioner. The said matter is pending.

(iv) **Service Tax Authorities**

Nil

(v) **Stamp Duty Authorities**

(a) An Intimation dated October 23, 2009 has been issued to our Company by the Municipal Corporation of Greater Mumbai informing us to pay deficit stamp duty on "Works Contract" of work code no. W. 236. Our Company has also been asked to pay penalty on the aforesaid deficit stamp duty. The said matter is pending.

(b) An Intimation bearing reference no. W.O. No. CE/PD/0138/II of 10.04.08 dated February 11, 2010 has been issued to our Company by the Brihanmumbai Mahanagarpalika informing us to pay deficit stamp duty on "Works Contract" amounting to Rs. 2.76 Lakhs. We have also been asked to pay penalty on the aforesaid deficit stamp duty. The said matter is pending

(c) A Demand Notice dated July 14, 2010 has been issued to our Company by the Collector of Stamps (Enforcement – I) alleging deficit stamp duty of Rs. 2.18 Lakhs for work contract/303/10 under the Bombay Stamp Act, 1958 ("**the Stamp Act**"). The Company has been called upon to pay the proper/deficit stamp duty along with interest amounting to Rs. 4.27 Lakhs within 30 days of the receipt of the demand notice failing which recovery proceedings under section 46 of the Stamp Act shall be initiated against our Company. The said matter is pending.

(d) A Demand Notice dated July 14, 2010 has been issued to our Company by the Collector of Stamps (Enforcement – I) alleging deficit stamp duty of Rs. 4.46 Lakhs for work contract/302/10 under the Bombay Stamp Act, 1958 ("**the Stamp Act**"). We have been called upon to pay the proper/deficit stamp duty along with interest amounting to Rs. 8.74 Lakhs within 30 days of the receipt of the demand notice failing which recovery proceedings under section 46 of the Stamp Act shall be initiated against our Company. The said matter is pending.

(vi) **Customs Authorities**

By an assessment of the bill of entry no. 872106 dated November 25, 2008 the Assistant/Deputy Commissioner of Customs ("**Deputy Commissioner**") contested the eligibility of our Company to avail exemption/duty benefit under serial no. 230 of the Notification No. 21/2002-Cus ("**the Impugned Order**"). Our Company vide its letter dated November 25, 2008 paid the duty amount of Rs. 54.39 Lakhs under protest. On January 17, 2009, the Company filed an appeal to the Commissioner of Customs (Appeal) ("**Commissioner (Appeals)**") *inter-alia* praying for (i) setting aside the Impugned Order, (ii) order re-assessment of the said bill of entry no. 872106 with the benefit of exemption under serial no. 230 of the Notification No. 21/2002-Cus. By an Order-in-Appeal No. S/49-20/CUS/Mumbai-I/2009 dated July 23, 2009, the Commissioner (Appeals) directed the Commissioner to pass the speaking order. The Deputy Commissioner *vide* its order dated October 8, 2010 passed the order disallowing us to avail the exemption under under serial no. 230 of the Notification No. 21/2002-Cus. Against such an order, an appeal dated December 4, 2010 has been preferred by our Company before the Commissioner of Customs (Appeals), New Customs House, Mumbai for setting aside the said order dated October 8, 2010 of the Deputy Commissioner and re-assess the said Bill of Entry No. 872106 dated November 25, 2008 with the benefit of exemption under serial no. 230 in notification no. 21/2002-Cus. The matter is still pending.

(vii) **Other Statutory Authorities**

(a) Maharashtra Pollution Control Board ("**Board**") *vide* its letter dated September 4, 2009 to our Company issued *inter alia* the following interim directions under section 33A of Water (P.&C.P.) Act, 1974 & section 31A of the Air (P.&C.P.) Act, 1981: (i) Improvement in present dust containment cum suppression arrangement; (ii) Water sprinkling on the transportation road & other sources of dust emissions regularly; (iii) Tree plantation on the periphery of the plant; (iv) Furnishing bank guarantee of Rs. 0.25 Lakhs within 7 days of the directions. The said bank guarantee has been submitted and is submitted and is valid for a period of 1 (one) year. It was further stated that failure to comply with the interim directions will result in further legal action by the Board. We had furnished a Bank Guarantee dated September 16, 2009 valid till September 14, 2010, however on expiry of the same, no demand has been made by the Board for an extended Bank Guarantee. However, the matter is still pending.

(b) A notice dated August 9, 2004 was issued to Reliance Construction Company (now our Company) by City and Industrial Development Corporation of Maharashtra Limited ("**CIDCO**") for unauthorised mining on the land at Village Ove, Panvel owned by CIDCO. It was alleged that the firm (i) was running a quarry crusher, (ii) had set up an office and (iii) constructed a labour shed without obtaining prior permission of CIDCO. Reliance Construction Company was further directed to remove the construction within 15(fifteen) days. We have not replied to the said notice since we believe that the said notice has been wrongly issued to us because the Kharghar Land bears Survey No. 356 and the said notice pertains to Survey No. 358, Village Ove, Panvel. However, no further notice/action has been taken by CIDCO. Further, the Company has stopped the mining activities on the said land. The matter is still pending.

<u>Claims and notices from Statutory Authorities against the Promoters/Directors – Mr. Rakesh Shah</u>

Income Tax Authorities

An intimation dated March 26, 2009 under Section 143 (1) of the IT Act has been issued by the Assessing Officer to Mr.Rakesh P.Shah ("**the Assessee**") raising a demand of Rs. 21.97 Lakhs for the assessment year 2007-2008. The Assessee has applied for rectification under Section 154 of the IT Act for allowing credit of Self Assessment Tax amounting to Rs. 4.76 Lakhs and Advance Tax amounting to Rs.13 Lakhs and for cancellation of the demand raised by the intimation under Section 143 (1) of the IT Act. The Assessee has alleged that the disallowance of

Self Assessment Tax and Advance Tax credit has resulted into levy of interest under section 234-B and 234-C of the IT Act and has requested to rectify the mistake and pass necessary rectification orders under Section 154.The said matter is pending.

Claims and notices from Statutory Authorities against the Promoters/Directors – Mr. Tejas Shah

Income Tax Authorities

An intimation dated under section 143(1) of the Income Tax Act, 1961 was issued by the Assistant Commissioner of Income Tax, Mumbai to Mr.Tejas P. Shah ("**the Assessee**") raising a demand of Rs. 5.58 Lakhs for the assessment year 2008-09. The Assessee has by a letter dated 4th June 2010 made an application for rectification under Section 154 of the IT Act for allowing credit of tax deducted at source of Rs. 4.52 Lakhs. The Assessee has alleged that disallowance of the TDS credit has resulted in the levy of interest under section 234-B and 234-C of the IT Act and has requested to rectify the mistake and pass necessary rectification orders under section 154 and cancel the demand raise in the intimation under section 141. The said matter is pending.

Claims and notices from Statutory Authorities against the Promoters/Directors – M.Pravin C. Shah

Income Tax Authorities

(a) An intimation dated February 15, 2010 under section 143(1) of the Income Tax Act, 1961 was issued by the Income Tax Officer, Mumbai to late Mr. Pravin C. Shah ("**the Assessee**") raising a demand of Rs. 3.96 Lakhs for the assessment year 2008-09. The legal representative of the Assessee has by a letter dated 4th June 2010 made an application for rectification under Section 154 of the IT Act for (i) re-computation of the total income as Rs. 11.57 Lakhs instead of Rs. 11.35 Lakhs and (ii) allowing credit of tax deducted at source ("**TDS**") amounting to Rs. 3.04 Lakhs and cancellation of the demand issued under the intimation. The Assessee (since deceased) has alleged that disallowance of the TDS credit has resulted in the levy of interest under section 234-B and 234-C of the IT Act and has requested to rectify the mistake and pass necessary rectification order under Section 154. The said matter is pending.

(b) An intimation dated March 26, 2009 under section 143(1) of the Income Tax Act, 1961 was issued by the Income Tax Officer, Mumbai to late Mr.Pravin C. Shah ("**the Assessee**") raising a demand of Rs. 2.54 Lakhs for the assessment year 2007-08. The legal representative of the Assessee has by a letter dated May 4, 2009 made an application for rectification under Section 154 of the IT Act for (i) re-computation of the total income as Rs. 10.39 Lakhs instead of Rs. 10.61 Lakhs and (ii) allowing credit of Tax Deducted at Source amounting to Rs. 0.92 Lakhs and Advance Tax amounting to Rs. 0.95 Lakhs and cancellation of the demand issued under the intimation. The Assessee has alleged that disallowance of the TDS and Advance Tax credit has resulted in the levy of interest under section 234B and 234C of the IT Act and has requested to rectify the mistake and pass necessary rectification order under Section 154. The said matter is pending.

Claims and notices from Statutory Authorities against our Joint Ventures - Reliance & Michigan JV

(i) **Income Tax Authorities**

(a) An intimation dated February 20, 2009 under Section 143 (1) of the IT Act has been issued by the Assessing Officer to Reliance & Michigan JV ("**the Assessee**") raising a demand of Rs. 6.75 Lakhs for the assessment year 2007-2008. The Assessee has vide letter dated May 4, 2009 applied for rectification under Section 155 of the IT Act for allowing credit of TDS amounting to Rs.7.22 Lakhs and for cancellation of the demand raised by the intimation under Section 143 (1) of the IT Act. The Assessee has alleged that disallowance of TDS credit has resulted into levy of interest under section 234-B and 234-C of the IT Act. The said matter is pending.

(b) An intimation dated July 6, 2009 under Section 143 (1) of the of the IT Act has been issued by the Assessing Officer to Reliance & Michigan JV ("**the Assessee**") raising a demand of Rs. 0.53 Lakhs for the assessment year 2008-2009. The Assessee has applied for rectification under Section 154 of the IT Act for allowing credit of TDS amounting to Rs. 3.01 Lakhs and for cancellation of the demand raised by the intimation under Section 143 (1) of the IT Act. The Company has submitted TDS rectification alongwith Rs. 2.68 lakhs TDS certificate and has informed that in respect of 0.33 lakhs, the payment was not received and hence, TDS certificate could not be received. The Assessee has alleged that disallowance of TDS credit has resulted into levy of interest under section 234-B and 234-C of the IT Act. The said matter is pending.

(c) An intimation dated July 22, 2009 under Section 143 (1) of the of the IT Act, has been issued by the Assessing Officer to Reliance & Michigan JV ("**the Assessee**") raising a demand of Rs. 72.42 Lakhs for the assessment year 2008-2009. The Assessee has applied for rectification under Section 154 of the IT Act for allowing credit of TDS amounting to the extent of Rs. 67.40 Lakhs and for cancellation of the demand raised by the intimation under Section 143 (1) of the IT Act. The Assessee has alleged that disallowance of TDS credit has resulted into levy of interest under section 234-B and 234-C of the IT Act. The said matter is pending.

(d) An intimation dated February 23, 2009 under Section 143 (1) of the of the IT Act, has been issued by the Income Tax Officer to Reliance & Michigan JV ("**the Assessee**") raising a demand of Rs. 3.04 Lakhs for the assessment year 2007-2008. The Assessee has applied for rectification under Section 154 of the IT Act for allowing credit of TDS amounting to Rs. 3.70 Lakhs being the amount of TDS payable on certain payments receivable from MMRDA for which a TDS certificate was not provided. The said matter is pending.

(e) An intimation dated February 23, 2009 under Section 115WE of the of the IT Act, has been issued by the Income Tax Officer to Reliance & Michigan JV ("**the Assessee**") raising a demand of Rs. 0.12 Lakhs for the assessment year 2007-2008. The Assessee has applied for rectification under Section 154 of the IT Act alleging overvaluation of the fringe benefits, disallowance of Self- Assesment Tax credit and for cancellation of the demand raised by the intimation under Section 115WE of the IT Act. The Assessee has alleged that overvaluation of fringe benefits and disallowance of the Self Assessment Tax Credit has resulted into levy of interest under section 115WJ of the IT Act. The said matter is pending.

(ii) **Service Tax Authorities**

A show cause notice dated September 6, 2007 ("**Show Cause Notice**") was issued by Office of the Commissioner, Service Tax, Mumbai to Reliance & Michigan JV ("**the Assessee**"), alleging violation of several provisions of the Finance Act, 1994 ("**the Act**") and Service Tax Rules ("**Rules**") for the contract of desilting and widening of Mithi river. The Service Tax Authority has *inter alia* alleged that the Assessee has (i) failed to pay appropriate service tax for the work carried out on the Mithi River, (ii) suppressed facts about the services provided, (iii) consciously evaded service tax and (iv) failed to file half yearly returns required under the Act and the Rules. The Show Cause Notice issued required the Assessee to show cause *inter alia* why (i) service tax of Rs. 91.23 Lakhs for services rendered under the category of "Dredging Services" should not be demanded (ii) interest at the appropriate rate on the service tax should not be recovered (iii) penalties under sections 76, 77 and 78 of the Act should not be imposed (iv) the amount of Rs. 3.32 Lakhs should not be appropriated towards the service tax. The Assesse in its reply dated October 8, 2007 denied the allegations set out in the Show Cause Notice. Thereafter, an order-in –original was passed by the– Commissioner, Central Excise, Thane -II dated August 13, 2009 (Order No. 03/KLG/TH-II/2009) directing the Company to pay a sum of Rs. 91.23 Lakhs as Service Tax and Cess together with interest and penalty at the rate of Rs. 100 Lakhs under the provisions of Section 78 of the Act and a further penalty of Rs. 0.05 Lakhs under the provisions of Section 77 of the Act. ("**the Impugned Order**"). The Assessee has filed an appeal dated November 13, 2009 before the Customs, Excise and Service Tax Appellate Tribunal, Mumbai against the Impugned Order praying that the Impugned Order be set aside, the demand for service tax, interest and penalty be set aside, a personal hearing be granted and for such other orders to be passed as may be deemed fit and proper in the facts and circumstances of the case. The matter is currently pending.

Claims and notices from Statutory Authorities against our Joint Ventures -Reliance & Sunrise Stone Industries JV

Income Tax Authorities

(a) An intimation dated March 26, 2009 under Section 143 (1) of the of the IT Act has been issued by the Assessing Officer to Reliance & Sunrise Stone Industries JV ("**the Assessee**") raising a demand of Rs.14.25 lakhs towards its income tax liability and interest thereon under section 234B and 234C of the IT Act for the assessment year 2007-2008. The Assessee has applied for rectification under Section 154 of the IT Act for allowing credit of TDS amounting to the extent of Rs. 13.42 Lakhs and for cancellation of the demand raised by the intimation under Section 143 (1) of the IT Act. The Assessee has alleged that disallowance of TDS credit has resulted into levy of interest under section 234-B and 234-C of the IT Act. The said matter is pending.

(b) An intimation dated March 26, 2009 under Section 115WE of the of the IT Act has been issued by the Assessing Officer to Reliance & Sunrise Stone Industries JV ("the **Assessee**") raising a demand of Rs. 0.04 Lakhs for an incorrect claim on the value of fringe benefits and interest thereon under section 115 WJ of the IT Act for the assessment year 2007-2008. The Assessee applied for rectification under Section 154 of the IT Act alleging overvaluation of the fringe benefits and for cancellation of the demand raised by the intimation under Section 115WE of the IT Act. The Assessee has alleged that overvaluation of fringe benefits has resulted into levy of interest under section 115WJ of the IT Act. The said matter is pending.

(c) An intimation dated July 22, 2009 under Section 143 (1) of the of the IT Act has been issued by the Assessing Officer to Reliance & Sunrise Stone Industries JV ("the **Assessee**") raising a demand of Rs. 9.55 Lakhs towards its income tax liability and interest thereon under section 234B and 234C of the IT Act for the assessment year 2008-2009. The Assessee has applied for rectification under Section 154 of the IT Act for allowing credit of TDS amounting to Rs. 10 Lakhs and for cancellation of the demand raised by the intimation under Section 143 (1) of the IT Act. The Assessee has alleged that disallowance of TDS credit has resulted into levy of interest under section 234B and 234C of the IT Act. The said matter is pending.

(d) An intimation dated March 26, 2009 under Section 115WE of the of the IT Act has been issued by the Income Tax Officer to Reliance Construction Co. & Sunrise Stone Industries J.V. ("**the Assessee**") raising a demand of Rs. 0.06 Lakhs towards its income tax liability and interest thereon under section 234B and 234C of the IT Act for the assessment year 2007-2008. The Assessee by its letter dated May 6, 2009 applied for rectification under Section 154 of the IT Act alleging overvaluation of the fringe benefits and for cancellation of the demand raised by the intimation under Section 115WE of the IT Act. The Assessee has alleged that overvaluation of fringe benefits has resulted into levy of interest under section 115WJ of the IT Act. The said matter is pending.

(e) An intimation dated March 26, 2009 under Section 143 (1) of the of the IT Act has been issued by the Income Tax Officer to Reliance Construction Co. & Sunrise Stone Industries JV ("**the Assessee**") raising a demand of Rs. 14.25 Lakhs towards its income tax liability and interest thereon under section 234B and 234C of the IT Act for the assessment year 2007-2008. The Assessee has applied for rectification under Section 154 of the IT Act for allowing credit of TDS amounting to the extent of Rs.13.42 Lakhs and for cancellation of the demand raised by the intimation under Section 143 (1) of the IT Act. The Assessee has alleged that disallowance of TDS credit has resulted into levy of interest under section 234B and 234C of the IT Act. The said matter is pending.

(f) An intimation dated July 22, 2009 under Section 143 (1) of the of the IT Act has been issued by the Income Tax Officer to Reliance Construction Co. & Sunrise Stone Industries JV ("**the Assessee**") raising a demand of Rs. 3.58 Lakhs towards its taxable income and interest thereon under section 234B and 234C of the IT Act for the assessment year 2008-2009. The Assessee has applied for rectification under Section 154 of the IT Act for allowing credit of TDS amounting to Rs. 4.20 Lakhs and for cancellation of the demand raised by the intimation under Section 143 (1) of the IT Act. The Assessee has alleged that disallowance of TDS credit has resulted into levy of interest under section 234B and 234C of the IT Act. The said matter is pending. The Company has submitted TDS certificates for Rs. 3.91 lakhs and for the balance amount, the Company has informed that they have not received from MCGM.

<u>Litigation involving our Group Companies – Sunrise Stone Industries</u>

Income Tax Authorities

A show cause notice dated October 8, 2007 under Sub- section (2) of Section 143 of the IT Act was issued by the Income Tax officer seeking clarification on the return of income filed by Sunrise Stone Industries ("**the Assessee**") for the assessment year 2006-07. An assessment order dated July 16, 2008 was passed by the Deputy Commissioner of Income Tax, Mumbai against the Assessee, pursuant to which a notice of demand was issued, wherein the Assessee was directed to pay a sum of Rs. 0.76 Lakhs towards its tax liability for the assessment year 2006-07. The Assessee by its letter dated January 19, 2009 has applied for rectification under Section 154 of the IT Act for allowing credit of tax deducted at source amounting to Rs. 1.29 Lakhs and Rs. 1.18 Lakhs (relating to assessment year 2007-08). The Assessee has alleged that disallowance of the TDS credit had resulted into levy of interest under section 234B and section 234C of the IT Act. The Company has also requested to give credit of Rs, 1.05 lakhs of TDS, certificate for which was received in Assessment Year 2007 – 2008 but was not claimed in the Assessment year 2007 – 2008. The said matter is pending.

<u>Litigation involving our Group Companies – Deepcon Engineers</u>

Income Tax Authorities

An intimation dated March 28, 2009 under Section 143 (1) of the Income Tax Act, 1961 has been issued by the Income Tax Officer to Deepcon Engineers ("**the Assessee**") raising a demand of Rs.7.80 Lakhs towards its income tax liability and interest thereon under section 234B and 234C of the IT Act the assessment year 2007-2008. The Assessee has by its letter dated May 4, 2010 applied for rectification under Section 154 of the IT Act for allowing credit of Self Assesment Tax amounting to Rs.6.76 Lakhs and Rs. 0.24 Lakhs and for cancellation of the demand raised by the intimation under Section 143 (1) of the IT Act. The Assessee has alleged that disallowance of Self Assessment Tax credit has resulted in the excess levy of interest under section 234-B and 234-C of the IT Act. The said matter is pending.

<u>Past Penalties</u>

(a) A demand notice dated March 30, 2010 was issued to the Company by the Collector of Stamps (Enforcement – I) alleging deficit stamp duty of Rs. 0.81 Lakhs for work contract/118/10 under the Bombay Stamp Act, 1958 ("**the Stamp Act**"). The Company has been called upon to pay the proper/deficit stamp duty along with interest amounting to Rs. 0.86 Lakhs within 30 days of the receipt of the Demand Notice failing which recovery proceedings under section 46 of the Stamp Act shall be initiated against the Company. The Company has made payments of the aforesaid amounts on August 09, 2010.

(b) A demand notice dated February 18, 2010 was issued to the Company by the Collector of Stamps (Enforcement – I) alleging deficit stamp duty of Rs. 1.48 Lakhs for work contract/93/10 under the Bombay Stamp Act, 1958 ("**the Stamp Act**"). The Company has been called upon to pay the proper/deficit stamp duty along with interest amounting to Rs. 2.95 Lakhs within 30 days of the receipt of the demand notice failing which recovery proceedings under section 46 of the Stamp Act shall be initiated against the Company. The Company has made payments of the aforeId amounts on September 01, 2010.

(c) A demand notice dated March 30, 2010 was issued to the Company by the Collector of Stamps (Enforcement – I) alleging deficit stamp duty of Rs. 2.1 lakhs for work contract/116/10 under the Bombay Stamp Act, 1958 ("**the Stamp Act**"). The Company has been called upon to pay the proper/deficit stamp duty along with interest amounting to Rs. 3.03 Lakhs within 30 days of the receipt of the demand notice failing which recovery proceedings under section 46 of the Stamp Act shall be initiated against the

Company. The Company has made payments of the aforesaid amounts on August 04, 2010.

(d) A demand notice dated March 30, 2010 was issued to the Company by the Collector of Stamps (Enforcement – I) alleging deficit stamp duty of Rs. 1.64 Lakhs for work contract/117/10 under the Bombay Stamp Act, 1958 ("**the Stamp Act**"). The Company has been called upon to pay the proper/deficit stamp duty along with interest amounting to Rs. 2.36 Lakhs within 30 days of the receipt of the demand notice failing which recovery proceedings under section 46 of the Stamp Act shall be initiated against the Company. The Company has made payments of the aforesaid amounts on August 06, 2010.

(e) A demand notice dated March 05, 2010 was issued to the Company by the Collector of Stamps (Enforcement – I) alleging deficit stamp duty of Rs. 6.06 Lakhs for work contract/52/10 under the Bombay Stamp Act, 1958 ("**the Stamp Act**"). The Company has been called upon to pay the proper/deficit stamp duty along with interest amounting to Rs. 6.91 Lakhs within 30 days of the receipt of the Demand Notice failing which recovery proceedings under section 46 of the Stamp Act shall be initiated against the Company. The Company has made payments of the aforesaid amounts on May 06, 2010.

(f) A demand notice dated March 05, 2010 was issued to the Company by the Collector of Stamps (Enforcement – I) alleging deficit stamp duty of Rs. 5 Lakhs for work contract/54/10 under the Bombay Stamp Act, 1958 ("the Stamp Act"). The Company has been called upon to pay the proper/deficit stamp duty along with interest amounting to Rs. 5.70 Lakhs within 30 days of the receipt of the demand notice failing which recovery proceedings under section 46 of the Stamp Act shall be initiated against the Company. The Company has made payments of the aforesaid amounts on May 06, 2010.

(g) A demand notice dated March 05, 2010 was issued to the Company by the Collector of Stamps (Enforcement – I) alleging deficit stamp duty of Rs. 3.60 Lakhs for work contract/53/10 under the Bombay Stamp Act, 1958 ("**the Stamp Act**"). The Company has been called upon to pay the proper/deficit stamp duty along with interest amounting to Rs. 4.61 Lakhs within 30 days of the receipt of the demand notice failing which recovery proceedings under section 46 of the Stamp Act shall be initiated against the Company. The Company has made payments of the aforesaid amounts on March 18, 2010.

(h) A Notice bearing No. MLWB/CONTEEG/INSP/VOR/PM dated June 23, 2010 was issued to the Company by the Maharashtra Labour Welfare Board wherein the Company was directed to furnish several documents to ascertain the correctness of the sum payable by the Company under the provisions of Bombay Labour Welfare Fund Act, 1953 ("**Welfare Fund Act**"). As per the Inspection Report dated September 1, 2010 by the Inspector under the Welfare Fund Act, the Company was liable to pay Rs. 0.16 Lakhs towards the employees and employers contribution for the period upto June, 2010. The Company has paid the aforesaid amount on September 30, 2010.

GOVERNMENT AND OTHER APPROVALS

In view of the approvals listed below, our Company can undertake this Issue and our current business activities and no further material approvals from any governmental or regulatory authority or any other entity are required to undertake this Issue or continue our business activities. Unless otherwise stated, our Company has obtained all material approvals and the same valid as of the date of this Draft Red Herring Prospectus.

Constitutional Registration

Sr. No.	Nature of Registration/License	Registration /License No.	Issuing Authority	Date of Issue
1.	Certificate of Incorporation	U45201MH2006PTC165973	Assistant Registrar of Companies, Maharashtra	December 4, 2006
2.	Fresh Certificate of Incorporation pursuant to conversion to public limited Company	U45201MH2006PLC165973	Registrar of Companies, Maharashtra	July 20, 2010

Taxation and other Registration

Sr. No.	Nature of Registration/License	Registration Number	Issuing Authority	Date of Issue
1	Certificate of Registration under Finance Act, 1994 read with Service Tax Rules, 1994	SERVICE TAX CODE: AADCR4459EST003	Central Excise Department	July 2, 2008
2	Certificate of Registration under Central Sales Tax Act, 1956	27570578773C	Sales Tax Department, Government of Maharashtra	December 4, 2006
3	Central Excise Registration (for the RMC plant at Mulund Checknaka)	AADCR4459EEM003	Deputy/Assistant Commissioner of Central Excise	March 7, 2011
4	Central Excise Registration (for the RMC plant at Dahisar)	AADCR4459EEM001	Deputy/Assistant Commissioner of Central Excise	March 4, 2011
5	Central Excise Registration (for the RMC plant at Bandra Kurla Complex)	AADCR4459EEM002	Deputy/Assistant Commissioner of Central Excise	March 7, 2011
6	Certificate of Registration under Maharashtra Value Added Tax Act, 2002	27570578773V	Sales Tax Department, Government of Maharashtra	December 4, 2006
7	Tax Deduction Account (TAN)	MUMR20856D	Income Tax Department	NA
8	Permanent Account Number (PAN)	AADCR4459E	Income Tax Department	December 4, 2006
9	Certificate of Establishment under Bombay Shops and Establishments Act 1948	760058985/ Commercial II ward KW,	Inspector under Bombay Shops and Establishment Act 1948	Dated July 7, 2008 valid till 31.12.2011
10	Certificate of Registration u/s 5 of The Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	No. PT/R/1/29/7492	Profession Tax Officer, Mumbai	NA

Labour Registration

Sr. No.	Nature of Registration/License	Registration Number	Issuing Authority	Date of Issue
1.	Certificate of Registration u/s 5 of The Maharashtra State Tax on Professions, Trades, Callings and	No. PT/R/1/29/7492	Profession Tax Officer, Mumbai	NA

	Employments Act, 1975			
2.	Employees' Provident Fund Registration	MH/PF/44294/ENF ZONW IV/631	Office of the Regional Provident Fund Commissioner	January 21, 2009

Licenses/Approvals for RMC Plant operations:

a) BKC, Mumbai :

Sr. No.	Nature of Registration/ License	Registration Number	Issuing Authority	Issuing Date / Commencement Date	Date of Expiry
1.	License to extend the permission to Temporary use the open land admeasuring 4000 square feet at G Block, Bandra Kurla Complex for the purpose of Ready Mix Concrete Plan and Fabrication Yard*	LC/T.use/BKC/ RIPL/390/2010	Deputy Metropolitan Commissioner, Mumbai Meterpolitan Region Development Authority	March 26, 2010	December 28, 2010**
2.	Permission under section 390 and 479 of the Mumbai Municipal Corporation Act to establish and work a factory. (Ready Mix Concrete plant)	785024352	Assistant Commissioner, HE Ward, Municipal Corporation of Greater Mumbai	September 19, 2009	March 31, 2011
3.	License under section 394 of MMC Act for manufacturing packing and parching of bricks, tiles, Articles of cements	871079712	Sr. Inspector HE Ward, Municipal Corporation of Greater Mumbai	November 17, 2009/October 31, 2010	October 30, 2010. Our Company has applied for renewal.
4.	Consent to Operate under section 26 and 21 of the Water (Prevention & Control of Pollution) Act, 1974 and Air (Prevention & Control of Pollution) Act, 1981 (Consent to for the activity of Ready Mix Concrete)	ROM/CC/O/641	Maharashtra Pollution Control Board	August 28, 2009	August 31, 2011
5.	No-Objection Certificate from environment aspects for the operation of ready Mix Concrete plant	DYCHE/1439/ENV	Deputy Chief Engineer, Environment, Municipal Corporation of Greater Mumbai, Environment Section	June 25, 2010	December 24, 2010
6.	No-Objection Certificate to establish trade of Ready Mix Concrete	FBL/S/408/2900	Deputy Chief Fire Officer, Mumbai Fire Brigade, M.C.G.M	March 23, 2009	NA
7.	Provisional Certificate of RMC Plant for supply of Ready Mix Concrete to various MCGM Works	Dy.Ch.Eng/7136/Rds/E.S	Executive Engineer, BrihanMumbai Mahanagarpalika	November 1, 2010	June 30, 2011

**By an allotment letter dated January 14, 2009, MMRDA allotted our Company plot in E and G Block of Bandra Kurla Complex for fabrication yard and installation of ready Mix plant for a* *period of 11 months. By a License Agreement dated January 29, 2010 entered into between MMRDA and our Company, MMRDA, agreed to extend the permission to Temporary use the plot for the purpose of Ready Mix Concrete Plan from January 29, 2010 to December 28, 2010.*

***Our Company vide its letters dated November 10, 2010 and December 18, 2010 has requested MMRDA to extend its licence for a further period.*

b) Wadala, Mumbai :

Our Company was operating a Ready Mix Concrete manufacturing plant at Wadala. Due to certain directions by MCGM, the same has been shut and a new plant has been erected in the same plot of land but at a different location. The new plant is in operation pursuant to such directions.

