Placement Document
Strictly Confidential and Not for Circulation
Serial No:[•]

J. Kumar

J. KUMAR INFRAPROJECTS LIMITED

(Incorporated in Republic of India with limited liability under the Companies Act, 1956 with Registration No. 11-122886 and Corporate Identity Number L74210MH1999PLC122886)

J. Kumar Infraprojects Limited (the "**Company**") is issuing 30,76,785 Equity Shares of face value Rs. 10/- each (the "**Equity Shares**") at a price of Rs. 180.25 per Equity Share including a premium of Rs. 170.25 per Equity Share, aggregating Rs. 554.59 millions (the "**Issue**").

ISSUE IN RELIANCE UPON CHAPTER VIII OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009

THIS ISSUE AND THE DISTRIBUTION OF THE PLACEMENT DOCUMENT IS BEING MADE IN RELIANCE UPON CHAPTER VIII OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE "SEBI (ICDR) REGULATIONS"). THE PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE QIB INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION TO SUBSCRIBE TO THE EQUITY SHARES OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA. THE PLACEMENT IS MEANT ONLY FOR QIBs ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA.

Invitations, offers and sales of Equity Shares in this Issue shall only be made pursuant to the Placement Document, the Confirmation of Allocation Note and the Bid-cum-Application Form. The distribution of the Placement Document or the disclosure of its contents without our Company's prior consent, to any person, other than Qualified Institutional Buyers as defined in the SEBI (ICDR) Regulations, 2009 and persons retained by Qualified Institutional Buyers to advise them with respect to their subscription of the Equity Shares being issued pursuant to this Issue, is unauthorized and prohibited. Each prospective QIB investor, by accepting delivery of the Placement Document agrees to observe the restrictions as mentioned in the Placement Document, and to make no copies of the Placement Document or any documents referred to in the Placement Document. See also "Issue Procedure" in the Placement Document.

The Placement Document has not been reviewed by the Securities and Exchange Board of India, the Reserve Bank of India, the Bombay Stock Exchange Limited (the "**BSE**") or the National Stock Exchange of India Limited (the "**NSE**") (NSE and BSE collectively referred to as the "**Stock Exchanges**") or any other regulatory or listing authority and is intended only for use by QIBs. The Placement Document has not been and will not be registered as a prospectus with the Registrar of Companies in India, and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction.

Investments in equity and equity-related securities involve a degree of risk and prospective investors should not invest in this Issue unless they are prepared to take the risk of losing all or part of their investment. Prospective investors are advised to carefully read the section titled "Risk Factors" before making an investment decision in this Issue. Each prospective investor is advised to consult its advisors about the particular consequences to it of an investment in the Equity Shares being issued pursuant to the Placement Document.

Our Company, having made all reasonable enquiries, accepts responsibility for the Placement Document and confirms that the Placement Document contains all information with regard to our Company and the Issue, as required by Chapter VIII read together with Schedule XVIII of the SEBI (ICDR) Regulations. Our Company further confirms that the information contained in the Placement Document is true and correct in all material respects 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.

The information on our Company's website or any website directly or indirectly linked to our Company's website does not form part of the Placement Document and prospective investors should not rely on such information contained in, or available through, such websites.

All of our Company's outstanding Equity Shares are listed on BSE and NSE. Applications shall be made for the listing of the Equity Shares offered through the Placement Document on the Stock Exchanges. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to trading on the Stock Exchanges should not be taken as an indication of the merits of our Company, or the Equity Shares.

YOU MAY NOT AND ARE NOT AUTHORIZED TO (1) DELIVER THE PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE SUCH PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER. ANY DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI (ICDR) REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.

A copy of the Preliminary Placement Document has been delivered to the Stock Exchanges. A copy of the Placement Document will be filed with the Stock Exchanges. A copy of the Placement Document will also be delivered to the Securities and Exchange Board of India (the "**SEBI**") for record purposes. SEBI or any other regulator has not vetted the Preliminary Placement Document or Placement Document.

THE PLACEMENT DOCUMENT HAS BEEN PREPARED BY OUR COMPANY SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE OF EQUITY SHARES DESCRIBED IN THE PLACEMENT DOCUMENT.

The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with applicable U.S. state securities laws. The Equity Shares are only being offered and sold outside the United States in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**"). For further details, please refer to the section titled "Selling Restrictions" and the section titled "Transfer Restrictions" of the Placement Document.

The Placement Document is dated December 15, 2009.

GLOBAL CO-ORDINATOR AND BOOK RUNNING LEAD MANAGER

ANANDRATHI

ANAND RATHI ADVISORS LIMITED
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NOTICE TO INVESTORS

Our Company accepts full responsibility for the information contained in the Placement Document and to the best of our knowledge and belief, having made all reasonable enquiries, confirm that the Placement Document contains all information with respect to our Company and the Equity Shares, which is material in the context of this Issue. The statements contained in the Placement Document relating to our Company and the Equity Shares are, in material respects, true and accurate and not misleading, the opinions and intentions expressed in the Placement Document with regard to our Company and the Equity Shares are honestly held, have been reached after considering all relevant circumstances, are based on information presently available to our Company and are based on reasonable assumptions. There are no other facts in relation to our Company and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in the Placement Document misleading in any material respect. Further, all reasonable enquiries have been made by our Company to ascertain such facts and to verify the accuracy of all such information and statements. The Global Co-ordinator and Book Running Lead Manager ("GC-BRLM") has not separately verified the information contained in the Placement Document (financial, legal or otherwise). Accordingly, neither the GC-BRLM nor any of its members, employees, counsel, officers, directors, representatives, agents or affiliates makes any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted, by the GC-BRLM, as to the accuracy or completeness of the information contained in the Placement Document or any other information supplied in connection with the Equity Shares proposed to be issued pursuant to this Issue. Each person receiving the Placement Document acknowledges that such person has relied on neither the GC-BRLM nor on any person affiliated with the GC-BRLM in connection with its investigation of the accuracy of such information or its investment decision, and each such person must rely on its own examination of our Company and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorized to give any information or to make any representation not contained in the Placement Document and any information or representation not so contained must not be relied upon as having been authorized by or on behalf of our Company or the GC-BRLM. The delivery of the Placement Document at any time does not imply that the information contained in it is correct as at any time subsequent to its date.

The Equity Shares have not been approved, disapproved or recommended by the regulatory authority in any jurisdiction. No regulatory authority has passed on or endorsed the merits of this Issue or the accuracy or adequacy of the Placement Document. Any representation to the contrary may be a criminal offence.

The distribution of the Placement Document and the Issue may be restricted by law in certain jurisdictions. As such, the Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Accordingly, the Equity Shares in this Issue may not be offered or sold, directly or indirectly, and neither the Placement Document nor any Issue material in connection with the Equity Shares issued pursuant to this Issue may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

In making an investment decision, investors must rely on their own examination of our Company and the terms of the Issue, including merits and risk involved. Investors should not construe the contents of the Placement Document as legal, tax, accounting or investment advice. Investors should consult their own counsel and advisors as to business, legal, tax, accounting and related matters concerning this Issue. In addition, neither our Company nor the GC-BRLM is making any representation to any offeree or subscriber of such Equity Shares pursuant to this Issue, regarding the legality of an investment in the Equity Shares by such offeree or subscriber under applicable legal, investment or similar laws or regulations. Each subscriber of the Equity Shares in this Issue is deemed to have acknowledged, represented and agreed that it is eligible to invest in India and in our Company under Indian law, including Chapter VIII of the SEBI (ICDR) Regulations and that it is not prohibited by the SEBI or any other statutory authority from buying, selling or dealing in securities. Each subscriber of Equity Shares in this Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company and such Equity Shares.

REPRESENTATIONS BY INVESTORS

By subscribing to any Equity Shares under this Issue, you are deemed to have acknowledged and agreed as follows:

- you are a qualified institutional buyer as defined in Regulation 2(1)(zd) of the SEBI (ICDR) Regulations ("**QIB**") and undertake to acquire, hold, manage or dispose of any Equity Shares that are allocated to you for the purposes of your business in accordance with Chapter VIII of the SEBI (ICDR) Regulations;

- you confirm that if you are allotted Equity Shares pursuant to the Issue, you shall not, for a period of one year from date of Allotment, sell the Equity Shares so acquired, otherwise than on a recognized stock exchange;

- you are, and at the times the offer of Equity Shares was made to you and your buy order for the Equity Shares was originated you were, located outside the United States (within the meaning of Regulation S);

- you are aware that the Equity Shares have not been, and will not be, registered under the regulations of the SEBI or under any other law in force in India. The Preliminary Placement Document has not been verified or affirmed by the SEBI or the Stock Exchanges and will not be filed with the Registrar of Companies. The Preliminary Placement Document has been filed with the Stock Exchanges. A copy of the Placement Document will be filed with the Stock Exchanges and will be displayed on the websites of our Company and the Stock Exchanges;

- you are entitled to subscribe for such Equity Shares under the laws of all relevant jurisdictions which apply to you and that you have fully observed such laws and obtained all such governmental and other consents in each case which may be required thereunder and complied with all necessary formalities;

- you confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or our agents ("**Company Presentations**") with regard to our Company or the Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the GC-BRLM may not have knowledge of the statements that our Company or our agents may have made at such Company Presentations and are therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions and accordingly you acknowledge that the GC-BRLM has advised you not to rely in any way on any information that was provided to you at such Company Presentations, and (b) confirm that, to the best of your knowledge, you have not been provided any material information that was not publicly available;

- neither our Company nor the GC-BRLM is making any recommendation to you or advising you regarding the suitability of any transactions that you may enter into in connection with the Issue. Your participation in the Issue is on the basis that you are not and will not be a client of the GC-BRLM and that the GC-BRLM does not have any duty or responsibility to you for providing the protection afforded to its clients or customers or for providing advice in relation to the Issue and is in no way acting in a fiduciary capacity;

- you are aware and understand that the Equity Shares are being offered only to QIBs and are not being offered to the general public. Further, you are aware and understand that the allotment of the Equity Shares shall be on a discretionary basis;

- you have made, or been deemed to have made, as applicable, the representations set forth under "Transfer Restrictions";

- you have been provided a serially numbered copy of the Placement Document and have read the Placement Document in its entirety; including, in particular, the section titled "Risk Factors";

- that in making your investment decision, (i) you have relied on your own examination of our Company and the terms of the Issue, including the merits and risks involved, (ii) you have made and will continue to make your own assessment of our Company, the Equity Shares and the terms of the Issue, (iii) you have relied upon your own investigations and resources in deciding to invest in the Equity Shares, (iv) you have consulted with your own independent advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws, including any applicable securities law and (v) you have relied solely on the information contained in the Placement Document and no other disclosure or representation by our Company or any other party and (vi) you have received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company and the Equity Shares;

- the GC-BRLM has not provided you with any tax advice or otherwise made any representations regarding the tax consequences of the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the GC-BRLM when evaluating the tax consequences in relation to the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You waive, and agree not to assert, any claim against the GC-BRLM with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

- you have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of the investment in such Equity Shares and you and any accounts for which you are subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company and / or the GC-BRLM for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in your circumstances, financial or otherwise, which may cause or require any sale or distribution by you of all or any part of the Equity Shares allotted to you pursuant to the Issue;

- that, where you are subscribing for the Equity Shares for one or more managed accounts, you represent and warrant that you are authorised in writing by each such managed account to subscribe to the Equity Shares for each managed account and to make (and you hereby make) the acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts;

- you are not a promoter and are not a person related to the promoters, either directly or indirectly and your bid does not directly or indirectly represent the promoter or promoter group or person related to the promoters of our Company;

- you have no rights under a shareholders' agreement or voting agreement with the promoters or persons related to the promoters, no veto rights or right to appoint any nominee director on the Board of Directors of our Company other than such rights acquired in the capacity of a lender not holding any Equity Shares of our Company, which shall not be deemed to be a person related to the promoter;

- you have no right to withdraw your Bid after closure of the Issue;

- you are eligible to Bid for Equity Shares so allotted to you by this Issue. You further confirm that your holding upon such issue of the Equity Shares shall not exceed the level permissible, as per any applicable law or regulation;

- the Bids submitted by you would not eventually result in triggering a tender offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended (the "**Takeover Code**");

- to the best of your knowledge and belief, together with other QIBs in the Issue that belong to the same group or are under common control as you, the allotment under the present Issue shall not exceed 50%

of the Issue. For the purposes of this representation: (a) the expression 'belong to the same group' shall derive meaning from the concept of 'companies under the same group' as provided in sub-section (11) of Section 372 of the Companies Act, 1956 (the "**Companies Act**"); and (b) "control" shall have the same meaning as is assigned to it by Clause (c) of Regulation 2 of the Takeover Code;

- you shall not undertake any trade in the Equity Shares credited to your depository participant account until such time that the final trading approval for the Equity Shares is issued by the Stock Exchanges;

- you are aware that in-principle approvals under Clause 24(a) of the Listing Agreement have been received from the Stock Exchanges and application for Listing and Trading for the Equity Shares shall be made after allotment of Equity Shares;

- you are aware and understand that the GC-BRLM will have entered into a Memorandum of Understanding with our Company whereby the GC-BRLM has, subject to the satisfaction of certain conditions set out therein, undertaken to use its reasonable endeavors as an agent of our Company to seek to procure subscription for the Equity Shares;

- that the contents of the Placement Document are exclusively the responsibility of our Company and that neither the GC-BRLM nor any person acting on its behalf has, or shall have, any liability for any information, representation or statement contained in the Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in this Issue based on any information, representation or statement contained in the Placement Document or otherwise. By accepting a participation in this Issue, you agree and confirm that you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the GC-BRLM or our Company or any other person and, to the greatest extent permitted by law, neither the GC-BRLM nor our Company nor any other person will be liable for your decision to participate in the Issue based on any other information, representation, warranty or statement that you may have obtained or received, whether contained in the Placement Document or otherwise;

- As stated in the preceding clause herein, the only information you are entitled to rely on, and on which you have relied on, in committing yourself to acquire the Equity Shares is contained in the Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares. You have neither received nor relied on any other information given or representations, warranties or statements made by the GC-BRLM (including any view, statement, opinion or representation expressed in any research published or distributed by the GC-BRLM or their respective affiliates or any view, statement, opinion or representation expressed by any staff (including research staff) of the GC-BRLM or its affiliates) or our Company and the GC-BRLM will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty or statement;

- you agree to indemnify and hold our Company and the GC-BRLM harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations and warranties in this paragraph. You agree that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares by or on behalf of the managed accounts;

- that our Company, the GC-BRLM, and our respective affiliates and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, which are irrevocable;

- all statements other than statements of historical fact included in the Placement Document, including, without limitation, those regarding our Company's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our Company's projects under execution, orders in hand), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially and adversely different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our Company's present and future business strategies and the environment in which our Company will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as at the date of the Placement Document; Our Company assumes no responsibility to update any of the forward-looking statements contained in the Placement Document;

- that you are eligible to invest in India under applicable law, including the Foreign Exchange Management (Transfer or Issue of Security by Person Resident Outside India) Regulations, 2000, as amended from time to time ("**Security Regulations**"), and have not been prohibited by the SEBI from buying, selling or dealing in securities;

- you understand that the GC-BRLM does not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by our Company of any of our respective obligations or any breach of any representations or warranties by our Company, whether to you or otherwise;

- that you are a sophisticated investor who is seeking to subscribe to the Equity Shares in this Issue for your own investment and not with a view to distribution. In particular, you acknowledge that (i) an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment, (ii) you have sufficient knowledge, sophistication and experience in financial and business matters so as to be capable of evaluating the merits and risk of the purchase of Equity Shares, and (iii) you are experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions and have such knowledge and experience in financial, business and investments matters so as to render you capable of evaluating the merits and risks of your investment in Equity Shares; and

- that each of the acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the allotment of the Equity Shares and the listing and commencement of trading of Equity Shares, wherever the context may require.

OFF-SHORE DERIVATIVE INSTRUMENTS (P-NOTES)

Foreign Institutional Investors as mentioned under the SEBI (ICDR) Regulations or their sub-accounts (together referred to as "**FIIs**"), including FII affiliates of the GC-BRLM, were permitted under Regulations 15A (1) of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended, to issue, deal in or hold, off shore derivative instruments such as participatory notes, equity linked notes or any other similar instruments against Equity Shares allocated in the Issue (all such off shore derivative instruments referred to herein as "**P-Notes**"), for which they may receive compensation from the purchasers of such instruments. SEBI *vide* Securities and Exchange Board of India (Foreign Institutional Investors) (Amendment) Regulations, 2008, as further amended by the Securities and Exchange Board of India (Foreign Institutional Investors) (Second Amendment) Regulations, 2008 ("**Amendment Regulations**") has stated that no FII shall issue any offshore derivative instruments to any person other than a person regulated by an appropriate foreign regulatory authority, that they should be issued after compliance with 'know your client' norms and the FIIs are required to cancel, redeem or close out such offshore derivative instruments so issued to a person other than a person regulated by an appropriate foreign regulatory authority, before March 31, 2009. FII's are also required to ensure that no further issue or transfer is made of any P-Notes issued by or on behalf of it to any person other than a person regulated by an appropriate foreign regulatory authority. Further, no sub-account shall, directly or indirectly, issue offshore derivative instruments: and the offshore derivative instruments issued directly or indirectly by a sub-account, before the commencement of the Amendment Regulations and outstanding as at such commencement shall be cancelled or redeemed or closed out before March 31, 2009. FII's are also required to furnish information regarding such P-Notes in such format and at such intervals as is prescribed by SEBI from time to time.

P-Notes have not been and are not being offered or sold pursuant to the Placement Document. Neither the Preliminary Placement Document nor the Placement Document contains or will contain any information concerning P-Notes, or the issuer(s) of any such P-Notes, including, without limitation, any information regarding any risk factors relating thereto.

Any P-Notes that may be issued are not securities of our Company and do not constitute any obligations of, claims on, or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are solely the obligations of, third parties that are unrelated to our Company. Our Company does not make any recommendation as to any investment in P-Notes and does not accept any responsibility whatsoever in connection with any P-Notes.

Any P-Notes that may be issued are not securities of the GC-BRLM and do not constitute any obligations of, or claims on, the GC-BRLM.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosure as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult with their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of the Preliminary Placement Document has been submitted to the Stock Exchanges. The Stock Exchanges do not in any manner:

(1) warrant, certify or endorse the correctness or completeness of any of the contents of the Preliminary Placement Document;

(2) warrant that our Company's Equity Shares issued pursuant to this Issue will be listed or will continue to be listed on the Stock Exchanges; or

(3) take any responsibility for the financial or other soundness of our Company, its management or any scheme or project of our Company;

and it should not for any reason be deemed or construed to mean that the Preliminary Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquires any Equity Shares of our Company pursuant to this Issue may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a limited liability company incorporated under the laws of India. Substantially all directors and executive officers of our Company are residents of India and a substantial portion of the assets of such persons and of our Company are located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons outside India or to enforce judgments obtained against such parties outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 of the Code of Civil Procedure, 1908 (the "**Civil Code**") on a statutory basis. Section 13 of the Civil Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon except:

(a) where the judgment has not been pronounced by a court of competent jurisdiction;
(b) where the judgment has not been given on the merits of the case;
(c) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable;
(d) where the proceedings in which the judgment was obtained were opposed to natural justice;
(e) where the judgment has been obtained by fraud; or
(f) where the judgment sustains a claim founded on a breach of any law than in force in India.

Under the Civil Code, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of such Section, in any country or territory outside India which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties.

A few countries like the United Kingdom, Singapore and Hong Kong, amongst others, have been declared by the Central Government to be reciprocating territories for the purposes of Section 44A.

A judgment of a court of a country which is not a reciprocating territory may be enforced only by a suit upon the judgment and not by proceedings in execution. Such a suit must be filed in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action was brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court were of the view that the amount of damages awarded was excessive or inconsistent with the public policy of India. A party seeking to enforce a foreign judgment in India must obtain approval from the RBI to execute such a judgment or to repatriate outside India any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable. It is unlikely that an Indian court would enforce foreign judgments that would be contrary to or in violation of Indian law. We cannot assure you that Indian courts and/or authorities would not take a longer amount of time to adjudicate and conclude similar proceedings in their respective jurisdictions.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Our Company publishes its financial statements in Rupees. Our Company's financial statements included herein have been prepared in accordance with Indian GAAP. Unless otherwise indicated, all financial data in the Placement Document are derived from our Company's financial statements prepared in accordance with Indian GAAP. Indian GAAP differs in certain significant respects from International Financial Reporting Standards ("**IFRS**"), US GAAP and other international accounting systems.

Our Company's Fiscal commences on April 1 of each year and ends on March 31 of the succeeding year, so all references to a particular Fiscal are to the twelve-month period ended on March 31 of that year. The audited financial statements of our Company for the years ended March 31, 2008 and March 31, 2009 and the unaudited financial results (limited reviewed) for the half year ended September 30, 2009 were prepared in accordance with Indian GAAP, are included in the Placement Document and are referred to herein as the "Financial Statements".

In the Placement Document, all references to "you" are to the prospective investors in Equity Shares issued pursuant to the Issue, all references to "India" are to the Republic of India and all references to the "Government" are to the Government of India (unless the context otherwise requires). All references to "Rupees" or "Rs." are to the lawful currency of India. All references to "U.S. dollars", "dollars", "$", "USD" and "US$" are to the lawful currency of the United States of America. All references to "£" are to the lawful currency of the United Kingdom. All references to "€" are to the lawful currency of the member states of the European Union that adopted it as the single currency.

In the Placement Document, certain monetary amounts have been subject to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

INDUSTRY AND MARKET DATA

Information regarding markets, market size, market share, market position, growth rates and other industry data pertaining to our Company's business contained in the Placement Document consists of estimates based on data reports compiled by professional organisations and analysts, on data from other external sources, and on our Company's knowledge of our revenues and markets. In some cases, there is no readily available external information (whether from trade associations, government bodies or other organisations) to validate market-related analyses and estimates, requiring our Company to rely on internally developed estimates. While our Company has compiled, extracted and reproduced market or other industry data from external sources, including third parties or industry or general publications, our Company has not independently verified that data. Our Company cannot assure potential investors of the accuracy and completeness of, and takes no responsibility for, such data. Our Company takes responsibility for accurately reproducing such information but, subject to the next sentence, accepts no further responsibility in respect of such information and data. Our Company confirms that such information and data have been accurately reproduced. Several reports also expressly disclaim legal responsibility and liability of the person/ organization preparing the report for any loss or damage resulting from the contents of such reports. Accordingly, the GC-BRLM and we do not take any responsibility for the data, projections, forecasts, conclusions or any other information contained in this section. Certain information contained herein pertaining to prior years is presented in the form of estimates as they appear in the respective reports/ source documents. The actual data for those years may vary significantly and materially from the estimates so contained. Similarly, while our Company believes its internal estimates to be reasonable, such estimates have not been verified by any independent source and our Company cannot assure potential investors as to their accuracy.

FORWARD-LOOKING STATEMENTS

The Placement Document includes statements that are, or may be deemed to be, "forward-looking statements". These statements express views of the management of our Company and expectations based upon certain assumptions regarding trends in the Indian and international financial markets and regional economies, the political climate in which our Company operates and other factors. These forward-looking statements can be identified by the use of forward-looking terminology, including the words "believes", "estimates", "anticipates", "expects", "intends", "may", "will", "plans" or "should" or, in each case, their negative or other variations or comparable terminology or by discussions of strategies, plans, objectives, goals, future events or intentions. All statements regarding our Company's expected financial condition and results of operations, business plans projects under execution, orders-in-hand and prospects are forward-looking statements. These forward-looking statements include statements as to our Company's business strategy, revenue and profitability and other matters discussed in the Placement Document regarding matters that are not historical facts. They appear in a number of places throughout the Placement Document and include statements regarding the intentions, beliefs or current expectations of our Company concerning, among other things, the results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of our Company and the industry in which we operate.

By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events, and depend on circumstances, that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. Our Company's actual results of operations, financial condition, liquidity, dividend policy and the development of the industry in which we operate may differ materially from the impression created by the forward-looking statements contained in the Placement Document. In addition, even if the results of operations, financial condition, liquidity and dividend policy of our Company and the development of the industry in which we operate are consistent with the forward-looking statements contained in the Placement Document, those results or developments may not be indicative of results or developments in subsequent periods.

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

- the growth of the infrastructure sector and the availability of infrastructure financing in India;
- the performance of industrial sector and the prevailing condition of the industrial sector;
- the effect of changes in our accounting policies;
- the extent to which our projects qualify for percentage of completion revenue recognition;
- our ability to manage our growth effectively;
- costs and availability of equipment and materials;
- cost overruns, delays and disruptions in completion of projects;
- outcome of legal or regulatory proceedings to which we, are a party to or might become involved in;
- changes in government policies, laws and regulations that apply to our customers, infrastructure and construction industry;
- increasing competition in and the conditions of our customers, infrastructure and construction industry;
- changes in political and social conditions in India;
- our ability to compete effectively, particularly in new markets and business lines;
- potential mergers, acquisitions or restructurings;
- changes in the foreign exchange control regulations in India; and
- other factors discussed in the Placement Document, including "Risk Factors".

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business". These forward-looking statements speak only as of the date of the Placement Document. Our Company and the GC-BRLM expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in our Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based.

The forward-looking statements contained in the Placement Document are based on the beliefs of the management of our Company, as well as the assumptions made by, and information currently available to, the management of our Company. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, our Company's actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent written and other forward-looking statements attributable to our Company in the Placement Document are expressly qualified in their entirety by reference to these cautionary statements.

DEFINITIONS AND GLOSSARY

Definitions of certain terms used in the Placement Document.

The following list of defined terms is intended for the convenience of the reader only and is not exhaustive;

Terms	Description
"J. Kumar Infraprojects Limited", "JKIL" "We", "us", "our", "Issuer", "the Company" and "our Company",	Unless the context otherwise indicates or implies, refers to J. Kumar Infraprojects Limited, where the contents refer to J. Kumar Infraprojects Limited it may also refer to J. Kumar & Co., proprietary concern of Jagdishkumar M. Gupta, our promoter.
Allocated or Allocation	The determination of successful Bidders pursuant to receipt of Bid-cum-Application Form from QIBs by our Company in consultation with the GC-BRLM in compliance with Chapter VIII of the SEBI (ICDR) Regulations
Allotment or Allotted	Unless the context otherwise requires, the allotment of Equity Shares to the successful Bidders pursuant to this Issue
Allottee	QIBs who are allotted Equity Shares pursuant to this Issue
Bid-cum-Application Form	The form which the QIBs are required to complete and return to the GC-BRLM, and pursuant to which they apply for the Equity Shares
Articles / Articles of Association	Articles of Association of J. Kumar Infraprojects Limited
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
Auditors / Statutory Auditors	Gupta Saharia & Co., Chartered Accountants
Board of Directors or Board	Board of Directors of J. Kumar Infraprojects Limited or a Committee constituted thereof
Bid	An indication of interest to subscribe for Equity Shares of our Company, made pursuant to a Bid-cum-Application Form
Bidders	QIBs who have made a Bid
Bidding Period/Issue Period/ Bid/Issue Period	The period between the Bid Opening Date and Bid Closing Date, inclusive of both dates, during which QIBs may submit their Bids
Bid Closing Date	December 09, 2009, i.e. the date on which our Company (or the GC-BRLM on behalf of our Company) shall cease acceptance of duly completed Bid-cum-Application Forms for the Issue, from QIBs
Bid Opening Date	December 08, 2009, i.e. the date on which our Company (or the GC-BRLM on behalf of our Company) shall commence the acceptance of duly completed Bid-cum-Application Forms for the Issue, from QIBs
BOLT	BSE's online trading facility
BSE	Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate

Terms	Description
CAN or Confirmation of Allocation Note	The valid, binding and irrevocable contract for the QIBs to pay the entire Issue Price for all the Equity Shares allocated to such QIBs pursuant to this Issue
CDSL	Central Depository Services (India) Limited
Chapter VIII	Refers to Chapter VIII of the SEBI (ICDR) Regulations, 2009 that deals with Qualified Institutions Placement
Civil Code or Code	The Code of Civil Procedure, 1908 of India, as amended
Committee	Committee of the Board of Directors
Companies Act or Companies Act, 1956	The Companies Act, 1956 of India, as amended
Directors	Directors of J. Kumar Infraprojects Limited
Delisting Regulations	The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as amended
Depositories Act	The Depositories Act, 1996, as amended
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996, as amended
Depository Participant	A depository participant as defined under the Depositories Act
EGM	Extraordinary General Meeting
Equity Shares	Equity Shares with full voting rights of J. Kumar Infraprojects Limited of face value of Rs.10 each, unless otherwise specified in the context thereof
Equity Shareholders/ Shareholders	Persons holding Equity Shares of J. Kumar Infraprojects Limited, unless otherwise specified in the context thereof
Escrow Agent / Collection Bank/ Escrow Bank/ Designated Bank	YES Bank Limited
Escrow Cash Account / Escrow Account	A special bank account opened by our Company entitled "J Kumar - QIP Escrow Account" with the Escrow Agent in terms of the arrangement between our Company, GC-BRLM and the Escrow Agent
FDI	Foreign Direct Investment in an Indian company, in accordance with applicable law
FEMA	The Foreign Exchange Management Act, 1999, as amended and the Regulations framed thereunder
FII	Foreign Institutional Investor [as defined under Section 2(f) the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended], registered with SEBI under applicable laws in India
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended

Terms	Description
Financial Year or Fiscal Year or Fiscal	A period of twelve months ending March 31 of that particular year, unless otherwise stated
Floor Price	Rs. 180.25 per Equity Share calculated in accordance with Regulation 85 of the SEBI (ICDR) Regulations
FSMA	The Financial Services and Markets Act, 2000 of the United Kingdom
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GoI or Government	Government of India, unless otherwise specified
GOM	Government of Maharashtra
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
Income Tax Act or IT Act	The Income Tax Act, 1961 of India, as amended
India	The Republic of India
Indian GAAP	Generally accepted accounting principles followed in India
Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended
Issue	The offer and issuance of Equity Shares to Qualified Institutional Buyers, pursuant to Chapter VIII of the SEBI (ICDR) Regulations. The Equity Shares offered pursuant to this Issue are being offered and sold outside the United States in reliance on Regulation S
Issue Price	A price of Rs. 180.25 per Equity Share, finalised by our Company, in consultation with the GC-BRLM
Issue Size	The issue of 30,76,785 Equity Shares aggregating to Rs. 554.59 million
Global Co-ordinator and Book Running Lead Manager	Anand Rathi Advisors Limited or ARAL or GC-BRLM
Listing Agreements	The agreement executed by a listed company with each of the Stock Exchanges
Memorandum / Memorandum of Association	The Memorandum of Association of J. Kumar Infraprojects Limited
MOU	Memorandum of Understanding executed among our Company and the GC-BRLM
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended
Non-Resident Indian(s) or NRI	Non-Resident Indian, as defined under FEMA

Terms	Description
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest was irrevocably held by NRI's directly or indirectly and which was in existence on September 16, 2003 and immediately before such date was eligible to benefits under the general permission granted to OCBs under FEMA
PAN	Permanent Account Number
Pay-In Date	The last date specified in the CAN sent to QIBs, as applicable
Placement Document	The Placement Document dated December 15, 2009 issued in accordance with Chapter VIII of the SEBI (ICDR) Regulations
Preliminary Placement Document	The Preliminary Placement Document dated December 02, 2009 issued in accordance with Chapter VIII of the SEBI (ICDR) Regulations
QIBs or Qualified Institutional Buyers	A Qualified Institutional Buyer as defined under Regulation 2(1)(zd) of the SEBI (ICDR) Regulations
RBI	The Reserve Bank of India
Registrar of Companies or RoC	The Registrar of Companies, Mumbai having its office situated at Everest, 100 Marine Drive, Mumbai 400002, Maharashtra, India
Registered Office	The registered office of our Company located at 16-A, Andheri Industrial Estate, Veera Desai Road, Andheri (West), Mumbai – 400058
Regulation S	Regulation S under the U.S. Securities Act
Relevant Member State	Each Member State of the European Economic Area, which has implemented the Prospectus Directive 2003/71/EC
SCRA	The Securities Contracts (Regulation) Act, 1956, of India, as amended
SCRR	The Securities Contracts (Regulation) Rules, 1957, of India, as amended
SEBI	The Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended
SEBI DIP Guidelines / DIP Guidelines	The Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000, as replaced by the SEBI (ICDR) Regulations
SEBI (ICDR) Regulations / ICDR Regulations	The Securities And Exchange Board Of India (Issue Of Capital And Disclosure Requirements) Regulations, 2009
SEC	The Securities Exchange Commission of the United States of America
Security Regulations	The Foreign Exchange Management (Transfer or Issue of Security by a Person

Terms	Description
	Outside India Regulations), 2000
SEZ	Special Economic Zone established in accordance with the SEZ Act
SEZ Act	The Special Economic Zone Act, 2005 of India, as amended
SFA	Chapter 289 of the Singapore, Securities and Futures Act,
SICA	The Sick Industrial Companies (Special Provisions) Act, 1985, of India, as amended
SPV	Special Purpose Vehicle
State	Any state in the Republic of India
State Government	Government of a State
Stock Exchanges	Bombay Stock Exchange Limited and National Stock Exchange of India Limited (BSE and NSE)
STT	Securities Transaction Tax
Takeover Code	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended
UK	The United Kingdom of Great Britain and Northern Ireland
U.S. GAAP	Generally Accepted Accounting Principles in the United States
U.S. Securities Act	U.S. Securities Act of 1933, as amended

TECHNICAL AND INDUSTRY RELATED TERMS

Terms	Description
BOQ	Bill of Quantities
BOT	Build Operate and Transfer
BOOT	Build Own, Operate and Transfer
CBD	Central Business District
CFI	Construction Federation of India
CFS	Container Freight Station
CIDCO	City and Industrial Development Corporation of Maharashtra Limited
CMLR	Chembur Mankhurd Link Road
CPM PERT	Criticial Path Method and Project Evaluation and Review Technique
EEH	Eastern Express Highway
EMD	Eastern Money Deposit

Terms	Description
LoI	Letter of Intent
MCGM	Municipal Corporation of Greater Mumbai
MHADA	Mumbai Housing and Area Development Authority
MKVDC	Maharashtra Krishna Valley Development Corporation
MMRDA	Mumbai Metropolitan Regulatory Development Authority
MRVC	Mumbai Rail Vikas Corporation
MRTS	Mass Rapid Transit System
MSRDC	Maharashtra State Road Development Corporation
NABARD	National Bank for Agriculture and Rural Development
NIT	Notice Inviting Tender
NHAI	National Highways Authority of India
NHDP	National Highways Development Project
O & M	Operations and Maintenance
PCMC	Pimpri Chinchwad Municipal Corporation
PPP	Public- Private Partnership
PWD	Public Works Department
RCC	Reinforced Cement Concrete
RMC	Ready Mix Concrete
ROB	Railway Over Bridge
RUB	Railway Under Bridge
WEH	Western Express Highway

DETAILS OF GLOBAL CO-ORDINATOR AND BOOK RUNNING LEAD MANAGER AND OTHER ADVISORS TO THE ISSUE

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SUMMARY OF BUSINESS

The following summary provides an overview of the information contained in the Placement Document. Because this is a summary, it does not contain all the information that may be important to you. You should read the entire Placement Document, including the Financial Statements, before you decide to invest in the Equity Shares. There are risks associated with any investment. Some of the particular risks in investing in the Equity Shares are set out in the section entitled "Risk Factors". You should read that section carefully before you decide to invest in the Equity Shares.

In this section any references to 'we', 'us', 'our' in this section wherever relating to past history or activities refers to the history of our activities carried out by J. Kumar & Co. (Proprietary concern) of Mr. Jagdishkumar M. Gupta our promoter and Chairman-cum-Managing Director.

In this section, unless the context requires otherwise, any reference to "Our Company" refers to J. Kumar Infraprojects Limited. Unless otherwise stated, all financial and other data regarding our Company's business and operations presented in this section is on a consolidated basis. The data below is based on management estimates and has not been independently appraised or verified. Reliance on such data should accordingly be limited.

Overview

We are a civil engineering and infrastructure development Company with a primary focus on development of flyovers, skywalks, roads, bridges, airport runways, commercial and residential buildings, railway buildings, sports complexes, and irrigation projects. We also undertake the piling of foundation work using hydraulic piling rigs for major real estate and infrastructure companies. We have been most active in Mumbai, Pune, Aurangabad and Vidharbha region of Maharashtra for the infrastructure projects, whereas have been undertaking piling contracts for projects across India.

Our core areas of expertise in the construction of infrastructure projects can be segregated in different business verticals as follows:

I TRANSPORTATION ENGINEERING

Construction of:

(a) Flyovers
(b) Skywalks
(c) Rigid and flexible pavement roads
(d) Pedestrian subways
(e) Bridges
(f) Rail Over Bridges "ROB", Rail Under Bridges "RUB"
(g) Storm Water Drainage Systems
(h) Grade Separators
(i) Airport runways

II CIVIL CONSTRUCTION

Construction of:

(a) Railway Terminus / Stations
(b) Commercial buildings
(c) Sports complexes
(d) Swimming pools

III IRRIGATION PROJECTS

Construction of:
(a) Earthen dams
(b) Minor Irrigation tanks
(c) Spillways
(d) Canals
(e) Aqueducts

IV PILING

We deploy state of the art hydraulic piling rigs to undertake piling of foundation works for various real estate and infrastructure companies.

We undertake design and construction of projects as per the client's specific requirements on a turnkey basis and also undertake construction of flyovers, skywalks, roads, bridges, buildings, irrigation projects and other infrastructure projects on contract basis.

We are registered independently as:

- Class I A contractor with Public Works Department "PWD", Government of Maharashtra
- Group A, Class I A with Vidharbha Irrigation Development Corporation "VIDC", Nagpur
- We are registered with Muncipal Corporation of Greater Mumbai "MCGM" under various categories signifying the maximum amount of work which can be undertaken:

Parameters of MCGM	**Construction of**				
Category	**Buildings**	**Flyovers**	**Roads**	**Sewage**	**Water Supply**
Grade	AA	AA	AA	A	B
Work Limit	Without limit	Without limit	Without limit	Upto Rs. 3 Crores	Upto Rs. 1 Crore

Over the years we have been executing projects for various government / semi-government authorities including:

- Maharashtra State Road Development Corporation Limited
- Mumbai Metropolitan Regulatory Development Authority
- Municipal Corporation of Greater Mumbai
- Pimpri Chinchwad Municipal Corporation
- Mumbai Rail Vikas Corporation

Apart from the above government clients, we undertake contracts from various private sector entities including:

- Larsen & Tourbo Limited
- Pipavav Shipyard Limited
- JSW Energy Limited
- Indiabulls Real Estate Limited
- Multi Commodity Exchange of India Limited
- Punj Lloyd Limited
- SMC Infrastructures Private Limited

For the years ended March 31, 2009 and March 31, 2008, our total income was Rs. 4,136.14 million and Rs. 2,170.23 million respectively, and for the six months ended September 30, 2009 our total income was Rs. 2,963.47 million. In the years ended March 31, 2009 and 2008, we earned a profit after tax of Rs. 329.28 million and Rs. 194.97 million respectively, and for the six months ended September 30, 2009 we earned a profit after tax of Rs. 320.82 million. As on September 30, 2009 our Order Book stands at Rs. 14,681.60 million, which comprises of some un-commenced projects and unfinished portion of projects under execution.

<u>Some of the key infrastructure projects under execution include:</u>

- Flyover including subway across S.V. Road at the Junction of Barfiwala Lane, Mumbai
- Flyover near Times of India Building at Malad on Western Express Highway, Mumbai
- Design and Construction of four flyovers at Dr. Babasaheb Ambedkar Marg , Mumbai
- Construction of flyover at Kapurwadi Junction on Thane Ghodbunder Raod, Mumbai
- Development of skywalk at various Railway stations in Mumbai and suburbs of Mumbai
- Improvement of road connecting Bandra Kurla Complex and LBS Marg Mumbai
- Construction of road BRTS from Nasik Phata flyover approach to Kaspati Vasti Mumbai
- Construction of eastern freeway section from Panjarapol to Chembur Mankurd Link Road, Mumbai
- Concreting of Andheri (W) and others roads in paver blocks in Khar West, Mumbai
- Concreting of Film City road, Goregaon (E) from Walbhat Bridge to Film City Gate, Mumbai
- Training of Mithi River from Custom Colony FOB to Pipeline Road, Powai, Mumbai
- Construction of new bridge across Mithi River on piling foundation, Mumbai
- Construction of bridge and flyover on Mula River, Holkar Bridge Pune
- Construction of ROB at Milan subway including vehicular underpass, Mumbai
- Construction of ROB at Jogeshwari (South) in Mumbai
- Construction of ROB across Western Railway Tracks between Dahisar and Mira Road, Mumbai
- Dahegaon (Gargoti) M.I Tank Taluk, Ralegaon Dist Yavatmal Construction of earthwork of Dam Yavatmal
- Lower Wardha Mail Canal- Construction of Barrage at Pulgaon on Wardha River, Amravati
- Earthwork and structure in various parts of Bembla Main Canal
- Widening, Constructing, Training, Reconstructing, Cleaning and Improvement of various nallas in Mumbai
- Piling work using hydraulic piling rig for various real estate and infrastructure companies

For further details of our projects under execution and orders-in-hand, please see the paragraph titled “Order Book” in the section titled Business Overview.

SUMMARY OF THE ISSUE

This following is general summary of the terms of the Issue; this summary should be read in conjunction with, and is qualified in its entirety by more detailed information appearing in the Placement Document, including "Risk Factors".

Company / Issuer	J. Kumar Infraprojects Limited
Issue	30,76,785 Equity Shares of Rs. 10 each for cash at a price of Rs. 180.25 per Equity Share, aggregating to Rs. 554.59 million
Issue Price per Equity Share	180.25
Issue Size	The issue of 30,76,785 Equity Shares aggregating to Rs. 554.59 million
Equity Shares outstanding prior and after the Issue	24,724,420 Equity Shares are issued and outstanding immediately prior to the Issue. Immediately after this Issue, 27,801,205 Equity Shares will be issued and outstanding.
Eligible Investors	QIBs as defined in Regulation 2(1)(zd) of the SEBI (ICDR) Regulations
Listing	Our Company shall make applications to the Stock Exchanges to obtain Listing and Trading approvals for the Equity Shares offered through the Placement Document.
Transferability Restriction	The Equity Shares being allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment except on a recognised stock exchange in India. Please refer to the section titled "Selling Restrictions" and "Transfer Restrictions" relating to the sale of the Equity Shares.
Ranking	The Equity Shares being issued pursuant to this Issue shall be subject to the provisions of our Company's Memorandum and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividends. The shareholders will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the date of allotment, in compliance with the Companies Act. Shareholders may attend and vote in shareholders' meetings in accordance with the provisions of the Companies Act and our Company's Articles of Association. Also, see "Description of Equity Shares".
Use of Proceeds	The proceeds of the Issue are estimated to be approximately Rs. 554.59 million, before deducting the Issue expenses. Subject to compliance with applicable laws and regulations, we intend to use the net proceeds received from the Issue to fund our expansion plans, meet our working capital requirements and for any other permissible uses.
Risk Factors	Prior to making an investment decision in this Issue, please refer sections titled "Risk Factors", "Financial Statements" and "Management's Discussion & Analysis Of Financial Condition And Results Of Operations".
Security Codes	ISIN : INE576I01014 BSE Code : 532940 NSE Code : JKIL - EQ Bloomberg : JKIL IN EQUITY

SELECTED FINANCIAL INFORMATION OF OUR COMPANY

The selected audited financial information for the years ended March 31, 2008 and March 31, 2009 and the unaudited financial results (limited reviewed) for the half year ended September 30, 2009 should be read in conjunction with our Company's audited financial statements and schedules and notes thereto and our Company's unaudited financial results (limited reviewed) for the half year ended September 30, 2009 included in the Placement Document.

The selected audited balance sheet data and profit and loss data for the years ended March 31, 2008 and March 31, 2009 and cash flow data for the years ended March 31, 2008 and March 31, 2009 set forth below have been derived from our Company's audited financial statements for such years, which have been prepared in accordance with Indian GAAP and have been audited by the statutory auditors of our Company, Gupta Saharia & Co., Chartered Accountants.

Neither the information set forth below nor the format in which it is presented should be viewed as comparable to information prepared in accordance with IAS/IFRS or other accounting principles.

Indian GAAP differs in certain material respects from IAS, IFRS and US GAAP.

The selected Financial Statements set forth below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements included in the Placement Document.