Permission dated November 2, 2010 for use of land for the Wadala plant from;

Since the new plant was erected, our Company had applied for a fresh set of licences/approvals/permissions to various authorities. Further, pursuant to such erection, the Company has obtained the following permissions: -

Sr No	Name of Registration	Licence/Registration No. & Date	Name of Issuing Authority/Department
	Permission for temporary use of land	LC/T.USE/WTT/UTCL/270/10 dated Novemner 2, 2010	Mumbai Metropolitan Region Development Authority for a period of 11 (eleven) months
	Consent to operate under Water (Prevention & Control of Pollution) Act 1974 & Air (Prevention & Control of Pollution) Act 1981, and Hazardous Wastes (Management & Handling & Transboundary Movement) Rules 2008	Consent No. MPCB/ROM/MU-2077-11/CC/CE/1051 dated 25.02.11	Maharashtra Pollution Control Board, Mumbai
	No Objection Certificate to establish a temporary ready mix concrete plant at Wadala, Mumbai by using electric motive powerof 192.80 H.P.	No: FBL/410/1156 dated 24.01.11	Municipal Corporation of Greater Mumbai, Mumbai Fire Brigade
	Provisional No Objection Certificate from environmental aspects	No: DYCHE/5567/ENV dated March 7, 2011	Municipal Corporation of Greater Mumbai Environment Section

c) Dahisar, Mumbai :

Sr. No.	Nature of Registration/ License	Registration Number	Issuing Authority	Issuing Date / Commencement Date	Date of Expiry
1.	Licence under section 394 of Mumbai Municipal Corporation Act for manufacturing packing and parching of bricks, tiles, Articles of cements	871012983	Municipal Corporation of Greater Mumbai	June 14, 2010June 16, 2010	June 15, 2012
2.	Lincence under section 390 of the Mumbai Municipal Corporation Act to establish the Ready Mix Concrete plant	786126333	Assistant Commissioner, RN Ward, MCGM	April 1, 2010	March 31, 2012
3.	No-Objection Certificate to establish a trade of ready mix concrete plan	FBL/5/407/997	Deputy Chief Fire Officer, Mumbai Fire Brigade, M.C.G.M	October 3, 2007	NA
4.	Consent to Operate under section 26 and 21 of the Water (Prevention & Control of Pollution) Act, 1974 and Air (Prevention &	BO/ROM/CC/R/781	Maharashtra Pollution Control Board	January 5, 2010	September 30, 2011

	Control of Pollution) Act, 19810 (Ready Mix Plant				
5.	Provisional Certificate of RMC Plant for supply of Ready Mix Concrete to various MCGM Works	Dy.Ch.Eng/6571/Rds./E.S	Executive Engineer, BrihanMumbai Mahanagarpalika	October 14, 2010	June 30, 2011
6.	Permission under Section 390 and 479 of the Mumbai Municipal Corporation Act to Establish and to Work a Factory	Renewal Permit No: 786126333 Factory Permit No: 785013585	Municipal Corporation of Greater Mumbai	April 01, 2010	March 31, 2012
7.	NOC from Environmental Point of View for RMC Plant	DYCHE/2759/ENV	MCGM, Environment Section	December 28, 2010	June 28, 2011

d) Mulund, Mumbai :

Sr. No.	Nature of Registration/ License	Registration Number	Issuing Authority	Issuing Date / Commencement Date	Date of Expiry
1.	Permission for proposed temporary R.M.C plant and ancillary structures	DY.CE/8329/BP/ES	Municipal Corporation of Greater Mumbai	Revalidated on February 06, 2011	August 5, 2011
2.	Provisional Registration Certificate of RMC Plant for supplying Ready Mix Concrete to various MCGM works	Dy.Ch.Eng/11744/Rds./E.S.	Executive Engineer, Brihan Mumbai Mahanagar Palika	October 14, 2010	June 30, 2011
3.	Grant of No-Objection Certificate to establish a trade of ready mix concrete plant.	FB/LR/ES/162	Deputy Chief Fire Officer, Mumbai Fire Brigade	February 15, 2010	NA
4.	Consent to Operate under section 26 and 21 of the Water (Prevention & Control of Pollution) Act, 1974 and Air (Prevention & Control of Pollution) Act, 1981 (Consent to for the activity of Ready Mix Concrete)	Bo/ROM/CC/O/150	Maharashtra Pollution Control Board	Not legible	December 31, 2011
5.	No-Objection Certificate from environment aspects for the operation of ready Mix Concrete plant	DY/CHE/649/ENV	Deputy Chief Engineer, Environment, Municipal Corporation of Greater Mumbai, Environment Section	May 31, 2010	February 5, 2011.
6.	Permission under section 390 and 479 of the Mumbai Municipal Corporation Act to Establish and to work a Factory	785025379	Assistant Commissioner, T Ward, for Muncipal Commissioner of Greater Mumbai	Issued on April 3, 2010. Valid from January 28, 2010	March 31, 2011
7.	Licence under Section 394 of the MMC Act	871115618	Sr. Inspector Licence, T Ward, Licence Department	April 17, 2010	April 16, 2011

Quarries, Asphalt plant and Crushers

(I) Khargar, Panvel

Our Company uses the land at Survey No. 356, Owe Camp, Behind Tata Hospital, Kharghar for the purposes of quarrying and also has set up a Wet Mix plant and a Crusher thereon. Our Company has obtained the following licences/approvals with respect to the said land: -

Sr. No.	Nature of Registration/ License	Registration Number	Issuing Authority	Issuing Date/Commencement Date	Date of Expiry
1.	License for possession use and possession of explosives	E/WC/MH/22/1397(E23449)	Control of Explosives, Joint Chief Controller Explosives, Government of India	Issued on July 15, 2004, renewed on March 19, 2010	March 31, 2015
2.	Consent to Operate under section 26 and 21 of the Water (Prevention & Control of Pollution) Act, 1974 and Air (Prevention & Control of Pollution) Act, 1981 (Consent to manufacture stone Metal)	MPCB/ROR/CR1012000073/10/104	Maharashtra Pollution Control Board	December 18, 2010	December 31, 2012
3.	Consent pursuant to change of name Company	ROR/TB/67	Maharashtra Pollution Control Board	October 12, 2009	NA
4.	No-Objection certificate for grant of Explosive License for Class 2 & 6 for quantity not exceeding 100 kgs.	CP/NM/NOC/BLASTING/1393/2004	Office of Commissioner of Police, Navi Mumbai	July 16, 2004	NA

(II) Wagle, Ovale Quarry

Our Company uses the land at Nagla Bunder, Owale Village, Ghodbunder Raod, Thane – 400 607 for the purposes of quarrying and also has set up a Asphalt Mix plant, a Batch Mix plant and 2 (two) Crushers thereon. Our Company has obtained the following licences/approvals with respect to the said land: -

Sr. No.	Nature of Registration/ License	Registration Number	Issuing Authority	Issuing Date / Commencement Date	Date of Expiry
1.	Consent to Operate under section 26 and 21 of the Water (Prevention & Control of Pollution) Act, 1974 and Air (Prevention & Control of Pollution) Act, 1981 (Consent for Hot Mix Activity)	MPC/ROT/04	Maharashtra Pollution Control Board	February 26, 2008	December 31, 2012
2.	Consent to Operate under section 26 and 21 of the Water (Prevention & Control of Pollution) Act, 1974 and Air (Prevention & Control of Pollution) Act,	MPCB/ROT/C-03	Maharashtra Pollution Control Board	May 10, 2007	March 29, 2012

	1981 (Consent for Hot Mix Plant) issued to M/s Dyansty Engineering & Construction.				
3.	Possession for Use of explosives from Magazine	E/WC/MH/22/1252 (E19581)	Control of Explosives, Joint Chief Controller Explosives	May 25, 2009	March 31, 2011
4.	Consent pursuant to change of name of the Company from Nikhil Stone Crushing Co. to Reliance Construction Company	MPCB/ROT/TB/3393	Maharashtra Pollution Control Board	September 12, 2005	NA
5.	No-Objection Certificate for grant of Explosive License for Class 3 for quantity not exceeding 100 kgs issued to Jainendra Shah	TC/LB/5/NOC/23/2003	Office of Commissioner of Police, Thane	December 8, 2012	NA
6.	Letter from MCGM dated for the registration of the Asphalt Plant for supplying issued to M/s Dynasty Engineering and Construction Company	Dy.Ch.E./436/Rds/City	Office of the Dy. Ch. Engineer (Roads), City	June 7, 2010	May 31, 2011

Pending Government Approvals

Intellectual Property

Sr No.	Mark	Date of Application	Issuing Authority	Description of Class
1	Trade mark			37

Approvals/licenses applied for

a. Application for Registration under Employees State Insurance Corporation on August 18, 2010.

b. Application for relocation/shifting of the RMC Plant with Building and Factories Department for the RMC plant on plot bearing CTS no 8 Phase III of Wadala Trauck Terminal, Salt Pan Division Wadala (E) Mumbai – 400037(ref no. RK/10/06/A/MMC-003) dated January 25, 2011, through Rajan Kulkarni & Associates.

c. Application for Consent for shifting & relocationg the existing RMC plant on plot bearing CS no 8 of Salt Pan Division, WTT, Wadala (E) Mumbai at the new site with Transport & Communication department, MMRDA for proposed ready mix plant (ref no. RK/07/06/A/BMC-028) dated February 10, 2011, through Rajan Kulkarni & Associates.

d. Application for renewal of permit u/s 394 of the MMC Act for the temporary RMC plant for the property bearing C.T.S no. 2971C Village Dahisar (E) Mumbai (ref no. RK/07/16/A/BMC-031) dated April 24, 2010, through Rajan Kulkarni & Associates.

e. Application for Central Excise Registration for the Wadala RMC plant located at CTS No. 8, Phase III, Anik Wadala Link Road, Near Wadala Truck terminal, Wadala East, P.O.: Wadala East, Mumbai – 400037 with the Central Board of Excise and Customs, Ministry of Finance, Department of Revenue on March 5, 2011.

OTHER REGULATORY AND STATUTORY DISCLOSURES

1. Authority for this Issue

The issue of Equity Shares by our Company has been authorized by the resolution of the Board of Directors passed at their meeting held on August 27, 2010, which was subject to the approval of shareholders through a special resolution to be passed pursuant to Section 81(1A) of the Companies Act. Subsequently, on September 21, 2010 , the shareholders of our Company have authorized this Issue by their resolution passed pursuant to Section 81 (1A) of the Companies Act, 1956 at their Extra-Ordinary General Meeting and authorized the Board to take decisions in relation to this Issue. Further, our Board of Directors has approved this Draft Red Herring Prospectus through its resolution dated March 30, 2011.

Approval for Lock-in

The Promoters through their letters dated March 29, 2011 have granted approval for the lock-in of their pre-Issue shareholding for a period of three years and one year as required under the SEBI Regulations. The Promoters have agreed to lock-in 26,00,000 Equity Shares representing 20% of the post-Issue Equity Capital of our Company for three years and the balance shares for one year or such other time as required under the SEBI Regulations.

2. Approvals from the RBI and the FIPB

We have obtained all necessary governmental, regulatory consents and approvals and have received all necessary contractual consents required for this Issue. As per the extant policy, OCBs are not permitted to participate in the Issue without the prior approval of the RBI. For further details regarding the requirement for such approval and other ancillary matters in this regard, see section titled "Key Industry Regulations and Policies" and "Issue Procedure" on page nos 100 and 203 respectively.

3. Prohibition by SEBI/RBI/Any other Authority

We confirm that neither our Company, Promoters, Promoter Group, Directors, Group Companies have been prohibited from accessing or operating in the capital markets under any order or direction passed by the SEBI or any other authorities.

Neither our Company nor its Directors, Promoters, Promoter Group, Group Companies or relatives of the Promoters have been declared as willful defaulter by the RBI or any other government authority. Further, there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them.

4. Eligibility for this Issue

Our Company is in compliance with the following conditions specified under Regulation 4(2) of the SEBI Regulations:

a. Our Company, its Directors, Promoters, Promoter Group, the persons in control of our Company and the companies with which the Directors, Promoters or persons in control was or are associated as directors or promoters or persons in control have not been prohibited from accessing the capital markets under any order or direction passed by SEBI;
b. Our Company has applied to the NSE and the BSE for obtaining their in-principle listing approval for listing of the Equity Shares under this Issue through its applications dated [●] and [●], respectively and has received the in-principle approvals from the NSE and the BSE pursuant to their letters dated [●] and [●], respectively. For the purposes of this Issue, the BSE shall be the Designated Stock Exchange;
c. Our Company has entered into agreements dated September 29, 2010 and October 5, 2010 respectively, with NSDL, CDSL and the Registrar to the Issue for dematerialisation of the Equity Shares;
d. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing this Draft Red Herring Prospectus; and
e. Our Company has made firm arrangements of finance through verifiable means for 75% of the stated means of finance excluding the Issue Proceeds For further details in this regard, see "Objects of the Issue" on page no. 31.

Our Company is an unlisted company complying with the conditions specified in Regulation 26(1) of the SEBI Regulations as confirmed by the Auditors of our Company, M/s Jogish Mehta & Co., Chartered Accountants vide their certificate dated March 29, 2011 as described below :

1. The book value of the net tangible assets of the Company is not less than Rs. 3 crores in each of the preceding three financial years (of twelve months each) of which not more than 50% are held in monetary assets;
2. The Company has a track record of distributable profits in terms of Section 205 of Companies Act, 1956 for at least three out of the immediately preceding five years;
3. The networth of the Company is not less than Rs. 1 crore in each of the three preceding financial years (of twelve months each);
4. The aggregate of the proposed Issue of the Company and any previous issue of the Company made in the same financial year in terms of the issue size shall not exceed five times the pre-Issue net worth of the Company as per the audited balance sheet of the preceding financial year i.e. for the year ended March 31, 2010;
5. The name of our Company was changed from Relcon Infraprojects Private Limited to Relcon Infraprojects Ltd w.e.f July 20, 2010 and the same does not represent any change in the business line or activity of the Company.

In light of the above parameters as laid down in the above paras we confirm that the Company is eligible for the issue in terms of Regulation 26 of the SEBI Regulations. The distributable profits as per Section 205 of the Companies Act, net worth, net tangible assets and monetary assets for the last three years as per the unconsolidated restated statement are as under:

(Rs. In lakhs except % age of monetary assets)

Particular	**For the Year ended March 31**		
	2010	**2009**	**2008**
Distributable Profits [1]	1928.16	1760.77	1094.34
Net Worth [2]	5649.57	3732.59	1971.82
Net Tangible Assets [3]	5649.57	3732.59	1971.82
Monetary Assets [4]	1137.18	1827.15	378.42
Monetary Assets as a % of the Net Tangible Assets	20.13%	48.95%	19.19%

Notes:

[1]Distributable profits have been defined in terms of section 205 of the Companies Act.

[2]Net worth has been defined as the aggregate of equity share capital and reserves, excluding miscellaneous expenditures, if any.

[3] Net Tangible Assets is equivalent to = total assets (including deferred tax asstes) – Miscellaneous expenditure – Intangible assets (as defined in accounting standard 26 issued by ICAI) – Total liablilities

[4]Monetary assets for the year ended March 31, 2010, March 31, 2009 and March 31, 2008 includes bank fixed deposit of Rs. 677.46 lakhs, Rs. 568.04 lakhs and Rs. 310.79 lakhs repectively pledged with the bank as margin money for bank guarantee.

Hence, our Company is eligible for the Issue under Regulation 26(1) of the SEBI Regulations.

Further, in accordance with Regulation 26(4) of the SEBI Regulations, our Company shall ensure that the number of Allottees shall be not less than 1,000; otherwise, the entire application money raised in this Issue will be refunded.

Pursuant to Rule 19(2)(b)(i) of the SCRR read with Regulation 41(1) of the SEBI Regulations, at least 25% of the post-Issue Equity Share capital of our Company shall be issued and Allotted to the public in terms of the Red Herring Prospectus. Further, this Issue is being made through the Book Building Process, wherein up to 50% of the Net Issue is proposed to be allocated to QIB Bidders. Further, not less than 15% and 35% of the Net Issue shall be available for allocation to Non-Institutional Bidders and Retail Individual Bidders, respectively.

5. **Compliance with Part A of Schedule VIII of the SEBI Regulations**
The Company is in compliance with the provisions specified in Part A of Schedule VIII of the SEBI Regulations.

6. **Disclaimer Clause of SEBI**
AS REQUIRED, A COPY OF THIS DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, SREI CAPITAL MARKETS LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING 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 THIS DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER, SREI CAPITAL MARKETS LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MARCH 30, 2011 WHICH READS AS FOLLOWS:

WE, THE LEAD MERCHANT BANKER TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

1 **"WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AS MAY BE APPLICABLE TO THE COMPANY AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THIS DRAFT RED HERRING PROSPECTUS ("DRHP") PERTAINING TO THE SAID ISSUE;**

2 **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER;**

WE CONFIRM THAT:

(A) THE DRAFT RED HERRING PROSPECTUS FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

(B) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3 **WE CONFIRM THAT BESIDES OURSELVES ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE SEBI, AND THAT TILL DATE SUCH REGISTRATION IS VALID;**

4 **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS; -<u>NOTED FOR COMPLIANCE</u>**

5 **WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAVE BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRHP WITH THE SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRHP;**

6 **WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRHP;**

7 **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE; <u>– NOT APPLICABLE</u>**

8 **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION;**

9 **WE CONFIRM THAT NECESSARY ARRANGEMENTS WILL BE MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THIS ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT TO BE ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION; – <u>NOTED FOR COMPLIANCE</u>**

10 **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE; – <u>NOT APPLICABLE</u> SINCE THE ISSUE SIZE IS MORE THAN RS. 10 CRORES, HENCE UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE REQUIRED TO BE ISSUED IN DEMATERIALISED FORM ONLY**

11 **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION;**

12 **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS:**

(A) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER; AND
(B) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.

13 **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE;**

14 **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC;**

15 **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THIS DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY."**

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 AND SECTION 68 OF THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THIS DRHP.

All legal requirements pertaining to this 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 this Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 56, 60 and 60B of the Companies Act.

7. **Disclaimer from our Company, the Directors, the Book Running Lead Manager**

Our Company, the Directors, the Book Running Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance. Anyone placing reliance on any other source of information, including our Company's website, www.relcon.co.in would be doing so at his or her own risk.

8. Caution Statement /Disclaimer Statement From the Issuer and Book Running Lead Manager

The BRLM does not accept any responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement to be entered into amongst the Underwriters and Our Company.

All information shall be made available by our Company and the 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 the bidding centers or elsewhere.

Our Company and the BRLM are obliged to update the Draft Red Herring Prospectus and keep the public informed of any material changes till the listing and trading commencement.

Neither Our Company, the BRLM nor the Syndicate are liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Bidders will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and that they shall not issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. 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.

The Book Running Lead Manager and its affiliates may engage in transactions with, and perform services for, our Company and its Group Companies or affiliates in the ordinary course of business and have engaged, or may in the future engage, in transactions with our Company and its Group Companies or affiliates, for which they have received, and may in the future receive, compensation.

9. Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India, including Indian national residents in India who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI's permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 4A of the Companies Act, state industrial development corporations, insurance companies registered with the IRDA, provident funds (subject to applicable law) with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million, VCFs and permitted Non-Residents including FIIs, their Sub-Accounts, FVCIs, multilateral and bilateral financial institutions and Eligible NRIs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Draft Red Herring Prospectus will not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft 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 Mumbai, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with the SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft 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 Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 ("Securities Act") and may not be offered or sold within the United States (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 in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

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

Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

10. Disclaimer Clause of CARE

[•]

11. Disclaimer Clause of the Stock Exchanges

Disclaimer Clause of the Bombay Stock Exchange Limited (BSE) – The Designated Stock Exchange

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the BSE. The disclaimer clause as intimated by the BSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing the same with the RoC.

Disclaimer Clause of the National Stock Exchange of India Limited (NSE)

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the NSE. The disclaimer clause as intimated by the NSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing the same with the RoC.

12. Filing

A copy of this Draft Red Herring Prospectus will be filed with Securities and Exchange Board of India, SEBI Bhavan, Plot No. C4-A, 'G' Block, Bandra Kurla Complex, Bandra (East), 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, would be delivered for registration with the Registrar of the Companies, Maharashtra, Mumbai located at the address mentioned below and a copy of the Prospectus, along with the documents required to be filed under Section 60 of the Companies Act, would be delivered for registration to the Registrar of the Companies, Maharashtra, Mumbai located at the address mentioned below :

Registrar of Companies, Mumbai Maharashtra
100, Everest,
Marine Drive
Mumbai- 400002.
Tel : +91 22 22846955, + 91 22 22812627,
Fax: + 91 22 22811977
Email : roc.mumbai@mca.gov.in

13. Listing

Applications have been made to the Stock Exchanges for permission to deal in, and for an official quotation of the Equity Shares. The BSE will be the Designated Stock Exchange with which the 'Basis of Allocation' will be finalised.

If permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchanges, Our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. As prescribed under Section 73 of the Companies Act, if such money is not repaid within eight days after Our Company becomes liable to repay it under applicable laws, then Our Company and every Director who is an officer in default shall, on and from such expiry of eight days, be jointly and severally liable to repay the money, with interest at the rate of 15% p.a. on application money.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 12 Working Days of the Bid Closing Date.

14. Impersonation

Attention of applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

"Any person who

a) makes in a fictitious name an application to a company for acquiring, or subscribing of 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."

15. Consents

Consents in writing of (a) the Directors, our Company Secretary and Compliance Officer, the Book Running Lead Manager, the Auditors, the legal advisor to the Issue, the Bankers to the Company, the Registrar to the Issue have been obtained; and consents in writing of (b) the IPO Grading Agency, the Syndicate Members, the Escrow Collection Banks and the Bankers to the Issue to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under Sections 60 and 60B of the Companies Act. Further, such consents will not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI Regulations, M/s Jogish Mehta & Co., Chartered Accountants, our Statutory Auditors have provided their written consent for inclusion of their name, report on financial statements and report relating to the possible general and special tax benefits, as applicable, accruing to Our Company and its shareholders, in this Draft Red Herring Prospectus in the form and context in which they appear in this Draft Red Herring Prospectus. Further, such consent and report will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus for registration with the RoC.

[●], the IPO Grading Agency, will give its written consent for inclusion of their report in the form and context in which it will appear in the Red Herring Prospectus and such consent and report will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus for registration with the RoC.

16. Expert Opinion

Except for the report provided by the IPO Grading Agency (a copy of which report will be annexed to the Red Herring Prospectus), furnishing the rationale for its grading of this Issue, pursuant to the SEBI Regulations, and as stated elsewhere in this Draft Red Herring Prospectus, we have not obtained any expert opinions

17. Expenses of the Issue

The expenses of this Issue include, inter alia, underwriting and management fees, selling commission, SCSBs' commission/ fees, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. The Issue expenses comprising the fees and expenses of the Book Running Lead Manager, the legal advisor, underwriting commission, brokerage due to the underwriters and stock brokers/sub-brokers and the SCSBs payable in relation to the Issue, printing, advertisement, listing fee, auditor's fees, registrar's fees, SEBI filing fees and Stock Exchange fees for usage of book building facility etc. will be paid by our Company. The estimated Issue expenses are as under:

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

Sl. No.	Activity	Estimated Amount (Rs. in lakhs)	% of Issue Expenses	% of Total Issue size *
1.	Fees of BRLM	[•]	[•]	[•]
2	Underwriting commission, Brokerage & Selling commission	[•]	[•]	[•]
3	Registrar's Fees	[•]	[•]	[•]
4	Advertisement & Marketing expenses	[•]	[•]	[•]
5	Printing and Distribution expenses	[•]	[•]	[•]
6	IPO Grading Expense	[•]	[•]	[•]
7	Bankers to the Issue			
8	Other Expenses (including legal fees, filing fees, bidding software expenses, listing fees, depository charges etc)	[•]	[•]	[•]
	Total	**[•]**	**[•]**	**[•]**

* - Will be incorporated after finalization of Issue price

Fees, Brokerage and Selling Commission Payable to the Book Running Lead Manager and the Syndicate Members

The total fees payable to the Book Running Lead Manager and the Syndicate Members (including underwriting commission and selling commission) will be as stated in the engagement letter dated [•] among our Company and the BRLM, copy of which will be made available for inspection at our Registered Office from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid Closing Date.

Fees Payable to the Registrar to the Issue

The fees payable by our Company to the Registrar to the Issue for processing of application, data entry, printing of Allotment Advice/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the agreement dated [•]entered into, between our Company and the Registrar to the Issue.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment advice by registered post/speed post/under certificate of posting.

18. IPO grading

This Issue has been graded by [•] and has been assigned the grade of [•] indicating [•] through its letter dated [•], which is valid for a period of [•]. The IPO grading is assigned on a five point scale from 1 to 5 wherein an "IPO Grade 5" indicates strong fundamentals and an "IPO Grade 1" indicates poor fundamentals. A copy of the report provided by [•] will be made available for inspection at our Registered Office

19. Previous Issues of Equity Shares otherwise than for Cash

Our Company has not issued any securities for consideration otherwise than for cash except on conversion of permanent capital of the partnership firm into Equity Capital of Our Company consequent to conversion of the partnership firm to a Private Limited Company as stated in page no. 103 of the DRHP.

20. Previous Public and Right Issues if any

Our Company has not made any previous public issues (including any right issues to the public) since incorporation.

21. Underwriting Commission and Brokerage on Previous Issues

There has been no public issue of the Equity Shares in the past. Thus, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's inception

22. Particulars in regard to Relcon Infraprojects Limited and other Listed Companies under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956 that made any Capital Issue during the last three years

There have been no capital issues during last three years either by Our Company or any other company under the same management within the meaning of Sec. 370 (1)(B) of the Act.

For more details, please refer to the section titled "Group Companies" beginning at page no. 135 of this Draft Red Herring Prospectus.