BALANCE SHEET AS AT MARCH 31, 2009 AND 2008

(Rs. in million)

Particulars	Schedule	2009	2008
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	A	207.24	207.24
Reserves and Surplus	B	1,300.53	1,019.75
LOAN FUNDS			
Secured Loans	C	485.08	382.61
Unsecured Loans	D	0.00	0.00
DEFFRRED TAX LIABILITY (Refer Note 4)		25.00	11.39
TOTAL		**2,017.85**	**1,620.99**
APPLICATION OF FUNDS			
FIXED ASSETS	E		
Gross Block		1212.51	673.31
Less:- Depreciation and Amortisation		201.76	95.50
Net Block		1010.75	577.81
INVESTMENTS	F	9.53	184.11
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	G	362.32	61.59
Sundry Debtors	H	296.66	149.70
Cash and Bank Balances	I	242.50	442.49
Other Current Assets	J	151.68	78.96
Loans and Advances	K	749.94	417.20
	Total (I)	1,803.10	1,149.94
LESS: CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	L	521.54	174.49
Provisions	M	330.87	172.71
	Total (II)	852.41	347.20
NET CURRENT ASSETS (I) - (II)		950.69	802.74
MISCELLANEOUS EXPENDITURE		46.88	56.33
(to the extent not written off or adjusted)			
TOTAL		**2,017.85**	**1,620.99**
NOTES TO ACCOUNTS	T		

PROFIT AND LOSS ACCOUNT FOR THE YEARS ENDED MARCH 31, 2009 AND 2008

(Rs. in million)

Particulars	Schedule	2008-09	2007-08
INCOME			
Income from Operations	N	4,064.61	2,142.42
Other Income	O	71.53	27.81
TOTAL		**4,136.14**	**2,170.23**
EXPENDITURE			
Construction Expenses	P	3,139.46	1,593.13
Employment Remuneration & Benefits	Q	87.97	39.53
Administrative, Selling and General Expenses	R	233.24	120.83
Interest and Finance Charges	S	79.82	59.97
Depreciation and Amortisation		106.71	60.92
TOTAL		**3,647.20**	**1,874.38**
PROFIT BEFORE TAX		488.94	295.85
Add/ (Less) : Provision for Taxation			
- Current Tax		(144.58)	(95.13)
- Deferred Tax (Charge) / Credit		(13.62)	(4.45)
- Fringe Benefit Tax		(1.46)	(1.30)
PROFIT AFTER TAX		**329.28**	**194.97**
Less: Appropriations :			
Proposed Dividend on Equity Shares		41.45	31.09
Corporate Tax on Proposed Dividend on Equity Shares		7.05	5.28
Balance carried to Balance Sheet		**280.78**	**158.60**
Earning per share of Rs. 10 each (Basic and Diluted) (Refer Note 9) (in Rs.)		**15.89**	**9.41**
NOTES TO ACCOUNTS	T		

CASH FLOW STATEMENT FOR THE YEARS ENDED MARCH 31, 2009 AND MARCH 31, 2008

(Rs. in million)

Particulars	2008-09	2007-08
CASH FLOW FROM OPERATING ACTIVITIES		
Net Operating Profit before Taxation &		
Extraordinary Item	488.94	295.85
Adjustment for:		
Depreciation	106.25	60.72
Dividend Received	(9.85)	(0.42)
Interest & Rent Received	(28.97)	(17.85)
Preliminary Expenses W/off	11.71	-
Interest & Finance Charges paid	79.82	59.97
Operating Profit before working capital changes	**647.90**	**398.27**
Adjustment for changes in Working Capital:		
Inventories	(300.73)	(28.71)
Debtors	(146.96)	(136.91)
Loans & Advances	(332.75)	(298.71)
Other Current Assets	(72.72)	(69.62)
Current Liabilities & Provision	347.05	66.11
Movement in Working capital limits	**(506.11)**	**(467.85)**
Cash generated from operation	141.80	(69.58)
Net Cash from Operating Activities (A)	**141.80**	(69.58)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(539.20)	(287.92)
Investment in Mutual Funds & Joint Venture	(5.42)	(3.91)
(Purchase)/Redemption of Fixed Assets	180.00	(180.20)
Dividend Received	9.85	0.42
Interest & Rent Received	28.97	17.85
Net Cash from Investing Activities (B)	**(325.79)**	**(453.76)**
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(36.37)	-
Increase in Long Term Borrowing	102.46	118.16
Decrease in Unsecured Loan	-	(1.00)
Increase in Share Capital	-	82.29
Increase in Share Premium	-	771.03
Increase in Share Application	-	-
Interest & Finance charges paid	(79.82)	(59.97)
IPO Expenses/ Preliminary Expenses	(2.27)	(54.97)
Net Cash from Financing Activities (C)	**(16.00)**	**855.55**
Net Increase/(Decrease) in Cash & Cash	**(199.99)**	**332.21**
Equivalent (A+B+C)		
Cash & Cash Equivalent at the beginning of the year	**442.48**	**110.28**
Cash & Cash Equivalent at the end of year	**242.49**	**442.49**

RECENT DEVELOPMENTS

LIMITED REVIEW REPORT FOR THE QUARTER ENDED AND YEAR TO DATE AS ON SEPTEMBER 30, 2009

GUPTA SAHARIA & CO.
Chartered Accountants
4, Atlanta,
Evershine Nagar,
Malad (West),
Mumbai – 400 064

LIMITED REVIEW REPORT

To,
The Board of Directors,
J. Kumar Infraprojects Limited

We have reviewed the accompanying statement of unaudited financial results of J. Kumar Infraprojects Ltd for the quarter ended and year to date as on 30th September, 2009. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, Engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquires of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results, prepared in accordance with applicable Accounting Standards notified pursuant to the Companies (Accounting Standards) Rules, 2006 as per Section 211 (3C) of the Companies Act, 1956 and other recognized accounting practices and policies, have not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the company in terms of Clause 35 of the Listing Agreement and found the same to be correct.

For and on behalf of
GUPTA SAHARIA & CO.
Chartered Accountants

PAWAN GUPTA
Partner
Membership No.: 071471
Mumbai: 24th October, 2009

Unaudited Financial Results For The Quarter Ended September 30, 2009

(Rs. in million)

PARTICULARS	3 Months Ended		Half Year Ended		Previous Accounting Year Ended
	(30/09/09)	(30/09/08)	(30/09/09)	(30/09/08)	(31/03/2009)
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Income					
(a) Net Sales/Income from Operations	1233.37	717.32	2725.37	1570.58	3895.37
(b) Other Operating Income	181.05	51.62	215.76	92.62	169.24
Total	**1414.41**	**768.94**	**2941.13**	**1663.20**	**4064.61**
2. Expenditure					
a. Increase/decrease work in progress	(16.86)	(20.83)	(124.94)	(2.42)	(223.37)
b. Construction and other cost	894.38	532.85	2,128.84	1,122.78	2,824.66
c. Employees cost	41.76	17.06	63.66	31.95	87.97
d. Labour Wages	73.26	52.17	165.86	126.32	332.36
e. Depreciation	35.66	23.00	70.98	39.69	106.71
f. Other expenditure	75.87	74.51	127.09	142.68	439.05
Total	**1,104.06**	**678.75**	**2,431.49**	**1,461.00**	**3,567.38**
3. Profit from Operations before, Interest and Exceptional Items (1-2)	**310.35**	**90.19**	**509.63**	**202.19**	**497.23**
4. Other Income	8.95	20.59	22.34	33.91	71.53
5. Profit before Interest and Exceptional Items (3+4)	**319.30**	**110.78**	**531.97**	**236.10**	**568.76**
6. Interest & Financial Charges	18.88	17.70	45.95	30.90	79.82
7. Profit after Interest but before Exceptional Items (5-6)	**300.42**	**93.09**	**486.02**	**205.20**	**488.94**
8. Exceptional items	-	-	-	-	-
9. Profit (+)/ Loss (-) before tax (7+8)	**300.42**	**93.09**	**486.02**	**205.20**	**488.94**
10.Tax expense	102.11	30.99	165.20	67.99	159.66
11.Net Profit (+)/ Loss (-) from Ordinary Activities after tax (9-10)	**198.31**	**62.10**	**320.82**	**137.21**	**329.28**
12. Extraordinary Items (net of tax expense Rs. Nil)	-	-	-	-	-
13. Net Profit(+)/ Loss (-) for the period (11-12)	**198.31**	**62.10**	**320.82**	**137.21**	**329.28**
14. Paid-up equity share capital (Face Value of the Share Rs. 10)	247.24	207.24	247.24	207.24	207.24
15. Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	-	1,300.53
16. Earnings Per Share (EPS)					
a) Before Extraordinary Item 1) Basic	**Rs.8.02/-**	**Rs. 3.00/-**	**Rs.12.98/-**	**Rs.6.62/-**	**Rs.15.89/-**
2) Diluted	Rs.8.02/-	Rs. 2.51/-	Rs.12.98/-	Rs.5.55/-	Rs.13.32/-
b) After Extraordinary Item 1) Basic	-	-	-	-	-
2) Diluted	-	-	-	-	-
17. Public Shareholding					

PARTICULARS	3 Months Ended		Half Year Ended		Previous Accounting Year Ended
	(30/09/09)	(30/09/08)	(30/09/09)	(30/09/08)	(31/03/2009)
	Unaudited	**Unaudited**	**Unaudited**	**Unaudited**	**Audited**
- No. of shares	9,568,500	7,968,510	9,568,500	7,968,510	7,968,510
- Percentage of shareholding	38.70%	38.45%	38.70%	38.45%	38.45%
18. Promoters and Promoter group Shareholding					
a) Pledged/Encumbered					
.-Number of Shares	4,000,000	---	4,000,000	---	2,025,000
.-Percentage of Shares (as a % of total shareholding of promoter and promoter group)	26.39%	---	26.39%	---	15.87%
.-Percentage of shares (as a % of the total share capital of the company)	16.18%	---	16.18%	---	9.77%
b) Non-encumbered					
.-Number of shares	11,155,920	---	11,155,920	---	1,07,30,920
.-Percentage of Shares (as a % of total shareholding of promoter and promoter group)	73.61%	---	73.61%	---	84.12%
.-Percentage of shares (as a % of the total share capital of the company)	45.12%	---	45.12%	---	51.78%

Notes:

1. The above results, subjected to a "Limited Review" by the Statutory Auditors, have been reviewed by the Audit Committee and taken on record by the Board of Directors at its meeting held on October 24, 2009.
2. Information on Investor Complaints:-

At the beginning of the quarter	Nil
Received during the quarter	5
Resolved during the quarter	5
At the end of the quarter	Nil

3. The company has a single business segment namely construction.
4. The figures for the previous period have been re-grouped and/or rearranged wherever considered necessary.
5. Other operating income includes a sum of Rs. 1466 lacs, additional income declared by the company for the current year during the course of search under Section 132 of Income Tax Act, 1961 as carried out by the Income Tax Department.
6. During the Quarter 40,00,000 outstanding convertible warrants have been converted into Equity Shares as per the terms of issue.

RISK FACTORS

Investment in Equity Shares of our Company involves a high degree of risk. Investors should carefully consider the risks described below before making an investment decision. If any of the risks described below actually occur, our Company's business, results of operations and financial condition may be adversely affected, the trading price of our Equity Shares may decline and you may lose all or part of your investment.

Unless specified or quantified in the relevant risk factors below, the financial implications of any of the risks mentioned below may not be possible to quantify.

The risks enumerated herein below are not exhaustive. We may be subject to several other risks, some of which may not be presently known to us or which we currently consider immaterial. Any one or more risks not enumerated herein below, if they occur, may have a material adverse impact on our Company's business, results of operations and financial condition.

The Placement Document also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in the Placement Document. Prospective investors should pay particular attention to the fact that we are an Indian company and are subject to a legal and regulatory environment which may differ in certain respects from that of other countries.

Prior to making an investment decision, prospective investors and purchasers should carefully consider all of the information contained in the Placement Document (including the financial statements incorporated in the Placement Document).

Risks Relating to our Company

We and two of our promoter directors are involved in legal proceedings. Any unfavorable outcome of the proceedings against us may adversely impact our business and financial condition. Any unfavourable outcome against them may impose monetary liability on them and otherwise adversely impact them.

We and two of our promoter directors, Mr. Jagdishkumar M. Gupta and Mr. Nalin J. Gupta, are involved in legal proceedings and claims in relation to certain matters. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. Any unfavorable decision against our Company and promoters resulting in imposition of a monetary liability could have an adverse impact on our financials.

Type of Legal Proceedings	Total number of pending cases		Amount involved (Rs. in million, approximate amount)
	Cases filed by our Company	Cases filed against our Company	
Civil cases	Nil	2	10.50
Customs cases	Nil	1	73.32
Income- Tax cases	Nil	1	Not quantifiable
Excise cases	Nil	1	Not quantifiable

There are certain pending Income Tax appeals pending against our promoters. A classification of these appeals are given in the following table:

Type of Legal Proceedings	Total number of pending cases		Amount involved (Rs. in million)
	Cases filed by our promoters	Cases filed against our promoters	
Income Tax cases	Nil	2	▪ For assessment year 2001-2002: 0.18 million ▪ For Assessment Year 2003-04: 1.73 million

We have not registered certain charges on our assets required to be registered by us pursuant to the provisions of the Companies Act, 1956.

As per the provisions of Section 125 of the Companies Act, 1956, we are required to register charges created on our assets within thirty days of their creation, by filing of the requisite forms with the RoC. On six occasions in the past, we have not filed the requisite forms with the RoC within the aforesaid thirty-day period. We are currently, in the process of filing the requisite forms. A penalty may be imposed on our Company by the RoC for the non-compliance of due registration of such charges.

Our promoters have pledged Equity Shares of our Company as security/ additional security under various financing documents. In the event of an defaults under the financing documents, the lenders may sell the pledged Equity Shares in the open market resulting in a substantial reduction of the promoters' shareholding, which may result in a change of control of our Company and could affect the trading of the Equity Shares.

As on September 30, 2009, our promoters have pledged 40,00,000 Equity Shares in our Company, which approximately amounts to 26.39% of promoters holding, as security for working capital loans / credit facilities received from banks and financial institutions for our Company. Given that a substantial portion of the shareholding of the promoters has been pledged to banks and financial institutions, if there is any default under the financing documents, or if the Equity Shares of our Company fall below a certain pre-determined threshold limit and our Company is unable to provide suitable additional security, margin calls would be triggered, the pledgee(s) could call for additional security, or they may sell the Equity Shares pledged to them in the open market, thereby reducing the shareholding of our promoters. In the event there is a substantial sale of Equity Shares in the open-market by any pledgees(s), it may lead to further reduction in the market price, which may trigger sales by further pledgee(s) and may lead to loss of control of our promoters on our Company. The interests of the new promoters, if any, may not be aligned with or could conflict with the interests of other shareholders and this may adversely affect our operations.

The Takeover Code and the Listing Agreement have been amended in 2009 to provide for disclosure of pledged (in case of Takeover Code) / encumbered (in case of Listing Agreement) shares held by promoters. The Takeover Code requires disclosure in case of pledge and release of pledge by promoters while the Listing Agreement requires disclosures of encumbrances on promoter shareholding on a quarterly basis with financial statements. Disclosures in the public domain of further pledge(s) or sale of pledged Equity Shares would have a negative impact on public perception regarding our Company and consequently on the price of our Equity Shares.

A significant part of our business transactions are with governmental or semi- government authorities, and any change in government policies or focus may affect our business and results of operations.

During Fiscal 2009 the contracts executed for governments or government entities formed 67% of our total revenues and 33% was from private organizations. Government focus on and sustained increase in budgetary allocation for investments in the infrastructure sector, and the development of a structured and comprehensive infrastructure policy that encourages greater private sector participation as well as increased funding by international and multilateral development financial institutions in infrastructure projects in India have resulted in or are expected to result in the commencement of several large infrastructure projects in India. If there is any change in the Government or in governmental policies, practices or focus that results in a slowdown in infrastructure projects, our business and results of operations may be adversely affected.

We have been subject to search by the Income Tax authorities under Section 132 of the Income Tax Act, 1961.

A search was conducted at our office premises by the Income Tax authorities pursuant to the power granted to them under Section 132 of the Income Tax Act, 1961. Pursuant to the search an amount of Rs. 519.5 million has been accounted for.

We have certain pending inquiries under the provisions of the Customs Act, 1962.

We have been subject to certain inquiries about evasion of Customs duty in contravention of the provisions of the Customs Act, 1962 ("Customs Act"). Pursuant to Section 108 of the Customs Act, from the Directorate of Revenue Intelligence, Mumbai Zonal Unit, we have received summons for an inquiry in connection with the import of certain machinery based on an exemption from payment of customs duty (hydraulic drilling rig HR-180 under notification under Cus 21/2002) seeking further clarifications relating to the same. Our Company has gone in for settlement with the relevant authorities and paid an amount of Rs. 73.32 million. The outcome of the same is pending.

We have certain pending inquiries under the provisions of the Central Excise Act, 1944.

Our Company received a summons dated September 18, 2009 under Section 14 of the Central Excise Act, 1944, from the Directorate General of Central Excise Intelligence, Mumbai Zonal Unit, for an inquiry in connection with evasion of excise duty relating to pre-cast panels being made at Wadala Yard. The summons pertains to seeking facts and documents relevant to the afore-mentioned inquiry.

Our Business is dependent on the implementation of the Central and State budget allocation to the building and infrastructure sectors. Policies and political situation in the country will have an impact on our performance.

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

Our profitability and results of operations may be adversely affected in the event of increase in the price of raw materials and labour.

The cost of raw materials and labour constitutes a significant part of our operating expenses. Our construction operations require various construction raw materials including steel and cement. Our ability to pass on increases in the purchase price of raw materials, fuel and other inputs to our clients may be limited to the escalation provisions in the contracts.

Our construction contracts are dependent on adequate and timely supply of key raw materials such as steel and cement at commercially acceptable prices.

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

We have high working capital requirements. If we are unable to generate sufficient cash flows to allow us to make required payments on our debt or fund working capital requirements, there may be an adverse effect on our results of operations.

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

Our working capital requirements may increase if, under certain contracts, payment terms do not include advance payments or such contracts have payment schedules that shift payments toward the end of a project or otherwise increase our working capital burdens. In addition, our working capital requirements have increased in recent years because we have undertaken a growing number of projects within a similar timeframe and due to the growth of our Company's business generally. We have in the past experienced delays in receipt of our dues from the client's, all of these factors may result, or have resulted, in increases in our working capital needs.

It is customary in the industry in which we operate to provide bank guarantees or performance bonds in favour of clients to secure obligations under contracts. These may extend, wholly or partly, for a period of 12 – 60 months even after the date of completion of a project. If we are unable to provide sufficient collateral to secure the letters of credit, bank guarantees or performance bonds, our ability to enter into new contracts or obtain adequate supplies could be limited. Providing security to obtain letters of credit, bank guarantees and performance bonds increases our working capital needs. We may not be able to continue obtaining new letters of credit, bank guarantees, and performance bonds in sufficient quantities on commercially acceptable terms, or at all, to match our business requirements.

Projects 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 and earnings.

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

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

We have experienced high growth in recent years and expect our construction and infrastructure business to continue to grow as we gain greater access to financial resources. We expect this growth to place significant demands on us and require us to continuously evolve and improve our operational, financial and internal controls across our organization. In particular, continued expansion increases the challenges involved in:

- preserving a uniform culture, values and work environment across our projects;
- developing and improving our internal administrative infrastructure, particularly our financial, operational, communications, internal control and other internal systems;

- recruiting, training and retaining sufficient skilled management, technical and marketing personnel;
- maintaining high levels of client satisfaction; and
- adhering to health, safety, and environmental standards.

Any inability to manage our growth may have an adverse effect on our business and results of operations.

Contracts awarded to us by governments or semi-government authorities may be unilaterally terminated.

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

Our indebtedness and the conditions and restrictions imposed on us by our financing agreements could adversely affect our ability to conduct our business.

As of March 31, 2009 our Company had a total amount of Rs. 485.08 million outstanding from different lenders, including against equipment and machinery as collateral security. As on March 31, 2009 the secured loans so obtained consists of working capital limits of Rs. 343.88 million and term loans for equipment financing for 139.06 million. In respect of various agreements entered into by our Company with the lenders, we are bound by certain restrictive covenants. A majority of these covenants, in relation to the equipment finance agreements, are specific to the conduct of our Company in relation to the hypothecated assets under those agreements, and those covenants are asset-specific. Other than the asset-specific covenants, as per the loan agreements, we require written consent from the lenders in relation to certain actions/matters, amongst others, including entering into any scheme of amalgamation or merger/ demerger/ reconstruction, declaration of any dividends if there are any arrears in making any payment of amount(s) due to our lender(s), entering into any arrangement for settlement of litigation for any such amount which would have a material adverse effect on our Company, not to change/ vary our constitution, name, location of the unit, product line, technical process and machinery and godown, not to have any banking account or borrowing arrangements and not open or operate such accounts with any other bank(s), not to make any changes to the general nature or scope of the business from that carried on by our Company, formulate any scheme of amalgamation or merger or reconstuction, effect any adverse changes in our Company's capital structure, make any drastic changes in its management set-up, approach capital markets for mobilizing resources either in the form of debts or equity, approach prepayment of the outstanding principal amount of the facility on full or in part before the due date, before creating any further security/ collateral/ personal or corporate guarantee which is more favourable to such lender/ bank than the terms agreed to amongst others.

Our Company is in receipt of the necessary NoC from the consortium, to enable our Company to raise additional capital pursuant to this Issue.

Our business may be adversely affected by losses from uninsured projects or losses exceeding our insurance limits.

Our operations are subject to hazards inherent in providing engineering and construction services, such as risk of equipment failure, work accidents, fire, earthquake, flood and other force majeure events, 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 may also be subject to claims resulting from defects arising from engineering, procurement or construction services provided by us within the warranty periods extended by us, which can range from 12 to 60 months from the date of commissioning.

We avail of Contractors' All Risk (CAR) policies and Workmen's Compensation policies for our contracts with Government authorities, semi-government authorities controlled by Government authorities, if the contracts so specifically require. We do not typically avail of either CAR policies or Workmen's Compensation policies in contracts with private parties (where we typically rely upon insurance availed by the private party awarding the contract), and in our contracts with Government authorities/statutory corporations controlled by Government authorities, if the contracts do not specifically require the same. We may not be adequately insured in case of loss or liability in contracts, specifically where we have not availed of CAR policies, and in relation to contracts where we have not availed of workmen's compensation policies. We do not have a loss of profits policy.

If we suffer any losses, damages and liabilities in the course of our operations, we may not have sufficient insurance or funds to cover any such losses. 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.

Most of our projects are based in the State of Maharashtra.

We have been active in Mumbai, Pune, Aurangabad and Vidharbha region of Maharashtra. Our operations are heavily dependent on work continuing to come in from Maharashtra, and our work in the past has also been focused on Maharashtra. This makes us dependent on Maharashtra State policies and Maharashtra State Government's focus on and sustained increase in budgetary allocation for investments in the infrastructure sector.

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

While construction companies, including us, conduct various scientific and site studies during the course of bidding for projects, there are always anticipated 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 engineering, procurement and/or construction services provided by us within the warranty periods stipulated in our contracts, which typically range from 12-60 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. We cannot assure that we would be able to limit or mitigate the liabilities involved, and the same may have a material adverse effect on our business, results of operation and financial condition.

Our operations are seasonal and are adversely affected by difficult working conditions and extreme high temperatures during summer months and during monsoons, which restrict our ability to carry on construction activities and fully utilize our resources.

Our revenues are based on the percentage of completion method. Since revenues are not recognized until they are in a reasonable progress on a contract, revenues recorded in 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. During periods of curtailed activity due to adverse weather conditions, we may continue to incur operation expenses, but our revenues from operations may be delayed or reduced.

Our operations are sensitive to weather conditions.

We have business activities that could be materially and adversely affected by severe weather. Severe weather conditions may require us to evacuate personnel or curtail services and may result in damage to our fleet of equipment or to our facilities, resulting in the suspension of operations, and may further prevent us from delivering materials to our project sites in accordance with contract schedules or generally reduce our productivity.

Difficult working conditions and extremely high temperatures also adversely affect our operations during summer months and during monsoon, which restrict our ability to carry on construction activities and fully utilize our resources. We record contract revenues for those stages of a project that we complete, after we receive certification from the client that such stage has been successfully completed. Since revenues are not recognized until we make progress on a contract and receive such certification from our clients, revenues recorded in the first half of our financial year between April and September are traditionally substantially lower compared to revenues recorded during the second half of our financial year. During periods of curtailed activity due to adverse weather conditions, we may continue to incur operating expenses, but our revenues from operations may be delayed or reduced.

Our business is subject to a variety of environmental laws and regulations. Any failure on our part to comply with applicable environmental laws and regulations could have an adverse effect on our business.

Our operations are subject to numerous environmental protection laws and regulations, which are complex and stringent. We regularly perform work in and around sensitive environmental areas such as rivers, lakes, coastlines and forests. The client may not be able to obtain and handover possession of the site due to problems related to displacement and rehabilitation of the project affected people. Significant fines and penalties may be imposed for non-compliance with environmental laws and regulations and certain environmental laws provide for strict liability for remediation of releases of hazardous substances, rendering a person liable for environmental damage without regard to negligence or fault on the part of such person. Furthermore, we incur significant expenditure relating to operating methodologies and standards in order to comply with applicable environmental laws and regulations.

Our clients are generally responsible for obtaining environmental permits required to proceed with the project. Any failure or inability by our clients to obtain / retain the requisite permits may have an adverse effect on our business and results of operations. However, in order to avoid any retroactive action being taken against our Company due to any non-compliance related to environmental laws, we follow Health, Safety and Environmental (HSE) regulations.

Such laws and regulations may expose us to liability arising out of the conduct of operations or conditions caused by others, or for our own acts including those that were in compliance with all applicable laws at the time such acts were performed. Sanctions for failure to comply with these laws, rules and regulations, many of which may be applied retroactively, may include administrative, civil and criminal penalties, revocation of permits and corrective action orders.

We have certain contingent liabilities that may adversely affect our financial condition.

Clients of construction companies usually demand performance guarantees from construction companies as a safety net against potential defaults by the construction companies.

Hence, construction companies often carry substantial contingent liabilities for the projects they undertake. The contingent liabilities consist principally of performance bank guarantees. If we are unable to complete a project on schedule, the client may invoke such performance guarantees. If we are unable to pay or otherwise default on our obligations, our lenders may be required pursuant to the relevant letters of credit or guarantees to cover the full or remaining balance of our obligations. In the event that any of these contingent liabilities materialize our financial condition may be adversely affected.

Substantially a major portion of our assets has been secured under our financing arrangements.

We maintain bank facilities and term loans with Indian banks and other financial institutions, generally with maturities of three to five years, to provide us with general working capital and operational flexibility in connection with our business. We also receive funds from banks and other financial institutions pursuant to infrastructure project specific loans.

For our financing arrangements, we have created a charge, substantially on our assets in respect of various borrowings. We grant security interests in the assets of each of our infrastructure projects pursuant to the corresponding financing agreement.

In the event of a default by us on our financing agreements, our charged assets could be seized leaving us with fewer assets with which to operate our business, adversely affecting our business prospects. This could also result in us having difficulty obtaining further working capital through borrowings from these or other lenders given our lack of substantial additional security capable of being charged.

Our revenues largely depend on acceptance of the bids submitted to the Government and other agencies. Our performance could be affected in case majority of the bids are not accepted/awarded.

Our business is substantially dependent on infrastructure projects undertaken by governmental authorities and other entities funded by Governments or international and multilateral development finance institutions. Contracts awarded by central, state and local governmental authorities are tender based. We compete with various infrastructure companies while submitting the tender to Government and other agencies. In case we do not qualify or are not amongst the lowest bidders, we stand to lose the business. We cannot assure that any of the bids we submit would be accepted/awarded to us; therefore our ability to procure the business by bidding at the lowest rates is crucial for our revenues.

Contracts in the infrastructure sector are awarded on the basis of pre-qualification criteria and competitive bidding processes. We face intense competition from big international and domestic construction companies. Once the technical requirements of the tender are cleared, the contract is usually awarded on the basis of the competitive price quoted by the bidder.

In selecting contractors for the project, clients generally limit the tender to contractors they have pre-qualified, based on several criterion including experience, technical capacity and performance, quality standards, ability to execute the project within the present timeframe and sophisticated machines. Disqualification on any of these grounds will make us ineligible for bidding. These pre-qualification criteria are at the discretion of the client and we cannot assure that we would continue to meet the pre-qualification criterion of our existing clients or prospective client's. This would have an adverse impact on us procuring new projects and subsequently the financial performance of our Company.

Risks Relating to India

A deterioration of general economic conditions, including a slowdown in economic growth in India, could have an adverse effect on our business.

Our performance is highly correlated to general economic conditions in India, which are in turn influenced by global economic factors. Any event or trend resulting in a deterioration in whole or in part of the Indian or global economy may directly or indirectly affect or performance, including the quality and growth of our assets. Any volatility in global commodity prices, in particular steel, could adversely affect our costs, results of operations and financial condition.

A significant change in the Central and State Governments' economic liberalization and deregulation policies could disrupt our Company's business.

In the recent years, India has been following a course of economic liberalization and our Company's business could be significantly influenced by economic policies adopted by the Government. Since 1991, successive Indian Governments have pursued policies of economic liberalization and financial sector reforms.

The GoI has at various times announced its general intention to continue India's current economic and financial liberalization and deregulation policies. However, allegations of corruption and protests against privatizations, which have occurred in the past, could slow the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well.

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

The new Government, which came to power in May 2009, is headed by the Indian National Congress. Although the previous Government (which was a coalition government also headed by the Indian National Congress) had announced policies and taken initiatives that supported the economic liberalization policies pursued by previous Governments, the rate of economic liberalization could change, and specific laws and policies affecting the industrial and energy sector, foreign investment and other matters affecting investment in our Company's securities could change as well. Whilst the new Government is expected to continue the liberalization of India's economic and financial sectors and deregulation policies, there can be no absolute assurance that such policies will be continued.

A change in the Government's policies in the future that could adversely affect business and economic conditions in India and could also adversely affect our Company's financial condition and results of operations. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India generally, and specifically those of our Company, as substantially all of the Company's assets are located in India.

Financial instability in other countries, particularly countries with emerging markets, could disrupt Indian markets and our Company's business and cause volatility in our Equity Share prices.

The Indian financial markets and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. This in turn could negatively impact the movement of exchange rates and interest rates in India.

Accordingly, any significant financial disruption could have an adverse effect on our Company's business, future financial performance and the share prices of our Equity Shares.

If regional hostilities, terrorist attacks or social unrest in India increase, our Company's business could be adversely affected and there can be volatility in the price of our Equity Shares.

South Asia has from time to time experienced instances of civil unrest and hostilities among neighbouring countries, including between India and Pakistan. Military activity or terrorist attacks in India, for instance the recent terrorist attack in Mumbai, could influence the Indian economy by creating a greater perception that investments in India involve higher degrees of risk. These hostilities and tensions could lead to political or economic instability in India and have a material adverse effect on the Indian economy, our Company's business and future financial performance and the trading price of our Equity Shares. Further, India has also experienced social unrest in some parts of the country. If such tensions occur in other parts of the country, leading to overall political and economic instability, it could have a materially adverse effect on our Company's business, future financial performance and the price of our Equity Shares.

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

India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in the past few years. The extent and severity of these natural disasters determine their impact on the Indian economy. For example, as a result of drought conditions in the country during Fiscal 2003, the agricultural sector recorded a negative growth of 5.2%. The erratic progress of the monsoon in 2004 affected sowing operations for certain crops. Monsoon this year has been below normal so far, and this has led to several districts in the country being declared rainfall-deficient and drought-prone, and this is expected to lead to a drop in agricultural production, prolonged spells of below normal rainfall or other natural calamities could have a negative impact on the Indian economy, adversely affecting our Company's business and the price of Equity Shares.

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

The Indian securities markets are smaller and may be more volatile than securities markets in more developed economies. The regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in the United States and Europe. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. Indian stock exchanges have experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and increased margin requirements. Similarly, adverse conditions in global securities market have also adversely affected sentiments in Indian markets. If similar problems occur in the future, the market price and liquidity of Equity Shares could be adversely affected. Historical trading prices, therefore, may not be indicative of the prices at which Equity Shares will trade in the future.

Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to investors' assessments of our Company's financial condition.

As stated in the reports of our Company's statutory auditors included in the Placement Document, its financial statements are prepared and presented in conformity with Indian GAAP, consistently applied during the periods stated, except as provided in such reports, and no attempt has been made to reconcile any of the information given in the Placement Document to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries.

We do not provide a reconciliation of our financial statements to IFRS or U.S. GAAP or a summary of principal differences between Indian GAAP, IFRS and U.S. GAAP relevant to our business. Furthermore, we have not quantified or identified the impact of the differences between Indian GAAP and IFRS or between Indian GAAP and U.S. GAAP as applied to our financial statements. As there are significant differences between Indian GAAP and IFRS and between Indian GAAP and U.S. GAAP, there may be substantial differences in our results of operations, cash flows and financial position if we were to prepare our financial statements in accordance with IFRS or U.S. GAAP instead of Indian GAAP. The significant accounting policies applied in the preparation of our Indian GAAP financial statements are as set forth in our financial statements included in the Placement Document. Prospective investors should review the accounting policies applied in the preparation of our financial statements, and consult their own professional advisors for an understanding of the differences between Indian GAAP and IFRS and between Indian GAAP and U.S. GAAP and how they might affect the financial information contained in the Placement Document.

There may be less company information available in the Indian securities markets than securities markets in developed countries.

There may be differences between the level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants and that of the markets in the United States and other more developed countries. SEBI is responsible for approving and improving disclosure and other regulatory standards for the Indian securities markets. SEBI has issued regulations on disclosure requirements, insider trading and other matters. There may, however, be less publicly available information about Indian companies than is regularly made available by public companies in more developed countries.

Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.

Our Company's Articles of Association and Indian law govern our Company's corporate affairs. Legal principles relating to these matters and the validity of corporate procedures, Directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company/body corporate in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as a shareholder than as a shareholder of a corporation in another jurisdiction.

Investors may not be able to enforce a judgment of a foreign court against our Company.

Our Company is a limited liability company incorporated under the laws of India. Substantially all of our Directors and executive officers are residents of India and a substantial portion of the assets of such persons and of our Company are located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons outside India or to enforce judgments obtained against such parties outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Civil Code on a statutory basis. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that a court of competent jurisdiction pronounced the judgment, unless the contrary appears on record.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside India which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees which are not of the same nature as amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties.

The United Kingdom, Singapore and Hong Kong have been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Code. A judgment of a court of a country, which is not a reciprocating territory, may be enforced in India only by a suit upon the judgment under Section 13 of the Civil Code, and not by proceedings in execution. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered and any such amount may be subject to in come tax in accordance with applicable laws.

Any downgrading of India's sovereign debt rating by an international rating agency could have a negative impact on our Company's business.

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

Risks Relating to Equity Shares

After this Issue, the price of our Equity Shares may be highly volatile.

The price of our Equity Shares on the 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;
- our profitability and performance;
- perceptions about our future performance or the performance of Indian companies in general;
- performance of our competitors and the perception in the market about investments in the infrastructure sector;
- adverse media reports on us or the Indian infrastructure sector;
- changes in the estimates of our performance or recommendations by financial analysts;
- significant developments in India's economic liberalisation and deregulation policies;
- significant developments in India's fiscal and environmental regulations; and
- the performance of the Indian and global economy.

There can be no assurance that an active trading market for our Equity Shares will be sustained after this Issue, or that the price at which our Equity Shares have historically traded will correspond to the price at which Equity Shares are offered in this Issue or the price at which our Equity Shares will trade in the market subsequent to this Issue. Our Share price may be volatile and may decline post listing.

Fluctuations in the exchange rate between the Rupee and the United States dollar could have a material adverse effect on the value of the Equity Shares, independent of our Company's operating results.

The Equity Shares are quoted in Rupees on BSE and NSE. Any dividends in respect of such Equity Shares will be paid in Rupees and subsequently converted into U.S. dollars for repatriation. Any adverse movement in exchange rates during the time of such conversion may reduce the net dividend to investors. In addition, any adverse movement in exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the net proceeds received by shareholders.

The exchange rate between the Rupee and the U.S. dollar has changed substantially in the last two decades and could fluctuate substantially in the future, which may have a material adverse effect on the value of the Equity Shares and returns from the Equity Shares, regardless of our Company's operating results.

Future issuances or sales of Equity Shares could significantly affect the trading price of the Equity Shares.

Any future issuance of Equity Shares by our Company or the disposal of Equity Shares by any of the major shareholders of our Company or the perception that such issuance or sales may occur may significantly affect the trading price of the Equity Shares.

There can be no assurance that our Company will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber their Equity Shares.

There is no guarantee that Equity Shares issued pursuant to the Issue will be listed on the BSE and the NSE in a timely manner or at all.

In accordance with Indian law and practice, permission for trading of Equity Shares issued pursuant to the Issue will not be granted until after those Equity Shares have been issued and allotted. Approval will require all other relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing Equity Shares on the BSE and the NSE. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which Equity Shares will trade in the future.

An investor will not be able to sell any of Equity Shares subscribed in the Issue other than across a recognised Indian stock exchange for a period of 12 months from the date of allotment of Equity Shares in the Issue.

Pursuant to the SEBI (ICDR) Regulations, for a period of 12 months from the date of the allotment of Equity Shares in the Issue, QIBs subscribing for Equity Shares in the Issue may only sell their Equity Shares on any recognised stock exchange in India where Equity Shares of our Company are listed, and may not enter into any off-market trading in respect of these Equity Shares. Our Company cannot be certain that these restrictions will not have an impact on the price of Equity Shares.

Investors may be subject to Indian taxes arising out of the acquisition, holding and disposal of our Equity Shares.

Non-resident investors may be subject to taxation in their tax domiciles or other jurisdictions where they pay taxes. Potential investors should consult their professional tax advisors for the legal implications of, and taxation applicable to, the acquisition, holding and disposal of our Equity Shares.

In particular, interest and dividends payable to non-resident investors may be subject to withholding tax.

Further, capital gains arising from the sale of our Equity Shares are generally taxable in India. Any gain realised on the sale of our Equity Shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the securities transaction tax ("STT") has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which our Equity Shares are sold. Any gain realised on the sale of our Equity Shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and as a result of which no STT has been paid, will be subject to capital gains tax in India. Further any gain realised on the sale of our Equity Shares held for a period of 12 months or less will be subject to capital gains tax in India. Capital gains arising from the sale of our Equity Shares will be exempt from taxation in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains upon a sale of Equity Shares. For more information, see "Taxation Aspects Relating to the Instrument". However, capital gains on the sale of Equity Shares purchased in the Issue by residents of certain countries will not be taxable in India by virtue of the provisions contained in the taxation treaties between India and such countries.

A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.

There are provisions in Indian law that may discourage a third party from attempting to take control of our Company, even if a change in control would result in the purchase of Equity Shares at a premium to the market price or would otherwise be beneficial to investors. The Takeover Code contains certain provisions that may delay, deter or prevent a future takeover or change in control of our Company. Any person acquiring either "control" or an interest (either on its own or together with parties acting in concert with it) in 15% or more of Equity Shares of our Company must make an open offer to acquire at least another 20% of the outstanding Equity Shares of our Company. A takeover offer to acquire at least another 20% of the outstanding Equity Shares of our Company (or a lower percentage in certain circumstances) also must be made in the circumstances detailed in the section on "Indian Securities Market". These provisions may discourage or prevent certain types of transactions involving an actual or threatened change in control of our Company. For more information, see "Indian Securities Market".

Foreign investors are subject to foreign investment restrictions under Indian law that limit our Company's ability to attract foreign investors, which may adversely impact the market price of Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/tax clearance certificate from the income tax authority.

Our Company cannot assure investors that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

Risks relating to trading of our Equity Shares

There may not be an active or liquid market for our Equity Shares, which may cause the price of Equity Shares to fall and may limit your ability to sell Equity Shares. The offer price of Equity Shares being issued in this Issue will be determined by us in consultation with the GC-BRLM based on the Bids received in compliance with Chapter VIII of the SEBI (ICDR) Regulations, and it may not necessarily be indicative of the market price of Equity Shares after this Issue is complete. You may be unable to resell your Equity Shares at or above the offer price and, as a result, you may lose all or part of your investment. The price at which Equity Shares will trade after this Issue will be determined by the marketplace and may be influenced by many factors, including:

- our financial results and the financial results of the companies in the businesses we operate in;
- the history of, and the prospects for, our business and the sectors and industries in which we compete;

- an assessment of our management, our past and present operations, and the prospects for, and timing
- of, our future revenues and cost structures;
- the present state of our development; and
- the valuation of publicly traded companies that are engaged in business activities similar to ours.

In addition, the Indian stock market has from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of Indian companies. As a result, investors in Equity Shares may experience volatility in the value of Equity Shares regardless of our operating performance or prospects.

There are restrictions on daily movements in the price of Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.

We are subject to a daily "circuit breaker" imposed by all stock exchanges in India, which does not allow transactions beyond specified increases or decreases in the price of Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The maximum movement allowed in the price of Equity Shares before the circuit breaker is triggered is determined by the Stock Exchanges based on the historical volatility in the price and trading volume of Equity Shares.

The Stock Exchanges do not inform us of the triggering point of the circuit breaker in effect from time to time and may change it without our knowledge. This circuit breaker limits the upward and downward movements in the price of Equity Shares. As a result of this circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

There is no guarantee that Equity Shares being issued in this Issue will be available for trading on the Stock Exchanges in a timely manner or at all, and any trading closure at the Stock Exchanges may adversely affect the trading price of our Equity Shares.

Pursuant to Indian regulations, certain actions must be completed before Equity Shares being issued in this Issue can be listed and trading may commence. In accordance with Indian law and practice, permission for trading of Equity Shares will not be granted until those Equity Shares have been issued and allotted. Approval will require all other relevant documents authorizing the issuance of Equity Shares to be submitted. There could be a delay or failure in listing Equity Shares in the Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. The regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in Europe and the U.S. A closure of, or trading stoppage on, the BSE or the NSE could adversely affect the trading price of Equity Shares. Historical trading prices, therefore, may not be indicative of the prices at which Equity Shares will trade in the future. Our stock price may be volatile and you may be unable to resell your shares at or above the Issue price or at all.

Your ability to sell your Equity Shares to a resident of India may be subject to delays if RBI approval is required.

Under current Indian regulations and practice, approval of the RBI is required for the sale of Equity Shares by a non-resident to a resident of India unless the sale is made on a stock exchange in India through a stock broker or a merchant banker registered with SEBI at the market price or in accordance with the terms of the pricing guidelines specified by the RBI in case of an off-market transfer. The conversion of the Rupee proceeds from such sale into foreign currency and the repatriation of that foreign currency from India also requires the approval of the RBI. As foreign exchange controls are in effect in India, the RBI will approve the price at which Equity Shares are transferred based on a specified formula and a higher price per Equity Share may not be permitted. Approvals required from the RBI or any other government agency may not be obtained on terms favorable to a non-resident investor or at all. Further, prior to the repatriation of sale proceeds, a non objection/tax clearance certificate from the income tax authority or the provision of an undertaking in the prescribed format along with a certificate from an accountant would be required. We cannot guarantee that any approval will be obtained in a timely manner or at all. Because of possible delays in obtaining requisite approvals, investors in the Equity

Shares may be prevented from realizing gains during periods of price increases or limiting losses during periods of price declines.

Holders of Equity Shares could be restricted in their ability to exercise preemptive rights under extant laws and could thereby suffer future dilution of their ownership interest.

Under the Companies Act, 1956, any company incorporated in India must offer its holders of equity shares preemptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless the company has obtained Government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such preemptive rights without us filing an offering document with the applicable authority in such jurisdiction, you will be unable to exercise such preemptive rights unless we make such filing. We may elect not to file an offering document in relation to preemptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise preemptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

USE OF PROCEEDS

The proceeds of the Issue are estimated to be approximately Rs. 554.59 million, before deducting the Issue expenses. The proceeds of the Issue will be used in compliance with applicable laws.

Subject to compliance with applicable laws and regulations, we intend to use the net proceeds received from the Issue to fund our expansion plans, meet our working capital requirements and for any other permissible uses.

Our main objects clause and objects incidental or ancillary to the main objects clause of our Memorandum of Association enables us to undertake our existing activities.

In accordance with the policies instituted by our Board, our management will have the flexibility in deploying the Issue proceeds for the purposes mentioned above. Further the Issue proceeds may also be utilised for general corporate purposes and meeting Issue expenses. Pending utilisation for the purposes described above, we intend to temporarily invest the Issue proceeds in creditworthy instruments, including money market, liquid mutual funds and deposits with banks. Such investments would be in accordance with the investment policies as approved by our Board from time to time.

CAPITALISATION

The following table shows, as at March 31, 2009, our Company's actual capitalisation as adjusted for the Issue.

This table should be read in conjunction with the financial statements and the related notes, the section "Management's Discussion and Analysis of Financial Condition and Results of Operations" and other financial statements and information contained elsewhere in the Placement Document.

The information set out below has been prepared in accordance with Indian GAAP.

(Rs. in million)

	As at March 31, 2009	
	Pre-Issue	**Post Issue ***
SHAREHOLDERS' FUNDS		
Equity Share Capital	207.24	# 247.24
Fresh Issue for QIP	----	30.77
Reserves and Surplus	1,300.53	# 1500.53
Additional Share Premium on fresh issue for QIP	----	523.82
Total Shareholders' Funds (A)	1,507.77	2302.36
LOAN FUNDS		
Secured Loans	485.08	485.08
Unsecured Loans	---	---
Total Debt (B)	485.08	485.08
Total Debt / Equity Ratio	0.32:1	0.21:1

Notes:

(1) All the details post QIP Issue are as on March 31, 2009; subject to the notes below:

(2) # 4,000,000 Warrants have been converted into 4,000,000 Equity Shares at Rs. 60 per Equity Share, including a premium of Rs. 50 per Equity Share on August 19, 2009.

(3) As on March 31, 2009, 20,724,420 Equity Shares were issued and outstanding.

(4) As on date of the Preliminary Placement Document 24,724,420 Equity Shares are issued and outstanding.