23. Promise Vis-À-Vis Performance – Our Company

This is the first public issue of Our Company. Hence Promise vis-à-vis performance is not applicable to Our Company.

24. Performance vis-à-vis Objects – Last One Issue of Group Companies

There are no listed ventures of our Group Companies

25. Listed Ventures of Promoters

The promoters do not have any listed venture and hence not applicable.

26. Outstanding Debentures or Bond Issues or Preference Shares

Our Company has no outstanding debentures or bonds or redeemable preference shares or other instruments as of the date of this Draft Red Herring Prospectus.

27. Stock Market Data of the Equity Shares

This being an initial public issue of Our Company, the Equity Shares are not listed on any stock exchange.

28. Other Disclosures

Except as disclosed in the section titled "Capital Structure" on page no. 21, none of our Directors, Promoters and/or the members of our Promoter Group have purchased or sold any securities of our Company, during a period of six months preceding the date of filing this Draft Red Herring Prospectus with SEBI.

There have been no financing arrangements whereby our Promoter Group, our Group Companies, Directors and their relatives have financed the purchase by any other person of the Equity Shares other than in the normal course of our business during the period of six months immediately preceding the filing of this Draft Red Herring Prospectus.

SEBI has not initiated any action against any entity associated with the securities market, with which our Directors are associated.

29. Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least 3 year from the last date of dispatch of the letters of Allotment, or refund orders, demat credit or, where refunds are being made electronically, giving of refund instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to this Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the relevant Designated Branch or collection centre of SCSB where the physical ASBA Form was submitted by an ASBA Bidder.

Disposal of Investor Grievances by our Company
Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed, Mr. Hoshang F Kapadia, 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:

Mr. Hoshang F Kapadia
Company Secretary & Compliance Officer
Relcon Infraprojects Ltd.
A-01/101, Krishna Apartment, Juhu Lane,
Opp. Mahavir Jain Vidyalaya,
Andheri (West), Mumbai 400 058
Tel.: + 91 22 6733 9999
Fax: +91 22 67339900
E-mail: investors@relcon.co.in

Disposal of investor grievances by listed Group Companies
There are no listed Group Companies of Our Company. There are no investor complaints pending as on the date of filing of this Draft Red Herring Prospectus.

30. Change in Auditors
The auditors of Our Company are appointed (and reappointed) in accordance with provisions of the Companies Act and their remuneration, rights and duties are regulated by section 224 to 233 of the Companies Act.

There have been no changes in our statutory auditors in the last three years.

31. Capitalisation of Reserves or Profits
Our Company has till date not capitalized the reserves or profits since its incorporation.

32. Revaluation of assets, if any
Our Company has not revalued its Assets since incorporation.

SECTION VIII – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, SEBI Regulations, our Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, Bid-cum-Application Form, the ASBA form, the Revision Form, ASBA Revision form, the Allotment Advice, the Confirmation of Allocation Note (CAN), the listing agreement to be entered with the stock exchanges and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the 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 the Companies Act and our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividend. The allottees will be entitled to dividend, voting rights or any other corporate benefits, if any, declared by our company after the date of Allotment, In accordance with the provisions of the Companies Act and the Articles. For further details, please refer to Chapter titled "Main Provisions of Articles of Association" on page 234 of the Draft Red Herring Prospectus.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to our Shareholders as per the provisions of the Companies Act and as per provisions of the listing agreement with the stock exchanges and our Articles of Association.

Face Value and Issue Price per Share

The face value of the Equity Shares is Rs. 10 each. The Floor Price of Equity Shares is Rs. [●] per Equity Share and the Cap Price is Rs. [●] per Equity Share. The Issue Price will be determined by our Company in consultation with the BRLM on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws. The Issue Price is [•] times the face value of the Equity Shares.

Compliance with Regulations issued by SEBI

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders of our company shall have the following rights:

- The Right to receive dividend, if declared;
- The Right to attend general meetings and exercise voting rights, unless prohibited by law;
- The Right to vote on a poll either in person or by proxy;
- The Right to receive offer for rights shares and be allotted bonus shares, if announced;
- The Right to receive surplus on liquidation, subject to any statutory and other preferential claims being satisfied
- The Right of free transferability of Equity Shares subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, the terms of the listing agreements with the Stock Exchange(s) and the Memorandum and Articles of Association our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, please refer to Chapter titled "Main Provisions of Articles of Association" on page 234 of the Draft Red Herring Prospectus.

Market Lot and Trading Lot
In terms of Section 68B of the Companies Act, the Equity Shares shall be Allotted only in dematerialized form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. Since trading of the Equity Shares is in dematerialized form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of one (1) Equity Share subject to a minimum Allotment of [●] Equity Shares.

The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM and advertised in one English national daily, one Hindi national daily with wide circulation and in one Marathi newspaper, at least two working days prior to the Bid/Issue Opening Date.

Joint Holders
Subject to provisions contained in our Articles, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

Jurisdiction
Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai Maharastra, India only.

Nomination Facility to Investor
In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Equity Shares Alloted transmitted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, shall be entitled to the same advantages to which such person 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 of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

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

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, 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 ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change their nomination, they are requested to inform their respective depository participant.

Minimum Subscription
In the event our Company does not receive a minimum subscription of 90% of the Issue, including devolvement to the Underwriters within 60 days from the Bid Closing Date, we shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, we shall pay such interest prescribed under Section 73 of the Companies Act.

Further, in accordance with Regulation 26(4) of the SEBI Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

Application by Eligible NRIs, FIIs and Sub-Accounts

It is to be distinctly understood that there is no reservation for NRIs and FIIs, Sub-Accounts or FVCIs and other Non-Residents. Such Eligible NRIs, FIIs, Sub-Accounts or FVCIs and other Non-Residents shall be treated on the same basis as other categories for the purposes of Allocation.

As per existing regulations, OCBs cannot participate in this Issue.

Arrangements for Disposal of Odd Lots

The Equity Shares will be traded in dematerialiszed form only. The market lot for the Equity Shares will be one. Thus, there are no arrangements for disposal of odd lots.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for (a) the lock-in of the pre-Issue capital of our Company and the Promoters' Contribution as provided in "Capital Structure" on page 21 and (b) otherwise provided in our Articles, as described in "Main Provisions of the Articles of Association" on page 234, there are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting.

Option to Receive Securities in Dematerialized Form

Equity Shares being offered through the Draft Red Herring Prospectus can be applied for and will be allotted in dematerialized form only.

Withdrawal of the Issue

Our Company, in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue anytime after the Bid Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers, in which the pre-Issue advertisements were published, within two days of the Bid Closing Date, providing reasons for not proceeding with the Issue. Our Company shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed.

Any further issue of Equity Shares by our Company shall be in compliance with applicable laws.

If our Company withdraw the Issue after the closure of bidding, our Company shall be required to file a fresh draft red herring prospectus with SEBI.

ISSUE STRUCTURE

Initial Public issue of 40,00,000 Equity Shares of face value of Rs. 10 each, for cash at a price of Rs. [●] per Equity Share including a share premium of Rs. [●] per Equity Share, aggregating upto Rs. [●]. The Issue comprises a reservation for eligible employees of upto 60,000 Equity Shares of Rs. 10/- each (The "Employee Reservation Portion") aggregating to Rs. [●] and the Net Issue to the Public of 39,40,000 Equity Shares of Rs. 10/- each (The "Net Issue") aggregating to Rs. [●] lakhs. The Issue would constitute 30.77% of the Fully diluted Post Issue paid up capital of Our Company. The Net Issue would constitute 30.31 % of the fully diluted post-Issue paid up Equity Share capital of Our Company.

Details of the Issue structure are tabulated below:

Particulars	QIBs	Non Institutional Bidders	Retail Individual Bidders	Employee Reservation Portion
Number of Equity Shares available for allocaton*	Not more than 19,70,000 Equity Shares	Not less than 5,91,000 Equity Shares or the Net Issue less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation	Not less than 13,79,000 Equity Shares or the Net Issue size less allocation to QIB Bidders and Non Institutional Bidders shall be available for allocation.	Up to 60,000 Equity Shares
Percentage of Issue Size available for allocation / allotment *	Not more than 50% of the Net Issue shall be available for allocation to QIB Bidders. (of which 5% shall be reserved for Mutual Funds) Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. The Unsubscribed portion, if any, in the Mutual Fund reservation will be available to QIBs.	Not less than 15% of the Net Issue or Net Issue less allocation to QIBs and retail individual bidders shall be available for allocation,	Not less than 35% of the Net Issue or the Net Issue less allocation to QIBs and non institutional bidders shall be available for allocation.	Up to 1.5 % of Issue Size consisting 60,000 Equity Shares
Basis of Allocation if respective category is oversubscribed	(a) upto 98,500 Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds; and (b) 18,71,500 Equity Shares shall be be available for allocation to on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares so that the Bid Amount exceeds Rs. 2,00,000 and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares so that the Bid Amount exceeds Rs. 2,00,000 and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Not exceeding the size of the	Not exceeding the size	Such number of	Such number

	Issue, subject to the investment limit applicable to the Bidder	of the Issue, subject to the investment limit as applicable to the Bidder	Equity Shares so as to ensure that the Bid amount does not exceed Rs. 2,00,000.	of Equity Shares So as to ensure that the Bid Amount does not Exceed Rs. 200, 000
Mode of Allotment	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.	Compulsorily in dematerialize d form.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[•] Equity Shares in multiples of [•] Equity Shares
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter	[•] Equity Shares in multiples of [•] Equity Shares
Trading Lot/Market lot	One (1) Equity Share	One (1) Equity Share	One (1) Equity Share	One (1) Equity Share
Who can apply**	QIBs as defined on page no. v of this Draft Red Herring Prospectus.	Companies, Corporate Bodies, Scientific Institutions, Societies, Trusts, Resident Indian individuals, HUF (in the name of Karta), NRIs, sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals. (applying for an amount exceeding Rs. 2,00,000)	Resident Indian Individuals Bidders, eligible NRIs and HUFs in the name of Karta)	Eligible Employees as defined in page no. iii of this DRHP
Terms of payment	The entire bid Amount shall be payable at the time of Bid Cum Application Form to the members of the syndicate In case of ASBA Bidders, the SCSB shall be authorised to block the entire Bid Amount as specified in the ASBA Form.	The entire bid Amount shall be payable at the time of submission of Bid cum Application Form ## to the members of the syndicate In case of ASBA Bidders, the SCSB shall be authorised to block the entire Bid Amount as specified in the ASBA Form	The entire bid Amount shall be payable at the time of submission of Bid cum Application Form.## to the members of the syndicate In case of ASBA Bidders, the SCSB shall be authorised to block the entire Bid Amount as specified in the ASBA Form	The entire bid Amount shall be payable at the time of submission of the Bid cum Application Form to the members of the Syndicate. In case of ASBA Bidders, the SCSB shall be authorised to block the

				entire Bid Amount as specified in the ASBA Form

*Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category would be allowed to be met with spill-over from other categories or a combination of categories, at the discretion of our Company in consultation with Book Running Lead Manager and the Designated Stock Exchange. Under-subscription, if any, in the Employee Reservation Portion will be added to the Net Issue. In the event of under subscription in the Net Issue, spill over to the extent of under subscription shall be allowed from the Employee Reservation Portion. subject to the Issue constituting at least 25% of the post-Issue paid up capital of our Company.

** In case the Bid-cum-Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and in the same sequence in which they appear in the Bid-cum-Application Form., or ASBA Form, as the case may be.

Our Company is exploring the possibility of a Pre-IPO Placement of upto 5,00,000 Equity Shares aggregating upto Rs. 1000 lakhs. We intend to complete the issuance of Equity Shares pursuant to the Pre-IPO Placement, if any, prior to filing the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the number of Equity Shares issued pursuant to the Pre-IPO Placement will be proportionately reduced from the Issue, subject to a minimum Net Issue size of at least 25% of the post-Issue paid-up share capital.

Bid/Issue Programme*

FOR ALL BIDDERS	**ISSUE OPENS ON [•]**
FOR QIBs	**ISSUE CLOSES ON [•]**
FOR RETAIL AND NON-INSTITUTIONAL BIDDERS (INCLUDING ELIGIBLE EMPLOYEES BIDDING UNDER THE EMPLOYEE RESERVATION PORTION)	**ISSUE CLOSES ON [•]**

*The Company may, in consultation with the Book Running Lead Manager, decide to close the bidding for QIBs one day prior to the Bid Closing Date.

Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time) during the Bidding Period as mentioned above at the Bidding Centres mentioned on the Bid cum Application Form or, in case of Bids submitted through ASBA Form, the Designated Branches **except that on the Bid Closing Date, Bids shall be accepted only between 10.00 a.m. and [•] p.m. (Indian Standard Time)** and uploaded until

(iii) **[•]** p.m. in case of Bids by QIBs Bidding in the QIB Portion and Non-Institutional Bidders and

(iv) until **[•]**p.m. or such extended time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion where the Bid Amount is up to Rs. 200,000.

Due to limitation of the time available for uploading the Bids on the Bid Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid Closing Date and, in any case, no later than **[•]** p.m. (Indian Standard Time) on the Bid Closing Date. Bidders are cautioned that, in the event a large number of Bids are received on the Bid Closing Date, as is typically experienced in public offerings in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded will not be considered for allocation under this Issue. If such Bids are not uploaded, the Issuer, BRLM and Syndicate members will not be responsible Bids will only be accepted on Working Days. It is clarified that Bids not uploaded in the book, would be rejected. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the NSE and the BSE.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical application form of that

Bidder may be taken as the final data for the purpose of allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic ASBA Form for a particular ASBA Bidder, the Registrar to the Issue shall ask for rectified data from the SCSB.

Applicants may note that in case the DP ID & Client ID, PAN and such other details as required, mentioned in the application form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate Members do not match with such details available in the depository database, the application is liable to be rejected.

The Company in consultation with the Book Running Lead Manager reserves the right to revise the Price Band during the Bidding Period in accordance with SEBI Regulations. In such an event 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 two working days prior to the Bid/Issue Opening Date.

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

ISSUE PROCEDURE

This section applies to all Bidders. Please note that all Bidders can participate in the Issue through the ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to Bidders other than the ASBA Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all the Bidders are required to make payment of the full Bid Amount along with the Bid-cum-Application Form

Book Building Procedure

The Issue is being made through the 100% Book Building Process wherein not more than 50% of the Net Issue shall be available for allocation to Qualified Institutional Buyers on a proportionate basis out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, not less than 15% of the Net Issue would be available for allocation to Non-Institutional Bidders and not less than 35% of the Net Issue would be available for allocation to Retail Individual Bidders on a proportionate basis, subject to valid Bids being received from them at or above the Issue Price. Further, 60,000 Equity Shares are reserved from the Issue for allocation on a proportionate basis to Eligible Employees under the Employee Reservation Portion, subject to valid Bids being received at or above the Issue Price.

Under subscription, if any, in the Employee Reservation Portion, shall be added to the Net Issue. In the event of under subscription in the Net Issue, spill over to the extent of under subscription shall be allowed from the Employee Reservation Portion. Under subscription in any category, if any, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange

All Bidders other than the ASBA Bidders are required to submit their Bids through the Syndicate or their affiliates. ASBA Bidders are required to submit their Bids to the SCSBs.

It may be noted that pursuant to the SEBI circular no. CIR/CFD/DIL/2/2010) dated April 06, 2010, SEBI has decided to extend the ASBA facility to QIBs in all public issues opening on or after May 1, 2010.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid-cum-Application Forms or ASBA forms, as the case may be which do not have the details of the Bidders‛ depository account including the DP ID Numbers, Permanent Account Number(PAN) and the beneficiary account number shall be treated as incomplete and rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Bid-cum-Application Form

The prescribed colour of the Bid-cum-Application Form for various categories of Bidders is as follows:

Category	Colour of Bid cum Application Form
Resident Indians (Resident QIBs, Non-Institutional Investors and Resident Individuals) and Eligible NRIs applying on a non-repatriation basis (ASBA as well as Non ASBA Bidders)	[●]
Eligible NRIs, FIIs, their sub-accounts (other than sub-accounts which are foreign corporate or foreign individuals bidding under the QIB portion) or Foreign Venture Capital Funds and registered Multilateral and Bilateral Development Financial Institutions and other Non-Residents including Non-Instituitional Investors, applying on repatriation basis (ASBA as well as Non ASBA Bidders)	[●]
Eligible Employees	[●]

Bidders (other than ASBA Bidders) are required to submit their Bids through the Syndicate. Such 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. Before being issued to the Bidders, other than ASBA Bidders, the Bid cum Application Forms shall be serially numbered and date and time stamped at the Bidding Centres and such form shall be issued in duplicate signed by the Bidder and countersigned by a member of the Syndicate. The Bid cum Application Form shall contain information about the Bidder, the price and the number of Equity Shares that the Bidder wishes to Bid for. 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. The ASBA Form will also be available on the websites of the Stock Exchanges at least one day prior to the Bid Opening Date and shall bear a unique application number. The Book Running Lead Manager and the SCSBs will provide the hyperlink to BSE or NSE on their websites.

Upon 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 or the ASBA Bidders, is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder or the ASBA bidder.

ASBA Bidders shall submit an ASBA Bid cum Application Form either in physical or electronic form to the Designated Branches of the SCSB authorising blocking of funds that are available in the bank account specified in the ASBA Bid cum Application Form used by ASBA Bidders only. The ASBA Bid cum Application Form will also be available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date and shall bear an unique application number. The BRLMs and the SCSBs will provide the hyperlink to BSE or NSE on their websites.

Bidders can also submit their Bids through ASBA by submitting ASBA Forms, obtained from the Designated Branches, to the SCSB with whom the ASBA Account is maintained, authorising blocking of funds that are available in the ASBA Account. ASBA Bidders can submit their Bids, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the ASBA Form at the relevant Designated Branch. In case of application in electronic form, the ASBA Bidder shall submit the ASBA Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Bids. The SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the ASBA Form. Upon completing and submitting the ASBA Form to the SCSB, the ASBA Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the ASBA 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 ASBA Bidder.

Investors choosing to apply through ASBA, please be informed that the ASBA Forms can also be downloaded from the websites of the BSE – www.bseindia.com or the NSE - www.nseindia.com.

Who can Bid?

- Persons eligible to invest under all applicable laws, rules, regulations and guidelines;
- Indian nationals resident in India who are not minors or in the names of their minor children as natural/ legal guardians, in single or joint names (not more than three);
- 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;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non repatriation basis subject to compliance with applicable laws. NRIs other than eligible NRIs are not eligible to participate in this issue;

- Indian financial institutions, commercial banks (excluding foreign banks), regional rural banks, cooperative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, in the QIB portion;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Bidders category.
- Venture Capital Funds registered with SEBI;
- Foreign Venture Capital Funds registered with SEBI;
- Multilateral and bilateral development financial institutions;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Scientific and/or industrial research organisations authorised to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority;
- Provident Funds with a minimum corpus of Rs. 2500 Lakhs and who are authorised under their constitution to hold and invest in equity shares;
- Pension Funds with a minimum corpus of Rs. 2500 Lakhs and who are authorised under their constitution to hold and invest in equity shares;
- National Investment Fund Limited set up by resolution F. No. 2/3/2005 – DDII dated November 23, 2005, by the GoI, published in the gazette of India ;
- Limited Liability Partnership;
- Insurance funds set up and managed by the army, navy or air force of the Union of India;
- Insurance funds set-up and managed by the Department of Posts, India. and
- Eligible Employees

As per the existing regulations, OCBs cannot participate in this Issue.

Participation by associates and affiliates of the BRLM and the Syndicate Members
The BRLM and the Syndicate Members shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and Syndicate Members may subscribe to or purchase Equity Shares in the Issue, either in the QIB Portion or in Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis. Such bidding may be on their own account or on behalf of their clients.

Bids by Mutual Funds
An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand in the Mutual Fund Portion is greater than 98,500 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion.

Bids by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such 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 concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company‟s paid-up share capital carrying voting rights.

Bids by Non Residents including Eligible NRIs, FIIs registered with SEBI, VCFs and FVCI

There is no reservation in the Issue for Eligible NRIs or FIIs, VCFs or FVCIs registered with SEBI. Eligible NRIs and FIIs, VCFs or FVCIs registered with SEBI will be treated on the same basis as other categories for the purpose of allocation. As per regulations made by the RBI, OCBs cannot participate in this Issue.

Bids by Eligible NRIs

Bid-cum-Application Forms have been made available for Eligible NRIs at the Registered Office and with the members of the Syndicate.

Eligible NRIs applicants should note that only such Bid cum Application Form that are accompanied by payment in free foreign exchange shall be considered. Eligible NRIs should use the Bid cum Application Form which is [●] in colour. Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts should use the form meant for Resident Indians.

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

Under the extant law, the issue of Equity Shares to a single FII should not exceed 10% of our post-Issue paid-up share capital. In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total paid-up share capital or 5% of our total paid-up share capital in case such sub-account is a foreign corporate or a foreign individual permitted to make investments. As of now, the aggregate FII holding in our Company cannot exceed 24% of our total paid-up 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 (the "SEBI FII Regulations"), an FII, as defined in the SEBI FII Regulations, deal or hold, offshore derivative instruments (as defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by a FII against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client's norms. Sub-accounts of FIIs are not allowed to issue offshore derivative instruments. An FII is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of the underwriters including the BRLM and the Syndicate Members that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue. Any such Offshore Derivative Instrument does not constitute any obligation or claim or claim on or an interest in, our Company.

Bids by VCFs and FVCIs

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 and the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, each, as amended, prescribe investment restrictions on VCFs and FVCIs, respectively, registered with SEBI. Accordingly, the holding in any company by any individual VCF or FVCI registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. However, VCFs or FVCIs may invest not over 33.33% of their respective investible funds in various prescribed instruments, including in public offerings.

Bids by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors

The SEBI (Venture Capital Funds) Regulations, 1996 and SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended *inter alia* prescribe the investment restrictions on VCFs and FVCIs registered with SEBI.

Accordingly, the holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the venture capital fund. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an IPO of a venture capital undertaking whose shares are proposed to be listed.

Pursuant to the SEBI Regulations, the shareholding of a SEBI registered VCF held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the equity shares have been held by them for at least one year prior to the time of filing the draft prospectus with SEBI. In case, such equity shares have resulted pursuant to conversion of fully paid-up compulsorily convertible securities, the holding period of such convertible securities as well as that of resultant equity shares together shall be considered for the purpose of calculation of one year period.

Bids 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 the 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 without assigning reasons thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (the "IRDA Investment Regulations"), are broadly set forth below:

(a) Equity shares of a company: the least of 10.00% of the investee company's subscribed capital (face value) or 10.00% of the respective fund in case of life insurer or 10.00% of investment assets in case of general insurer or reinsurer;

(b) The entire group of the investee company: the least of 10.00% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer (25.00% in case of Unit Linked Insurance Policies); and

(c) The industry sector in which the investee company operates: 10.00% of the insurer's total investment exposure to the industry sector (25.00% in case of Unit Linked Insurance Policies).

Further, w.e.f. August 1, 2008, no investment may be made in an initial public offer ("IPO") if the issue size, including offer for sale, is less than Rs. 2,000.00 million. In addition, the IRDA partially amended the exposure limits applicable to investments in public limited companies in the infrastructure and housing sectors, w.e.f. December 26, 2008, providing, among other things, that the exposure of an insurer to an infrastructure company may be increased to not more than 20.00%, provided that in case of equity investment, a dividend of not less than 4.00% including bonus should have been declared for at least five preceding years. In case of an IPO of a wholly owned subsidiary of a corporate or public sector enterprise, the above track record would be applied to the holding company. This limit of 20.00% would be combined for debt and equity taken together, without sub-ceilings. Further, investments in equity including preference shares and the convertible part of debentures shall not exceed 50.00% of the exposure norms specified under the IRDA Investment Regulations.

Bids made by Provident Funds/Pension Funds

In case of the Bids made by provident/pension funds, subject to applicable law, with minimum corpus of Rs. 2500 Lakhs pension funds with minimum corpus of Rs. 2500 Lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Bids by Limited liability partnership

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

The above information is given for the benefit of the Bidders. Our Company, Directors and officers, affiliates, associates, their respective directors and officers, the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company, Directors and officers, affiliates, associates, their respective directors and officers, the Book Running Lead

Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft 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 under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2500 Lakhs a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum of Association and Articles of Association and/or bye laws must be lodged with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

(a). With respect to Bids by FVCIs, FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid-cum-Application Form.

(b). With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Bid-cum-Application Form.

(c). With respect to Bids made by provident funds with minimum corpus of Rs. 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid-cum-Application Form.

Our Company in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid-cum-Application Form, subject to such terms and conditions that our Company and the BRLM may deem fit.

Maximum and Minimum Bid Size

(a) **For Retail Individual Bidders:** The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, subject to maximum Bid amount of Rs. 2,00,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 200,000 In case the maximum Bid amount is more than Rs. 2,00,000 then the same would be considered for allocation under the Non-Institutional Bidders category. The Cut-off option is given only to the Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion indicating their agreement to bid and purchase at the final Issue Price as determined at the end of the Book Building Process. Eligible Employees applying under Employee Reservation Portion also have to ensure that the Bid Amount does not exceed Rs. 200,000.

(b) **For Non-Institutional Bidders and QIBs:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 200,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue size. However, the Bid by a QIB should not exceed the investment limits prescribed for them by applicable laws. **A QIB cannot withdraw its Bid after the QIB Bid Closing Date and is required to pay the entire Bid Amount upon submission of the Bid.** The identity of QIBs bidding in the Issue under the QIB Portion shall not be made public during the Bidding Period.

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the revised Bid Amount is greater than Rs. 200,000 for being considered for allocation in the Non Institutional Portion. In case the Bid Amount reduces to Rs. 200,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. **Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off'.**

(c) Bids by Eligible Employees :

For the purpose of the Employee Reservation Portion, Eligible Employee means all or any of the following:

A permanent and full-time employee of our Company (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) or a Director of our Company (excluding our Promoter and Promoter Group), as on the date of the Red Herring Prospectus, who are Indian nationals and are based, working and present in India as on the date of submission of the Bid cum Application Form/ ASBA Form and who continue to be in the employment of our Company until submission of the Bid cum Application Form/ ASBA Form, as the case may be.

Bids under Employee Reservation Portion by Eligible Employees shall be:

- Made only in the prescribed Bid cum Application Form or Revision Form (i.e. [●] colour form).
- Only Eligible Employees (as defined above) would be eligible to apply in this Issue under the Employee Reservation Portion.
- Eligible Employees, as defined above, should mention the Employee Number at the relevant place in the Bid cum Application Form.
- The sole/ first Bidder shall be the Eligible Employee as defined above.
- Bids by Eligible Employees will have to Bid like any other Bidder. Only those Bids, which are received at or above the Issue Price, would be considered for allocation under this category.
- The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. The Allotment in the Employee Reservation portion will be on a proportional basis.
- The value of Allotment to any Eligible Employee shall not exceed Rs. 200,000
- Eligible Employees may Bid in any of the bidding options at Cut-Off Price.
- The maximum Bid amount by any Eligible Employee cannot exceed Rs. 200,000.
- The maximum Bid under Employee Reservation Portion by an Employee cannot exceed [●] Equity Shares.
- Bids by Eligible Employees can also be made in the "Net Issue" portion and such Bids shall not be treated as multiple Bids.
- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand. Any unsubscribed portion in any reserved category shall be added to the Net Issue to the public. In the event of under subscription in the Net Issue, spill over to the extent of under subscription shall be allowed from the Employee Reservation Portion. subject to the Issue constituting at least 25% of the post-Issue paid up capital of our Company.
- If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the allotment shall be made on a proportionate basis. For the method of proportionate basis of allotment, see section titled "Issue Procedure - Basis of Allotment" at page no. 229

The maximum and minimum bid size applicable to a QIB, Retail Individual Bidder or a Non-Institutional Bidder shall be applicable to an ASBA Bidder in accordance with the category that such ASBA Bidder falls under.

Information for the Bidders:

1. Our Company shall file the Red Herring Prospectus with the RoC at least three days before the Bid Opening Date.

2. Subject to Section 66 of the Companies Act, our Company shall, after registering the Red Herring Prospectus with the RoC, make a pre-Issue advertisement, in the form prescribed under the SEBI Regulations, in an English national daily newspaper, a Hindi national daily newspaper and a regional daily newspaper, each with wide circulation. In the pre-Issue advertisement, our Company and the Book Running Lead Manager shall declare the Bid Opening Date, the Bid Closing Date and shall publish the same in an English national daily newspaper, a Hindi national daily newspaper and a regional daily newspaper, each with wide

circulation. This advertisement, subject to the provisions of Section 66 of the Companies Act, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

3. Our Company shall announce the Price Band at least two Working Days before the Bid Opening Date in an English national daily newspaper, a Hindi national daily newspaper and a regional daily newspaper, each with wide circulation. This announcement shall contain relevant financial ratios computed for both upper and lower end of the Price Band.

4. The Bidding Period shall be for a minimum of three Working Days. In case the Price Band is revised, the Bidding Period shall be extended, by an additional three Working Days, subject to the total Bidding Period not exceeding 10 Working Days. The revised Price Band and Bidding Period will be widely disseminated by notification to the SCSBs and Stock Exchanges by issuing a press release and also by indicating the change on the websites of the Book Running Lead Manager and at the terminals of the members of the Syndicate.

5. The Book Running Lead Manager shall dispatch the Red Herring Prospectus and other Issue material including ASBA Forms, to the Designated Stock Exchange, members of the Syndicate, Bankers to the Issue, investors' associations and SCSBs in advance.

6. The members of the Syndicate will circulate copies of the Bid cum Application Form to potential investors and copies of the Red Herring Prospectus shall be provided at the request of potential investors. Any potential investor who would like to obtain copies of the Red Herring Prospectus and/or the Bid cum Application Form can obtain the same from our Registered Office, Corporate Office or from any member of the Syndicate.

7. Eligible Bidders who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager or Syndicate Member or their authorised agent(s) to register their Bids. ASBA Bidders should approach the Designated Branches of the SCSBs to register their Bids.

8. The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms (other than the ASBA Forms) should bear the stamp of the members of the Syndicate, otherwise they will be rejected.

9. Except for Bids by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of a Bid in joint names, each of the Bidders, should mention his/ her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. Any Bid cum Application Form or ASBA Form without the PAN is liable to be rejected. With effect from August 16, 2010, the beneficiary accounts of Bidders for whom PAN details have not been verified will be suspended for credit, and no credit of Equity Shares pursuant to the Issue will be made in the accounts of such Bidders.

Bidders are advised not to submit the Bid cum Application Form to Escrow Collection Banks and the same will be rejected in such cases and the Bidders will not be entitled to any compensation whatsoever.

Additional information specific to ASBA Bidders

1. ASBA Forms in physical form will be available with the Designated Branches and electronic ASBA Forms will be available on the websites of the SCSBs and on the websites of the Stock Exchanges at least one day prior to the Bid Opening Date. Further, the SCSBs will ensure that the abridged prospectus is made available on their websites.

2. The Bids should be submitted to the SCSBs on the prescribed ASBA Form. SCSBs may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account. Eligible Bidders may also approach the Designated Branches to register their Bids through the ASBA process.

3. The SCSBs shall accept Bids only during the Bidding Period and only from the ASBA Bidders.

4. The Book Running Lead Manager shall ensure that adequate arrangements are made to circulate copies of the Red Herring Prospectus and ASBA Form to the SCSBs. The SCSBs will then make available such copies to investors intending to apply in this Issue through the ASBA process. Additionally, the Book Running Lead Manager shall ensure that the SCSBs are provided with soft copies of the abridged prospectus as well as the ASBA Forms and that the same are made available on the websites of the SCSBs.

5. The ASBA Form shall bear the stamp of the SCSBs and/or the Designated Branch, if not, the same shall be rejected.

Bidders may note that in case the DP ID, Beneficiary ID and PAN mentioned in the Bid cum Application Form or the ASBA Form, as the case may be and entered into the electronic bidding system of the Stock Exchanges by the Syndicate Member do not match with the DP ID, BAN and PAN available in the Depository database, the Bid cum Application Form or the ASBA Form, as the case may be is liable to be rejected.

Method and Process of Bidding

1. Our Company in consultation with the Book Running Lead Manager shall decide the Price Band and the minimum Bid lot for the Issue and the same shall be advertised in an English national daily newspaper, a Hindi national daily newspaper and a regional daily newspaper, each with wide circulation, at least two Working Days prior to the Bid Opening Date. The members of the Syndicate and the SCSBs shall accept Bids from the Bidders during the Bidding Period.

2. The Bidding Period shall be for a minimum of three Working Days and shall not exceed 10 working days. The Bidding Period maybe extended, if required, by an additional three Working Days, subject to the total Bidding Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be published in an English national daily newspaper, a Hindi national daily newspaper and a regional daily newspaper, each with wide circulation and also by indicating the change on the website of the Book Running Lead Manager.

3. During the Bidding Period, Bidders who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or their authorised agents to register their Bid. The members of the Syndicate accepting Bids from all other Bidders and have the right to vet the Bids during the Bidding Period in accordance with the terms of the Red Herring Prospectus. Bidders who wish to use the ASBA process shall approach the Designated Branches to register their Bids.

   Bids by Eligible Employees in the Eligible Employee Reservation and in the "Net Issue" portion shall not be treated as multiple Bids.

4. Each Bid cum Application Form and/ or the ASBA Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph entitled "Bids at Different Price Levels" below) 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 and/ or the ASBA Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

5. The Bidder cannot bid on another Bid cum Application Form or ASBA Form after Bids on one Bid cum Application Form or ASBA Form have been submitted to the members of the Syndicate or SCSBs, as the case may be. Submission of a second Bid cum Application Form or ASBA Form to the Book Running Lead Manager or SCBS 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 approval of the Basis of Allotment. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph entitled "Build up of the Book and Revision of Bids".

6. The members of the Syndicate/ the SCSBs, as the case may be, 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 or ASBA Form.

7. Along with the Bid cum Application Form, all Bidders (other than ASBA Bidders) will make payment in the manner described in "- Escrow Mechanism - Terms of payment and payment into the Escrow Accounts" in the section titled "Issue Procedure" on page no. 203.

8. Upon receipt of the ASBA Form, submitted whether in physical or electronic mode, the respective Designated Branch shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Form, prior to uploading such Bids with the Stock Exchanges. If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such Bids and shall not upload such Bids with the Stock Exchanges. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.

9. The Bid Amount shall remain blocked in the aforesaid ASBA Account until approval of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Form, as the case may be. Once the Basis of Allotment is approved, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful ASBA Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Bids at Different Price Levels and Revision of Bids

1. In accordance with SEBI Regulations, our Company, in consultation with the Book Running Lead Manager and without prior intimation to or approval from the Bidders, reserve the right to revise the Price Band during the Bidding Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The revised Price Band and the Bidding Period will be widely disseminated by notification to the SCSBs and the Stock Exchnage and also by indicating the change on the website of the BRLM.

2. Our Company in consultation with the Book Running Lead Manager will finalise the Issue Price within the Price Band, without the prior approval of or intimation to the Bidders.

3. The Bidders can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders and Eligible Employees may bid at the Cutoff Price. However, bidding at Cut-off Price is not permitted for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.

4. Retail Individual Bidders who Bid at the Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-off Price shall deposit the Bid Amount based on the Cap Price in the Escrow Account(s). In case of ASBA Bidders Bidding at the Cut-off Price, the ASBA Bidders will instruct the SCSBs to block an amount based on the Cap Price. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders who Bid at the Cut-off Price, the Retail Individual Bidders who Bid at the Cut-off Price will receive refunds of the excess amounts in the manner provided in the Red Herring Prospectus.

5. Retail Individual Bidders and Eligible Employees in the Employee Reservation Portion who Bid at Cut-off Price should note that they are required to purchase the Equity Shares at the Issue Price. Retail Individual Bidders and Eligible Employees in the Employee Reservation Portion shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price. ASBA Bidders, under the categories eligible to Bid at Cut-off Price, need to instruct the SCSBs to block an amount based on the Cap Price.

Escrow mechanism, terms of payment and payment into the Escrow Accounts

For details of the escrow mechanism and payment instructions, see the sub section "Payment Instructions" on page no. 222.

Electronic Registration of Bids

1. The members of the Syndicate and SCSBs will register the Bids using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity in each city where Bids are being accepted. The Book Running Lead Manager, our Company, and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the SCSBs, (ii) the Bids uploaded by the Syndicate members and the SCSBs, (iii) the Bids accepted but not uploaded by the Syndicate Members and the SCSBs or (iv) with respect to ASBA Bids accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant ASBA Account.

2. In case of apparent data entry error by either the members of the Syndicate or the collecting bank in entering the Bid cum Application Form number in their respective schedules other things remaining unchanged, the Bid cum Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange(s). In the event of mistake in capturing the Bid cum Application Form number by either the member of the Syndicate or collecting bank leading to rejection of the Bid cum Application Form, the Registrar may identify based on the Bid cum Application Form, the entity responsible for the error.

3. The Stock Exchanges will offer an electronic facility for registering Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorised agents and the SCSBs during the Bidding Period. The members of the Syndicate and the Designated Branches can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Book Building Process on a regular basis. On the Bid Closing Date, the members of the Syndicate and the Designated Branches shall upload the Bids till such time as may be permitted by the Stock Exchanges. This information will be available with the members of the Syndicate on a regular basis. Bidders are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Bids received on the last day not being uploaded and such Bids will not be considered for allocation.

4. The members of the Syndicate shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the members of the Syndicate, (ii) the Bids uploaded by the members of the Syndicate or (iii) the Bids accepted but not uploaded by the members of the Syndicate. The SCSBs shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the SCSBs, (ii) the Bids uploaded by the SCSBs, the Bids accepted but not uploaded by the SCSBs or (iv) with respect to ASBA Bids accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Bids uploaded by the SCSBs, the full Bid Amount has been blocked in the relevant ASBA Account. The Book Running Lead Manager and the SCSBs shall be responsible for any error in the Bid details uploaded by them*.

   ***Bidders are advised not to submit the Bid cum Application Form to Escrow Collection Banks and the same will be rejected in such cases and the Bidders will not be entitled to any compensation whatsoever.**

5. Based on the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges, a graphical representation of consolidated demand and price, as available on the websites of the Stock Exchanges, would be made available at the Bidding centres during the Issue Period.

6. At the time of registering each Bid, other than ASBA Bids, the members of the Syndicate shall enter the following details of the Bidders in the on-line system:
   - Name of the Bidder
   - Bid cum Application Form number
   - PAN (of the first Bidder, in case of more than one Bidder)
   - Investor Category and sub-category
   - DP ID

- Beneficiary ID
- Number of Equity Shares Bid for
- Price per Equity Share (price option)
- Cheque amount
- Cheque number

With respect to ASBA Bids, at the time of registering each Bid, the Designated Branches shall enter the following information pertaining to the Bidder into the on-line system:

- Name of the Bidder
- ASBA Form number
- PAN (of the first Bidder, in case of more than one Bidder)
- Investor category and sub-category
- DP ID
- Beneficiary ID
- Number of Equity Shares Bid for
- Price per Equity Share (price option)
- Bank account number.

7. A system generated TRS will be given to the Bidder as a proof of the registration of each of the Bidding options when the Bid is registered. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate or the Designated Branches. The registration of the Bid by the members of the Syndicate or the Designated Branches does not guarantee that the Equity Shares shall be allocated/Allotted by our Company.

8. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

9. In case of QIBs (other than QIBs bidding through ASBA), only the Book Running Lead Manager has the right to accept the Bid or reject it. However, such rejection should be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids would not be rejected except only on the technical grounds listed herein. The members of the Syndicate may also reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect. The SCSBs shall have no right to reject Bids, except on technical grounds.

10. The permission given by the Stock Exchanges to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this DRHP; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

    Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/ Allotment. The members of the Syndicate shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Bid data in the electronic Bidding systems of the Stock Exchanges. In order that the data so captured is accurate the members of the Syndicate will be given upto one Working Day after the Bid Closing Date to verify the information uploaded in the online IPO system during the Bidding Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

Build up of the book and revision of Bids

1. Bids received from various Bidders through the members of the Syndicate and the SCSBs shall be electronically uploaded to the Stock Exchanges' mainframe on a regular basis.

2. The book gets built up at various price levels. This information will be available with the member of the Syndicate at the end of the Bidding Period.

3. During the Bidding Period, any Bidder who has registered his or her Bid at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is part of the Bid cum Application Form.

4. Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. 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, ASBA Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form/ASBA Form and such Bidder is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate and the Designated Branches will not accept incomplete or inaccurate Revision Forms.

5. During the Bidding Period, any Bidder who has registered his or her Bid at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form or the ASBA Revision Form, as the case may be. Retail Individual Bidders may revise their Bids within the Price Band at any time until finalization of the Basis of Allotment.

6. Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form or the ASBA Revision Form, as the case may be. Apart from mentioning the revised options in the Revision Form or the ASBA Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form, ASBA Form or earlier Revision Form/ASBA Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form/ASBA Form and such Bidder is changing only one of the options in the Revision Form/ASBA Revision Form, the Bidder must still fill the details of the other two options that are not being revised, in the Revision Form or the ASBA Revision Form, as the case may be. The members of the Syndicate and the Designated Branches will not accept incomplete or inaccurate Revision Form/ ASBA Revision Form.

7. 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 or the same SCSB through whom such Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form/ASBA Revision Form and the revised Bid must be made only in such Revision Form/ASBA Revision Form or copies thereof.

8. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders and Eligible Employees in the Employee Reservation Portion who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall 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. 200,000 if the Bidder wants to continue to Bid at Cut-off Price), with the members of the Syndicate. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs.200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

9. In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders and Eligible Employees in the Employee Reservation Portion who have bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account or unblocked, in case of ASBA Bidders.

10. Our Company shall, in consultation with the Book Running Lead Manager decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of Rs. 5,000 to Rs. 7,000.

11. Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. With respect to the ASBA Bids, if revision of the Bids results in an incremental amount,

the SCSBs shall block the additional Bid Amount. In case of Bids, other than ASBA Bids, the members of the Syndicate shall collect the payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions. In such cases, the members of the Syndicate will revise the earlier Bid details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of the RHP.

12. When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and may request for a revised TRS from the members of the Syndicate or the SCSB as proof of his or her having revised the previous Bid.

Price Discovery and Allocation

1. Based on the demand generated at various price levels and the book built, the Company in consultation with the Book Running Lead Manager shall finalise the Issue Price.

2. Only Bids that are uploaded on the online system of the Stock Exchanges shall be considered for allocation/ Allotment. The members of the Syndicate and the SCSBs shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Bid data in the electronic Bidding systems of the Stock Exchanges. In order that the data so captured is accurate the members of the Syndicate and the SCSBs will be given up to one Working Day after the Bid Closing Date to modify/verify certain selected fields uploaded in the online system during the Bidding Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

3. In case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, BAN and PAN, then such Bids are liable to be rejected.

4. Allocation to Non-Residents, including Eligible NRIs and FIIs registered with SEBI will be subject to applicable law, rules, regulations, guidelines and approvals.

5. QIBs shall not be allowed to withdraw their Bid after the QIB Bid Closing Date

Signing of the Underwriting Agreement and the RoC Filing

Our Company intend to enter into an Underwriting Agreement on or immediately after the finalisation of the Issue Price. After signing the Underwriting Agreement, our Company will file the Prospectus with the RoC. The Prospectus would have details of the Issue Price, Issue size and underwriting arrangements and would be complete in all material respects.

Public Announcement post filing of the Draft Red Herring Prospectus

Our Company shall, either on the date of filing of this Draft Red Herring Prospectus or the next day, make a public announcement on one English language national daily, one Hindi language national daily and one Marathi language newspaper, each with wide circulation, disclosing to the public the fact of filing of the Draft Red Herring Prospectus with the SEBI and inviting the public to give their comments to the SEBI in respect of disclosures made in the Draft Red Herring Prospectus.

Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one English language national newspaper (one each in English and Hindi) and one Marathi newspaper, each with wide circulation.

Advertisement regarding Issue Price and Prospectus

Our Company will issue an advertisement after the filing of the Prospectus with the RoC. This advertisement, among other things, shall indicate the Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such an advertisement.

Issuance of Allotment Advice

1. Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the members of the Syndicate and the SCSBs a list of the successful Bidders who have been or are to be Allotted Equity Shares in the Issue.

2. The Registrar to the Issue will send Allotment Advice to Bidders who have been Allotted Equity Shares in the Issue.

3. The dispatch of an Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Bidder for all the Equity Shares allotted to such Bidder.

Designated Date and Allotment of Equity Shares

a) Our Company will ensure that the Allotment and credit to the successful Bidder's depositary account will be completed within 12 Working Days of the Bid Closing Date.

b) Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.

c) Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them.

GENERAL INSTRUCTIONS

Do's:

a) Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law;

b) Ensure that you have Bid within the Price Band;

c) Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

d) Ensure that the Bidder's depository account is valid and active;

e) Ensure that the details about the DP ID, BAN and PAN are correct as Allotment will be in the dematerialised form only;

f) Ensure that the Bids are submitted at the bidding centres only on Bid cum Application Forms bearing the stamp of a member of the Syndicate;

g) Ensure that you have funds equal to the Bid Amount in your bank account before submitting the Bid cum Application Form to the Syndicate.;

h) Ensure that you request for and receive a TRS for all your Bid options;

i) Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS or acknowledgment;

j) Except for Bids (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Bidders should provide their PAN. Bid cum Application Forms in which the PAN is not provided will be rejected. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a)the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;

k) Ensure that the Demographic Details are updated, true and correct in all respects;

l) Ensure that the names given in the Bid cum Application Form is exactly the same as the names available in the depository database. 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;

m) Ensure that the DP ID, the BAN and the PAN mentioned in the Bid cum Application Form and entered into the electronic bidding system of the stock exchanges by the members of the Syndicate match with the DP ID, BAN and PAN available in the Depository database; and

n) Ensure correct bank details.

Don'ts:

a) Do not Bid for lower than the minimum Bid size;

b) Do not Bid/ revise Bid Amount to less than the Floor Price or higher than the Cap Price;

c) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;

d) Do not pay the Bid Amount in cash, 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 the members of the Syndicate only;

f) Do not Bid at Cut-off Price (for QIBs and Non-Institutional Bidders, for Bid Amount in excess of Rs. 200,000);

g) Do not Bid for a Bid Amount exceeding Rs. 200,000 for Bids by Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion;

h) 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;

i) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground;

j) Do not submit incorrect details of the DP ID, BAN and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;

k) Do not submit Bids without payment of the full Bid Amount;

l) Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms/ ASBA Forms, or on Bid cum application Forms in a colour prescribed for another category of Bidder;

m) Do not Bid if you are not competent to contract under the Indian Contract Act, 1872.

ADDITIONAL INSTRUCTIONS SPECIFIC TO ASBA BIDDERS

Do's:

1. Check if you are eligible to Bid under ASBA;

2. Ensure that you use the ASBA Form specified for the purposes of ASBA;

3. Read all the instructions carefully and complete the ASBA Form;

4. Ensure that your ASBA Form is submitted at a Designated Branch where the ASBA Account is maintained, or the person whose bank account will be utilised by the Bidder for Bidding, has the ASBA Account, and not to the Escrow Collecting Banks (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue or Syndicate;

5. With respect to ASBA Bidders Bidding on physical ASBA Form, ensure that your Bid is submitted at a Designated Branch of the SCSB where the relevant ASBA Account is held. Further, ensure that the ASBA Form is signed by the account holder if the Bidder is not the account holder;

6. Ensure that the ASBA Form is signed by the ASBA Account holder in case the ASBA Bidder is not the account holder;

7. Ensure that you have mentioned the correct ASBA Account number in the ASBA Form;

8. Ensure that you have funds equal to the Bid Amount in the ASBA Account before submitting the ASBA Form to the respective Designated Branch;

9. Ensure that you have correctly checked the authorisation box in the ASBA Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds in the ASBA Account equivalent to the Bid Amount mentioned in the ASBA Form;

10. Ensure that you receive an acknowledgement from the Designated Branch for the submission of your ASBA Form;

11. Submit ASBA Revision Form to the same Designed Branch through whom the ASBA Form was placed and obtain a revised acknowledgment;

12. Ensure that the name(s) given in the ASBA Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the ASBA 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 ASBA Form.

Don'ts:

1. Do not Bid on another ASBA Form or on a Bid cum Application Form after you have submitted a Bid to a Designated Branch;

2. Payment of Bid Amounts in any mode other than through blocking of Bid Amounts in the ASBA Accounts shall not be accepted under the ASBA;

3. Do not send your physical ASBA Form by post. Instead submit the same to a Designated Branch; and

4. Do not submit more than five ASBA Forms per ASBA Account.

INSTRUCTIONS FOR COMPLETING THE BID-CUM-APPLICATION FORM AND ASBA FORM

1. Bids and revisions of Bids must be made only in the prescribed Bid cum Application Form, Revision Form, ASBA Form or ASBA Revision Form, as applicable.

2. In case of Retail Bidders (including Eligible NRIs)Bids should be for a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum Bid Amount of Rs. 200,000. In case the Bid Amount is more than Rs. 200,000 due to revision of the Bid or revision of the Price Band or on exercise of the option to Bid at the Cut-Off Price, the Bid will be considered for allocation in the Non-Institutional portion. The option to Bid at the Cut-Off Price is available only to Retail Bidders indicating their agreement to Bid and purchase at the Issue Price as determined at the end of the Book Building Process.

3. In case of Non-Institutional Bidders and QIB Bidders, for a minimum of such number of Equity Shares in multiples of [●] such that the Bid Amount exceeds Rs. 200,000.

4. Bid cum Application Forms, ASBA Forms, Revision Forms or ASBA Revision Form are to be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Red Herring Prospectus and the Bid cum Application Form or the ASBA Form, as the case may be. Incomplete Bid cum Application Forms, ASBA Forms or Revision Forms or ASBA Revision Forms are liable to be rejected. Bidders should note that the members of the Syndicate and /or the SCSBs, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Bid cum Application Forms, ASBA Forms, Revision Forms or ASBA Revision Forms.

5. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal. Bids must be in single name or in joint names (not more than three, and in the same order as their Depository Participant details).

6. Bidders must provide details of valid and active DP ID, BAN and PAN clearly and without error. On the basis of the Bidder's active DP ID, BAN and PAN provided in the Bid cum Application Form or the ASBA Form, and as entered into the electronic bidding system of the Stock Exchanges by the Syndicate and the SCSBs, as the case may be, the Registrar to the Issue will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment.

7. Information provided by the Bidders will be uploaded in the online system by the members of the Syndicate and the SCSBs, as the case may be, and the electronic data will be used to make allocation/Allotment. The Bidders should ensure that the details are correct and legible.

8. Based on the category of the Bidder, the Bid must comply with the maximum and minimum Bid size, as described in "Maximum and Minimum Bid Size" on page no. 208.

9. Bids through ASBA must be:
    - made only in the prescribed ASBA Form or ASBA Revision Forms (if submitted in physical mode) or the electronic mode.
    - made in single name or in joint names (not more than three, and in the same order as their details appear with the Depository Participant).
    - completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Red Herring Prospectus and in the ASBA Form.

10. If the ASBA Account holder is different from the ASBA Bidder, the ASBA Form should be signed by the ASBA Account holder, in accordance with the instructions provided in the ASBA Form.

11. For ASBA Bidders, the Bids in physical mode should be submitted to the SCSBs on the prescribed ASBA Form. SCSBs may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account.

Bidder's PAN, Depository Account and Bank Account Details

Bidders should note that on the basis of the DP ID, Beneficiary Account Number and PAN provided by them in the Bid cum Application Form or ASBA Form, and as entered by the Members of the Syndicate while registering the Bid, the Registrar to the Issue will obtain from the Depository the Demographic Details of the Bidders. These Demographic Details would be used for giving Allotment Advice to the Bidders, refunds (including through physical refund warrants, direct credit, ECS, NEFT and RTGS) or unblocking of ASBA Account. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch/ credit of refunds to Bidders or unblocking of ASBA Account at the Bidders sole risk and neither the members of the Syndicate or the Registrar to the Issue or the Escrow Collection Banks or the SCSBs nor our Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form or the ASBA Form, as the case may be.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, BENEFICIARY ACCOUNT NUMBER AND PERNMANENT ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM OR ASBA FORM. INVESTORS MUST ENSURE THAT THE DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, BENEFICIARY ACCOUNT NUMBER AND PERNMANENT ACCOUNT NUMBER GIVEN IN THE BID CUM APPLICATION FORM OR ASBA FORM IS EXACTLY THE SAME AS THE DP ID, BAN AND PAN AVAILABLE IN THE DEPOSITORY DATABASE. IN CASE THE BID CUM APPLICATION FORM OR ASBA FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM OR ASBA FORM.

Bidders may note that in case the DP ID, Beneficiary Account Number and PAN mentioned in the Bid cum Application Form or the ASBA Form, as the case may be and entered into the electronic bidding system of the stock exchanges by the Syndicate Member do not match with the DP ID, Beneficiary Account Number and PAN available in the Depository database, the Bid cum Application Form or the ASBA Form, as the case may be is liable to be rejected.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form or ASBA Form would not be used for any other purpose by the Registrar to the Issue except in relation to the Issue.

By signing the Bid cum Application Form or ASBA Form, the Bidder would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund orders/ Allotment Advice 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/ Allotment Advice 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 (other than ASBA Bidders) 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 such Bidders sole risk and neither our Company, Escrow Collection Banks, Registrar to the Issue nor the members of the Syndicate 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 of refunds through electronic modes as detailed in this DRHP, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Beneficiary Account Number and PAN, then such Bids are liable to be rejected.

Bids by Non-Residents including Eligible NRIs, FIIs registered with SEBI
Bids and revision to Bids must be made in the following manner:

1. On the Bid cum Application Form, ASBA Form, Revision Form or the ASBA Revision Form, as applicable ([●] in colour), 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 Depositary Participant details).

3. Bids on a repatriation basis shall be in the names of individuals, or in the name of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

Bids by Eligible NRIs for a Bid Amount of up to Rs. 200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than Rs. 200,000 would be considered under Non-Institutional Portion for the purposes of allocation.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form or the ASBA Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

As per the existing policy of the Government of India, OCBs are not permitted to participate in the Issue.

There is no reservation for Eligible NRIs and FIIs and all applicants will be treated on the same basis with other categories for the purpose of allocation.

PAYMENT INSTRUCTIONS

Escrow Mechanism for Bidders other than ASBA Bidders
Our Company and the Syndicate shall open Escrow Account(s) with one or more Escrow Collection Bank(s) in whose favour the Bidders (other than ASBA Bidders) shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders in a certain category would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Banks, for and on behalf of the Bidders, shall maintain the monies in the Escrow Account until the Designated Date. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by Allotment of Equity Shares (but other than in respect of Allotment to successful ASBA Bidders) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the relevant Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the members of the Syndicate, the Escrow Collection Banks and the Registrar to the Issue to facilitate collections from the Bidders.

Payment mechanism for ASBA Bidders
The ASBA Bidders shall specify the ASBA Account number in the ASBA Form and the relevant SCSB shall block an amount equivalent to the application money in the ASBA Account specified in the ASBA Form. In the event of withdrawal or rejection of the ASBA Form or for unsuccessful ASBA Forms, the Registrar to the Issue shall give instructions to the SCSB to unblock the application money in the relevant bank account within 12 Working Days of the Bid Closing Date. The Bid Amount shall remain blocked in the ASBA Account until transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Payment into Escrow Account for Bidders other than ASBA Bidders
Each Bidder shall draw a cheque or demand draft mechanism for the entire Bid amount or remit the funds electronically through the RTGS mechanism for the amount payable on the Bid and/or on allocation/Allotment as per the following terms:

1. All Bidders would be required to pay the full Bid Amount at the time of the submission of the Bid cum Application Form.

2. The Bidders 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. If the payment is not made favouring the Escrow Account along with the Bid cum Application Form, the Bid will be rejected. Bid cum Application Forms accompanied by cash, stockinvest, money order or postal order will not be accepted.

3. The payment instruments for payment into the Escrow Account should be drawn in favour of:
   - In case of resident QIBs: "Escrow Account– Relcon – QIB – R";
   - In case of Non-Resident QIBs: "Escrow Account– Relcon - QIB – NR";
   - In case of resident Retail and Non-Institutional Bidders: "Escrow Account– Relcon – R";
   - In case of Non-Resident Retail and Non-Institutional Bidders: "Escrow Account – Relcon –NR"; and
   - In the case of Eligible Employees: "Escrow Account – Relcon – E".