MARKET PRICE INFORMATION

Our Equity Shares were listed and started trading on BSE and NSE on and from February 12, 2008

The tables set forth below are for the periods that indicate the high and low prices of our Equity Shares and also the volume of trading activity.

(1) The high, low and average market prices of our Equity Shares during the preceding two years.

Year Ending March 31st	BSE						
	Date	High (Rs.)	Volume on date of High (No. of shares)	Date	Low	Volume on date of Low (No. of shares)	Average (Rs.)*
2010 (30-Nov-09)	16-Nov-09	184.90	128,353	01-Apr-09	39.65	47,763	121.67
2009	21-May-08	124.65	1,173,460	19-Mar-09	39.80	17,702	77.57
2008#	18-Feb-08	118.30	6,014,586	28-Mar-08	71.90	50,201	92.59

*Average of daily closing prices
#Our Equity Shares were listed and started trading on BSE and NSE on and from February 12, 2008
Source: www.bseindia.com

Year Ending March 31st	NSE						
	Date	High (Rs.)	Volume on date of High (No. of shares)	Date	Low	Volume on date of Low (No. of shares)	Average (Rs.)*
2010 (30-Nov-09)	18-Nov-09	185.30	154,952	01-Apr-09	39.55	22,037	121.94
2009	21-May-08	125.10	696,003	18-Mar-09	39.35	27,413	77.55
2008#	18-Feb-08	118.45	5,026,190	24-Mar-08	72.65	44,910	92.58

*Average of daily closing prices
#Our Equity Shares were listed and started trading on BSE and NSE on and from February 12, 2008
Source: www.nseindia.com

(2) Monthly high and low prices of our Equity Shares for the six months preceding the date of filing of the Preliminary Placement Document.

Month	BSE						
	Date	High (Rs.)	Volume on date of High (No. of shares)	Date	Low	Volume on date of Low (No. of shares)	Average (Rs.) *
November, 2009	16-Nov-09	184.90	128,353	03-Nov-09	170.85	180,316	180.29
October, 2009	21-Oct-09	181.70	253,255	01-Oct-09	168.05	231,166	174.97
September, 2009	29-Sep-09	177.90	744,322	03-Sep-09	130.05	29,898	148.37
August, 2009	25-Aug-09	139.45	159,287	10-Aug-09	115.90	15,519	124.60
July, 2009	30-Jul-09	119.90	184,421	10-Jul-09	93.10	13,716	106.33
June, 2009	01-Jun-09	116.15	64,754	19-Jun-09	92.50	114,197	102.00

*Average of daily closing prices
Source: www.bseindia.com

Month	NSE						
	Date	High (Rs.)	Volume on date of High (No. of shares)	Date	Low	Volume on date of Low (No. of shares)	Average (Rs.) *
November, 2009	18-Nov-09	185.30	154,952	03-Nov-09	170.35	152,040	180.07
October, 2009	21-Oct-09	181.50	215,799	01-Oct-09	168.10	228,986	174.71
September, 2009	29-Sep-09	177.95	655,372	02-Sep-09	129.50	26,661	148.45
August, 2009	25-Aug-09	139.25	106,902	10-Aug-09	116.55	12,419	124.68
July, 2009	30-Jul-09	119.15	170,338	10-Jul-09	93.20	8,783	106.27
June, 2009	01-Jun-09	116.80	125,753	19-Jun-09	91.75	8,953	102.10
May, 2009	11-May-09	111.20	95,747	05-May-09	59.65	10,772	75.81

*Average of daily closing prices
Source: www.nseindia.com

Notes

- In the above data provided, High, Low and Average prices are of the daily closing prices.
- In case of two days with same closing, the date with higher volume has been considered.

(3) Market Price on the first working day following the Board Meeting approving the Qualified Institution Placement, in this case being July 30, 2009 and after the approval of the members in the Annual General Meeting on September 9, 2009.

Date	BSE						NSE					
	Open	High	Low	Close	Traded Volume (No. of Shares)	Turn over (Rs. in Mn.)	Open	High	Low	Close	Traded Volume (No. of Shares)	Turn over (Rs. in Mn.)
30-Jul-09	114.00	123.00	114.00	119.90	184,421	22.38	119.20	124.00	116.00	119.15	170,338	20.65
31-Jul-09	122.50	122.50	114.50	116.60	45,328	5.38	122.00	122.80	114.10	115.70	58,722	6.94
09-Sep-09	144.00	151.80	143.30	144.65	228,850	34.04	142.00	151.60	142.00	145.30	286,340	42.64
10-Sep-09	148.40	151.70	144.40	146.10	129,131	19.13	147.00	151.60	143.00	145.60	142,751	21.13

Source: www.bseindia.com , www.nseindia.com

(4) Volume of business transacted during the last six months on the Stock Exchanges.

Month	BSE		NSE	
	Total Volume of Securities Traded (No. of shares)	Total Value of Securities Transacted (Rs. in Mn.)	Total Volume of Securities Traded (No. of shares)	Total Value of Securities Transacted (Rs. in Mn.)
November, 2009	2,854,433	516.95	2,491,853	450.44
October, 2009	4,012,485	707.20	3,871,473	681.47
September, 2009	2,697,264	429.73	2,525,224	404.66
August, 2009	1,471,494	185.19	1,064,191	134.54
July, 2009	2,286,250	248.82	1,807,453	198.54
June, 2009	1,168,244	122.46	857,118	92.96
Total	**14,490,170**	**2,210.35**	**12,617,312**	**1962.61**

Source: www.bseindia.com , www.nseindia.com

DIVIDEND POLICY

Under the Companies Act, unless the board of directors of a company recommends payment of dividend, the shareholders at a general meeting have no power to declare any dividend. The shareholders at a general meeting may declare a lower, but not higher, dividend than that recommended by the board. Dividends are declared on a per-share basis of a company's shares. The dividend recommended by the board and approved by the shareholders at a general meeting is distributed and paid to shareholders in proportion to the paid-up value of their shares as on the record date for which such dividend is payable. In addition, as is permitted by the Articles of Association of our Company, the Board may declare and pay interim dividends. Under the Companies Act, dividends can only be paid in cash to shareholders listed on the register of shareholders on the date, which is specified as the "record date" or "book closure date". No shareholder is entitled to a dividend while any lien in respect of unpaid calls on any of his shares is outstanding.

Our Company has paid/declared the following dividend on Equity Shares in the last two years ending March 31, 2009. The following table sets forth the cash dividends paid on the Equity Shares during each of the financial years indicated:

Fiscal	Face Value (Rs.)	Rs. Per Equity Share	Amount of Dividend Declared (Exclusive of Tax) (Rs. in million)	Rate
2007-08	10	1.50	31.09	15%
2008-09	10	2.00	41.45	20%

Note: 4,000,000 Warrants were converted into 4,000,000 Equity Shares on August 19, 2009 for which our Company has paid dividend for Fiscal 2009. Provision for the aforesaid has not been made in the audited accounts for the Fiscal 2009.

The form, frequency and amount of future dividends on the Equity Shares will depend upon our Company's earnings, cash flow, financial condition and other factors and shall be at the discretion of its Board of Directors and subject to approval of the shareholders of our Company.

Our Company declares dividends, which are recommended by our Board and approved by our shareholders. Our Board may declare and pay an interim dividend. No dividend may be paid except out of its profits in accordance with Section 205 of the Indian Companies Act.

Under current Indian tax laws, dividends are not subject to income tax in India in the hands of the recipient. However, a company is liable to pay 'dividend distribution tax' currently at the rate of 15% (plus surcharge at 10% and education cess on dividend distribution tax and surcharge at the rate of 3%) on the total amount distributed as dividend. The effective rate of dividend distribution tax is approximately 17%.

Future Dividends

There is no assurance that any future dividends will be declared or paid or that the amount thereof will not be decreased.

INDUSTRY OVERVIEW

The information set forth in this section is based on publicly available information, which has not been independently verified by our Company or the GC- BRLM to the Issue, or any of their respective affiliates and advisors. None of us, the GC- BRLM or any other person connected with the Issue has verified this information. Industry sources and publications generally state that the report has been published for general information purposes and that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information. Several reports also expressly disclaim legal responsibility and liability of the person/ organisation preparing the report for any loss or damage resulting from the contents of such reports. Accordingly, we and the GC- BRLM do not take any responsibility for the data, projections, forecasts, conclusions or any other information contained in this section. Certain information contained herein pertaining to prior years is presented in the form of estimates as they appear in the respective reports/ source documents. The actual data for those years may vary significantly and materially from the estimates so contained.

Overview of the Indian Economy

India is the world's largest democracy by population size, and one of the fastest growing economies in the world and has grown at an average rate of 8.20% per annum during the last three years. According to CIA World Factbook, India's estimated population will be 1.16 billion people as of July, 2009. India had a GDP on a purchasing power parity basis estimated at approximately US$3,267.00 billion in 2008, which makes it the fourth largest economy in the world after the United States of America, China and Japan in purchasing power parity terms. Per capita GDP in current prices in India has grown from Rs.7,170.00 for the 1991 calendar year at the time of liberalisation to Rs.44,231.00 for the 2008 calendar year. The following table presents a comparison of India's real GDP growth rate with the real GDP growth rate of certain other countries.

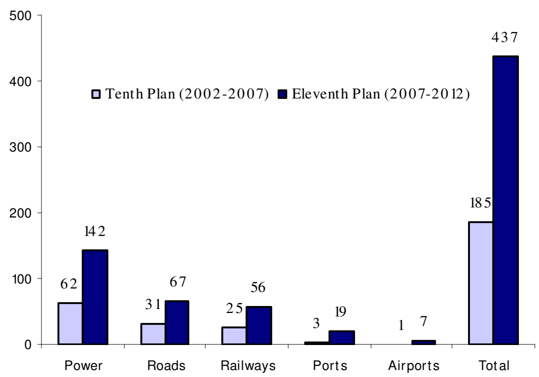
Countries*	2006	2007	2008
Australia	2.90%	4.00%	2.20%
Brazil	4.00%	5.40%	5.20%
China	11.60%	13.00%	9.80%
India	**9.60%**	**9.00%**	**6.60%**
Japan	2.40%	1.50%	-0.40%
South Korea	5.10%	5.00%	2.50%
Malaysia	5.80%	6.30%	5.10%
Russia	7.70%	8.10%	6.00%
Thailand	5.20%	4.90%	3.60%
United Kingdom	2.80%	3.00%	0.70%
United States	2.80%	2.00%	1.30%

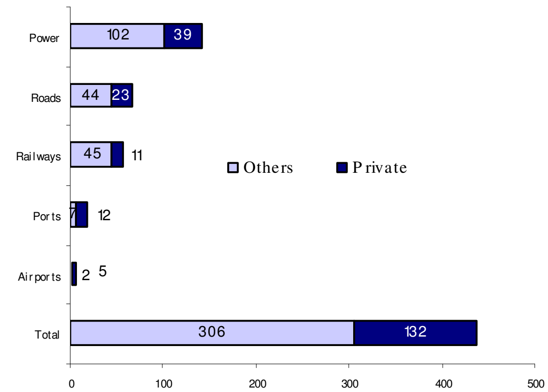
* Represents calendar year growth rates
(Source: CIA World Factbook)

The Indian Infrastructure Opportunity

The Indian economy is based on planning through successive five year plans ("**Five-Year Plans**") that set out targets for economic development in various sectors, including the infrastructure sector. The 11th Five-Year Plan (Fiscal 2007 to 2012) aims at a sustainable GDP growth rate of 9.00%, but there is general consensus that infrastructure inadequacies would constitute a significant constraint in realising this development potential. To overcome this constraint, an ambitious programme of infrastructure investment, involving both public and private sector, is being developed for the 11th Five-Year Plan. Infrastructure spending targets for the 11th Five-Year Plan were revised from 4.60% to 7.50% of GDP representing an increase of over 140.00% compared to the 10th Five-Year Plan (Fiscal 2002 to 2007). The programme strengthens and consolidates recent infrastructure initiatives, such as the Bharat Nirman for building rural infrastructure, as well as sectoral initiatives, such as the National Highways Development Programme, the Airport Financing Plan, the National Maritime Development Programme and the Jawaharlal Nehru National Urban Renewal Mission. Given the scale of infrastructure spending, the Government of India is encouraging private sector participation through public private partnership projects ("**PPP**").

Comparison of planned expenditure in 10th Five-Year and 11th Five Year Plan All figures in US$bn (at Rs. 47 per USD)	**11th Five Year Plan – Breakup between private participation and other participation** All figures in US$bn (at Rs. 47 per USD)





Source: 11th Five Year Plan (2007-2012), Inclusive Growth (Vol-I), published by The Planning Commission of India (published in June 2008)

Maharashtra Government Budget:
A brief snapshot of the Maharashtra Government budget for the year 2009-10 is as follows:

Agriculture
- A provision of Rs. 7,578 crores has been proposed for Irrigation Projects
- Backlog of irrigation projects will be removed in the year 2009-10

Industry
- An outlay of Rs. 196 crores has been made available to strengthen the Railway Infrastructure in the State

Road Development
- An outlay of Rs. 2,451 crores for Roads and Bridges
- An outlay of Rs. 250 crores for Central Road Fund
- An outlay of Rs. 475 crores for NABARD assisted Road Development

Rural Development
- Provision of Rs. 100 crores for providing basic amenities for construction of internal roads, gutters and other civil amenities in rural areas
- An outlay of Rs. 216.62 crores is proposed to complete the target of construction of 2,24,323 dwelling units under the Indira Awas Yogana

A brief snapshot of the Maharashtra Government's interim budget for the year 2009-10 is as follows:

Road Development
- Four laning of 619 kilometers of National Highway is completed and four laning of 717 kilometers is in progress

Rural Development

- A provision of Rs. 2,132.72 crores has been proposed in the interim budget 2009-10 for the irrigation

Urban Development

- An outlay of Rs. 400 crores has been proposed
(Source: http://maharashtra.gov.in)

The Road Sector in India

The Indian road network, at approximately 3.32 million kilometres in length, is the second longest road network in the world after that of the United States of America. For the purpose of management and administration, roads in India are divided into the following categories:

(1) "Expressways" which are intended to facilitate long distance inter-city/state passenger and freight traffic across the country at an average speed of at least 80 kilometres per hour,
(2) "National Highways" which are intended to facilitate medium and long distance inter-city/state passenger and freight traffic across the country,
(3) "State Highways" which are supposed to carry traffic along major centres within each state,
(4) "Major District Roads" which have the secondary function of linking main roads with rural roads, and
(5) "Other District Roads" and "Village Roads" which provide villages accessibility to meet the social needs of such villages and also the means to transport agriculture produce from villages to nearby markets.

Indian Rail Network	**Kilometres (approximate)**
Expressways	200
National Highways	66,590
State Highways	131,899
Major District Highways	467,763
Rural and other roads	2,650,000
Total length	**3,320,000**

(Source: NHAI Website: www.nhai.org)

Roads form the most common mode of transportation and are the main arteries for travelling across India. This share has improved significantly from 32.00% of passenger traffic and 12.00% of freight as of 1950-51. The National Highways, which account for less than 2.00% of the total road network in India, carry nearly 40.00% of the total road traffic. Vehicle numbers have been growing at an average of 10.20% per annum over the last five years.
(Source: http://nhai.org/roadnetwork.htm)

Out of 66,590 kilometres of the National Highways network, only 10.00% of the total length consists of roads with at least four-lanes, 55.00% of the total length consists of roads with two-lanes and 35.00% of the total length consists of roads with a single/intermediate lane only. The need for expansion and improvement of roads in India is widely recognised due to the usage cost for vehicles (including fuel and maintenance) which is 20.00% higher on average than in most countries due to poor road conditions. In addition, the average distance covered on highways per day in India is significantly lower than in developed countries. A large number of traffic deaths each year are attributable to poor road conditions.
(Source: http://nhai.org/roadnetwork.htm)

Private participation for National Highway Development Projects

The National Highway Authority of India has offered projects on a BOT basis to developers to promote private investments in roads and highways. Under such contracts, the developer invests in building the road and maintaining it for up to 30 years, and then transfers it back to the NHAI at zero cost. A BOT project may be of one of the following three kinds:

Toll-based: The developer recovers its costs and earns its revenues by collecting tolls on the route. The developer takes the risk of traffic volume and toll rates and its returns are linked to such toll collections. The developer can either opt for a positive grant from NHAI (which is currently capped at up to 40.00% of project cost as estimated by NHAI) or bid for a negative grant. The bidding variable for such projects is the grant amount (either positive or negative).

Annuity: The developer receives periodic payments on a yearly or six-monthly basis from the Government, for a period of up to 15 years. The developer has to maintain the road for this period, and then transfer it to the Government at zero cost. In this system, the Government NHAI collects tolls and the contractor's returns are independent of traffic volumes or toll rates. The bidding variable for such projects is the amount of annuity quoted.

Grant: This variant is a hybrid of the toll-based and annuity systems: the Government pays a capital grant to make up for the difference between the BOT operator's return expectation and toll revenue. The grant is capped at 25.00% to 40.00% of the required funds, and may be either a one-time payment, or spread over a period of up to 10 years, depending on the project. The bidding variable for such projects is the amount of the capital grant. *(Source: http://nhai.org/roadnetwork.htm)*

Policy Initiatives for Attracting Private Investment

The Government has taken several initiatives to encourage private investment in roads. Some of the key initiatives are as follows:

- The Government to carry out initial preparatory work including land acquisition and utility removal. Rights of way to be made available to concessionaires free from all encumbrances.
- NHAI/Government may provide capital grant of up to 40.00% of the total project cost to enhance viability on a case to case basis.
- Tax benefits under Section 80 IA of the Income Tax Act, 1961.
- Concession periods are generally allowed up to a maximum of 30 years.
- Duty free import of specified modern high capacity equipment for highway construction.
- The Government has approved 100.00% foreign direct investments for road and highway construction through the automatic route.

National Highways Development Programme ("NHDP")

In 2000, the Government initiated the NHDP, in an effort to improve highway infrastructure. The two key arterial highway network upgrade programmes initiated in 2000 are now referred to as Phase I and II respectively. A summary of the current plan to improve the national highway or other road networks, as outlined in the Government's present first year performance review document is set out below:

Golden Quadrilateral: The Golden Quadrilateral is a project connecting four metro cities, with a total length of 5,846 kilometres. The total cost of the project is Rs. 300 billion, funded largely by the Government's special petroleum product tax revenues and Government borrowings. Approximately 97.98% of the Golden Quadrilateral had been completed as of June 30, 2009.

North-South East-West Phase I & II: North-South and East-West corridors comprise national highways connecting four extreme points of the country. The total length of the network is over 7,300 kilometres. As of June 30, 2009, 3,762 kilometres of the project had been completed, while 2,648 kilometres remains under construction and 732 kilometres remain to be awarded.

Phase III A and B: The Government approved NHDP-III to upgrade 12,109 kilometres of national highways on a BOT basis, which takes into account high-density traffic, connectivity of state capitals via NHDP Phase I and II, and connectivity to centres of economic importance. As of June 30, 2009, 890 kilometres of the project had been completed, while 2,037 kilometres remains under construction and 9,181 kilometres remain to be awarded.

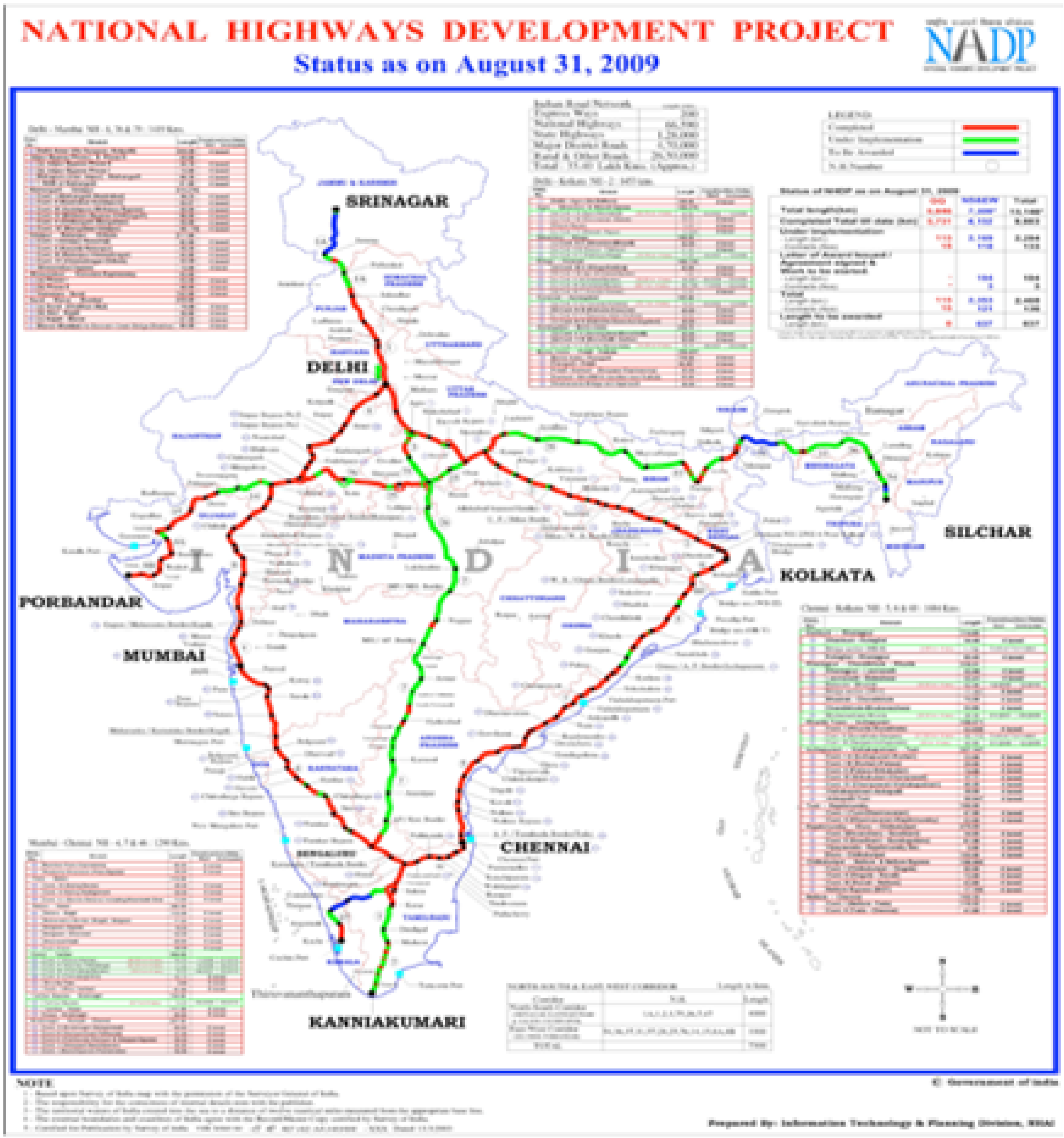
Phase IV: The Government is considering widening 20,000 kilometres of highway that are not part of Phase I, II, or III. Phase IV will convert existing single lane highways into two lanes with paved shoulders. The plan will soon be presented to the Government for approval. The expected project cost for Phase IV is Rs.278,000 million.