4. In case of Bids by Eligible NRIs applying on repatriation basis, only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs who intend to make payment through freely convertible foreign exchange and are Bidding on a repatriation basis may make the payments must through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder Bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.

5. In case of Bids by Eligible NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a Non-Resident Ordinary (NRO) Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.

6. In case of Bids by FIIs or FVCIs, the payment should be made out of funds held in a 'Special Rupee Account' along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the 'Special Rupee Account'.

7. The monies deposited in the Escrow Account will be held for the benefit of the Bidders (other than ASBA Bidders) till the Designated Date.

8. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Accounts as per the terms of the Escrow Agreement into the Public Issue Accounts with the Bankers to the Issue.

9. No later than 12 Working Days from the Bid Closing Date, the Registrar to the Issue shall despatch all refund amounts payable to unsuccessful Bidders (other than ASBA Bidders) and also the excess amount paid on bidding, if any, after adjusting for Allotment to such Bidders.

10. Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts will be rejected. Cash/ stockinvest/money orders/postal orders will not be accepted. Please note that cheques without the nine digit Magnetic Ink Character Recognition ("MICR") code are liable to be rejected.

11. Bidders are advised to provide the number of the Bid cum Application Form on the reverse of the cheque or bank draft to avoid misuse of instruments submitted with the Bid cum Application Form.

Payment by cash/ stockinvest/ money order

Under the terms of the RBI Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use the stockinvest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn. Payment through cash/ stockinvest/ money order shall not be accepted in this Issue.

Submission of Bid-cum-Application Form

All Bid-cum-Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the Syndicate at the time of submission of the Bid. With respect to the ASBA Bidders, the ASBA Form or the ASBA Revision Form shall be submitted to the Designated Branches of the SCSBs.

No separate receipts shall be issued for the money payable on the submission of Bid-cum-Application Form or Revision Form. However, the collection centre of the Syndicate will acknowledge the receipt of the Bid-cum-Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid-cum-Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid-cum-Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. In this regard, all Bids will be checked for common PAN as per Depository records and all such bids will be treated as multiple bids and are liable to be rejected.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

For Bids from Mutual Funds and FII sub-accounts, which are submitted under the same PAN, as well as Bids on behalf of the Central or State government, an official liquidator or receiver appointed by a court and residents of Sikkim, for whom the submission of PAN is not mandatory, the Bids are scrutinised for DP ID and Beneficiary Account Numbers. In case such Bids bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple Bids and will be rejected.

After submitting an ASBA Form either in physical or electronic mode, where such ASBA Bid is uploaded with the Stock Exchanges, an ASBA Bidder cannot Bid, either in physical or electronic mode, on another ASBA Form or a non-ASBA Form. Submission of a second Bid cum Application Form to either the same or to another Designated Branch of the SCSB or to any member of the Syndicate, will be treated as multiple Bids and will be liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in the Issue. Duplicate copies of ASBA Forms available on the website of the Stock Exchanges bearing the same application number will be treated as multiple Bids and are liable to be rejected. More than one ASBA Bidder may Bid for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five ASBA Forms from such ASBA Bidders with respect to any single ASBA Account. However, an ASBA Bidder may revise the Bid through the Revision Form. Duplicate copies of ASBA Forms downloaded and printed from the website of the Stock Exchanges bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

Our Company, in consultation with the Book Running Lead Manager, reserve the right to reject, in their absolute discretion, all or any multiple Bids in any or all categories.

Permanent Account Number or PAN

Except for Bids by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of a Bid in joint names, each of the Bidders, should mention his/ her PAN. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. **Any Bid cum Application Form or ASBA Form without the PAN is 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**.

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Bids, the Registrar will check under the Depository records for the appropriate description under the PAN field i.e. either Sikkim category or exempt category.

With effect from August 16, 2010, the beneficiary accounts of Bidders for whom PAN details have not been verified will be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made in the accounts of such Bidders.

REJECTION OF BIDS

Our Company has a right to reject Bids based on technical grounds. In case of QIBs, the Company, in consultation with and the Book Running Lead Manager may reject Bids provided that the reasons 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 a right to reject Bids based on technical grounds. Consequent refunds shall be made by through any of the modes described in this DRHP and will be sent to the Bidder's address, where applicable, at the sole/first Bidder's risk. With respect to ASBA Bids, the Designated Branches shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the ASBA Account, the respective Designated Branch ascertains that sufficient funds are not available in the Bidder's ASBA Account. Further, in case any DP ID, BAN or PAN mentioned in the Bid cum Application Form or ASBA Form and as entered into the electronic Bidding system of the Stock Exchanges by the members of the Syndicate and the SCSBs, as the case may be, does not match with one available in the depository's database, such ASBA Bid shall be rejected by the Registrar to the Issue. Subsequent to the acceptance of the ASBA Bid by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected on technical grounds including:

- Bid submitted without payment of the entire Bid Amount or if the amount paid does not tally with the Bid Amount;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply. However a limited liability partnership firm can apply in its own name;
- Bids by persons not competent to contract under the Indian Contract Act, 1872;
- PAN not mentioned in the Bid cum Application Form or ASBA Form, except for bids by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim provided such claims have been verified by the Depository Participants, DP ID and Beneficiary Account Number not mentioned in the Bid cum Application Form or ASBA Form;
- GIR number furnished instead of PAN;
- Bids by OCBs;
- Bids for lower number of Equity Shares than specified for that category of investors;
- Bids at a price less than the Floor Price;
- Bids at a price more than the Cap Price;
- Bids at Cut-off Price by Non-Institutional Bidders and QIBs;

- Bids for a value of more than Rs. 200,000 by Bidders falling under the category of Retail Individual Bidders or Eligible Employees under the Eligible Employee Portion;
- Bids by persons in the Employee Reservation Portion not qualifying as Eligible Employees;
- Bids by persons who are not eligible to acquire Equity Shares in terms of the applicable laws, rules, regulations, guidelines and approvals;
- Bids for number of Equity Shares which are not in multiples of [•];
- Bidder category not indicated in the Bid cum Application Form or the ASBA Form;
- Submission of multiple Bids;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- Bids accompanied by Stockinvest/money order/postal order/cash;
- Signature of Bidders missing. In case of joint Bidders, the Bid cum Application Forms not being signed by each of the joint Bidders and appearing in the same sequence as appearing in the depository's records;
- ASBA Forms not being signed by the ASBA account holder, if the account holder is different from the Bidder;
- Bid cum Application Forms and ASBA Forms does not have the stamp of the members of the Syndicate or the SCSB and/or the Designated Branch (except for electronic ASBA Bids), as the case may be;
- Bid cum Application Forms and ASBA Forms do not have Bidder's depository account details;
- Bid cum Application Forms and ASBA Forms not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms and ASBA Forms, Bid Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms and ASBA Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, Beneficiary Account Number and PAN;
- With respect to ASBA Bids, inadequate funds in the ASBA Account to enable the SCSB to block the Bid Amount specified in the ASBA Form at the time of blocking such Bid Amount in the ASBA Account;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations and applicable law;
- Bids where clear funds are not available in Escrow Accounts as per final certificates from Escrow Collection Banks;
- Authorization to the SCSB for blocking funds in the ASBA Account not ticked or provided;
- Bids by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
- Bids by any person outside India if not in compliance with applicable foreign and Indian Laws;
- Bids by persons in the United States;
- Bids not uploaded on the terminals of the Stock Exchanges; and
- Bids by QIB Bidders uploaded after [●]. on the Bid Closing Date for QIB Bidders, Bids by Non Institutional Bidders uploaded after [●]p.m. on the Bid Closing Date, and Bids by Retail Individual Bidders uploaded after [●] p.m. on the Bid Closing Date.

IN CASE THE DP ID, BAN AND PAN MENTIONED IN THE BID CUM APPLICATION FORM OR ASBA FORM AND ENTERED INTO THE ELECTRONIC BIDDING SYSTEM OF THE STOCK EXCHANGES BY THE SYNDICATE/THE SCSBs DO NOT MATCH WITH THE DP ID, Beneficiary ACCOUNT NUMBER AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITARIES THE APPLICATION IS LIABLE TO BE REJECTED.

FURTHER, BIDS BY PERSONS PROHIBITED FROM BUYING, SELLING OR DEALING IN THE SHARES DIRECTLY OR INDIRECTLY BY SEBI OR ANY OTHER REGULATORY AUTHORITY WILL BE REJECTED.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

As per the provisions of Section 68B of the Companies Act, the Allotment of Equity Shares in this Issue shall be only in a de-materialised 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:

- Agreement dated September 29, 2010, between NSDL, Our Company and the Registrar;
- Agreement dated October 5, 2010, between CDSL, Our Company and the Registrar.

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 either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

(b) The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant‛s identification number) appearing in the Bid-cum-Application Form or Revision Form.

(c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

(d) Names in the Bid-cum-Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

(e) 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) Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

(h) The trading of the Equity Shares of Our Company would be in dematerialised form only for all Bidders in the demat segment of the respective Stock Exchanges.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar quoting the full name of the sole or First Bidder, Bid-cum-Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid form, name and address of the member of the Syndicate or the Designated Branch of the SCSBs where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, bank account number in which the amount equivalent to the Bid Amount was blocked.

Bidders can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of Allotted shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders can contact the Designated Branches of the SCSBs.

PAYMENT OF REFUND

Within 12 Working Days of the Bid Closing Date, the Registrar to the Issue will dispatch the refund orders for all amounts payable to unsuccessful Bidders (other than ASBA Bidders) and also any excess amount paid on Bidding, after adjusting for allocation/ Allotment to Bidders

In the case of Bidders other than ASBA Bidders, the Registrar to the Issue will obtain from the Depositories the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Beneficiary Account Number and PAN provided by the Bidders in their Bid cum Application Forms. Accordingly, Bidders are advised to immediately update their details as appearing on the records of their Depository Participants. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay will be at the Bidders' sole risk and neither our Company, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, will be liable to compensate the Bidders for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

Mode of making refunds for Bidders other than ASBA Bidders

The payment of refund, if any, for Bidders other than ASBA Bidders would be done through any of the following modes:

1. NECS – Payment of refund would be done through NECS for applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code from the Depositories.

2. Direct Credit – Applicants having bank accounts with the Refund Bank (s), as per Demographic Details received from the Depositories, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company.

3. RTGS – Applicants having a bank account at any of the centres where such facility has been made available and whose refund amount exceeds Rs. 2 million, have the option to receive refund through RTGS provided the Demographic Details downloaded from the Depositories contain the nine digit MICR code of the Bidder‟s bank which can be mapped with the RBI data to obtain the corresponding Indian Financial System Code ("**IFSC Code**"). Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

4. NEFT – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the IFSC Code, which can be linked to an MICR, if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage, hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched under certificate of posting for value upto Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs.1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Mode of making refunds for ASBA Bidders

In case of ASBA Bidders, the Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid Closing Date.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

With respect to Bidders other than ASBA Bidders, our Company shall ensure dispatch of Allotment Advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants within 12 Working Days of Bid Closing Date.

In case of applicants who receive refunds through ECS, direct credit or RTGS or NEFT, the refund instructions will be given to the clearing system within 12 Working Days from the Bid Closing Date. A suitable communication shall be sent to the bidders receiving refunds through this mode within 12 Working Days of Bid Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for commencement of trading at all the Stock Exchanges where the Equity Shares are listed are taken within 12 Working Days from the Bid Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, our Company further undertakes that:

- Allotment shall be made only in dematerialised form within 12 Working Days of the Bid Closing Date; and
- With respect to Bidders other than ASBA Bidders, dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 12 Working Days of the Bid Closing Date would be ensured. With respect to the ASBA Bidders, instructions for unblocking of the ASBA Bidder's ASBA Account shall be made within 12 Working Days from the Bid Closing Date.

Our Company shall pay interest at 15% per annum, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within 12 Working Days from the Bid Closing Date; provided such interest shall be in proportion to the number of Equity Shares sold in the Fresh Issue and the Offer for Sale, respectively.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"Any person who:

(a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or

(b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years."

BASIS OF ALLOTMENT

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 the successful Retail Individual Bidders will be made at the Issue Price.

- The Issue size less Allotment to Non-Institutional Bidders and QIBs shall be available for Allotment to Retail Individual Bidders who have Bid at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to [_] 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 aggregate demand in this category is greater than [_] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate Basis of Allotment, 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 Allotment to QIBs and Retail Individual Bidders shall be available for Allotment to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to [_] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

- In case the aggregate demand in this category is greater than [_] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate Basis of Allotment refer below.

C. For QIBs in the QIB Portion

- Bids received from the QIBs Bidding in the QIB Portion at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the QIBs will be made at the Issue Price.

- The QIB Portion shall be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price.

- Allotment shall be undertaken in the following manner:

  (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion shall be determined as follows:

    i. In the event that Bids by Mutual Fund exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion.

    ii. In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price;

    iii. Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds shall be available for Allotment to all QIBs as set out in (b) below;

  (b) In the second instance Allotment to all QIBs shall be determined as follows:

    (i) In the event of oversubscription in the QIB Portion, all QIBs who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion;

    (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs;

    (iii) Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIBs on a proportionate basis.

- The aggregate Allotment to QIBs bidding in the QIB Portion may be up to 19,70,000 Equity Shares.

D. For Employee Reservation Portion

- The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employees does not exceed Rs. 200,000. The Allotment in the Employee Reservation Portion will be on a proportionate basis. Bidders under the Employee Reservation Portion may bid at Cut-Off Price.
- The value of Allotment to any Eligible Employee shall not exceed Rs. 200,000.
- Bids received from the Eligible Employees at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Eligible Employees will be made at the Issue Price.
- If the aggregate demand in this category is less than or equal to 60,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
- If the aggregate demand in this category is greater than 60,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis upto a minimum of [•] Equity Shares and in multiple of [•] Equity Share thereafter. For the method of proportionate Basis of Allotment, refer below.
- Only Eligible Employees are eligible to apply under the Employee Reservation Portion.

Method of Proportionate Basis of Allotment
In the event of the Issue being over-subscribed, the basis of allotment shall be finalised by Our Company in consultation with the Designated Stock Exchange. The Executive Director/Managing Director/authorized employees of the Bombay Stock Exchange (Designated Stock Exchange) along with the post Issue Lead Merchant Banker and the Registrars to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI regulations.

The allotment shall be made in marketable lots, on a proportional basis as explained below:

- Bidders will be categorized according to the number of Equity Shares applied for,

- 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.

- 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 [●] Equity Shares per Bidder, the Allotment shall be made as follows:

- Each successful Bidder shall be allotted a minimum of [●] 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 [●] but is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If the decimal is less 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.

Refund Orders or instructions to the SCSBs
The Registrar to the Issue shall give instructions for credit to the beneficiary account with depository participants within 12 Working Days of the Bid Closing Date. Applicants residing at the centres where clearing houses are managed by the RBI, will get refunds through NECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS and NEFT. 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 of Rs.1,500 and above, if any, by registered post or speed post at the sole or first Bidder's sole risk within 12 Working Days of the Bid 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 12 Working Days of the Bid Closing Date.

In case of ASBA Bidders, the Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid Closing Date.

Interest in case of delay in dispatch Refund Orders/ instruction to SCSB by the Registrar to the Issue

Our Company agrees that: Allotment and credit to the successful Bidders' depositary accounts will be completed within 12 Working Days of the Bid Closing Date.

Our Company shall pay interest at 15% per annum, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within 12 days from the Bid Closing Date; provided such interest shall be in proportion to the number of Equity Shares sold in the Fresh Issue and the Offer for Sale, respectively.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment Advice to the Registrar to the Issue.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by our Company as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- That the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;
- That all steps for completion of the necessary formalities for commencement of trading at all the Stock Exchanges where the Equity Shares are to be listed shall be undertaken within the timelines specified by law;
- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within twelve Working Days of the Bid 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 the certificates of the securities/ refund orders to the non-resident Indians shall be dispatched within specified time;
- that no further issue of securities shall be made till the securities offered through the Draft Red Herring Prospectus are listed or till the application moneys are refunded on account of non-listing, under subscription, etc.; and
- That adequate arrangements shall be made to collect all ASBA Forms and to consider them similar to non-ASBA applications while finalising the Basis of Allotment.

Our Company, in consultation with the BRLM, reserves the right not to proceed with the Issue after the bidding and if so, the reason thereof shall be given as a public notice within two days of the closure of the issue. The public notice shall be issued in the same newspapers where the pre-issue advertisement had appeared. The Stock Exchanges where the specified securities were proposed to be listed shall also be informed promptly.

If our Company withdraws the issue after closure of bidding, the issuer shall be required to file a fresh draft offer document with SEBI.

Utilisation of proceeds of the Fresh Issue

The Board of Directors certify that:

- All monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- Details of all monies utilised out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the issue proceeds remains unutilised, under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised;
- Details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested; and

- 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.
- Our Company shall comply with the requirements of Clause 49 of the Listing Agreement in relation to the disclosure and monitoring of the utilization of the Net Proceeds.

Subscription by foreign investors (NRIs/FIIs)

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public offer, subject to the applicable ceiling for foreign investment in such Indian company, without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

There is no reservation for Eligible NRIs and FIIs registered with SEBI. All Eligible NRIs and FIIs will be treated on the same basis with other categories for the purpose of allocation.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 ("Securities Act") and may not be offered or sold within the United States (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 in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

SECTION IX - MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

Pursuant to Schedule II of the Companies Act and the SEBI Regulations, the main provisions of our Articles relating to, inter alia, 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 herein below is numbered as per the corresponding article number in our Articles and capitalized/defined terms herein have the same meaning given to them in our Articles.

No regulation contained in Table "A" in the First Schedule to Companies Act apply to our Company but the Articles for the management of our Company and for the observance of the members thereof and their representatives shall be subject to any exercise of the statutory powers of our Company with reference to the repeal of or alteration of or addition to its regulations/Articles by special resolution as prescribed by the Companies Act as are contained in the Articles unless the same are repugnant or contrary to the provisions of the Companies Act.

	CAPITAL AND INCREASE AND REDUCTION OF CAPITAL
3	The authorized share capital of the Company is Rs.15,00,00,000 (Rupees Fifteen Crores) divided into 1,50,00,000 Equity Shares of Rs.10/-(Rupees Ten) each. The Company may from time to time by Ordinary Resolution increase its authorised share capital by such sum and to be divided into Shares of such amount as may be specified in the resolution.
4	The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified (which shall include the power to reclassify any unissued share capital of the Company) at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 87 and 88 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 97 of the Act
5	The Board shall have the power to issue a part of authorised capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.
6	Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue preference shares which are or at the option of the Company, liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.
7	On the issue of redeemable preference shares under the provisions of Article 6 hereof, the following provisions-shall take effect. a) No such Shares shall be redeemed except out of profits of the Company which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption. b) No such Shares shall be redeemed unless they are fully paid. c) The premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's share premium account, before the Shares are redeemed. d) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company. e) Subject to the provisions of Section 80 of the Act. The redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions

	in that behalf, in such manner as the Directors may think fit.
8	The Company may (subject to the provisions of section 78, 80 and 100 to 105, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce (a) the share capital; (b) any capital redemption reserve account; or (c) any share premium account (a) in any manner for the time being, authorised by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.
8A	The Company shall have power, subject to and in accordance with all applicable provisions of the Act, to purchase any of its own fully paid Shares whether or not they are redeemable and may make a payment out of capital in respect of such purchase.
9	Subject to the provisions of Section 94 and other applicable provisions of the Act, the Company in General Meeting may, from time to time, sub-divide or consolidate its Shares, or any of them and the resolution whereby any Share is sub-divided may determine that, as between the holders of the Shares resulting from such sub-divisions, one or more of such Shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other(s). Subject as aforesaid, the Company in General Meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the Shares so cancelled.
	MODIFICATION OF RIGHTS
10	Whenever the capital, by reason of the issue of preference shares or otherwise, is divided into different classes of Shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Act, be modified, commuted, affected, abrogated, dealt with or varied with the consent in writing of the holders of not less than three-fourth of the issued capital of that class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of Shares of that class, and all the provisions hereafter contained as to General Meeting shall *mutatis mutandis* apply to every such Meeting. This Article is not to derogate from any power the Company would have if this Article was omitted. The rights conferred upon the holders of the Shares (including preference shares, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of Shares of that class, be deemed not to be modified, commuted, affected, dealt with or varied by the creation or issue of further Shares ranking *pari passu* therewith.
	SHARES, CERTIFICATES AND DEMATERIALISATION
11	The Board of Directors shall observe the restrictions on allotment of Shares to the public contained in Sections 69 and 70 of the Act, and shall cause to be made the returns as to allotment provided for in Section 75 of the Act.
12	(1) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of Shares in the Company made for the first time after its formation, whichever is earlier ,it is proposed to increase the subscribed capital of the Company by allotment of further Shares whether out of unissued share capital or out of 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 equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those Shares at that date (b) Such offer shall be made by a notice specifying the number of Shares offered and limiting a time not being less than thirty days from the date of the offer and the offer, if not accepted, will be deemed to have been declined. (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to them in favour of any other person, and the notice referred to in sub-clause (b) shall contain a statement of this right, PROVIDED THAT the Directors may decline, without assigning any reason, to allot any Shares to any person in whose favour any Member may renounce the Shares offered to him. (d) After the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given declines to accept the Shares offered, the Board of Directors may dispose them off in such manner and to such person(s) as they may think in their sole discretion fit.

	(2) Notwithstanding anything contained in sub-clause (1) hereof, the further Shares aforesaid may be offered to any person(s) (whether or not those persons include the persons referred to in clause (a) sub-clause (1) hereof) in any manner whatsoever. (a) If a Special Resolution to that effect is passed by the Company in the 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 that General Meeting, (including the casting vote, if :any, of the Chairman) by 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 of Directors in this behalf, that the proposal is most beneficial to the Company. (3) Nothing in sub-clause (c) of clause(l) 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 persons in whose favour the renunciation was first made has declined to take the Shares comprised in the renunciation. (4) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debenture issued or 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 has been approved by the Central Government before the issue of the debentures or the raising of the loans, or is in conformity with the rules, if any, made by that government in this behalf, and (b) in the case of debentures or loans other than debentures issued to, or loans obtained from government or any institution specified by the Central Government in this behalf, has also been approved by a Special Resolution passed by the Company in the General Meeting before the issue of the debentures or the raising of the loans.
13	Subject to the provisions of the Act and these Articles, the Shares in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up Shares and if so issued, shall be deemed to be fully paid Shares. Provided that option or right to call for Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.
13A	i. Without prejudice to the generality of the powers of the Board under Article 13 or in any other Article of these Articles of Association, the Board or any Committee thereof duly constituted may, subject to the applicable provisions of the Act, rules notified thereunder and any other applicable laws, rules and regulations, at any point of time, offer existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) to its employees, including Directors (whether whole-time or not), whether at par, at discount or at a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force. ii. In addition to the powers of the Board under Article 13A(i), the Board may also allot the Shares referred to in Article 13A(i) to any trust, whose principal objects would *inter alia* include further transferring such Shares to the Company's employees [including by way of options, as referred to in Article 13A(i)] in accordance with the

	directions of the Board or any Committee thereof duly constituted for this purpose. The Board may make such provision of moneys for the purposes of such trust, as it deems fit. iii. The Board, or any Committee thereof duly authorised for this purpose, may do all such acts, deeds, things, etc. as may be necessary or expedient for the purposes of achieving the objectives set out in Articles 13A(i) and (ii) above.
14	(1) where the Company issues Shares at a premium whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on these Shares shall be transferred to an account, to be called "the share premium account" and the provisions of the Act relating to the reduction of the share capital of the Company shall except as provided in this Article, apply as if the share premium account were paid up share capital of the Company. (2) The share premium account may, notwithstanding anything in clause (I) thereof be applied by the Company: a) In paying up unissued Shares of the Company, to be issued to the Members of the Company as fully paid bonus; b) In writing off the preliminary expenses of the Company; c) In writing off the expenses of or the commission paid or discount allowed or any issue of Shares or debentures of the Company ; or d) (d) In providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.
15	In addition to and without derogating from the powers for that purpose conferred on the Board under these Articles, the Company in General Meeting may, subject to the provisions of Section 81 of the Act, determine that any Shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether Members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount as such General Meeting shall determine and with full power to give any person (whether a Member or not) the option or right to call for or buy allotted Shares of any class of the Company either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provision whatsoever for the issue, allotment, or disposal of any Shares.
15A	i. Without prejudice to the generality of the powers of the General Meeting under Article 15 or in any other Article of these Articles of Association, the General Meeting may, subject to the applicable provisions of the Act, rules notified thereunder and any other applicable laws, rules and regulations, determine, or give the right to the Board or any Committee thereof to determine, that any existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) be allotted/granted to its employees, including Directors (whether whole-time or not), whether at par, at discount or a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force. The General Meeting may also approve any Scheme/Plan/ other writing, as may be set out before it, for the aforesaid purpose ii. In addition to the powers contained in Article 15A(i), the General Meeting may authorise the Board or any Committee thereof to exercise all such powers and do all such things as may be necessary or expedient to achieve the objectives of any Scheme/Plan/other writing approved under the aforesaid Article.
16	The Company may issue at a discount Shares in the Company of a class already issued, if the following conditions are fulfilled, namely: (a) The issue of the Shares at discount is authorised by resolution passed by the Company in the General Meeting and sanctioned by the Company Law Board; (b) The resolution specifies the maximum rate of discount (not exceeding ten percent or such higher percentage as the Company Law Board may permit in any special case) at which the Shares are to be issued; and (c) The Shares to be issued at a discount are issued within two months after the date in which the issue is sanctioned by the Company Law Board or within such extended time as the Company Law Board may allow.

17	If by the conditions of any allotment of any Shares the whole or any part of the amount or issued 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 or his legal representatives, and shall for the purposes of these Articles be deemed to be payable on the date fixed for payment and in case of non-payment the provisions of these Articles as to payment of interest and expenses forfeiture and like and all the other relevant provisions of the Articles shall apply as if such installments were a call duly made notified as hereby provided.
18	Subject to the provisions of the Act and these Articles, the Board may allot and issue Shares in the Capital of the Company as payment for any property purchased or acquired or for services rendered to the Company in the conduct of its business or in satisfaction of any other lawful consideration. Shares which may be so issued may be issued as fully paid-up or partly paid up Shares.
19	Any application signed by or on behalf of an applicant for Share(s) in the Company, followed by an allotment of any Share therein, shall be an acceptance of Share(s) within the meaning of these Articles, and every person who thus or otherwise accepts any Shares and whose name is therefore placed on the Register of Members shall for the purpose of this Article, be a Member.
20	The money, if any which the Board of Directors shall on the allotment of any Shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any Shares allotted by them shall immediately on the inscription of the name of the allottee in the Register of Members as the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.
21	Every Member, or his heirs, executors or administrators to the extent of his assets which come to their hands, shall be liable to pay to the Company the portion of the capital represented by his Share which may, for the time being, remain unpaid thereon in such amounts at such time or times and in such manner as the Board of Directors shall, from time to time, in accordance with the Company's requirements require or fix for the payment thereof.
21(A)	Definitions **Beneficial Owner** "Beneficial Owner" means a person whose name is recorded as such with a Depository. **SEBI** "SEBI" means the Securities and Exchange Board of India. **Bye-Laws** "Bye-Laws" mean bye-laws made by a depository under Section 26 of the Depositories Act, 1996; **Depositories Act.** "Depositories Act" means the Depositories Act, 1996 including any statutory modifications or re-enactment thereof for the time being in force; **Depository** "Depository" means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992; **Record** "Record" includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations made by SEBI; **Regulations** "Regulations" mean the regulations made by SEBI; **Security** "Security" means such security as may be specified by SEBI.
21(B)	Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialised form, the Company shall enter into an agreement with the depository to enable the investor to dematerialise the Securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.
21(C)	Every person subscribing to securities offered by the Company shall have the option to receive the Security certificates or hold securities with a depository. Where a person opts to hold a Security with a depository, the Company shall intimate such depository the details of allotment of the Security, and on receipt of such information the depository shall enter in its record the name of the allotted as the Beneficial Owner of that Security.
21(D)	All Securities held by a Depository shall be dematerialised and shall be in a fungible form; nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

21(E)	(1) Notwithstanding anything to the contrary contained in the Articles, a Depository shall be deemed to be a registered owner for the purposes of effecting transfer of ownership of Security on behalf of the Beneficial Owner; (2) Save as otherwise provided in (1) above, the Depository as a registered owner shall not have any voting rights or any other rights in respect of Securities held by it; (3) Every person holding equity share capital of the Company and whose name is entered as Beneficial Owner in the Records of the Depository shall be deemed to be a Member of the Company. The Beneficial Owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of the Securities held by a Depository.
21(F)	Every Depository shall furnish to the Company information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.
21(G)	If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, the Beneficial Owner shall inform the Depository accordingly. The Depository shall on receipt of information as above make appropriate entries in its Records and shall inform the Company. The Company shall, within thirty (30) days of the receipt of intimation from the depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.
21(H)	Notwithstanding anything to the contrary contained in the Articles, (1) Section 83 of the Act shall not apply to the Shares held with a Depository; (2) Section 108 of the Act shall not apply to transfer of Security effected by the transferor and the transferee both of whom are entered as Beneficial Owners in the Records of a Depository.
22	*(a)Every Member or allotee of Shares is entitled, without payment, to receive one certificate for all the Shares of the same class registered in his name.* *(b) Any two or more joint allottees or holders of Shares shall, for the purpose of this Article, be treated as a single Member and the certificate of any Share which may be the subject of joint ownership may be delivered to any one of such joint owners, on behalf of all of them.*
22A	Every Member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors so time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two months of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case may be. Every certificate of Shares shall be under the seal of the company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and amount paid-up thereon and shall e in such form as the directors may prescribe and approve, provided that in respect of a Share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of Shares to one or several joint holders shall be a sufficient delivery to all such holder.
23	No certificate of any Share or Shares shall be issued either in exchange for those, which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the pages on the reverse for recording transfer have been duly utilised unless the certificate in lieu of which it is issued is surrendered to the Company. PROVIDED THAT no fee shall be charged for issue of new certificate in replacement of those which are old, decrepit or worn out or where the pages on the reverse for recording transfer have been fully utilized.
24	If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every certificate under the article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe. Provided that no

	fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer. Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act 1956 or any other Act, or rules applicable thereof in this behalf. The provision of this Article shall mutatis mutandis apply to Debentures of the Company.
25	If any Share(s) stands in the name of two or more persons, the person first named in the Register of Members shall, as regards receipt of dividends or bonus or service of notice and all or any other matters connected with Company except voting at Meetings and the transfer of the Shares be deemed the sole holder thereof but the joint holders of a Share shall severally as well as jointly be liable for the payment of all incidents thereof according to the Company's Articles.
26	Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise, even when having notice thereof any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them.
27	(a) Except as ordered, by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise, even when having notice thereof, any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them. (b) Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor or of a person of unsound mind (except in case where they are fully paid) or in the name of any firm or partnership.
28	(1) Notwithstanding anything herein contained a person whose name is at any time entered in Register of Member of the Company as the holder of a Share in the Company, but who does not hold the beneficial interest in such Shares, shall, if so required by the Act within such time and in such forms as may be prescribed, make declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such Share in the manner provided in the Act 2) A person who holds a beneficial interest in a Share or a class of Shares of the Company, shall if so required by the Act, within the time prescribed, after his becoming such beneficial owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the Shares stand in the Register of Members of the Company and such other particulars as may be prescribed as provided in the Act (3) Whenever there is a change in the beneficial interest in a Share referred to above, the beneficial owner shall, of so required by the Act, within the time prescribed, from the date of such change, make a declaration to the Company in such form and containing such particulars as may be prescribed in the Act (4) Not withstanding anything contained in the Act and Articles 26 and 27 hereof, where any declaration referred to above is made to the Company, the Company shall, if so required by the Act, make a note of such declaration in the Register of Members and file within the time prescribed from the date of receipt of the declaration a return in the prescribed form with the Registrar with regard to such declaration.
29	No funds of the Company shall except as provided by Section 77 of the Act, be employed in the purchase of its own Shares, unless the consequent reduction of capital is effected and sanction in pursuance of Sections 78, 80 and 100 to 105 of the Act and these Articles or in giving either directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any

	financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any Share in the Company in its holding Company.
	UNDERWRITING AND BROKERAGE
30	Subject to the provisions of Section 76 of the Act, the Company may at anytime pay commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares in or debentures of the Company but so that the commission shall not exceed in the case of the Shares five percent of the price at which the Shares are issued and in the case of debentures two and half percent of the price at which the debenture are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid Shares or debentures as the case may be or partly in one way and partly in the other.
31	The Company may on any issue of Shares or Debentures or on deposits pay such brokerage as may be reasonable and lawful.
32	Where the Company has paid any sum by way of commission in respect of any Shares or Debentures or allowed any sums by way of discount in respect to any Shares or Debentures, such statement thereof shall be made in the annual return as required by Part I of Schedule V to the Act.
	INTEREST OUT OF CAPITAL
33	Where any Shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provisions of any plant which cannot be made profitable for lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid-up, for the period at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or building or the provisions of the plant.
	CALLS
35	(a) Subject to the provisions of Section 91 of the Act, the Board of Directors may from time to time by a resolution passed at a General Meeting make such calls as it thinks fit upon the Members in respect of all moneys unpaid on the Shares or by way of premium, held by them respectively and not by conditions of allotment thereof made payable at fixed time and each Member shall pay the amount of every call so made on him to person or persons and at the times and places appointed by the Board of Directors. A call may be made payable by installments. A call may be postponed or revoked as the Board may determine. No call shall be made payable within less than one month from the date fixed for the payment of the last preceding call. (b) The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.
36	Not less than one month notice in writing of any call shall be given by the Company specifying the time and place of payment and the person or persons to whom such call shall be paid.
37	A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board of Directors and may be made payable by the Members of such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Board of Directors.
38	The Board of Directors may, from time to time at its discretion, extend the time fixed for the payment of any call and may extended such time to call or any of the Members, the Board of Directors may deem fairly entitled to such extension but no Member shall be entitled to such extension as of right except as a matter of grace and favour.
39	If by the terms of issue of any Share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the Share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.
40	If the sum payable in respect of any call or installment is not paid on or before the day appointed for the payment thereof, the holder for the time being or allottee of the Share in respect of which the call shall have been made or the installment shall be due, shall pay interest on the same at such rate not exceeding eighteen percent per annum as Directors shall fix from the day appointed for the payment

	thereof upto the time of actual payment but the Directors may waive payment of such interest wholly or in part.
41	On the trial of hearing of any action or suit brought by the Company against any Member or his Legal 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 is entered on the Register of Members as the holder or as one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the Shares in respect of which the money is sought to be recovered, that the resolution making the call is duly recorded in the minute book and the notice of such call was duly given to the Member or his legal representatives sued in pursuance of these Articles and it shall not be necessary to prove the appointment of Directors who made such call, nor that a quorum of Directors was present at the Board meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.
42	The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any Member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced. The Members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable. The provisions of these Articles shall mutatis mutandis apply to the calls on Debentures of the Company.
	LIEN
43	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, or any indulgence granted by the Company in respect of the payment of such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.
44	The Company shall have first and paramount lien upon all Shares/ Debentures (other than fully paid up Shares/ Debentures) registered in the name of each Member whether solely or jointly with others and upon the proceeds of sale thereof, for all moneys (whether presently payable or not), called or payable at a fixed time in respect of such Shares/ Debentures and no equitable interests in any Share/ Debenture shall be created except upon the footing and condition that this Article is to have full legal effect. Any such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares/ Debentures; PROVIDED THAT the Board of Directors may, at any time, declare any Share/ Debenture to be wholly or in part exempt from the provisions of this Article. Unless otherwise agreed the registration of a transfer of Shares/ Debentures shall operate as a waiver of the Company’s lien if any, on such Shares. The fully paid shares shall be free from all liens and that in the case of partly paid shares the issuer’s lien shall be restricted to money call & payable at fixed time in respect of such shares.
45	The Company may sell, in such manner as the Board thinks fit, any Shares on which the Company has lien for the purpose of enforcing the same PROVIDED THAT no sale shall be made:- (a) Unless a sum in respect of which the lien exists is presently payable; or (b) Until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is /presently payable has been given to the registered holder for the time being of the Share or the person entitled thereto by reason of his death or insolvency. For the purpose of such sale the Board may cause to be issued a duplicate certificate in respect of such Shares and may authorise one of their members to

	execute a transfer there from behalf of and in the name of such Members (c) The purchaser shall not be bound to see the application of the purchase money, nor shall his title to the Shares be affected by any irregularity, or invalidity in the proceedings in reference to the sale.
46	(a) The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable, and (b) The residue if any, after adjusting costs and expenses if any incurred shall be paid to the person entitled to the Shares at the date of the sale (subject to a like lien for sums not presently payable as existed on the Shares before the sale).
	FORFEITURE OF SHARE
47	If any Member fails to pay the whole or any part of any call or any installments of a call on or before the day appointed for the payment of the same or any such extension thereof, the Board of Directors may, at any time thereafter, during such time as the call for installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
48	For the purposes of the provisions of these Articles relating to forfeiture of Shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such Share on the day of allotment.
49	The notice shall name a day, (not being less than fourteen days form the day of the notice) and a place or places on and at which such call in installment and such interest thereon at such rate not exceeding eighteen percent per annum as the Directors may determine and expenses as aforesaid are to be paid. The notice shall also state that in the event of the non-payment at or before the time and at the place appointed, Shares in respect of which the call was made or installment is payable will be liable to be forfeited.
50	If the requirements of any such notice as aforesaid are not complied with, any Share or Shares in respect of which such notice has been given may at any time thereafter before payment of all calls or installments, interests and expenses due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited Shares and not actually paid before the forfeiture.
51	When any Share 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.
52	Any Share so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the original holder or to any other person, upon such terms and in such manner as the Board of Directors shall think fit.
53	Any Member whose Shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such Shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding eighteen percent per annum as the Board of Directors may determine and the Board of Directors may enforce the payment of such moneys or any part thereof, if it thinks fit, but shall not be under any obligation to do so.
54	The forfeiture of a Share shall involve the extinction at the time of the forfeiture, of all interest in and all claims and demand 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.
55	The Board of Directors may at any time before any Share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.
56	(a) A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager or the Secretary of the Company, and that Share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the

	facts therein stated as against all persons claiming to be entitled to the Share. (b) The Company may receive the consideration, if any, given for the Share on any sale, re-allotment or other disposal thereof and may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed off. (c) The person to whom such Share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the Share. (d) Any such purchaser or allotee shall not (unless by express agreement) be liable to pay calls, amounts, installments, interests and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interests or bonuses accrued or which might have accrued upon the Share before the time of completing such purchase or before such allotment. (e) Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be effected by the irregularity or invalidity in the proceedings in reference to the forfeiture, sale re-allotment or other disposal of the Shares.
57	The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a Share becomes payable at a fixed time, whether on account of the nominal value of Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
58	Upon sale, re-allotment or other disposal under the provisions of these Articles, the certificate or certificates originally issued in respect of the said 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 new certificate or certificates in respect of the said Shares to the person or persons entitled thereto.
59	The declaration as mentioned in Article 56(a) of these Articles shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.
60	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
61	The Directors may subject to the provisions of the Act, accept a surrender or any share from any Member desirous of surrendering on such terms and conditions as they think fit.
	TRANSFER AND TRANSMISSION OF SHARES
62	No Share which is partly paid-up or on which any sum of money is due shall in any circumstances be transferred to any minor, insolvent or person of unsound mind.
63	The common Form of Transfer shall be used. The instrument of transfer shall be in writing and all provisions of Section 108 of the Companies Act, 1956 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.
64	(a) An application for registration of a transfer of the Shares in the Company may be either by the transferor or the transferee. (b) Where the application is made by the transferor and relates to partly paid Shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice (c) For the purposes of clause (b) above notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address, given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.
65	The instrument of transfer of any Share shall be duly stamped and executed by or on behalf of both the transferor and the transferee and shall be witnessed. 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 requirements of provisions of Section 108 of the Companies Act, 1956 and any statutory modification thereof for the time being shall be duly complied with.
66	A transfer of Share in the Company of a deceased Member thereof made by his legal representative shall, although the legal representative is not himself a Member be as valid as if he had been a Member at the time of the execution of the instrument of transfer.
67	The Board of Directors shall have power on giving not less than seven days pervious notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situated to close the Register of Members and/or the Register of debentures 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 at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.
68	Subject to the provisions of Section 111A these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a Member in or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.
69	In case of the death of any one or more of the persons named in the Register of Members as the joint holders of any Share, the survivor or survivors shall be the only persons recognised by the Company as having any title or interest in such Share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on Shares held by him with any other person.
70	The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks it, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 109A and 109B of the Companies Act.
71	Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.
72	Subject to the provisions of the Act and Article 69 hereto, any person becoming entitled to Share in consequence of the death, lunacy, bankruptcy insolvency of any Member or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Share or elect to have some person nominated by him and approved by the Board registered as such holder; provided nevertheless, that if such person shall elect to have his nominee registered as a holder, he shall execute an instrument of transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the Shares. This clause is hereinafter referred to as the

	"Transmission Clause".
73	Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any Share of his nominee as if he were the transferee named in an ordinary transfer presented for registration.
74	A person entitled to a Share by transmission shall subject to the right of the Directors to retain dividends or money as is herein provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the Share.
75	No fee shall be charged for registration of transfer, transmission Probate, Succession Certificate & Letters of Administration, Certificate of Death or Marriage, Power of Attorney or other similar documents.
76	Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the Shares and generally under and subject to such conditions and regulations as the Board may, from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.
77	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 referred thereto, in any book of the Company, and the Company shall not be bound to be required to regard or attend to give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting to do so, 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.
	CONVERSION OF SHARES INTO STOCK AND RECONVERSION
82	The Company may, by Ordinary Resolution: (a) Convert any fully paid up Share into stock, and (b) reconvert any stock into fully paid-up Shares.
83	The several holders of such stock may transfer there respective interest therein or any part thereof in the same manner and subject to the same regulations under which the stock arose might before the conversion, have been transferred, or as near thereto as circumstances admit. PROVIDED THAT the Board may, form time to time, fix the minimum amount of stock transferable, so however that such minimum shall not exceed the nominal amount of the Shares from which stock arose.
84	The holders of stock shall, according to the amount of stock held by them, have the same right, privileges and advantages as regards dividends, voting at meeting of the Company, and other matters, as if they held the Shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred those privileges or advantages.
85	Such of the regulations of the Company as are applicable to the paid up Shares shall apply to stock and the words "Share" and "Share holder" in these regulations shall include "stock" and "stock holder" respectively.
	BORROWING POWERS
86	Subject to the provisions of Sections 58A, 292 and 370 of the Act and these Articles, the Board of Directors may, from time to time at its discretion by a resolution passed at a meeting of the Board, borrow, accept deposits from Members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any such sum or sums of money for the purposes of the Company from any source. PROVIDED THAT, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board of Directors shall not borrow such money without the sanction of the Company in General Meeting. No

	debts incurred by the Company in excess of the limit imposed by this Article shall be valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by this Article had been exceeded.
87	The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon : such terms and conditions in all respects as the Board of Directors may think fit, and in particular in pursuance of a resolution passed at a meeting of the Board (and not by circular resolution) by the issue of bonds, debentures or debentures stock of the Company, charged upon all or any part of the property of the Company, (both present and future), including its un-called capital for the time being and the debentures and the debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
88	Any debenture, debenture stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into Shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of Shares, attending (but not voting) at General Meeting, appointment of Directors and otherwise; however, Debentures with the right to conversion into or allotment of Shares shall be issued only with the consent of the Company in General Meeting by a Special Resolution.
89	If any uncalled capital of the Company is included in or charged by mortgage or other security, the Directors may, subject to the provisions of the Act and these Articles, make calls on the Members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security has been executed.
	MEETING OF MEMBERS
90	The statutory meeting shall be held in accordance with the provisions of Section 165 of the Act within a period of not less than one month and not more than six months from the date on which the Company shall be entitled to commence business.
91	The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other Meeting in that year. All General Meetings other than Annual General Meetings shall be called Extra-ordinary General Meetings. An Annual General Meeting of the Company shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall lapse between the date of one Annual General Meeting and that of next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Register under the provisions of Section 166 (1) of the Act to extend the time with which any Annual General Meeting may be held. Every Annual General Meeting shall be called at a time during business hours, on a day that is not a public holiday, and shall be held at the office of the Company or at some other place within the city in which the Registered Office of the Company is situated as the Board may determine and the notices calling the Meeting shall specify as the Annual General Meeting. Then company may in any one Annual General Meeting fix the time for its subsequent Annual General Meeting. Every Member of the Company shall be entitled to attend, either in person or by proxy and the Auditors of the Company, shall have the right to attend and be heard at any General Meeting which he attends on any part of the business which concerns him as an Auditor. At every Annual General Meeting of the Company there shall be laid on the table the Director's Report and audited statement of accounts, the Proxy Register with proxies and the Register of Director's Shareholding, which Registers shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the annual list of Members, summary of share capital, balance sheet and profit and loss account and forward the same to the Registrar in accordance with Sections 159, 161 and 220 of the Act.
92	The Company shall in every Annual General Meeting in addition to any other Report or Statement lay on the table the Director's Report and audited statement of accounts, Auditor's Report (if not already incorporated in the audited statement of accounts), the Proxy Register with proxies and the Register of Director's shareholdings, which Registers shall remain open and accessible during the continuance of the Meeting.
93	All General Meeting other than Annual General Meeting shall be called Extra-Ordinary General Meeting.
94	(1) Subject to the provisions of Section 188 of the Act, the Directors shall on the

	requisition in writing of such number of Members as is hereinafter specified and (unless the General Meeting otherwise resolves) at the expense of the requisitionists:- (a) Give to the Members of the Company entitled to receive notice of the next Annual General Meeting, notice of any resolution which may properly be moved and is intended to be moved at that meeting. (b) Circulate to the Members entitled to have notice of any General Meeting sent to them, any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or any business to be dealt with at that Meeting. (2) The number of Members necessary for a requisition under clause (1) hereof shall be (a) Such number of Members as represent not less than one-twentieth of the total voting power of all the Members having at the date of the resolution a right to vote on the resolution or business to which the requisition relates; or (b) not less than one hundred Members having the rights aforesaid and holding Shares in the Company on which there has been paid up an aggregate sum of not less than Rupees one lac in all. (3) Notice of any such resolution shall be given and any such statement shall be circulated, to Members of the Company entitled to have notice of the Meeting sent to them by serving a copy of the resolution or statement to each Member in any manner permitted by the Act for service of notice of the Meeting and notice of any such resolution shall be given to any other Member of the Company by giving notice of the general effect of the resolution in any manner permitted by the Act for giving him notice of meeting of the Company. The copy of the resolution shall be served, or notice of the effect of the resolution shall be given, as the case may be in the same manner, and so far as practicable, at the same time as notice of the Meeting and where it is not practicable for it to be served or given at the time it shall be served or given as soon as practicable thereafter. (4) The Company shall not be bound under this Article to give notice of any resolution or to circulate any statement unless: (a) A copy of the requisition signed by, the requisitionists (or two or more copies which between them contain the signature of all the requisitionists) is deposited at the Registered Office of the Company. (i)In the case of a requisition, requiring notice of resolution, not less than six weeks before the Meeting. (ii)the case of any other requisition, not let than two weeks before the Meeting, and (b) There is deposited or tendered with the requisition sum reasonably sufficient to meet the Company expenses in giving effect thereto. PROVIDED THAT if after a copy of the requisition requiring notice of a resolution has been deposited at the Registered Office of the Company, and an Annual General Meeting is called for a date six weeks or less after such copy has been deposited, the copy although not deposited within the time required by this clause, shall be deemed to have been properly deposited for the purposes also thereof. (5) The Company shall also not be bound under this Article to circulate any statement, if on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights conferred by this Article are being abused to secure needless publicity for defamatory matter. (6) Notwithstanding anything in these Articles, the business which may be dealt with at Annual General Meeting shall include any resolution for which notice is given in accordance with this Article, and for the purposes of this clause, notice shall be deemed to have been so given, notwithstanding the accidental omission in giving it to one or more Members.
95	(a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of the Members as herein provided, forthwith proceed to convene Extra-Ordinary General Meeting of the Company. (b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.
96	(1) In case of requisition the following provisions shall have effect:

	(a) The requisition shall set out the matter for the purpose of which the Meeting is to be called and shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company. (b) The requisition may consist of several documents in like form each signed by one or more requisitionists. (c) The number of Members entitled to requisition a Meeting in regard to any matter shall be such number as hold at the date of the deposit of the requisition, not less than one-tenth of such of the paid-up share capital of the Company as that date carried the right of voting in regard to that matter. (d) Where two or more distinct matters are specified in the requisition, the provisions of sub-clause (3) shall apply separately in regard to such matter, and the requisition shall accordingly be valid only in respect of those matters in regard to which the conditions specified in that clause are fulfilled. (e) If the Board does not within twenty-one days from the date of the deposit of a valid requisition in regard to any matters, proceed, duly to call a Meeting for the consideration of those matters on a day not later than forty-five days from the date of the deposit of the requisition, the Meeting may be called: (i)By the requisitionists themselves ; or (ii) by such of the requisitionists as represent either a majority in value of the paid up share capital held by all of them or not less than one tenth of the paid-up share capital of the Company as is referred to in sub clauses (c) of clause (I) which ever is less. PROVIDED THAT for the purpose of this sub-clause, the Board shall, in the case of a Meeting at which a resolution is to be proposed as a Special Resolution, be deemed not to have duly convened the Meeting if they do not give such notice thereof as is required by sub-section (2) of Section 189 of the Act. (2) A meeting called under sub-clause (c) of clause (1) by requisitionsits or any of them: (a) shall be called in the same manner as, nearly as possible, as that in which meeting is to be called by the Board; but (b) shall not be held after the expiration of three months from the date of deposit of the requisition. PROVIDED THAT nothing in sub-clause (b) shall be deemed to prevent a Meeting duly commenced before the expiry of the period of three months aforesaid, from adjourning to some days after the expiry of that period. (3) Where two or more Persons hold any Shares in the Company jointly; a requisition or a notice calling a Meeting signed by one or some only of them shall, for the purpose of this Article, have the same force and effect as if it has been signed by all of them. (4) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board to duly to call a Meeting shall be repaid to the requisitionists by the Company; and any sum repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.
97	(1) A General Meeting of the Company may be called by giving not less than twenty-one days notice in writing. (2) A General Meeting may be called after giving shorter notice than that specified in clause (1) hereof, if consent is accorded thereto: (i) In the case of Annual General Meeting by all the Members entitled to vote thereat; and (ii) In the case of any other Meeting, by Members of the Company holding not less than ninety-five percent of such part of the paid up share capital of the Company as gives a right to vote at the Meeting. PROVIDED THAT where any Members of the Company are entitled to vote only on some resolution, or resolutions to be moved at a Meeting and not on the others, those Members shall be taken into account for the purposes of this clause in respect of the former resolutions and not in respect of the later.
98	(1) Every notice of a Meeting of the Company shall specify the place and the day and hour of the Meeting and shall contain a statement of the business to be transacted thereat. (2) Subject to the provisions of the Act notice of every General Meeting shall be given; (a) to every Member of the Company, in any manner authorised by sub-sections (1) to (4) Section 53 of the Act;

	(b) to the persons entitled to a Share in consequence of the death, or insolvency of a Member, by sending it through post in a prepaid letter addressed to them by name or by the title of representative of the deceased, or assignees of the insolvent, or by like description, at the address, if any in India supplied for ,the purpose by the persons claiming to be so entitled or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred; and (c) to the Auditor or Auditors for the time being of the Company in any manner authorised by Section 53 of the Act in the case of Members of the Company PROVIDED THAT, where the notice of a Meeting is given by advertising the same in a newspaper circulating in the neighborhood of Registered Office of the Company under sub-section (3) of Section 53 of the Act, the statement of material facts referred to in Section 173 of the Act need not be annexed to the notice as required by that Section, but it shall be mentioned in the advertisement that the statement has been forwarded to the Members of the Company. (3)Every notice convening a Meeting of the Company shall state with reasonable prominence that a Member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of himself and that a proxy need not be a Member of the Company.
99	(1)(a) In the case of an Annual General Meeting all business to be transacted at the Meeting shall be deemed special, with the exception of business relating to (i) the consideration of the accounts, balance sheet the reports of the Board of Directors and Auditors; (ii) the declaration of dividend; (iii) the appointment of Directors in the place, of those retiring; and (iv) the appointment of, and the fixing of the remuneration of the Auditors, and (b) In the case of any other meeting, all business shall be deemed special (2) Where any items of business to be transacted at the Meeting of the Company are deemed to be special as aforesaid, there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item, of business, including in particular the nature of the concern or interest, if any, therein of every Director. PROVIDED THAT, where any such item of special business at the Meeting of the Company relates to or affects, any other company, the extent of shareholding interest in that other company of every Director of the Company shall also be set out in the statement, if the extent of such shareholding interest is not less than twenty percent of the paid up-share capital of the other company. (3) Where any item of business consists of the according of approval to any document by the Meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid
100	The accidental omission to give such notice as aforesaid to or non-receipt thereof by, any Member or other person to whom it should be given, shall not invalidate the proceedings of any such Meeting.
101	No General Meeting, Annual or Extra-Ordinary shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices convening the Meeting.
102	Five Members entitled to vote and present in person shall be quorum for General Meeting and no business shall be transacted at the General Meeting unless the quorum requisite be present at the commencement of the Meeting. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act. The President of India or the Governor of a State being a Member of the Company shall be deemed to be personally present if it is presented in accordance with Section 187 of the Act.
103	If within half an hour from the time appointed for holding a Meeting of the Company, a quorum is not present, the Meeting, if called by or upon the requisition of the Members shall stand dissolved and in any other case the Meeting shall stand, adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday, at the same time and place or to such other day and at such other time and place as the Board may determine. If at the adjournment meeting also, a quorum is not present within half an hour from the time appointed for holding the Meeting, the Members present shall be a quorum and may transact the business for which the Meeting was called.