Phase V: As road traffic increases, a number of four-lane highways will need to be upgraded/expanded to six lanes. The current plan calls for upgrading about 6,500 kilometres of four-lane roads, along the Golden Quadrilateral on design build finance operate basis. As of June 30, 2009, 130 kilometres of the project had been completed, while 904 kilometres remains under construction and 5,466 kilometres remain to be awarded. The expected project cost for Phase V is Rs.412,100 million.

Phase VI: The Government is working on constructing expressways that would connect major commercial and industrial townships. It has already identified 1,000 km of the Baroda-Mumbai section that would be connected to the existing Baroda-Ahmedabad section in this phase. The expressways will be funded on BOT basis. In addition, the budget for fiscal 2008, stated that 1,000 kilometres of expressways would be executed under Phase VI and six high density corridors were identified for carrying out feasibility studies. The expected project cost for Phase VI is Rs.166,800 million.

Phase VII: This phase calls for improvements to city road networks by adding ring roads to enable easier connectivity with national highways to substantial cities. In addition, improvements will be made to stretches of national highways that require additional flyovers and bypasses given population and housing growth along the highways and increasing traffic. The expected project cost for Phase VII is Rs.166,800 million.

(Source: NHAI Website http://www.nhai.org, Ministry of Road, Transport and Highways; National Portal of India Website http://india.gov.in)



Urban Infrastructure, Transportation, and Water Supply

Urban Infrastructure

India's population grew to 1,028.50 million in 2001 from 238.40 million in 1901. The census conducted by the Government in 2001 shows that 21.80% of India's population live in urban areas, and between 1991 and 2001, the increase in urban population was 2.10%.
(Source: Ministry of Urban Development, http://www.urbanindia.nic.in)

The increasing pressure of population on urban infrastructure makes it necessary to improve the urban civic services like drinking water supply, sewerage, solid waste management and urban transport. The urban infrastructure sector includes urban housing, sanitation, water supply and wastewater and sewage management, as well as desalination systems, software parks and special economic zones. The Government has launched two programmes to provide reform linked infrastructure facilities in the urban areas, i.e. (i) the Jawaharlal Nehru National Urban Renewal Mission ("**JNNURM**"), which covers 63 cities with population above one million (per the 2001 census); and (ii) Urban Infrastructure Development Scheme for the Small and Medium Towns ("**UIDSSMT**") which covers the remaining 5,098 towns identified in the 2001 census, irrespective of population size. JNNURM will be implemented over seven years from 2005 to 2012 with a tentative outlay of Rs.10,000,000 million, including a contribution of Rs.500,000 million by the states and urban local bodies.
(Source: Department of Drinking Water Supply, http://www.ddws.nic.in)

Urban Transportation – Railways

The rail based transit systems are broadly classified into the following categories:

- Heavy Rail based MRTS or Metro railway systems:
  - Use of electrically powered rail cars with exclusive ROW
  - Transportation at varying heights so as not to disturb the other systems
  - Most expensive form of MRTS
  - Exclusive UG and elevated stations would be built

- Suburban Rail Systems:
  - Part of other railroad systems
  - Longer average trip length
  - Heavier passenger traffic

- Light Rail transit Systems:
  - Electric railway system with single cars OR short trains
  - Exclusive RoW may not be there
  - Operates at ground level, aerial structures OR street level
  - Eg: Monorails – Straddle, Suspended, Maglev

The successful implementation of the Delhi Metro Rail Project has given a boost to the urban rail transit infrastructure development in India. A number of MRTS/ Monorail projects are being planned in major cities across the country.

Railways Policy Initiatives

- The rapid rise in international trade and domestic cargo has placed a great strain on the Delhi-Mumbai and Delhi-Kolkata rail track. Government has, therefore, decided to build dedicated freight corridors in the Western and Eastern high-density routes. The investment is expected to be about Rs. 22,000 crores (US $ 5 bn). Requisite surveys and project reports are in progress and work is expected to commence within a year.

- With increasing containerization of cargo, the demand for its movement by rail has grown rapidly. So far, container movement by rail was the monopoly of a public sector entity, CONCOR. The container movement has been thrown open to competition and private sector entities have been made eligible for running container trains. 14 applicants have submitted the application seeking permission for container train operation, which have been approved.

- Tariff rationalization and effective cost allocation mechanism are also on the anvil. This includes a methodology for indexing the fare structure to line haul costs. Efforts aimed at introducing commercial accounting and information technology systems are also underway.

- Technological upgradation and modernisation for higher operating efficiency

- Transformation from bulk transporter to multi-modal transporter
- PPP envisaged including new routes, railway stations, logistics parks, cargo aggregation and warehouses. *(Source: http://infrastructure.gov.in/railways.htm)*

Urban Water Supply

The Government launched the Accelerated Urban Water Supply Programme ("**AUWSP**") in March 1994 to provide financial support to the state governments and local bodies and to provide water supply facilities in towns having population less than 20,000 (as per 1991 census). Under the AUWSP, water supply schemes for 1,244 towns have been sanctioned at a cost of Rs.18,223.80 million and 639 schemes have been completed or commissioned. Since fiscal 2006, the AUWSP has been merged with the UIDSSMT. The coverage of urban population with water supply facilities has not been very impressive, due to various reasons, including inadequate investments in the urban water supply sector. The estimated outlay during the 10th Five-Year Plan was Rs.196,490 million only, as opposed to a projected requirement of Rs.282,400 million for achieving full population coverage with drinking water supply facilities in the 300 Class-I cities by the end of fiscal 2007.

Provision of water supply in urban areas has been under the responsibility of urban local bodies. Efforts to attract financing of water supply projects through PPP are ongoing, but so far have been implemented in limited cases. The Government sees PPP as an important method to leverage government investments and access private sector management efficiencies in this sector.

The estimated cost to provide 100% water supply accessibility to the entire urban population by end of the 11th Five-Year Plan in fiscal 2012 is Rs. 536,660 million. Water supply and sanitation is expected to be given priority under the JNNURM and is likely to receive 40.00% of the approximately Rs. 10,000,000 million allocated under that programme.
(Source: Department of Drinking Water Supply, http://www.ddws.nic.in)

Rural Water Supply and Irrigation

The management of water resources in India is guided by the National Water Policy ("**NWP**"), which was adopted in 2002. The prioritisation of water allocation under the NWP is broadly: (i) drinking water; (ii) irrigation; (iii) hydro-power; (iv) ecology; (v) agro-industries and non-agricultural industries; and (vi) navigation and other uses.

Rural Water Supply

The Government's major intervention in the rural water supply sector started in fiscal 1973 through the Accelerated Rural Water Supply Programme ("**ARWSP**") for assisting the states and union territories to accelerate the coverage of drinking water supply. In the calendar year 1999, the Department of Drinking Water Supply ("**DDWS**") was formed under the Ministry of Rural Development to give emphasis on rural water supply as well as on sanitation and new initiatives in the water sector.

An investment of about Rs.720,600 million has been made from the beginning of the planned period of development in rural water supply sector. During the 10th Five-Year Plan, the approved outlay for the ARWSP was Rs.132,450 million. During 10th Five-Year Plan, as part of the Bharat Nirman, an amount of Rs. 161,030 million was made available to the various states by the end of March 2007. For the 11th Five-Year Plan, the Government aims to provide clean drinking water for all by 2009. The Government also aims to complete the mission of the Bharat Nirman to provide every habitation with a safe source of drinking water when the Bharat Nirman programme ends in the calendar year 2009.
(Source: Department of Drinking Water Supply website http://www.ddws.nic.in)

Irrigation

As of 2005, irrigation represents the main use of water, accounting for 84.00% of total water use in India. However, due to a growing population, the per capita availability of water is steadily decreasing, declining from 5,000 cubic metres per year in 1947-48 to approximately 2,000 cubic metres in 2005.

This decline, coupled with urbanisation and industrialisation, has raised concerns about the deteriorating quality of surface and ground water in India.

In order to enhance the quantity and quality of available water, significant investment is planned for irrigation purposes. Approximately Rs. 2,533,000 million in construction investment is planned in the irrigation sector during the 11th Five-Year Plan, under which it is targeted to create 16 million hectares of irrigation potential. Irrigation projects, based on the nature of civil construction activity and usage, can be classified into:

- Dam projects;
- Lift irrigation projects;
- Gravity irrigation projects; and
- Small hydropower projects (10-20 MW capacity).

The growth in construction investment in the irrigation sector has been largely driven by:

- An increasing level of urbanisation;
- Proactive states and political interest; and
- Improved credit ratings of a number of urban local authorities, allowing them to issue bonds.
  (Source: Central Public Health and Environmental Engineering Organisation)

Contract Types Used in the Indian Construction Industry

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

BOT Infrastructure Development

Overview of BOT Infrastructure Development Projects

Infrastructure development projects in India are typically BOT projects, which are becoming increasingly important in the development of India's infrastructure. We intend to participate in these projects both as an investor in the project vehicles and as a contractor. Our infrastructure development business typically involves BOT projects which are characterised by three distinct phases:

- Build – contracting with a governmental entity for the construction of an infrastructure project and securing financing to construct the project.
- Operate – operating the infrastructure asset during an agreed concession period, maintaining and managing the asset for the agreed concession period and earn revenues through charges, fees, tolls or annuities generated from the asset.
- Transfer – after the expiration of the agreed concession period, transferring ownership and operation of the infrastructure asset to a governmental entity.

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

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

Funded Infrastructure Development

Many construction projects in India are funded by the Government, state government or by governmental organisations. Projects commonly developed through this development model include irrigation systems, electrification and highways. Contracts are entered into for the construction and operation of the projects being developed. Funded construction projects typically fall into one or more combinations of the following categories:

- Lump sum or turnkey contract, which provides for a single price for the total amount of work, subject to variations pursuant to changes in the client's project requirements. The client supplies all the information relating to the project, including designs and drawings. Based on such information, contractors are required to estimate the quantities of various items, such as raw materials, and the amount of work that would be needed to complete the project, and then prepare a bill of quantities ("**BOQ**") to arrive at the price to be quoted.

- Item rate contract, which is a contract in which the price of each item is presented in a BOQ furnished by the client. In item rate contracts the client supplies all the information, including the design, drawings and a BOQ.

- Percentage rate contract requires a contractor to quote a percentage above, below or at par with the estimated cost furnished by the client. In percentage rate contracts, the client supplies all the information such as design, drawings and BOQ with the estimated rates for each item of the BOQ.

These contracts typically contain price variation or escalation clauses that provide for either reimbursement by the client in the event of a variation in the price of key raw materials, or a formula that links the escalation in amounts payable by the client to pre-defined price indices published periodically by RBI or the Government. In contracts that do not include such price variation or escalation clauses, the contractor faces the risk of the increase of prices of key raw materials and other inputs during the project execution period.

General BOT/BOOT Agreement Provisions

Counterparties in most infrastructure development are government entities, and contractors have only a limited ability to negotiate the standard terms of government contracts. There are generally no caps on liabilities of the contractor, and it is not always clear whether the contractor is liable for consequential and/or economic loss to a client. Further, infrastructure contracts awarded by the Government and state governments may include provisions which enable the client to terminate the contract without cause following provision of notice. Performance guarantees are common features of such contracts and are typically unconditional and payable on demand, and can be invoked by the client in accordance with the terms of such contracts. If a project is delayed without the default of the contractor, the contract usually provides for a grace period for completion equal to the length of such delay. The contracts also usually provide for liquidated damages to be paid by the contractors in case of delays in the execution of the project or delays in achieving certain milestones during the execution of the project. The contractors are responsible for obtaining all approvals required under environmental and labour laws and for complying with them.

Certain project agreements include provisions that could provide third parties with rights that, if exercised, would adversely affect the business operations and financial conditions of contractors. Such rights include: the right of government entities to take over BOT project facilities after paying the appropriate compensation; the right of government entities to control toll rates; the rights of third parties to be indemnified under certain circumstances; and "step-in" and substitution rights by certain lenders with respect to project assets. The projects usually provide for an advance payment of 5.00% to 15.00% of the overall contract price and the projects are to be completed in an average of two to three years. Contracts also typically provide for a security deposit and a performance guarantee to be given by the contractors, which range from 5.00% to 10.00% of the contract value. The deposits or guarantees are provided either by way of irrevocable bank guarantees, cash deposits or retention by the government entity of a particular percentage out of the amounts payable on monthly basis. These would be partly refunded at the completion of the project and partly at the end of the defect liability period which may extend up to three years.

Toll Collection, Annuity and Other Revenue Arrangements

Following a successful project bid and the completion of the construction phase of BOT/BOOT projects, contractors assume the role of the operator of the relevant infrastructure asset during a pre-determined concession period. During the concession period, the operator maintains and manages the asset and earns revenues through charges, fees, tolls or annuities generated from the asset. The levels of charges, fees, tolls, or annuities that may be generated from any particular asset are usually set out in the relevant project agreements or in certain notifications by such government entities.

In toll road projects, the terms on which the operator may collect toll revenues are decided by the government entity that has granted the relevant BOT/BOOT concession at the bidding stage, the toll rates without the prior written consent of such government entity. The toll rates set by the government entities, who may give greater consideration to various socio-economic goals of the Government, rather than to the efficiencies of the operator's business. Although business circumstances may materially change over the life of one or more of an infrastructure project, the operator may not have the ability to modify their agreements to reflect such changes or negotiate satisfactory alternate arrangements.

O&M Agreements

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

Guidelines for pre-qualification of bidders for PPP projects

One of the key factors that determines the success of a PPP project is the criteria for selection of the project sponsor, since such projects typically involve large capital investments for providing essential infrastructure services to users on a long term basis. A bidder lacking in sufficient technical and financial capacity can jeopardise the project whereas selection based on negotiations or inadequate competition can deprive the users of the assurance that they are paying a competitive price. A variety of technical, financial and other criteria are used by project authorities and in some cases technical proposals are also invited along with financial bids. Some of the qualification parameters are subjective and prone to disputes.

The Committee on Infrastructure ("CoI") chaired by the Prime Minister constituted an inter-ministerial group to arrive at the guidelines to be laid down for pre-qualification and short-listing of applicants who should be invited to make financial offers. Following extensive consultations with stakeholders and experts, the group submitted its recommendations that were accepted by CoI and issued the guidelines. The guidelines include a model request for qualification ("RFQ") document that ministries and autonomous bodies are expected to follow. The original guidelines were modified on May 18, 2009 to give effect of the feedback and experience that was witnessed during the last year.

<u>Selection Process</u>

The bidding process for PPP projects is typically divided in two stages:

- RFQ stage where eligible and prospective bidders are short-listed for the request for proposal ("RFP") stage.
- RFP stage where bidders submit their financial bids after appropriate due diligence of the project.

<u>RFQ Process</u>

The objective of the RFQ process is to identify credible bidders who have the requisite technical and financial capacity for undertaking the project. The criteria for short-listing of bidders is divided into technical and financial parameters:

- Technical Capacity – The applicant should have acquired sufficient experience and capacity in building infrastructure projects. This is measured either from construction work undertaken/commissioned or from revenues from Build Operate Transfer /Build Own Operate/Build Own Lease Transfer ("BOT", "BOO", "BOLT") projects, or from both, during the five years preceding the application date. Operation and Management ("O&M") experience of the applicants is also considered as one of the eligibility conditions. The following parameters are used to assess technical capacity of the applicant:
    - Project experience on BOT projects in the specified sector.
    - Project experience on BOT projects in the core sector.

- Construction experience in the specified sector.
- Construction experience in the core sector.
- O&M experience: The consortium may include a member with at least 10.00% equity holding and having relevant experience in operation and maintenance. Alternatively, successful bidders may be required to enter into O&M agreements with an entity having equivalent experience.

• Financial Capacity

Applicants should have a minimum net worth of 25.00% of the estimated capital cost of the project for which bids are invited. In the case of a project with an estimated cost of Rs.10,000.00 million or more, the requirement of net worth may be reduced to not less than 15.00% of the project cost.

Eligibility of experience

The members of the consortium who claim experience and net worth in the RFQ must hold at least 26.00% of the consortium's equity in the project SPV. In addition, the members would be required to also hold equity equal to at least 5.00% of the project cost for a period of two years after the commissioning of the project. This would ensure that only the experience and net worth of members with substantial stakes are considered.

Number of bidders to be pre-qualified

The number of bidders to be pre-qualified and short-listed for the final stage of bidding is carefully considered. On one hand, the number of bidders should be adequate to ensure real competition in bidding. On the other hand, a large number of short-listed bidders is viewed as a factor that dampens participation by serious bidders. For these reasons, the guidelines suggest approximately six pre-qualified bidders for projects costing Rs.5,000.00 million and more and seven pre-qualified bidders for projects costing less than Rs.5,000.00 million. The bidding authority reserves the right to increase the short-listed bidders to six, at its own discretion. In case short-listing is to be done for two or three projects at the same time, the number of short-listed bidders could be increased to seven and ten, respectively.

OUR BUSINESS

Any references to 'we', 'us', 'our' in this section wherever relating to past history or activities refers to the history of our activities carried out by J. Kumar & Co. (Proprietary concern) of Mr. Jagdishkumar M. Gupta our promoter and Chairman-cum-Managing Director till 2004 – 2005 and of our Company from 2004 - 2005 onwards since our current business activities till 2004 - 2005 were carried out in J. Kumar & Co. and thereafter in our Company till date.

Overview

We are a civil engineering and infrastructure development Company with a primary focus on development of flyovers, skywalks, roads, bridges, airport runways, commercial and residential buildings, railway buildings, sports complexes, and irrigation projects. We also undertake the piling of foundation work using hydraulic piling rigs for major real estate and infrastructure companies. We have been most active in Mumbai, Pune, Aurangabad and Vidharbha region of Maharashtra for the infrastructure projects, whereas have been undertaking piling contracts for projects across India.

Our core areas of expertise in the construction of infrastructure projects can be segregated in different business verticals as follows:

I TRANSPORTATION ENGINEERING

Construction of:

(a) Flyovers
(b) Skywalks
(c) Rigid and flexible pavement roads
(d) Pedestrian subways
(e) Bridges
(f) Rail Over Bridges "ROB", Rail Under Bridges "RUB"
(g) Storm Water Drainage Systems
(h) Grade Separators
(i) Airport runways

II CIVIL CONSTRUCTION

Construction of:

(a) Railway Terminus / Stations
(b) Commercial buildings
(c) Sports complexes
(d) Swimming pools

III IRRIGATION PROJECTS

Construction of:

(a) Earthen dams
(b) Minor Irrigation tanks
(c) Spillways
(d) Canals
(e) Aqueducts

IV PILING

We deploy state of the art hydraulic piling rigs to undertake piling of foundation works for various real estate and infrastructure companies.

We undertake design and construction of projects as per the client's specific requirements on a turnkey basis and also undertake construction of flyovers, skywalks, roads, bridges, buildings, irrigation projects and other infrastructure projects on contract basis.

We are registered independently as:

- Class I A contractor with Public Works Department "PWD", Government of Maharashtra
- Group A, Class I A with Vidharbha Irrigation Development Corporation "VIDC", Nagpur
- We are registered with Muncipal Corporation of Greater Mumbai "MCGM" under various categories signifying the maximum amount of work which can be undertaken:

Parameters of MCGM	Construction of				
Category	**Buildings**	**Flyovers**	**Roads**	**Sewage**	**Water Supply**
Grade	AA	AA	AA	A	B
Work Limit	Without limit	Without limit	Without limit	Upto Rs. 3 Crores	Upto Rs. 1 Crore

Over the years we have been executing projects for various government / semi-government authorities including:
- Maharashtra State Road Development Corporation Limited
- Mumbai Metropolitan Regulatory Development Authority
- Municipal Corporation of Greater Mumbai
- Pimpri Chinchwad Municipal Corporation
- Mumbai Rail Vikas Corporation

Apart from the above government clients, we undertake contracts from various private sector entities including:
- Larsen & Tourbo Limited
- Pipavav Shipyard Limited
- JSW Energy Limited
- Indiabulls Real Estate Limited
- Multi Commodity Exchange of India Limited
- Punj Lloyd Limited
- SMC Infrastructures Private Limited

For the years ended March 31, 2009 and March 31, 2008, our total income was Rs. 4,136.14 million and Rs. 2,170.23 million respectively, and for the six months ended September 30, 2009 our total income was Rs. 2,963.47 million. In the years ended March 31, 2009 and 2008, we earned a profit after tax of Rs. 329.28 million and Rs. 194.97 million respectively, and for the six months ended September 30, 2009 we earned a profit after tax of Rs. 320.82 million. As on September 30, 2009 our Order Book stands at Rs. 14,681.60 million, which comprises of some un-commenced projects and unfinished portion of projects under execution.

Some of the key infrastructure projects under execution include:

- Flyover including subway across S.V. Road at the Junction of Barfiwala in Mumbai
- Flyover near Times of India Building at Malad on Western Express Highway, Mumbai
- Design and Construction of four flyovers at Dr. Babasaheb Ambedkar Marg , Mumbai
- Construction of flyover at Kapurwadi Junction on Thane Ghodbunder Raod, Mumbai
- Development skywalk at various Railway stations in Mumbai and suburbs of Mumbai
- Improvement of road connecting Bandra Kurla Complex and LBS Marg Mumbai
- Construction of road BRTS from Nasik Phata flyover approach to Kaspati Vasti Mumbai
- Construction of eastern freeway section from Panjarapol to Chembur Mankurd Link Road, Mumbai
- Concreting of Andheri (W), & others roads in Paver Blocks in Khar /West Mumbai
- Concreting of Film City road, Goregaon (E) from Walbhat Bridge to Film City Gate, Mumbai

- Training of Mithi River from Custom Colony FOB to Pipeline Road, Powai, Mumbai
- Construction of new bridge across Mithi River on Piling Foundation Mumbai
- Construction of bridge and flyover on Mula River, Holkar Bridge Pune
- Construction of ROB at Milan subway including vehicular underpass, Mumbai
- Construction of ROB at Jogeshwari (South) in Mumbai
- Construction of ROB across Western Railway Tracks between Dahisar and Mira Road, Mumbai
- Dahegaon (Gargoti) M.I Tank Taluk, Ralegaon Dist Yavatmal Construction of earthwork of Dam Yavatmal
- Lower Wardha Mail Canal- Construction of Barrage at Pulgaon on Wardha River, Amravati
- Earthwork and structure in various parts of Bembla Main Canal
- Widening, Constructing, Training, Reconstructing, Cleaning and Improvement of various nallas in Mumbai.
- Piling work using hydraulic piling rig for various real estate and infrastructure companies

For further details of our projects under execution and orders-in-hand, please see the paragraph titled "Order Book" in this section.