104	Where a resolution is passed at an adjourned Meeting of the Company, the resolution for all purposes is treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.
105	At every General Meeting the Chair shall be taken by the Chairman of the Board of Directors. If at any Meeting, the Chairman of the Board of Directors is not present within ten minutes after the time appointed for holding the Meeting or though present, is unwilling to act as Chairman, the Vice Chairman of the Board of Directors would act as Chairman of the Meeting and if Vice Chairman of the Board of Directors is not present or, though present, is unwilling to act as Chairman, the Directors present may choose one of themselves to be a Chairman, and in default or their doing so or if no Directors shall be present and willing to take the Chair, then the Members present shall choose one of themselves, being a Member entitled to vote, to be Chairman.
105(A)	Any act or resolution which, under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the Company in General Meeting shall be sufficiently done so or passed if effected by an Ordinary Resolution unless either the Act or the Articles specifically require such act to be done or resolution be passed by a Special Resolution.
106	No business shall be discussed at any General Meeting except the election of a Chairman whilst the Chair is vacant.
107	(a) The Chairman may with the consent of Meeting at which a quorum is present and shall if so directed by the Meeting adjourn the Meeting from time to time and from place to place. (b) No business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place. (c) When a Meeting is adjourned for thirty days or more notice of the adjourned Meeting shall be given as in the case of an original Meeting. (d) Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at any adjourned Meeting.
108	Every question submitted to a General Meeting shall be decided in the first instance by a show of hands unless the poll is demanded as provided in these Articles.
109	A declaration by the Chairman of the Meeting that on a show of hands, a resolution has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the book containing the minutes of the proceeding of the Company's General Meeting shall be conclusive evidence of the fact, without proof of the number or proportion of votes cast in favour of or against such resolution.
110	Before or on the declaration of the result of the voting on any resolution on a show of hands a poll may be ordered to be taken by the Chairman of the Meeting on his own motion and shall be ordered to be taken by him on a demand made in that behalf by any Member or Members present in person or by proxy and holding Shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution, or on which an aggregate sum of not less than fifty thousand rupees has been paid up. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.
111	A poll demanded on a question of adjournment or election of a Chairman shall be taken forthwith. A poll demanded on any other question shall be taken at such time not being later than forty-eight hours from the time when the demand was made and in such manner and place as the Chairman of the Meeting may direct and the result of the poll shall be deemed to be the decision of the Meeting on the resolution on which the poll was taken.
112	In the case of equality of votes the Chairman shall both on a show of hands and on a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a Member.
113	Where a poll is to be taken, the Chairman of the Meeting shall appoint two scrutineers to scrutinise the vote given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a Member (not being an officer or employee of the Company) present at the Meeting, provided such a Member is available and willing to be appointed. The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and

	fill vacancies in the office of the scrutineer arising from such removal or from any other cause.
114	The demand for a poll shall not prevent transaction of other business (except on the question of the election of the Chairman and of an adjournment) other than the question on which the poll has been demanded.
115	Where by any provision contained in the Act or in these Articles, special notice is required for any resolution notice of the intention to move the resolution shall be given to the Company not less than fourteen days before the Meeting at which it is to be moved, exclusive of the day which the notice is served or deemed to be served on the day of the Meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its Members notice of the resolution in the same manner as it gives notice of the Meeting, or if that is not practicable shall give them notice thereof, either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the Meeting.
	VOTE OF MEMBERS
116	A Member paying the whole or a part of the amount remaining unpaid on any Share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of moneys so paid by him until the same would but for such payment become presently payable.
117	No Member shall exercise any voting rights in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.
118	Subject to the provisions of Article 116, every Member of the Company holding any equity share capital and otherwise entitled to vote shall, on a show of hands when present in person (or being a body corporate present by a representative duly authorised) have one vote and on a poll, when present in person (including a body corporate by a duly authorised representative), or by an agent duly authorised under a Power of Attorney or by proxy, his voting right shall be in proportion to his share of the paid-up equity share capital of the Company. Provided however, if any preference shareholder is present at any meeting of the Company, (save as provided in clause (b) of sub-section (2) of Section 87) he shall have a right to vote only on resolutions before the Meeting which directly affect the rights attached to his preference shares. A Member is not prohibited from exercising his voting rights on the ground that he has not held his Shares or interest in the Company for any specified period preceding the date on which the vote is taken.
119	A Member of unsound mind, or in respect of whom order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may, on a poll, vote by proxy.
120	If there be joint registered holders of any Shares, one of such persons may vote at any Meeting personally or by an agent duly authorised under a Power of Attorney or by proxy in respect of such Shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the Meeting, and if more than one of such joint holders be present at any Meeting either personally or by agent or by proxy, that one of the said persons so present whose name appears higher on the Register of Members shall alone be entitled to speak and to vote in respect of such Shares, but the other holder(s) shall be entitled to vote in preference to a person present by an agent duly authorised under a Power of Attorney or by proxy although the name of such person present by agent or proxy stands first or higher in the Register of Members in respect of such Shares. Several executors or administrators of a deceased Member in whose name Shares stand shall for the purpose of these Articles be deemed joint holders thereof.
121	(a) A body corporate (whether a company within the meaning of the Act or not) may, if it is a Member or creditor of the Company (including a holder of Debentures) authorise such person as it thinks fit by a resolution of its Board of Directors or other governing body, to act as its representative at any Meeting of the Company or any class of shareholders of the Company or at any meeting of the creditors of the Company or Debenture-holders of the Company. A person authorised by resolutions aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual Member, shareholder, creditor or holder of Debentures of the Company. The production of a

	copy of the resolution referred to above certified by a Director or the Secretary of such body corporate before the commencement of the Meeting shall be accepted by the Company as sufficient evidence of the validity of the said representatives' appointment and his right to vote thereat. Where the President of India or the Governor of a State is a Member of the Company, (b) the President or as the case may be the Governor may appoint such person as he thinks fit to act as his representative at any Meeting of the Company or at any meeting of any class of shareholders of the Company and such a person shall be entitled to exercise the same rights and powers, including the right to vote by proxy, as the President, or as the case may be, the Governor could exercise as a Member of the Company.
122	Any person entitled under the Transmission Article to transfer any Shares may vote at any General Meeting in respect thereof in the same manner as if he was the registered holder of such Shares; provided that at least forty-eight hours before the time of holding the Meeting or adjourned Meeting, as the case may be, at which he proposes to vote, he shall satisfy the Directors of the right to transfer such Shares and give such indemnity (if any) as the Directors may require unless the Directors shall have previously admitted his right to vote at such Meeting in respect thereof.
123	Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a Member may vote either by a proxy or by a representative duly authorised in accordance with Section 187 of the Act.
124	On a poll taken at a Meeting of the Company a Member entitled to more than one vote or his proxy, or other persons entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses
125	Any Member of the Company entitled to attend and vote at a Meeting of the Company, shall be entitled to appoint another person (whether a Member or not) as his proxy to attend and vote instead of himself PROVIDED ALWAYS that a proxy so appointed shall not have any right what so ever to speak at the Meeting. Every notice convening a Meeting of the Company shall state that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself, and that a proxy need not be a Member of the Company.
126	An instrument of proxy may appoint a proxy either for the purposes of a particular Meeting specified in the instrument and any adjournment thereof or it may appoint a proxy for the purpose of every Meeting to be held before a date specified in the instrument and every adjournment of any such Meeting.
127	No proxy shall be entitled to vote by a show of hands.
128	The instrument appointing a proxy and the Power of Attorney or authority (if any) under which it is signed or a notarially certified copy of that Power of Attorney or authority, shall be deposited at the Registered Office of the Company at least forty-eight hours before the time for holding the Meeting at which the person named in the instrument purposes to vote and in default the instrument of proxy shall not be treated as valid.
129	Every instrument of proxy whether for a specified Meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in Schedule IX to the Act, and signed by the appointer or his attorney duly authorised in writing or if the appointer is a body corporate, be under its seal or be signed by any officer or attorney duly authorised by it.
130	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or of any Power of Attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, insanity, revocation or transfer shall have been received by the Company at the Registered Office before the commencement of the Meeting or adjourned Meeting at which the proxy is used provided nevertheless that the Chairman of any Meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and of the same not having been revoked.
131	No objection shall be made to the qualification of any voter or to the validity of a vote except at the Meeting or adjourned Meeting at which the vote objected to is given or tendered, and every vote, whether given personally or by proxy, not disallowed at such Meeting, shall be valid for all proposes and such objection made in due time shall be referred to the Chairman of the Meeting.

132	The Chairman of any Meeting shall be the sole judge of the validity of every vote tendered at such Meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. The decision of the Chairman shall be final and conclusive.
133	If any such instrument of appointment is confined to the object of appointing at attorney or proxy for voting at Meetings of the Company, it shall remain permanently or for such time as the Directors may determine, in the custody of the Company. If such instrument embraces other objects, a copy thereof examined with the original shall be delivered to the Company to remain in the custody of the Company.
	DIRECTORS
134	Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors shall not be less than three and not more than twelve.
136	Any Trust Deed for securing Debentures may if so arranged, provide for the appointment, from time to time by the Trustees thereof or by the holders of Debentures, of some person to be a Director of the Company and may empower such Trustees or holder of Debentures, from time to time, to remove and re-appoint any Director so appointed. The Director appointed under this Article is herein referred to as "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this Article. The Debenture Director shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be agreed between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions contained herein.
137	a) Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to Industrial Finance Corporation of India (IFCI),ICICI Ltd.(ICICI), The Industrial Development Bank of India (IDBI) or any other financing company or body out of any loans granted or to be granted by them to the Company or so long as IFCI, ICICI, IDBI or any other financing corporation or credit corporation or any other financing company or body (each of which IFCI, ICICI, IDBI or any other financing corporation or credit corporation or any other financing company or body is hereinafter in this Article referred to as "The Corporation") continue to hold Debentures in the Company by direct subscription or private placement, or so long as the Corporation holds Shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time any person or persons as a Director, whole time or non-whole time (which Director or Directors is/are hereinafter referred to as "Nominee Director(s)") on the Board of the Company and to remove from such office any persons so appointed and to appoint any person or persons in his/ their places. b) The Board of Directors of the Company shall have no power to remove from office the Nominee Director(s). Such Nominee Director(s) shall not be required to hold any Share qualification in the Company. Further Nominee Director shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Directors(s) shall be entitled to the same rights and privileges and be subject to the obligations as any other Director of the Company. c) The Nominee Director(s) so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation and the Nominee Director/s so appointed in exercise of the said power, shall *ipso facto* vacate such office immediately on the moneys owing by the Company to the Corporation being paid off d) The Nominee Director(s) appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and all the Meetings of the Committee of which the Nominee Director(s) is/are Member(s) as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes. e) The sitting fees in relation to such Nominee Director(s) shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any other fees, commission, moneys or remuneration in any form is payable to the Nominee Director of the Company, such fees, commission, moneys and remuneration in relation to such Nominee Director(s) shall

	accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director(s), in connection with their appointment or Directorship, shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director/s provided that if any such Nominee Director/s is/are an officer(s) of the Corporation.. (f) Provided also that in the event of the Nominee Director(s) being appointed as Whole-time Director(s); such Nominee Director/s shall exercise such power and duties as may be approved by the lenders and have such rights as are usually exercised or available to a whole-time Director in the management of the affairs of Company. Such Nominee Director shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Corporation(s) nominated by him.
138	The provisions of Articles 136, 137 and 138 are subject to the provisions of Section 256 of the Act and number of such Directors appointed under Article 137 shall not exceed in the aggregate one third of the total number of Directors for the time being in office.
139	The Board may appoint, an Alternate Director recommended for such appointment by the Director (hereinafter in this Article called "the Original Director") to act for him during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. Every such Alternate Director shall, subject to his giving to the Company an address in India at which notice may be served on him, be entitled to notice of meetings of Directors and to attend and vote as a Director and be counted for the purposes of a quorum and generally at such Meetings to have and exercise all the powers and duties and authorities of the Original Director. The Alternate Director appointed under this Article shall vacate office as and when the Original Director returns to the State in which the meetings of the Board are ordinarily held and if the term of office of the Original Director is determined before he returns to as aforesaid, any provisions in the Act or in these Articles for automatic reappointment of retiring Director in default of another appointment shall apply to the Original Director and not the Alternate Director.
140	The Directors shall have power at any time and from time to time to appoint any person to be a Director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall hold office only upto the date to which the Director in whose place he is appointed would have held office, if it had not been vacated as aforesaid. However, he shall then be eligible for re-election.
141	The Directors shall have the power at any time and from time to time to appoint any other person to be a Director as an addition to the Board ("Additional Director") so that the total number of Directors shall not at any time exceed the maximum fixed by these Articles. Any person so appointed as an Additional Director to the Board shall hold his office only upto the date of the next Annual General Meeting and shall be eligible for election at such Meeting.
142	A Director need not hold any qualification shares.
143	The fees payable to a Director for attending each Board meeting shall be such sum as may be fixed by the Board of Directors not exceeding such sum as may be prescribed by the Central Government for each of the meetings of the Board or a Committee thereof and adjournments thereto attended by him. The Directors, subject to the sanction of the Central Government (if any required) may be paid such higher fees as the Company in General Meeting shall from time to time determine.
144	Subject to the provisions of Sections 198, 309, 310, 311 and 314 of the Act, if any Director, being willing shall be called upon to perform extra services (which expression shall include work done by a Director as a Member of any Committee formed by the Directors or in relation to signing share certificate) or to make special exertions in going or residing or residing out of his usual place of residence or otherwise for any of the purposes of the Company, the Company may remunerate the Director so doing either by a fixed sum or otherwise as may be determined by the Director, and such remuneration may be either in addition to or in substitution for his share in the remuneration herein provided. Subject to the provisions of the Act, a Director who is neither in the whole time employment nor a Managing Director may be paid remuneration either: i) by way of monthly, quarterly or annual payment with the approval of the

	Central Government; or ii) by way of commission if the Company by a Special Resolution authorised such payment.
145	The Board of Directors may subject to the limitations provided by the Act allow and pay to any Director who attends a meeting of the Board of Directors or any Committee thereof or General Meeting of the Company or in connection with the business of the Company at a place other than his usual place of residence, for the purpose of attending a Meeting such sum as the Board may consider fair compensation for traveling, hotel, and other incidental expenses properly incurred by him in addition to his fees for attending such Meeting as above specified.
146	The continuing Director or Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the quorum fixed by these Articles for a meeting of the Board, the Director or Directors may act for the purpose of increasing the number, of Directors or that fixed for the quorum or for summoning a General Meeting of the Company but for no other purposes.
147	(1) Subject to the provisions of Section 297 of the Act, except with the consent of the Board of Directors of the Company, a Director of the Company or his relative, a firm in which such a Director or relative is partner, any other partner in such a firm or a private company of which the Director is a member or director, shall not enter into any contract with the Company. (a) For the sale, purchase or supply of goods, materials or services; or b) for underwriting the subscription of any Share in or debentures of the Company; (c) nothing contained in clause (a) of sub-clause (1) shall affect:- (i) the purchase of goods and materials from the Company, or the sale of goods and materials to the Company by any Director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or (ii) any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private company on the other for sale, purchase or supply of any goods, materials and services in which either the Company, or the Director, relative, firm, partner or private company, as the case may be regularly trades or does business, PROVIDED THAT such contract or contracts do not relate to goods and materials the value of which, or services the cost of which, exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract or contracts; (2) Notwithstanding any contained in sub-clause(1) hereof, a Director, relative, firm partner or private company as aforesaid may, in circumstances of urgent necessity, enter without obtaining the consent of the Board, into any contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or cost of such services exceeds rupees five thousand in the aggregate in any year comprised in the period of the contract; but in such a case the consent of the Board shall be obtained at a Meeting within three months of the date on which the contract was entered into. (3)Every consent of the Board required under this Article shall be accorded by a resolution passed at a meeting of the Board required under clause (1) and the same shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months of the data on which was entered into. (4) If consent is not accorded to any contract under this Article, anything done in pursuance of the contract will be voidable at the option of the Board. (5) The Directors, so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation thereby established.
148	When the Company:- (a) enters into a contract for the appointment of a Managing Director or Wholetime Director in which contract any Director of the Company is whether directly or indirectly, concerned or interested; or (b) varies any such contract already in existence and in which a Director is concerned or interested as aforesaid, the provisions of Section 302 of the Act shall be complied with.
149	(a) A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract entered into or to be entered into by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 299 (2) of the Act.

	(b) A general notice, given to the Board by the Director to the effect that he is a director or is a member of a specified body corporate or is a member of a specified firm under Sections 299(3)(a) shall expire at the end of the financial year in which it shall be given but may be renewed for a further period of one financial year at a time by fresh notice given in the last month of the financial year in which it would have otherwise expired. No such general notice and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that is brought up and read at the first meeting of the Board after it is given.
150	Subject to the provisions of the Act the Directors (including a Managing Director and Whole time Director) shall not be disqualified by reason of his or their office as such from holding office under the Company or from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or lessee or otherwise, nor shall any such contract or any contracts or arrangement entered into by or on behalf of the Company with any Director or with any company or partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting be liable to account to the Company for any profit realized by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established, but it is declared that the nature of his interest shall be disclosed as provided by Section 299 of the Act and in this respect all the provisions of Section 300 and 301 of the Act shall be duly observed and complied with.
151(1)	A person shall not be capable of being appointed Director of the Company if:- a) he has been found to be of unsound mind by a Court of competent jurisdiction and the finding is in force; b) he is an undischarged insolvent; c) he has applied to be adjudged an insolvent and his application is pending; d) he has been convicted by a Court of any offence involving moral turpitude sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed form the date of expiry of the sentence; e) he has not paid any call in respect of Shares of the Company held by him whether alone or jointly with others and six months have lapsed from the last day fixed for the payment of the call; or f) (f) an order disqualifying him for appointment as Director has been passed by a Court in pursuance of Section 203 of the Act and is in force; unless the leave of the Court has been obtained for his appointment in pursuance of that Section.
151(2)	The office of Director shall become vacant if:- (a) he is found to be of unsound mind by a Court of competent jurisdiction; or (b) he applies to be adjudged an insolvent; or (c) he is adjudged an insolvent; or (d) he is convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for less than six months; or (e) he fails to pay any call in respect of Shares of the Company held by him, whether alone or jointly with others within six months from the last date fixed for the payment of the call unless the Central Government, by a notification in the Official Gazette removes the disqualification incurred by such failure; or (f) absents himself from three consecutive meetings of the Board of Directors, or from all meetings of the Board for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board; or (g) he(whether by himself or by any person for his benefit or on his account or any firm in which he is a partner or any private company of which he is a director), accepts a loan, or any guarantee or security for a loan, from the Company in contravention of Section 295 of the Act; or (h) he being in any way whether directly or indirectly concerned or interested in a contract or arrangement or proposed contract or arrangement, entered into or to be entered into by or on behalf of the Company fails to disclose the nature of his concern or interest at a meeting of the Board of Directors as required by Section 299 of the Act; or (i) he becomes disqualified by an order of the Court under Section 203 of the Act; or (j) he is removed by an Ordinary Resolution of the Company before the expiry of his period of notice; or

	(k) if by notice in writing to the Company, he resigns his office, or (l) having been appointed as a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company.
151(3)	Notwithstanding anything contained in sub-clauses (c),(d)and(i) of sub clause (2) hereof, the disqualification referred to in these clauses shall not take effect: (a) for thirty days from the date of the adjudication, sentence or order; (b) where any appeal or petition is preferred within thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed of; or (c) where within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and the appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed of.
152	(a) The Company may subject to the provisions of Section 284 and other applicable provisions of the Act and these Articles by Ordinary Resolution remove any Director not being a Director appointed by the Central Government in pursuance of Section 408 of the Act before the expiry of his period of office. (b) Special Notice as provided by these Articles or Section 190 of the Act; shall be required of any resolution to remove a Director under the Article or to appoint some other person in place of a Director so removed at the Meeting at which he is removed. (c) On receipt of notice of a resolution to remove a Director under this Article; the Company shall forthwith send a copy; thereof to the Director concerned and the Director (whether or not he is a Member of a Company) shall be entitled to be heard on the resolution at the Meeting. (d) where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding reasonable length) and requests their notification to Members of the Company, the Company shall, unless the representations are, received by it too late for it to do so: (i) in the notice of the resolution given to the Members of the Company state the fact of the representations having been made, and (ii) send a copy of the representations to every Member of the Company to whom notice of the Meeting is sent(before or after the representations by the Company) and if a copy of the representations is not sent as aforesaid because they were received too late\ or because of the Company's default the Director may (without prejudice to his right to be heard orally) require that the representation shall be read out at the Meeting; provided that copies of the representation need not be sent or read out at the Meeting if on the application, either of the Company or of any other person who claims to be aggrieved by the Court is satisfied that the rights concerned by this sub-clause are being abused to secure needless publicity for defamatory matter. (e) A vacancy created by the removal of the Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board, in pursuance of Article 143 or Section 262 of the Act be filled by the: appointment of another Director in his place by the Meeting at which he is removed, provided special notice of the intended appointment has been given under sub clause (3) hereof. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid. (f) If the vacancy is not filled under sub-clause(e), it may be filled as a casual vacancy in accordance with the provisions, in so far as they are applicable of Article 143 or Section 162 of the Act, and all the provisions of that Article and Section shall apply accordingly (g) A Director who was removed from office under this Article shall not be re-appointed as a Director by the Board of Directors. (h) Nothing contained in this Article shall be taken:- (i) as depriving a person removed hereunder of any compensation of damages payable to him in respect of the termination of his

	appointment as Director, or (i) as derogating from any power to remove a Director which may exist apart form this Article.
153	No Director shall as a Director take part in the discussion of or vote on any contract arrangement or proceedings entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangement, not shall his presence count for the purpose of forming a quorum at the time of any such discussion or voting, and if he does vote, his vote shall be void. Provided however, that nothing herein contained shall apply to:- (a)any contract of indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company; (b)any contract or arrangement entered into or to be entered into with a public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely; (i) in his being: (a) a director of such company; and (b)the holder of not more than shares of such number of value therein as is requisite to qualify him for appointment as a director, thereof, he having been nominated as director by the company, or (ii) in his being a member holding not more than two percent of its paid-up share capital.
154	A Director may be or become a director of any company promoted by the Company, or in which it may be interested as a vendor, shareholder, or otherwise and no such Director shall be accountable for any benefit received as director or shareholder of such company except in so far Section 309(6) or Section 314 of the Act may be applicable.
	ROTATION AND APPOINTMENT OF DIRECTORS
155	Not less than two third of the total number of Directors shall (a) be persons whose period of the office is liable to termination by retirement by rotation and (b) save as otherwise expressly provided in the Articles be appointed by the Company in General Meeting.
156	Subject to the provisions of Articles 138 and 140, the non-retiring Directors should be appointed by the Board for such period or periods as it may in its discretion deem appropriate.
157	Subject to the provisions of Section 256 of the Act and Articles 136 to 143, at every Annual General Meeting of the Company, one-third or such of the Directors for the time being as are liable to retire by rotation; or if their number is not three or a multiple of three the number nearest to one-third shall retire from office. The Debenture Directors, Nominee Directors, Corporation Directors, Managing Directors if any, subject to Article 169, shall not be taken into account in determining the number of Directors to retire by rotation. In these Articles a "Retiring Director" means a Director retiring by rotation.
158	Subject to Section 288 (5) of the Act, the Directors retiring by rotation under Article 160 at every Annual General Meeting shall be those, who have been longest in office since their last appointment, but as between those who became Directors on the same day, those who are to retire shall in default of and subject to any agreement amongst themselves be determined by the lot.
159	A retiring Director shall be eligible for re-election and shall act as a Director through out and till the conclusion of the Meeting at which he retires.
160	Subject to Sections 258, 259 and 294 of the Act, the Company at the General Meeting, at which a Director retires in manner aforesaid, may fill up the vacancy by appointing the retiring Director or some other person thereto.
161	(a) If the place of retiring Director is not so filled up and the Meeting has not expressly resolved not to fill the vacancy, the Meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place. (b) If at the adjourned Meeting also, the place of the retiring Director is not filled up and the Meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned Meeting, unless:

	(i) at that Meeting or the previous Meeting a resolution for the re-appointment of such Director has been put to the Meeting and lost. (ii) the retiring Director has by a notice in writing addressed to the Company or its Board of Directors expressed his unwillingness to be so re-appointed. (iii) he is not qualified or is disqualified for appointment (iv) a resolution, whether Special or Ordinary is required for his appointment or re-appointment by virtue of any provisions of the Act, or (v) the provision of the sub-section (2) of section 263 of the Act is applicable to the case.
162	Subject to the provisions of Section 252,255 and 259 of the Act, the Company may by Ordinary Resolution from time to time, increase or reduce the number of Directors and may alter qualifications.
163	(a) No motion, at any General Meeting of the Company shall be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has been first agreed to by the Meeting without any vote being given against it. (b) A resolution moved in contravention of clause (a) hereof shall be void, whether or not objection was taken at the time of its being so moved, provided where a resolution so moved has passed no provisions or the automatic re-appointment of retiring Directors in default of another appointment as therein before provided shall apply. (c) For the purposes of this Article, a motion for approving a person's appointment, or for nominating a person for appointment, shall be treated as a motion for his appointment.
164	(1) No person not being a retiring Director shall be eligible for election to the office of Director at any General Meeting unless he or some other Member intending to propose him has given atleast fourteen days notice in writing under his hand signifying his candidature for the office of a Director or the intention of such person to propose him as Director for that office as the case may be, along with a deposit of five hundred rupees which shall be refunded to such person or, as the case may be, to such Member, if the person succeeds in getting elected as a Director. (2) The Company shall inform its Members of the candidature of the person for the office of Director or the intention, of a Member to propose such person as candidate for that office by serving individual notices on the Members not less than seven days before the Meeting provided that it shall not be necessary for the Company to serve individual notices upon the Members as aforesaid if the Company advertises such candidature or intention not less than seven days before the Meeting in at least two newspapers circulating in the place where the registered office of the Company is located of which one is published in the English language and the other in the regional language of that place. (3) Every person (other than Director retiring by rotation or otherwise or person who has left at the office of the Company a notice under Section 257 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office a Director shall sign and file with the Company his consent in writing to act as a Director, if appointed. (4) A person other than:- (a) a Director appointed after retirement by rotation or immediately on the expiry of his term of office, or an Additional or Alternate Director or a person filling a casual vacancy in the office of a Director under Section 252 of the Act ,appointed as a Director re- appointed as an additional or alternate Director immediately on the expiry of his term of office shall not act as a Director of the Company unless he has within thirty days of his appointment signed and filled with the Registrar his consent in writing to act as such Director.
165	Every Director and every person deemed to be Director of the Company by virtue of sub-section (10) of Section 307 of the Act shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that Section. Any such notice shall be given in writing and if it is not given at a meeting of the Board the person giving the notice shall take all reasonable steps to secure that it is brought up and read at the next meeting of the Board after it is given.
	MANAGING DIRECTOR
166	Subject to the provisions of Section 267, 268, 269, 316 and 317 of the Act, the Board may, from time to time, appoint one or more Directors to be Managing