We enjoy various accreditations, such as the QA certification of, ISO 9001:2000 certification for the quality management system we apply in designing and construction of the infrastructure projects we undertake. We have received accolades for some of our projects, such as the 2nd prize for construction of Kokan Bhavan Bridge at CBD Belapur, Rs. 1.9 million of bonus received for early completion of Aurangabad flyover by 19 days.

The key to efficient execution of projects, is our large fleet of owned modern construction equipment and machineries like hydraulic piling rigs, putmiester mobile boom placer concrete pump and stationery concrete pumps, transit mixers, cranes, poclains, front end loaders, JCBs, trucks, tippers, shuttering and centering plates, etc. We also have 5 ready mix concrete plants catering to our in-house requirements.

For further details on our construction equipments, please see the paragraph titled "Construction Equipments" in the Placement Document.

As of September 30, 2009, our work force consists of approximately 676 full-time employees. Further, we also employ contract based labour as per our project requirements, we normally engage on an average 4000 to 6000 contract laborers.

We believe that our employee resources and owned fleet of equipment, along with our engineering skills and capabilities, enable us to successfully implement a wide variety of infrastructure projects that involve varying degrees of complexity.

We enter into contracts primarily through a competitive bidding process. We solely execute most of our projects as the contractor. When a client requires us to meet specific eligibility requirements for larger projects, including requirements relating to experience and financial resources, we may enter into project-specific joint ventures with other infrastructure companies. Currently we have 12 projects, being executed in joint ventures. 100% of the work is being carried out by us in 10 projects and we are the lead partners in the other two joint ventures as detailed below:

(Rs. in million)

Particulars of modes of execution		No. of Contracts	Value of Contracts	% Share of total Contract
Projects in Joint Ventures		**12**	**9,725**	**66.24%**
100% work carried out by us	10		7,800	53.13%
Lead Partner	2		1,925	13.11%
Independently executed by us		**58**	**4,957**	**33.76%**
Total contracts in hand		**70**	**14,682**	**100.00%**

Our Competitive Strengths

Over two decades of experience in execution of different type of infrastructure projects

Our promoters are in the construction industry since 1980. During the last 29 years we have executed various type of infrastructure projects like flyovers, skywalks, roads, flexible and rigid pavement, railway over bridges, railway under bridges, bridges, airport contracts, commercial and residential buildings, railway buildings, sports complexes and irrigation projects like canals, minor irrigation tanks, spillways, aqueducts for government, semi-government and private organizations.

Large fleet of owned machineries and equipments

We believe that in infrastructure industry, the key is timely completion of projects and ownership of machineries and equipment which reduce dependence on equipment hiring. We own a number of plants and equipments required for construction. This includes hydraulic piling rigs HR 180 and HR 130, putmiester mobile boom placer concrete pump and stationery concrete pumps, RMC plants, transit mixers, various capacity cranes, poclains, front end loaders, JCBs, trucks and tippers and a large quantity of shuttering and centering plates. We believe that the long term cost implications of using leased equipment are adverse, and therefore, we believe that ownership and usage of modern concreting/ shuttering equipment results in a cost advantage for us.

Ready Mix Concrete Plant

The availability of the ready mix transit mixers enables us to service multiple locations for our contracts from a single nodal point. This is in turn helps us in timely servicing multi location requirements. Further we also sell ready mix concrete to third parties which helps in augmenting our revenues and use the RMC's to their optimum levels.

We handle diverse construction projects, each having its own set of requirements and technical challenges. Having such an asset base is a necessity and also advantageous for our business. For further details on our construction equipments, please refer the paragraph titled "Construction Equipments", in the Placement Document.

Ability to execute the project within stipulated time

We have executed complex projects within the scheduled completion date and have earned a bonus for the same. For example we completed the construction of flyover, slip roads and allied works at Seven Hills Chowk, Aurangabad 19 days ahead of scheduled date of completion and were awarded Rs. 1.9 million for completing the project well within time. Similarly we completed the pedestrian subway work at Rajaram Nagar near Santacruz 67 days ahead of the stipulated time limit with a bonus for early completion. Such achievements help us to pre-qualify for projects. We believe that such efficiency will hold us in good stead for future projects.

Experienced management team with proven execution capabilities

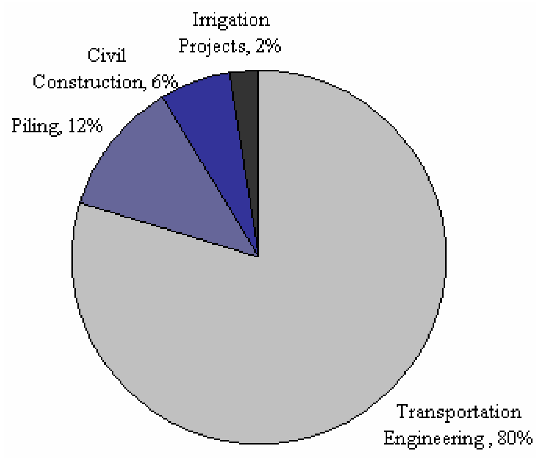
Our employees are qualified in terms of technical expertise and well-experienced in handling contracts. We have been able to attract employees from various government departments after their retirement. This enhances our ability to serve our clients better and qualify on technical grounds for various projects.

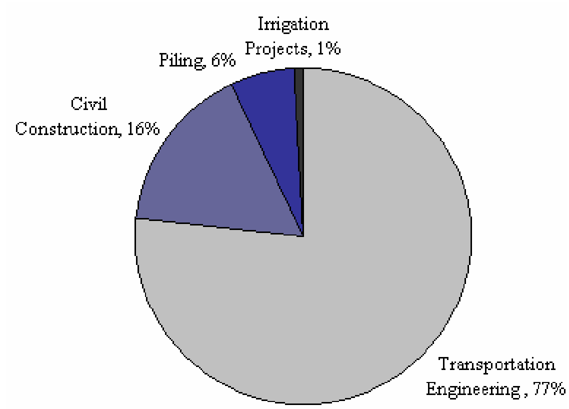
Operations capability in different types of infrastructure projects

We undertake construction work for various types of infrastructural projects and foundation work (pile foundation) for the structures. We have constructed swimming pools, railway terminus, pedestrian subways and various airport contracts apart from construction of flyovers, skywalks, roads and bridges. Such a variety of work enables us to keep our business diversified and reduces our dependency on any single segment. We provide integrated engineering, procurement and construction services for infrastructure projects, irrigation projects and civil construction.

As depicted below in the chart below, our Company is progressing towards becoming a well diversified infrastructure development company with a focus on the transportation engineering segment.

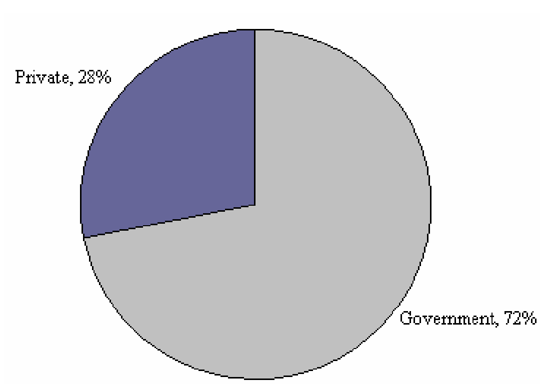
Business Vertical wise revenues for FY 2008	Business Vertical wise revenues for FY 2009

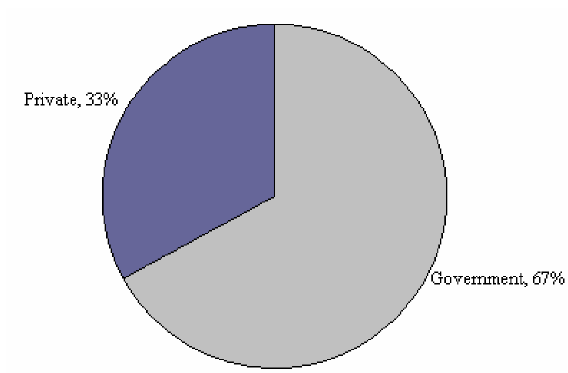




Our Company undertakes contracts for private clients (non-government) as well as government, semi-government authorities and has a diversified customer base. Although, we continue to have a significant number of contracts from the Government during FY 2008 and FY 2009 the breakup of our customer base in respect of private and government, semi-government authorities is depicted below:

Customer base for FY 2008	Customer base for FY 2009





As is evident from the chart, our dependency on government contracts has reduced from 72% in FY 2008 to 67% in FY 2009.

Track record in the Construction Industry

Based on over two decades of experience and projects executed in the past, we believe that we have established a track record of efficient project management and execution skills with trained and skilled manpower, efficient deployment of equipment and strategic purchasing capabilities. This enables us to meet project targets on time. We follow CPM - PERT for allocation of the time used for completion of a project, thereby clearly demarcating the time-lines for various activities.

Profit and Growth

We have achieved continued growth in our business thereby increasing our revenue and profit.

For the years ended March 31, 2009 and March 31, 2008, our total income was Rs. 4,136.14 million and Rs. 2,170.23 million respectively, and for the six months ended September 30, 2009 our total income was Rs. 2,963.47 million. In the years ended March 31, 2009 and 2008, we earned a profit after tax of Rs. 329.28 million and Rs. 194.97 million respectively, and for the six months ended September 30, 2009 we earned a profit after tax of Rs. 320.82 million. As on September 30, 2009 our Order Book stands at Rs. 14,681.60 million, which comprises of some un-commenced projects and unfinished portion of projects under execution.

Our Income from operations has grown at a CAGR of 89.95% over the last 3 financial years and our profit after tax has grown at a CAGR of 102.77% over the same period.

Our Business Strategy

Our strategy is to build upon our competitive strengths and business opportunities to become a leading construction and infrastructure company in India. We intend to pursue suitable opportunities in Maharashtra, as well as other parts of India. Historically, we have been most active in Mumbai, Pune, Aurangabad and Vidharbha region of Maharashtra. We intend to diversify in to the construction of all infrastructure facilities in areas other than those where we are currently executing our projects.

We constructed our first bridge in the year 1997. Infrastructure development has seen tremendous growth in India, especially in recent years. Increased investment in infrastructure has led to a surge in activities in the construction industry. Infrastructure projects have emerged as, and we believe that they will continue to be, a significant business driver for us. We have developed skill sets in providing engineering and construction services for a diverse range of infrastructure projects, including transportation engineering projects and irrigation projects.

Towards achieving these objectives, we are working on the following strategies:

Increasing the scope of work for each order and associating ourselves with larger projects

Our endeavor is to be amongst one of the bigger players in the infrastructure projects and civil construction business. We also intend to be associated with larger, technically more complex projects. As on September 30, 2009 we have executed Transportation Engineering contracts, worth Rs. 9362.23 million. The biggest project in hand, as on September 30, 2009 is the construction of Eastern Freeway section from Panjarapol to Chembur Mankurd Link Road km 0/000 to 2/500 Mumbai. The total contract value of the said project is Rs. 1680 million. Whereas within the projects already executed, the biggest project was widening and construction of WEH from CH 504/000 to 510/455 km in 3 packages. The total contract value of the said project was Rs. 640 million.

Undertaking projects in a variety of sectors

We have catered to a range of sectors, which has contributed in increasing our technical know how, capabilities, and spectrum of service offerings. This has also enabled us to de-risk our business model and we plan to further diversify our portfolio by extending our services to newer sectors. Using our design build model and turnkey capabilities, we intend to concentrate on projects and geographies where we can retain a competitive edge and seek better margins.

Remain focused on timely execution of projects and maintain the quality standards

We believe that we have developed a reputation for undertaking challenging construction projects. We intend to continue focusing on performance and project execution in order to maximize client satisfaction.

Execute the projects with the available resources to give the maximum operating margins

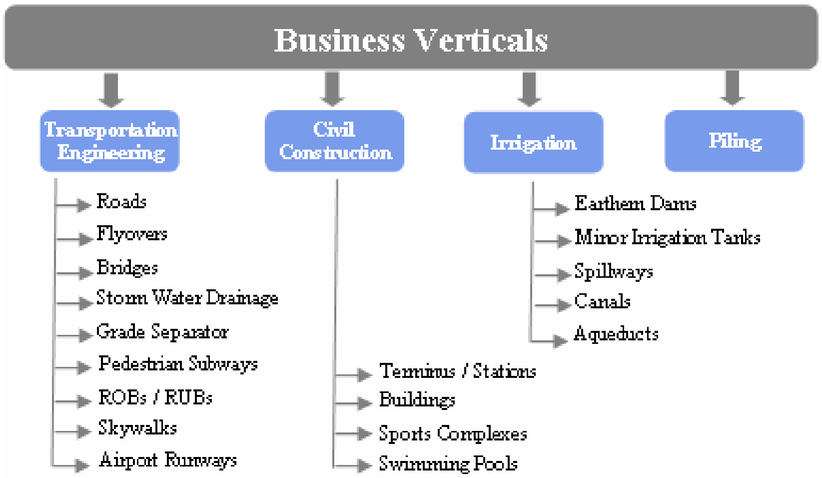
We also intend to continue to control operating and overhead costs to maximize our operating margins. To facilitate efficient and cost-effective decision-making, we intend to continue to strengthen our internal systems. This enables us to have better operating margins. Further, we also intend to procure more, technically complex, turnkey and design-build projects through joint ventures. It will be our endeavor to complete the contracts within the given timeframe so as to leverage this in the future.

Develop and maintain strong relationships with our clients and strategic partners

Our services significantly depend on procuring construction projects undertaken by large companies and infrastructure projects undertaken by government, semi-government authorities and others and projects funded by them. 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. We will continue to develop and maintain these relationships in both the client and vendor space. We intend to establish relationships and share risks with companies whose resources, skills and strategies are complementary to our business and are likely to enhance our opportunities.

Our Business Verticals

Our business can be classified in the following business verticals:



<u>Transportation Engineering</u>

We have over two decades of experience in transportation engineering and over the years have developed core expertise in this field. In this business vertical, we are engaged in construction of roads, flyovers, bridges, skywalks, airport runways and storm water drainage systems. We undertake to design and execute construction projects to the client's requirements on a turnkey basis. We have the requisite capability to construct flyovers, with minimum disruption in urban areas while using the latest methods and techniques like box pushing technique, RCC Box jacking amongst others.

As on September 30, 2009 we have a transportation engineering Order Book of Rs. 12,792 million, which is well diversified in terms of flyovers, skywalks, roads, bridges and storm water drainage systems among others.

We have developed an expertise in designing and executing flyover projects in urban areas. We have completed over 7 flyovers in Mumbai and around 9 flyovers are under execution. Further, we have recently bagged contracts for construction of 22 Skywalks in and around Mumbai. We have completed various projects like construction of flyover bridge at Konkan Bhavan (CBD) Junction, construction of flyover bridge at the junction of Eastern Express Highway and CMLR at Cheddanagar, construction of flyover covering Kalyan Naka Junction to new S.T. Stand in Bhiwandi, duplication of flyover at Dindoshi on Western Express Highway, construction of flyover near Times of India Building at Malad Junction on Western Express Highway, Mumbai, and skywalk at Kanjurmarg station within the stipulated time. Our Company has executed many projects for various government, semi-government authorities including MMRDA, PWD, MSRDC and MCGM.

All contracts awarded by government and semi-government authorities are after a long bidding process and involves the bidders qualifying with certain pre-conditions and on certain parameters, which include financial strength, previous track record and execution capability. After the criteria are met with, the contract is awarded. We shall continue to bid aggressively for infrastructure projects by leveraging our strengths, focusing on our specialization and pre-qualification in more States and regions thus gaining access to larger and more complex projects.

Currently, our capacity to quote for works with various government, semi-government authorities including PWD, MMRDA, MSRDC and various other Municipal Corporations is approximately Rs. 9710 million. The same is arrived at by using the following formula:

Our Current Bid Capacity = (A x N x 3 – B), where,

A = Maximum value of Civil Engineering works executed in any one year during the last seven years(updated to current price level) which takes into account the completed and on-going works.
N = years prescribed for completion of the works = 2 years
B = Value of existing commitments and ongoing works to be completed during next 2 years.

Process

Once the turnkey contract is awarded to us, we undertake the following activities before commencement of work:

- Study of technical specifications and drawings
- Mobilization of manpower
- Identification of construction materials
- Finalization of agreements with agencies for earth work, granular sub grade works, cross drainage works, bridges, tree felling., as applicable
- Finalization of suppliers for raw material
- Erection and commission of required plants, machineries and tools at the site
- Obtain requisite licenses, if any

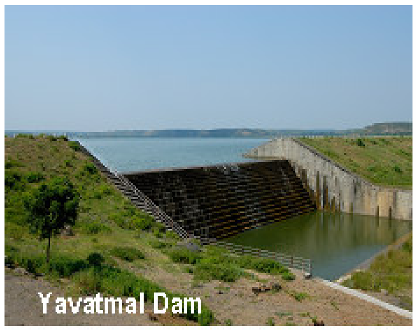
The following table describes some of the significant Transportation Engineering projects that we have undertaken and completed solely or along with joint venture partners:

Project Name	Client	Contract Value (Rs. in million)
Widening and construction of WEH from CH 504/000 to 510/455 km in 3 packages	MMRDA, Mumbai	640
Widening and construction of WEH from Times of India to South end of S N Dubey Junction., Mumbai	MMRDA, Mumbai	597
Construction of Grade Separator on Mumbai Pune Road from Mahavir chowk to Shivaji chowk at Chinchwad	PCMC, Pune	524
Construction of flyover at Thakur Complex on WEH, Mumbai	MSRDC, Mumbai	248
Construction of flyover covering Kalyan Naka Junction to ST Depot Junction on Old NH 3 in Bhiwandi city District Thane.	BNCMC, Bhiwandi	211
Construction of flyover Bridge at Konkan Bhavan Junction on Sion Panvel Highway CBD, Belapur, Navi Mumbai	Thane Creek Bridge	193
Construction of New Bridge Over Mithi River carrying B-3 Taxi Track at CSI Airport, Mumbai.	Airport Authority of India, Mumbai	181
Design and Construction of flyover at Saswadphata junction on NH 9, pedestrian subway at Pune.	MSRDC	145
Construction of approach road and Raising of Apron and Hanger at Juhu Helibase	ONGC	142

Project Name	Client	Contract Value (Rs. in million)
Construction of flyover at Junction of EEH and CMLR at and Widening of minor bridge on E.E.H. Mumbai.	Integrated Unit, Byculla	135
Duplication of flyover at Dindoshi on Western Express Highway	MSRDC, Mumbai	135
Construction of rapid taxi track at 1700 mtrs and 2200 mtrs at CSI Airport, Mumbai	Airport Authority of India	116
Development of skywalk at Kanjurmarg Station	MMRDA, Maharashtra	97
Construction of flyover, slip roads and allied works at Seven Hills Chowk, Aurangabad	MSRDC	95
Construction of service road in between National Park & S. N. Dube Marg on W.E. Highway, Mumbai	MSRDC	84
Construction of vehicular underpass at Rani Sati Marg Junction at W.E.H. near Malad, Mumbai	MSRDC	82
Construction of ROB between Ghorpadi Saswad Station on Pune Miraj Section of S.C. Railway near Udaybaug	MSRDC, Mumbai	75
Extension.of ROB on WEH between Mahim & Bandra Railway.Station and construction.of 5th line between Mahim & Santacruz Station	MRVC. Mumbai	68
Development of Pune Airport, strengthening of existing and construction of new link taxi track along with shoulders	Airport Authority of India	66
Construction of C.C. Road from Vanjarpatti Naka to Chavindra	BNCMC, Bhiwandi	48
Construction of approach to high level bridge on Thane Belapur Road across Kalwa creek on Kalwa side.	TMC, Thane	47
Construction of Pedestrian Subway by Box Pushing Method - Santacruz on W. E. Highway, Mumbai	MSRDC	46
Concreting of (1) Kurla Kalina Road from LBS Marg Junction to Air India Colony, (2) CST Road Opp Vidya Nagari and (3) Kamani & Premier Junction along LBS Marg (4) Bail Bazar with concrete paver Block & allied work.	BMC	33
Construction of pedestrian subway at Agripada on Western Express Highway, Mumbai.	MSRDC	31
Construction of ROB and approach level crossing at Nandgaon on Malegaon - Aurangabad Road.	MSRDC	29
Construction of flyover covering two junctions viz. 1) S.C.L.R. and 2) Vakola on W.E.H.	Thane Creek Bridge Division	28
Construction of R.O.B. with its approaches on W.E.H. at Bandra.	MSRDC	27
Construction of subway by pre-cast box pushing technology for Anand Nagar Road below E. E. Highway.	TMC, Thane	24
Construction of Sion Mahim Link Road & Construction of Retaining Wall along Widening of Loop Part – II.	MSRDC	20
W - 121, Construction of road from 33rd road petrol pump (N) for Chitrakar Dhurandhar Marg (Junction) Khar (West)	MCGM	19
Work of improving road in C.C. from existing C.C. Roads to Kamat Club at Andheri Link Road.	BMC	17
Widening of Road for Development of Toll Plaza on W.E.H. near Dahisar check naka.	MSRDC	12

Irrigation work

In this business vertical we focus on construction of earthen dams, minor irrigation tanks, spillways, canals and aqueducts. Our irrigation projects are located in and around the Vidharbha region of Maharashtra. The first irrigation project was awarded to us by Vidarbha Irrigation Development Corporation. We have successfully executed construction of earth work and structures (8 Kms) of Chilwadi Branch Canal, and construction of spillway earthen dam at Yavatmal, to name a few.



The following table describes some of the significant irrigation projects that we have undertaken and completed:

Project Name	Client	Contract Value (Rs. in million)
Construction of earth work and structures in Km 1 - 9 of Chilwadi Branch Canal	Maharashtra Krishna Valley Development Corporation, Pune	74
Cosntruction of E/W from RD 540 to 660m of Kumbharkinhi, M.I. Tank	MID, Pusad, Maharashtra	60
Construction of E/W from R.D. 750mm to 990m & Excavation of T/Channel from RD 270 to 330 mtrs of Kumbharkinhi, M.I. Tank	MID, Pusad, Maharashtra	47
Construction of Aqueduct @ R.D. 655 mtr of Bembla Main Canal	MID, Pusad, Maharashtra	40
Construction of spillway dam from RD 998.50 to 1060.50 Kumbharkinhi, M.I. Tank	MID, Pusad, Maharashtra	34
Construction of Spill way from RD 100 of Sirasgaon, M.I. Tank	MID, Pusad, Maharashtra	27
Construction of E/W from RD 53 to 510m and RD 420 to 450m of Kumbharkinhi, M.I. Tank	MID, Pusad, Maharashtra	13

Civil Construction Services
Broadly, our civil construction contracts can be categorized into the following segments:

Corporate offices, buildings and transport terminals:
This segment includes construction of corporate offices, buildings, and transport terminals (airport & railway). Some of the prominent commercial buildings projects undertaken by us include the construction of new Terminus building at Bandra for Western Railways, Office building of Mahasrastra State Police Housing and Welfare Corporation Limited, Mumbai, construction of health club building, game hall and olympic size swimming pool work for Goregaon Sports Club, construction of commercial building for Goldline Business Centre at Malad, Mumbai, construction of swimming pool complex and other miscellaneous work at H.R Johnson Tile Company. in Thane.