	Director or Managing Directors or Wholetime Directors of the Company, for a fixed term not exceeding five years as to the period for which he is or they are to hold such office, and may, from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places. (a) The Managing Director shall perform such functions and exercise such powers as are delegated to him by the Board of Directors of the Company in accordance with the provisions of the Companies Act, 1956. (b) Subject to the provisions of Sections 255 of the Act, the Managing Director shall not be while he continues to hold that office, subject to retirement by rotation.
167	Subject to the provisions of Sections 309, 310 and 311 of the Act, a Managing Director shall, in addition to any remuneration that might be payable to him as a Director of the Company under these Articles, receive such remuneration as may from time to time be approved by the Company.
168	Subject to any contract between him and the Company, a Managing or Wholetime Director shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire but (subject to the provision of any contract between him and the Company), he shall be subject to the same provisions as to resignation and removal as the Directors of the Company and shall, *ipso facto* and immediately, cease to be a Managing Director if he ceases to hold the office of Director from any cause.
169	The Director may from time to time entrust to and confer upon a Managing Director or Wholetime Director for the time being such of the powers exercisable under these provisions by the Directors, as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as they think expedient, and they may confer such powers, either collaterally with, or to the exclusion of and in substitution for, all or any of the powers of the Directors in that behalf and from time to time, revoke, withdraw, alter, or vary all or any of such powers.
170	The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Wholetime Director or Wholetime Directors of the Company and may exercise all the powers referred to in these Articles.
171	Receipts signed by the Managing Director for any moneys, goods or property received in the usual course of business of the Company or for any money, goods, or property lent to or belonging to the Company shall be an official discharge on behalf of and against the Company for the money, funds or property which in such receipts shall be acknowledged to be received and the persons paying such moneys shall not be bound to see to the application or be answerable for any misapplication thereof. The Managing Director shall also have the power to sign and accept and endorse cheques on behalf of the Company.
172	The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.
173	Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.
173A	The Board may, from time to time, appoint any Manager (under Section 2(24) of the Act) to manage the affairs of the Company. The Board may from time to time entrust to and confer upon a Manager such of the powers exercisable under these Articles by the Directors, as they may think fit, and may, confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as they think expedient.
	PROCEEDINGS OF THE BOARD OF DIRECTORS
174	The Directors may meet together as a Board for the dispatch of business from time to time, and unless the Central Government by virtue of the provisions of Section 285 of the Act allow otherwise, Directors shall so meet at least once in every three months and atleast four such Meetings shall be held in every year. The Directors

	may adjourn and otherwise regulate their Meetings as they think fit. The provisions of this Article shall not be deemed to have been contravened merely by reason of the fact that the meeting of the Board which had been called in compliance with the terms of this Article could not be held for want of a quorum.
175	(a) Subject to Section 287 of the Act the quorum for a meeting of the Board of Directors shall be one-third of its total strength (excluding Directors, if any, whose place may be vacant at the time and any fraction contained in that one third being rounded off as one) or two Directors whichever is higher. PROVIDED that where at any time the number of interested Directors at any meeting exceeds or is equal to two-third of the Total Strength, the number of the remaining Directors that is to say, the number of remaining who are not interested) present at the Meeting being not less than two shall be the quorum during such time. (b)for the purpose of clause(a) (i) "Total Strength" means total strength of the Board of Directors of the Company determined in pursuance of the Act after deducting there from number of the Directors if any, whose places may be vacant at the time, and (ii) "Interested Directors" means any Directors whose presence cannot by reason of any provisions in the Act count for the purpose of forming a quorum at a meeting of the Board at the time of the discussion or vote on any matter.
176	If a meeting of the Board could not be held for want of quorum then, the Meeting shall automatically stand, adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday at the same time and place, unless otherwise adjourned to a specific date, time and place.
177	The Chairman of the Board of Directors shall be the Chairman of the meetings of Directors, provided that if the Chairman of the Board of Directors is not present within five minutes after the appointed time for holding the same, meeting of the Director shall choose one of their members to be Chairman of such Meeting.
178	Subject to the provisions of Section 316, 372(5) and 386 of the Act, questions arising at any meeting of the Board shall be decided by a majority of votes, and in case of any equality of votes, the Chairman shall have a second or casting vote.
179	A meeting of the Board of Directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act, or the Articles for the time being of the Company which are vested in or exercisable by the Board of Directors generally.
180	The Board of Directors may subject to the provisions of Section 292 and other relevant provisions of the Act, and of these Articles delegate any of the powers other than the powers to make calls and to issue debentures to such Committee or Committees and may from time to time revoke and discharge any such Committee of the Board, either wholly or in part and either as to the persons or purposes, but every Committee of the Board so formed shall in exercise of the powers so delegated conform to any regulation(s) that may from time to time be imposed on it by the Board of Directors. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purpose of their appointments, but not otherwise, shall have the like force and effect, as if done by the Board.
181	The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding article. Quorum for the Committee meetings shall be two.
182	(a) A resolution passed by circulation without a meeting of the Board or a Committee of the Board appointed under Article 183 shall subject to the provisions of sub-clause (b) hereof and the Act, be as valid and effectual as the resolution duly passed at a meeting of Directors or of a Committee duly called and held. (b) A resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation if the resolution has been circulated in draft together with necessary papers if any to all the Directors, or to all the members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee as the case may be) and to all other Directors or members of the Committee at their usual addresses in India or to such other addresses outside India specified by any such Directors or members of

	the Committee and has been approved by such of the Directors or members of the Committee, as are then in India, or by a majority of such of them as are entitled to vote on the resolution.
183	All acts done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered; that there was some defect in the appointment of one or more of such Directors or any person acting as aforesaid; or that they or any of them were disqualified or had vacated office or that the appointment of any of them is deemed to be terminated by virtue of any provision contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director; provided nothing in the Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.
	POWERS OF THE BOARD
184	The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid Articles, as may be prescribed by the Company in General Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. Provided that the Board shall not, except with the consent of the Company in General Meeting :- (a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole, or substantially the whole, of any such undertaking; (b) remit, or give time for the repayment of, any debut due by a Director, (c) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition or any such undertaking as is referred to in clause (a) or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time; (d) borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose; (e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed fifty thousand rupees or five per cent of its average net profits as determined in accordance with the provisions of Section 349 and 350 of the Act during the three financial years immediately preceding whichever is greater, provided that the Company in the General Meeting or the Board of Directors shall not contribute any amount to any political party or for any political purposes to any individual or body; (i) Provided that in respect of the matter referred to in clause (d) and clause (e) such consent shall be obtained by a resolution of the Company which shall specify the total amount upto which moneys may be borrowed by the Board under clause (d) of as the case may be total amount which may be contributed to charitable or other funds in a financial year under clause (e) (ii) Provided further that the expression "temporary loans" in clause (d) above shall mean loans repayable on demand or within six months from the date of the loan such as short term cash credit arrangements, the discounting of bills and the issue of other short term loans of a seasonal character, but does not include loans raised for the purpose of financing expenditure of a capital nature.
185	(1) Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at the meeting of the Board; (a) the power to make calls, on shareholders in respect of money unpaid on their Shares, (b) the power to issue Debentures,

	(c) the power to borrow moneys otherwise than on Debentures, (d) the power to invest the funds of the Company, and (e) the power to make loans Provided that the Board may, by resolution passed at a Meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company, the powers specified in sub-clause (c) (d) and (e) to the extent specified below: (2) Every resolution delegating the power referred to in sub-clause (1) (c) above shall specify the total amount outstanding at any one time, upto which moneys may be borrowed by the delegate. (3) Every resolution delegating the power referred to in sub-clause (1) (d) above shall specify the total amount upto which the funds of the Company may be invested, and the nature of the investments which may be made by the delegate. (4) Every resolution delegating the power referred to in sub-clause (1) (e)above shall specify the total amount upto which loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.
186	Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers, that is to say, power: 1. To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company. 2. To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 76 and 208 of the Act. 3. Subject to Section 292 and 297 and other provisions applicable of the Act to purchase or otherwise acquire for the Company any property, right or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory. 4. At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially in cash or in share, bonds, debentures, mortgages, or otherwise securities of the Company, and any such Shares may be issued either as fully paid-up or with such amount credited as paid-up thereon as may be agreed upon and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged. 5. To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit. 6. To accept from any Member, as far as may be permissible by law to a surrender of his Shares or any part thereof, on such terms and conditions as shall be agreed. 7. To appoint any person to accept and hold in trust for the Company any property belonging to the Company, in which it is interested, or for any other purpose and to execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees. 8. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due and of any claim or demands by or against the Company and to refer any differences to arbitration and observe and perform any awards made thereon either according to Indian law or according to foreign law and either in India or abroad and to observe and perform or challenge any award made thereon. 9. To act on behalf of the Company in all matters relating to bankruptcy and

	insolvency, winding up and liquidation of companies. 10. To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company. 11. Subject to the provisions of Sections 291, 292, 295, 370,372 and all other applicable provisions of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being Shares of this Company), or without security and in such manner as they may think fit and from time to time vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name. 12. To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon. 13. To open bank account and to determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose. 14. To distribute by way of bonus amongst the staff of the Company a Share or Shares in the profits of the Company and to give to any, Director, officer or other person employed by the Company a commission on the profits of any particular business or transaction, and to charge such bonus or commission as a part of the working expenses of the Company. 15. To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 293(1)(e) of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise. 16. Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to depreciation fund, or to an insurance fund, or as reserve fund or any special fund to meet contingencies or to repay redeemable preference shares or debentures or debenture stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purpose referred to in the preceding clause), as the Board may in their absolute discretion, think conducive to the interest of the Company and subject to Section 292 of the Act, to invest several sums so set aside or so much thereof as required to be invested, upon such investments (other than Shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any such part thereof for the benefit of the Company, in such a manner and for such purposes as the Board in their absolute discretion, think conducive to the interest of the Company notwithstanding that the matters to which the Board apply or upon which they expend the same or any part thereof or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the general reserve or reserve fund into such special funds as the Board may think fit with full power to transfer the whole or any portion of reserve fund or division of a reserve fund and with full power to employ the assets constituting all or any of the above funds, including the depreciation fund, in the business of the Company or in the purchase or repayment of redeemable preference shares or debentures or debenture stock, and without

being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however, to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.

17. To appoint, and at their discretion, remove or suspend, such general managers, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisors, research workers, labourers, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties, and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit. And also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think and the provisions contained in the four next following sub-clauses shall be without prejudice to the general conferred by this sub-clause.

17A To appoint or authorize appointment of officers, clerks and servants for permanent or temporary or special services as the Board may from time to time think fit and to determine their powers and duties and to fix their salaries and emoluments and to require securities in such instances and of such amounts as the Board may think fit and to remove or suspend any such officers, clerks and servants. Provided further that the Board may delegate matters relating to allocation of duties, functions, reporting etc. of such persons to the Managing Director or Manager.

18. From time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be members of such local Boards, and to fix their remuneration or salaries or emoluments.

19. Subject to Section 292 of the Act, from time to time and at any time to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their power to make calls or to make loans or borrow money, and to authorise the members for the time being of any such local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such terms and subject to such conditions as the Board may think fit, and Board may at any time remove any person so appointed, and may annul or vary any such delegation.

20. At any time and from time to time by Power of Attorney under the Seal of the Company, to appoint any person or person to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and subject to the provisions of Section 292 of the Act) and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of any company, or the shareholders, directors, nominees, or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers authorities and discretions for the time being vested in them.

21. Subject to Sections 294 and 297 and other applicable provisions of the Act, for or in relation to any of the matters aforesaid or, otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.

22. From time to time to make, vary and repeal bye-laws for the regulations of the business of the Company, its officers and servants.

23. To purchase or otherwise acquire any land, buildings, machinery, premises, hereditaments, property, effects, assets, rights, credits, royalties, business and goodwill of any joint stock company carrying on the business which the

	Company is authorized to carry on in any part of India. 24. To purchase, take on lease, for any term or terms of years, or otherwise acquire any factories or any land or lands, with or without buildings and out-houses thereon, situated in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit. And in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory. 25. To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as it may think proper all or any part of the buildings, machinery, goods, stores, produce and other movable property of the Company, either separately or co jointly, also to insure all or any portion of the goods, produce, machinery and other articles imported or exported-by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power. 26. To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how. 27. To sell from time to time any articles, materials, machinery,plants, stores and other articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products. 28. From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient. 29. To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate. 30. To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested. 31. To let, sell or otherwise dispose of subject to the provisions of Section 293 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit. 32. Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.
	THE SECRETARY
190	The Directors may from time to time appoint, and at their discretion, remove any individual, (hereinafter called "the Secretary") to perform any functions, which by the Act are to be performed by the Secretary, and to execute any other ministerial or administrative duties, which may from time to time be assigned to the Secretary by the Directors. The Directors may also at any time appoint some person (who need not be the Secretary) to keep the registers required to be kept by the Company. The appointment of Secretary shall be made according to the provisions of the Companies (Secretary's Qualification) Rules 1975.
	DIVIDENDS AND CAPITALISATION OF RESERVES
192	(a) Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid but if and so long as nothing is paid upon any of Share in the Company, dividends may be declared and paid according to the amounts of the Shares; (b) No amount paid or credited as paid on a Share in advance of calls shall be treated for the purpose of this Article as paid on the Shares.

193	The Company in General Meeting may declare dividends, to be paid to Members according to their respective rights and interest in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 207 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors. However, the Company may declare a smaller dividend than that recommended by the Board in General Meeting.
194	No dividend shall be payable except out of profits of the Company arrived at the manner provided for in Section 205 of the Act.
195	The Board of Directors may from time to time pay to the Members such interim dividends as in their judgment the position of the Company justifies.
196	(a) The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists. (b) The Board of Directors may retain the dividend payable upon Shares in respect of which any person is, under the Transmission Article, entitled to become a Member or which any person under that Article is entitled to transfer until such person shall become a Member or shall duly transfer the same.
197	Where the capital is paid in advance of the calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to dividend or to participate in profits.
198	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid, but if any Share is issued on terms provided that it shall rank for dividends as from a particular date such Share shall rank for dividend accordingly.
199	No Member shall be entitled to receive payment of any interest or dividend or bonus in respect of his Share or Shares, whilst any money may be due or owing from him to the Company in respect of such Share or Shares (or otherwise however either alone of jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend to any Member all such sums of money so due from him to the Company.
200	A transfer of Shares shall not pass the right to any dividend declared therein before the registration of the transfer.
201	Any one of several persons who are registered as joint holders of any Shares may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such Shares.
202	The dividend payable in cash may be paid by cheque or warrant sent through post directly to registered address of the shareholder entitled to the payment of the dividend or in case of joint holders to the registered address of that one of the joint holders who is first named on the Register of Members or to such person and to such address as the holder or joint holders may in writing direct. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transit or for any dividend lost, to the Member or person entitled thereto by forged endorsement of any cheque or warrant or forged signature on any pay slip or receipt or the fraudulent recovery of the dividend by any other means.
203	Notice of the declaration of any dividend whether interim or otherwise shall be given to the registered holders of Share in the manner herein provided.
204	The Directors may, before recommending or declaring any dividend set aside out of the profits of the Company such sums as they think proper as reserve or reserves, which shall, at the discretion of the Directors, be applicable for meeting contingencies or for any other purposes to which the profits of the Company may be properly applied and pending such application, may at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Directors may from time to time think fit.
205	The Company shall pay the dividend, or send the warrant in respect thereof to the shareholders entitled to the payment of dividend, within such time as may be required by law from the date of the declaration unless:- (a) where the dividend could not be paid by reason of the operation on any law; or (b) where a shareholder has given directions regarding the payment of the dividend and those directions cannot be complied with; or

	(c) where there is dispute regarding the right to receive the dividend; or (d) where the dividend has been lawfully adjusted by the Company against any sum due to it from shareholder; or (e) Where for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.
206	Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the company in that behalf in any scheduled bank, to be called "Unpaid Dividend Account". Any money transferred to the unpaid dividend account of a 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 Investor Education and Protection Fund established under section 205C of the Act. There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law. No unclaimed or unpaid divided shall be forfeited by the Board.
207	Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the Members of such amount as the Meeting fixes but so that the call on each Member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the Members, be set off against the calls.
208	No dividends shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalisation of the profits or reserves of the Company for the purpose of issuing fully paid up bonus Shares or paying up any amount for the time being unpaid on any Shares held by Members of the Company.
209	(1)The Company in General Meeting may, upon the recommendation of the Board, resolve: (a) That is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportion. (2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in clause (3) either in or towards; (a) paying up any amount for the time being unpaid on any Shares held by such Members respectively, or (b) paying up in full unissued Shares of the Company to be allocated and distributed, credited as fully paid up, to and amongst Members in the proportion aforesaid, or (c) partly in the way specified in sub clause (a) and partly in that specified in sub-clause(b) (3) A share premium account and capital redemption reserve account may, for the purpose of this Article, only be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus shares.
210	The Board shall give effect to the resolution passed by the Company in pursuance of above Article.
211	(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall; (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid Shares and (b) Generally do all acts and things required to give effect thereto. (2)The Board shall have full power: (a) to make such provision by the issue of fractional cash certificate or by payment in cash or otherwise as it thinks fit, in the case of Shares becoming distributable in fractions, also (b) to authorise any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further Shares to which they may be entitled upon such capitalisation or (as the case may require) for the

	payment by the Company on their behalf by the application thereof of the respective proportions of the profits resolved to be capitalised of the amounts remaining unpaid on their existing Shares. (3) Any agreement made under such authority shall be effective and binding on all such Members. (4)That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any question or difficulties that may arise in regard to any issue including distribution of new Shares and fractional certificates as they think fit.
	ACCOUNTS
212	(1) The Company shall keep at its Registered Office proper books of account as would give a true and fair view of the state of affairs of the Company or its transactions with respect to: (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place (b) all sales and purchases of goods by the Company (c) the assets and liabilities of the Company and (d) if so required by the Central Government, such particulars relating to utilisation of material or labour or to other items of cost as may be prescribed by the Government Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decides the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place. (2) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the provisions of clause (1) if proper books of account relating to the transaction effected at the branch are kept at that office and proper summarised returns, made upto date at intervals of not more than three months, are sent by the branch office to the Company at its Registered Office or the other place referred to in sub-clause (1). The books of accounts and other books and papers shall be open to inspection by any Director during business hours.
213	No Members (not being a Director) shall have any right of inspecting any account books or documents of the Company except as allowed by law or authorised by the Board.
214	The Board of Directors shall from time to time in accordance with Sections 210,211,212, 216 and 217 of the Act, cause to be prepared and laid before each Annual General Meeting a profit and loss account for the financial year of the Company and a balance sheet made up as at the end of the financial year which shall be a date which shall not precede the day of the Meeting by more than six months or such extended period as shall have been granted by the Registrar under the provisions of the Act.
215	(1) The Company shall comply with the requirements of Section 219 of the Act. (2) The copies of every balance sheet including the Profit & Loss Account, the Auditors' Report and every other document required to be laid before the Company in General Meeting shall be made available for inspection at the Registered Office of the Company during working hours for a period of 21 days before the Annual General Meeting. A statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid, as the Company may deem fit will be sent to every Member of the Company and to every trustee of the holders of any Debentures issued by the Company not less than 21 days before the date of the Meeting.
216	Once at least in every year the accounts of the Company shall be examined, balanced and audited and the correctness of the profit and loss Account and the balance sheet ascertained by one or more Auditor or Auditors.
217	(1) Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Section 224 to 229 and 231 of the Act. (2) The Company shall at each Annual General Meeting appoint an Auditor or Auditors to hold office from conclusion of that Meeting until the conclusion of the next Annual General Meeting and shall within seven days of the appointment give intimation thereof to the Auditor so appointed unless he is a retiring Auditor.

	(3) At any Annual General Meeting a retiring Auditor by whatsoever authority appointed shall be reappointed unless: (a) he is not qualified for re-appointment; (b) he has given to the Company notice in writing of his unwillingness to be re-appointed; (c) a resolution has been passed at that Meeting appointing some body instead of him or providing expressly that he shall not be re-appointed; or (d) where notice has been given of an intended resolution to appoint some person or persons in the place of retiring Auditor, and by reason of the death, incapacity or disqualification of that person or of all those persons as the case may be, the resolution cannot be proceeded with. (4) Where at any Annual General Meeting no Auditors are appointed or re-appointed, the Central Government may appoint a person to fill the vacancy. (5)The Company shall within seven days of the central government's power under sub-clause (4) becoming exercisable give notice of that fact to that Government. (6) The Directors may fill any casual vacancy in the office of Auditors, but while any such vacancy continues, the surviving or continuing Auditor or Auditors (if any) may act but where such vacancy is caused by the resignation of art Auditor, the vacancy shall only be filled by the Company in General Meeting. (7) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless a special notice of a resolution for appointment of that person to the office of Auditor has been given by a Member to the Company not less than fourteen days before the Meeting in accordance with Section 190 of the Act and the Company shall send a copy of any such notice to retiring Auditor and shall give notice thereof, to the Members in accordance with Section 190 of the Act and all the other provisions of Section 225 of the Act shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that retiring Auditor shall not be re-appointed.
218	Every account when audited and approved by a General Meeting shall be conclusive except as regards any errors discovered therein within the next three months after the approval thereof. Whenever any such error is discovered within that period, the account shall be corrected, and amendments effected by the Directors in pursuance of this Article shall be placed before the Members in General Meeting for their consideration and approval and, on such approval, shall be conclusive.
	DOCUMENTS AND NOTICES
219	Document or notice of every Meeting shall be served or given on or to (a) every Member (b) every person entitled to a Share in consequence of the death or insolvency of a Member and (c) the Auditor or Auditors for the time being of the Company, PROVIDED that when the notice of the Meeting is given by advertising the same in newspaper circulating in the neighborhood of the office of the Company under Article 99, a statement of material facts referred to in Article 100 need not be annexed to the notice, as is required by that Article, but it shall merely be mentioned in the advertisement that the statement has been forwarded to the Members of the Company.
220	Every person, who by operation of law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which prior to his name and address being entered in the Register of Members shall have been duly served on or given to the person from whom he derived, his title to such Share.
221	A document may be served on the Company or an officer thereof by sending it to the Company or officer at the Registered Office of the Company by post under a certificate of posting or by registered post or by leaving it at its Registered Office.
222	Save as otherwise expressly provided in the Act, a document or proceedings requiring authentication by the Company may be signed by a Director, the Managing Director, or the Secretary or other authorised officer of the Company and need not be under the Seal of the Company.
	REGISTERS AND DOCUMENTS
223	The Company shall keep and maintain registers, books and documents required by the Act or these Articles, including the following: (a) Register of investments made by the Company but not held in its own name, as required by Section 49(7) of the Act

	(b) Register of mortgages and charges as required by Section 143 of the Act and copies of instruments creating any charge requiring registration according to Section 136 of the Act. (c) Register and index of Members and debenture holders as required by Sections 150, 151 and 152 of the Act. (d) Foreign register, if so thought fit, as required by Section 157 of the Act (e) Register of contracts, with companies and firms in which Directors are interested as required by Section 301 of the Act. (f) Register of Directors and Secretaries etc. as required by Section 303 of the Act. (g) Register as to holdings by Directors of Shares and/or Debentures in the Company as required by Section 307 of the Act. (h) Register of investments made by the Company in Shares and Debentures of the bodies corporate in the same group as required by Section 372(2) of the Act. (i) Copies of annual returns prepared under Section 159 of the Act together with the copies of certificates and documents required to be annexed thereto under Section 161 of the Act. (j) Register of loans, guarantees, or securities given to the other companies under the same management as required by Section 370 of the Act.
224	The registers mentioned in clauses (f) and (i) of the foregoing Article and the minutes of all proceedings of General Meetings shall be open to inspection and extracts may be taken therefrom and copies thereof may be required by any Member of the Company in the same manner to the same extent and on payment of the same fees as in the case of the Register of Members of the Company provided for in clause (c) thereof. Copies of entries in the registers mentioned in the foregoing article shall be furnished to the persons entitled to the same on such days and during such business hours as may be consistent with the provisions of the Act in that behalf as determined by the Company in General Meeting.
	WINDING UP
225	If the Company shall be wound up, and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the Members in the proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up, on the Shares held by them respectively, and if in the winding up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid up on the Shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of Shares issued upon special terms and conditions.
226	(a) If the Company shall be wound up, whether voluntarily or otherwise, the Liquidator may, with the sanction of a Special Resolution, divide amongst the contributories in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidator, with the like sanction, shall think fit. (b) If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributions (except where unalterably fixed by the Memorandum of Association and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories, shall be determined on any contributory who would be prejudicial thereby shall have a right to dissent and ancillary rights as if such determination were a Special Resolution passed pursuant to Section 494 of the Act. (c) In case any Shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said Shares may within ten days after the passing of the Special Resolution by notice in writing direct the Liquidator to sell his proportion and pay him the net proceeds and the Liquidator shall, if practicable act accordingly
227	A Special Resolution sanctioning a sale to any other Company duly passed pursuant to Section 494 of the Act may subject to the provisions of the Act in like manner as

	aforesaid determine that any Shares or other consideration receivable by the liquidator be distributed against the Members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the Members subject to the rights of dissent and consequential rights conferred by the said sanction.
228	Subject to the provisions of Section 201 of the Act, every Director of officer, or servant of the Company or any person (whether an officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors, out of the funds of the Company to pay all costs, charges, losses and damages which any such person may incur or become liable to pay by reason of any contract entered into or any act, deed, matter or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act, neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, officer or Auditor or other office of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favour, or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.
229	Subject to the provisions of Section 201 of the Act no Director, Auditor or other officer of the Company shall be liable for the acts, receipts, neglects, or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of the title to any property acquired by order of the Directors for on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested for any loss or damages arising from the insolvency or tortuous act of any person, firm or Company to or with whom any moneys, securities or effects shall be entrusted or deposited or any loss occasioned by any error of judgment, omission, default or oversight on his part of for any other loss, damage, or misfortune whatever shall happen in relation to execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty.
	SECRECY
230	Every Director/Manager, Auditor, treasurer, trustee, member of a committee, officer, servant, agent, accountant or any other person-employed in the business of the Company shall, if so required by the Director, before entering upon his duties, sign a declaration pledging himself, to observe a strict secrecy respecting all transactions and affairs of the Company with the Company customers and the state of the accounts with individuals and in matter thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in discharge of his duties except when required to do so by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
231	No Member or other person (not being a Director) shall be entitled to visit or inspect any property or premises of the Company without the permission of the Board of Directors or Managing Director, or to inquire discovery of or any information respecting any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

SECTION X – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus, delivered to the Registrar of Companies, Mumbai Maharashtra for registration and also the documents for inspection referred to hereunder, may be inspected at our Registered Office from 10.00 a.m. to 4.00 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid Closing Date.

Material Contracts in relation to this Issue

1. Engagement letter dated March 3, 2010 issued by our Company for the appointment of Srei Capital Markets Limited.
2. Issue Agreement dated March 30, 2011 between our Company and the Book Running Lead Manager.
3. Memorandum of Understanding dated September 9, 2010 between our Company and the Registrar to the Issue
4. Escrow Agreement dated [●] between our Company, the Registrar to the Issue, the Escrow Collection Banks, the Book Running Lead Manager, the Syndicate Members and the Registrar to the Issue.
5. Syndicate Agreement dated [●] between Company the Book Running Lead Manager and the Syndicate Members.
6. Underwriting Agreement dated [●] between our Company, the Book Running Lead Manager and the Syndicate Members.

Material Documents

1. Certified copy of our Memorandum and Articles of Association, as amended from time to time.
2. Our certification of incorporation dated December 4, 2006.
3. Fresh Certificate of Incorporation consequent upon change of status from private limited to public limited dated July 20, 2010.
4. Resolution passed by our Board dated August 27, 2010 authorizing this Issue.
5. Shareholders' resolution dated September 21, 2010 authorizing this Issue.
6. Board resolution dated April 01, 2010 re appointing Mr. Rakesh P Shah as Chairman, Mr. Tejas P Shah as Managing Director, Mr. Jainendra P Shah as Jt Managing Director and Mr. Dipan P Shah as Executive Director of our Company.
7. Statement of Tax Benefits dated February 25, 2011 from Jogish Mehta & Co., Chartered Accountants, regarding tax benefits available to our Company and its shareholders.
8. The Report of the Statutory Auditors, Jogish Mehta & Co., Chartered Accountants, dated March 28, 2011 in relation to restated unconsolidated financial information and restated consolidated financial information of our Company, prepared in accordance with Part II of Schedule II to the Companies Act and SEBI Regulations and mentioned in this Draft Red Herring Prospectus.
9. Consent of the IPO grading agency, [●] for inclusion of their IPO grading report furnishing the rationale for its grading, in the form and context in which they will appear in the Red Herring Prospectus.
10. Consents of Bankers to our Company, Book Running Lead Manager, Syndicate Members, Registrar to the Issue, Bankers to the Issue, Legal Advisor to the Issue, Directors, Statutory Auditor, Company Secretary and Compliance Officer, as referred to, in their respective capacities.
11. In-principle listing approvals dated [●] and [●] received from BSE and NSE respectively.
12. Due diligence certificate dated March 30, 2011 addressed to SEBI from the Book Running Lead Manager.
13. SEBI observation letter No. [●] dated [●].
14. Certificate dated February 5, 2011 issued by M/s. Jogish Mehta & Co., Chartered Accountants in relation to the expenditure incurred as of January 31, 2011, towards the Objects of this Issue.
15. Report of the IPO grading agency, [●] dated [●].
16. Copies of annual reports of our Company for the last four financial years, audited accounts of the erstwhile partnership firm for the period ended December 03, 2006 and March 31, 2006 and audited accounts for the period ended September 30, 2010.

17. Agreement dated September 29, 2010 among NSDL, our Company and the Registrar to the Issue.
18. Agreement dated October 5, 2010 among CDSL, our Company and the Registrar to the Issue.
19. Slump Sale Agreement dated February 28, 2011 between our Company and Relcon Realty Private Limited.

Any of the contracts or documents mentioned in the Red Herring Prospectus may be amended or modified at any time, if so required in the interest of 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.

In accordance with Section 61 of the Companies Act, in the event any of the material contracts mentioned in this section are required to be modified or amended, post the filing of the Prospectus with the RoC, reference shall be made to the shareholders of our Company for the same.

DECLARATION

We, the persons mentioned herein below as Directors or Otherwise, certify that all the relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the regulations and 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 Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, as amended or the Securities and Exchange Board of India Act, 1992 or rules made there under or guidelines issued, as the case may be. We further certify that all the disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Mr. Rakesh P Shah, *Chairman*

Mr. Tejas P Shah, *Managing Director*

Mr. Jainendra P Shah, *Joint Managing Director*

Mr. Dipan P Shah, *Director*

Mr. Dilip K. Patel, *Director*

Mr. Arvind Vithal Deshingkar, *Director*

Mr. Pratap Ratilal Merchant, *Director*

Mr. Yogesh Anandlal Shah, *Director*

Signed by Mr. Parag Shah, Chief Financial Officer

Signed by Mr. Hoshang F Kapadia, Company Secretary & Compliance Officer

Place: Mumbai
Date : March 30, 2011