Housing (Residential):

This segment includes construction of buildings for group housing projects.

One of the prominent group housing project undertaken by us is the construction of residential quarters for Airports Authority of India at Mumbai.

The following table describes some of the significant civil construction projects that we have undertaken and completed:

Project Name	Client	Contract Value (Rs. in million)
Civil Work, Water supply, drainage, Electrical and allied works at Blue Chip Building, Andheri	Multi Commodity Exchange of India Limited	135
Construction of commercial building for Goldline Business Center at Link Road Malad, Mumbai.	Commercial Building Andheri, Mumbai	135
Construction of elevated olympic size swimming pool, Diving pool, recreation pool, Health Club building, Game Hall and roads for Goregaon Sports Club.	Goregaon Sports Club, Mumbai	83
Construction of Swimming Pool Complex at H.R. Johnson Tile Company , L.B.S. Road, Thane (W), including electrification work, Chlorination Filtration Plant and all allied work	Thane Municipal Corporation, Thane	94
Construction of a New Building at Bandra Terminus	Western Railway Mumbai	60
Misc works inside New Station Building and surrounding area of this building at Bandra Terminus. Construction of Baruni Line with inspection pit in BAMY Yard.	Western Railway, Mumbai	24
Construction of residential quarters for AAI (IAD) Staff at Mumbai.	Airport Authority of India	23
Foundation work for administration building for Bombay Suburban District on 341 (P) City Survey No. 629 in Government Servant's Colony at Bandra East, Mumbai	Public Works Department, Mumbai	9
Construction of office building shed for Superintending Engineer, Mumbai Road Development & Design Circle and Executive Engineer, Mumbai Road Development & Design Division Number.II at Kalanagar, Bandra East, Mumbai.	Public Works Department, Mumbai	6

Piling Work

Piling is a special type of foundation that enables a structure to be supported by a layer of soil found at any depth below the ground surface. Piles are used when the soil near the ground surface is not strong and the weight of the structure must be borne by deeper soil layers. Pile foundations are used to support marine structures and offshore platforms, since they are located over bodies of water. On land, pile foundations are used primarily in locations where poor soil conditions exist.

A pile foundation comprises two basic structural elements, the pile and the pile cap. A pile cap is a structural base, similar to a spread footing that supports a structural column, wall, or slab, except that it bears on a single pile or group of piles. A pile can be described as a structural stilt hammered into the ground. Each pile carries a portion of the pile cap load and transfers it to the soil in the vicinity of the pile tip, located at the bottom of the pile.

The pile and pile cap configuration has provided the basic design solution to the difficult problem of obtaining deep foundation support for areas where poor soil conditions prevail. It is difficult to excavate through poor soil, and is thus incapable of supporting structural loads. They are typically characterized by the presence of a soft, compressible layer of clay, high ground-water levels, loosely filled soils, uncontrolled landfills, boulders, abandoned underground structures, and natural bodies of water. By supporting a structure on piles in lieu of spread footings, any adverse soil condition may be virtually bypassed, and adequate foundation support can be obtained at any depth, without the need to perform deep excavation, dewater, and install temporary sheeting and bracing. Piles are available in a variety of sizes, shapes, and materials that enable a particular type of pile foundation to be viable both economically and structurally. Historically, piles were made of wood later reinforced concrete is the basic material of pile.

Different Types of Piles

Drilled piles Rotary boring techniques offer larger diameter piles than any other piling method and permit pile construction through particularly dense or hard strata. Construction methods depend on the geology of the site. In particular, whether boring is to be undertaken in 'dry' ground conditions or through water-logged but stable strata - i.e. 'wet boring'.

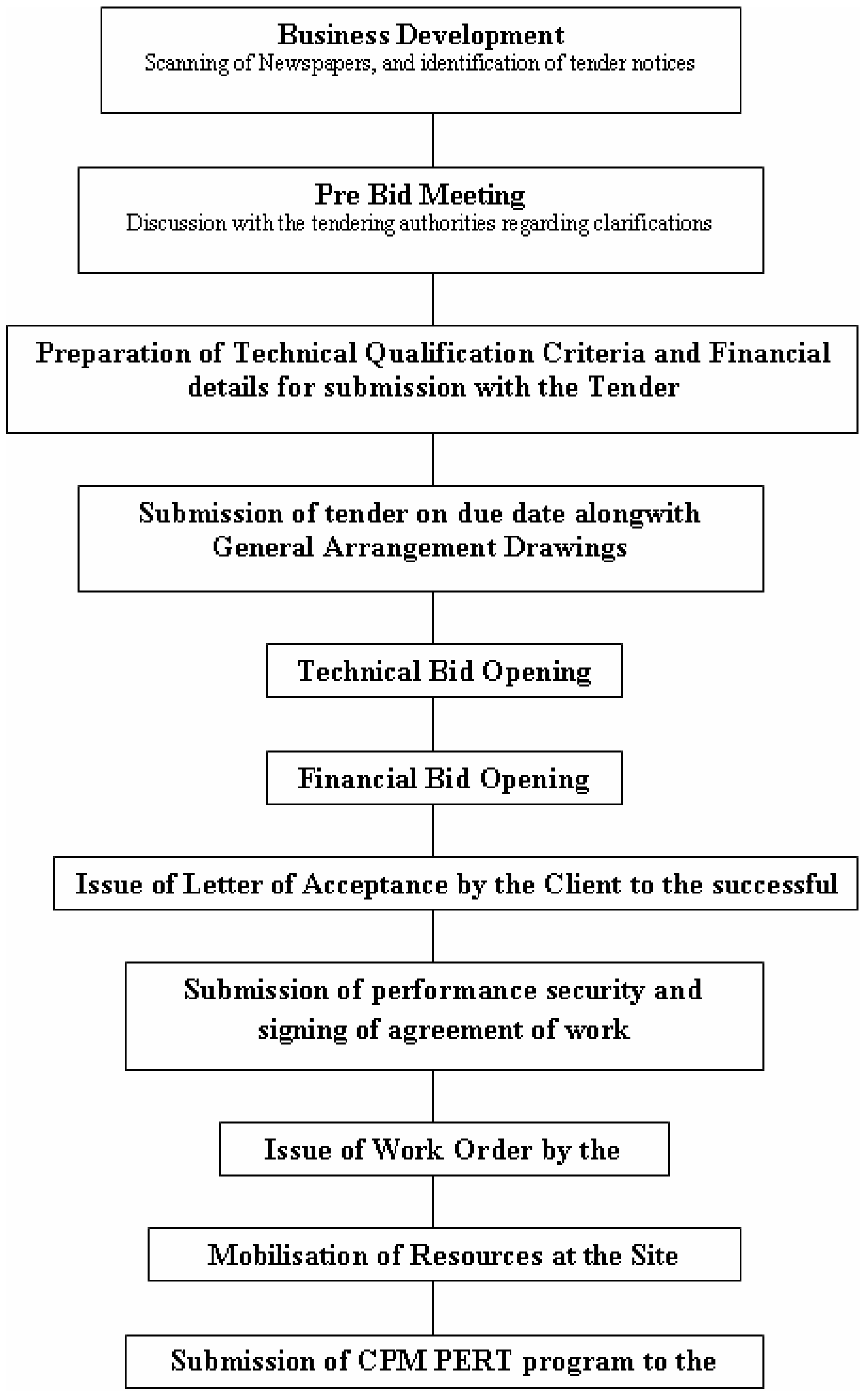
'Dry' boring methods employ the use of a temporary casing to seal the pile bore through water-bearing or unstable strata overlying suitable stable material. Upon reaching the design depth, a reinforcing cage is introduced; concrete is poured into the bore and brought up to the required level. The casing can be withdrawn or left in situ. 'Wet' boring also employs a temporary casing through unstable ground and is used when the pile bore cannot be sealed against water ingress. Boring is then undertaken using a digging bucket to drill through the underlying soils to design depth. The reinforcing cage is lowered into the bore and concrete is placed by tremmie pipe, following which, extraction of the temporary casing takes place.

In some cases there may be a need to employ drilling fluids such as bentonite suspension, in order to maintain a stable shaft.

Since 2007, we have started piling work for major real estate and infrastructure companies, by carrying out the work on turnkey basis and in very few cases lending the Hydraulic Piling Rigs to contractors who do not have these machineries to carry out the piling work. Following are some of our executed major piling projects:

Project Name	Client	Contract Value (Rs. in million)
Pliing work at Thane	SMC Infrastructure	40
Piling work at Elphinston	Indiabulls Real Estate	37
Piling work at Ratnagiri	Gammon India	32
Piling work at Dahej, Gujarat	Punj Lloyd Ltd. Dahej, Gujarat	28
Piling work at Vashi, Navi Mumbai, Maharashtra	H.N. Bhatt , Pune	27
Piling work at Vizag	M. Venkatarao Infraprojects	27
Piling work at Ratnagiri	JSW Energy	26
Piling Work at Kandivali	Sheth Developers	23
Piling work at Kurla	HDIL	23
Piling work at Kotputaly,Rajasthan	Simplex Infrastructure Ltd	20
Piling work at Goa	M. Venkatarao Infraprojects	17
Piling work at Amercian Consulate, B.K. Road, Mumbai – 51	L & T Ltd, ECC Dn. Mumbai	14
Piling work at Bangalore	IDEB	13
Piling work at Nerul, Navi Mumbai, Maharashtra	Gharpure Engineering, Pune	12
Piling work at Mangalore	Lanco Infratech	12
Piling work at Gujrat	Pipavav Shipyard	11
Piling work at Prabhadevi	Sheth Developers	11

Our Product Life Cycle



Types of Contracts

Our contracts types fall into the following categories:

- **Percentage rate contracts** require us to quote a percentage above, below or at par with the estimated cost furnished by the client. In percentage rate contracts, the client supplies all the information such as design, drawings and Bill of Quantities (BOQ) with the estimated rates for each item of the BOQ. We are responsible for the execution of the project based on the information provided and technical stipulations laid down by the client at our quoted rates, which are arrived at by adding or subtracting the percentage quoted by us above or below the estimated cost furnished by the client.

- **Item rate contracts** are contracts where we need to quote the price of each item presented in a BOQ furnished by the client. In item rate contracts the client supplies all the information such as design, drawings and BOQ. We are responsible for the execution of the project based on the information provided and technical stipulations laid down by the client at rates quoted by us for each respective item.

- **Design and Build contracts –** Lump sum contracts provide for a single price for the total work, subject to variations and pursuant to changes in the client's project requirements. In lump sum contracts, the client supplies all parameters for the project execution including General Arrangement Drawings (GAD) and design criteria and specifications. Based on such information, we are required to appoint consultants to estimate the quantities of various items that would be needed to complete the project based on the designs and drawings prepared by our consultants. The designs, drawings and specifications require the client's approval. These contracts carry the billing schedule, according to which we raise our bills for the works executed by us. For additional work, bills are raised as per the variation clause of the tender.

  The percentage of each of the categories of contracts in the Order Book of our Company as on September 30, 2009 is disclosed as under.

Percentage Rate Contract	87.98%
Item Rate Contract	1.80%
Design & Build Contract	10.22%
Total	**100.00%**

Order Book

Our Order Book comprises of unfinished and uncertified portion of projects that we have undertaken and includes the value of sub-contracting agreements that we enter into with our joint venture partners for work to be performed by us. In our industry, the Order Book is considered to be an indicator of potential future performance as 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 to focus on capturing quality contracts with potentially high margins. The value of work that remains to be completed from our Order Book as of September 30, 2009, was Rs. 14,681.60 million. The segment details of the same are as follows:

(Rs. in million)

Section	Business Vertical	Total Contract Value	Value of work remaining to be completed
A	Transportation Engineering	16,195	12,792
B	Irrigation Work	1,147	1,037
C	Civil Construction	967	738
D	Piling Work	200	115
	Total	**18,509**	**14,682**

The details of the orders in hand as on September 30, 2009 are as follows:

A. Transportation Engineering

(Rs. in million)

Name of the Project	Client	Contract Value	Value of uncompleted work as on Sep. 30, 09
Construction of eastern freeway section from Panjarapol to Chembur Mankurd Link Road km 0/000 to 2/500	MMRDA	1,680	1,680
Construction of ROB at Jogeshwari (South) in lieu of L.C.No. 24 & 25.	MCGM	1,326	1,326
Development of Pedestrian Sky Walk- Bridge(Phase -2) Package 3 (Parel & Chinckpokali)	MSRDC	835	828
Development of Pedestrian Sky Walk- Bridge(Phase -2) Package 1(Naigaon & Grant Road)	MSRDC	746	719
Development of Pedestrian Sky Walk- Bridge(Phase -2) Package 2 (Wadala Road, Sweree, Reay Road & Sandhurst Road)	MSRDC	626	621
Construction of road BRTS From Nasik Phata Flyover approach to Kaspati Vasti	PCMC, Pune	571	571
Construction of Bridge and flyover on Mula River Holkar Bridge Pune	PMC ,Pune	616	529
Construction of flyover at Kapurwadi Junction on Thane Ghodbunder Raod.	MMRDA	526	526
Design and construction of Flyover at Amar Mahal Junction connecting SCLR with EEH.	MMRDA	489	489
Design and construction of four fFlyovers at Dr. Babasaheb Ambedkar Marg under Package – I	MMRDA	1,519	483
ES-60 Training/ Widening/ Deepening/ Reconstruction/ of Mankhurd Children Aid Nalla system in Middle East Ward,Chembur, CA No,313, 314(Brimstoward Project)	MCGM	428	391
Construction of RoB at Milan Subway including Vehicular Underpass	MMRDA	415	344
Development of Pedestrian Sky Walk- Bridge(Phase -1) at Kandivali (E)	MSRDC	346	327
Augementaion of SWD system catchment No.117, BPT Colony, Railway yard and Training of Kharoo Creek Nalla	MCGM	318	318
Improvement of Vasai-Sathivali-Kaman Road MDR – 40 (Package- V) Construction of Vasai ROB with approaches	MMRDA	291	291
Construction of Sky-Walk at Andheri (East)	MMRDA	300	256
Construction of Sky-Walk at Dadar (E) Part-2 (Granthalaya Road)	MMRDA	215	212
Construction of Sky-Walk at Dadar (E) Part-3 (Dadasaheb Phalke Road)	MMRDA	212	206
ES 8 & ES 9 - Improvement of Kannawar Nagar Nalla system and training of Bombay Oxygen Nalla	MCGM	204	204
Construction of Sky-Walk at Bhayandar (West)	MMRDA	221	194
W.S.- 27 Training and construction work of MHADA Nalla & Avinash Building Nalla at 7 Bungalow, Andheri (W)	MCGM	187	187

Name of the Project	Client	Contract Value	Value of uncompleted work as on Sep. 30, 09
E.E.S. 5-1 Training / Widening /Deepening of Usha Nagar (D/S of Railway Line), Bhandup (E) S-Ward.	MCGM	177	177
Development of Pedestrian Sky Walk- Bridge(Phase -1) at Vasai Road (W)	MSRDC	181	173
Construction of Sky-Walk from Bandra Suburban Station (West) to S.V. Road and along the S.V. Road from Seth Fakir Mohd. Chowk to National Library	MMRDA	240	167
Training of Mithi River (Widening & Deepening, RCC Retaining wall, service road) from Custom Colony FOB to pipe line road Powai, South Ward. (55% our share)	GMMC	367	157
Development of Pedestrian Sky Walk- Bridge(Phase -1) at Vile Parle (W)	MSRDC	166	152
Providing, supplying, shuttering, pouring, and curing of RMC of Section II (Kiravali Chowky to Chinchavali Chowki) for Vaitarna Water Supply Scheme in Maharastra	SMC Infra	443	150
Development of Pedestrian Sky Walk- Bridge(Phase -1) Goregaon (W)	MSRDC	155	146
E.S. 3 & ES-4 - Training of Laxmibaug Nalla from EEH to G.A. Link Road, culvert and from G.A. Link Road, culvert to culvert to Central Railway C.A. No. 309 in N-Ward	MCGM	137	137
Construction of flyover including pedestrian cum vehicular subway across S.V. Road at the junction of Barfiwala Lane and Gokhale Bridge.	MMRDA	239	136
Construction of Sky-Walk at Mira Road	MMRDA	213	123
W-246, Concreting of Sab TV, Andheri(W) & Other roads in Paver Blocks in K/West ward	MCGM	230	113
ES 7.2- Improvement of Crompton-Kanjur Nalla system in Catchment No. 306 Vikhroli S-Ward	MCGM	104	90
Construction of flyover near Times of India building at Malad Junction on Western Express Highway	MSRDC	171	86
W-248,(A) MUIP- Concreting of Film City road,Goregaon(E) from Walbhat Bridge to Filmcity Gate,(B) Non MUIP- Improvemnet of various roads in paver blocks in P/Sourth Ward	MCGM	172	73
Construction of ROB across western railway tracks between Dahisar and Mira Road Station on proposed 36.6 mtrs wide main link road, between Railway Km 37/4 to 37/6	MMRDA	390	48
Work Code No-AW-53-Widening & Improvement of various roads in "P/North Ward	MCGM	207	47
Sky Walk- Virar(E)	MMRDA	42	33
W.S.-2 - Cleaning and improvement of SWD and nallas including increasing / reconstruction in C.A.Number 206 i.e. Rajendra Nagar Nalla in R/C Ward, WS-3 - do -- C.A. No. 205 i.e. Mathre Nalla System in R/C Ward	MCGM	212	28
Sky Walk- Virar (W)	MMRDA	92	23

Name of the Project	Client	Contract Value	Value of uncompleted work as on Sep. 30, 09
Construction of New Bridge No. 20 across Mithi River on pile foundation with PSC and steel girder super structure at Bandra –Mahim	MRVC	105	16
Improvement of Road connecting Bandra Kurla Complex and LBS Marg incluidng construction of balance portion of PSC superstructure bridge across Mithi River	MMRDA	78	13
Total			**12,792**

B. Irrigation Work

(Rs. in million)

Name of the Project	Client	Contract Value	Value of uncompleted work as on Sep. 30, 09
Lower Wardha Mail Canal- Construction of Barrage at Pulgaon on Wardha River with mechanical gate erection, survey design and all work	Pimpri Irrgation Division	926	926
Dahegaon (Gargoti) M.I Tank Taluk Ralegaon Dist Yavatmal Construction of earthwork of Dam, Excavation of Approach and tail channel, Construction of Waste wier and falls in tail channel & Head regulator	Vidharbha Irrigation Development Corporation	77	77
Construction of Earthwork and Structures Km 69 to 71 and Box culvert at RD 68955 mtr of Bembla Main Canal	Bembla Canal Division, Yavatmal	79	24
Construction of Earthwork and Structures of Ramtirth Distributory of taking RD 46770m of Bembla Main Canal	Bembla Canal Division, Yavatmal	65	11
Total			**1,037**

C. Civil Construction

(Rs. in million)

Name of the Project	Client	Contract Value	Value of uncompleted work as on Sep. 30, 09
Construction of residential buildings under SRA Scheme at Goregaon West, Mumbai+ Rodium properties	Reddy Builders and Developers	707	707
Improvement to approach road at village Gundvali, Suran Road, Andheri (East)	Financial Technologies (India) Limited	260	31
Total			**738**

D. Piling Work

(Rs. in million)

Name of the Project	Client	Contract Value	Value of uncompleted work as on Sep. 30, 09
Rotary Piling work for Project at "PGMP Site" Mulund Dated 28-07-2009	Richa Realtors	45	43
Boring cast in situ bored piles of 1000mm diameter piles to the required depth	L & T	31	29
Boring cost in situ board piles of 1200mm piles to the required depth including driving temperature liner lowering of steel cage & complitted concreting	M. Venkat Rao Infra Projects Pvt. Ltd	39	13
Boring of pile up to required depth and bored through all type of soft soil, soft rock 600 mm dia	IDEB Projects Ltd.	55	10
Proposed Flyover at Three Juctions on Dahisar Surat BOT Project on Western Express Highway	Ameyas Buildicons Pvt. Ltd	7	6
Boring cost in situ board piles of 600mm and 1000 mm piles to the required depth including driving temperature liner lowering of steel cage & complitted concreting.	Jai Construction	6	4
Boring cost in situ board piles of 600mm piles to the required depth including driving temperature. liner lowering of steel cage & complitted concreting	Pandey Earthworks Pvt Ltd.	4	3
Work order for piling work by Rotary Method (Labour Only) for "Avenue - M" Wing-3,4,5,6,18,19,20 Residential Buildings 2 Virar	Rutomjee Evershine (Global City)	5	2
Liner Pilings Works	Hotel Horizon Pvt. Ltd.	7	2
Boring cost in situ board piles of 500mm piles to the required depth including driving temperature liner lowering of steel cage & completed concreting	Neelyog Construction Limited	1	1
Boring cost in situ board piles of 600mm and 1000 mm piles to the required depth including driving temp. liner lowering of steel cage & completed concreting.	S.V. Jiwani	1	1
Total			**115**

Construction Equipment

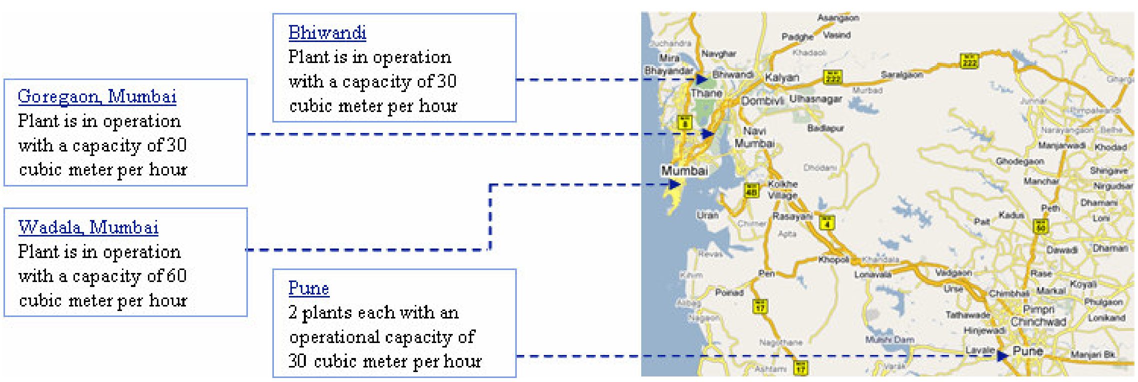
We believe that in the infrastructure Industry, the key to timely completion and thus higher operating margins is the ownership of the latest machineries and equipment. We own a number of plants and equipment required for construction. These will require proper maintenance to be kept in a good working condition:

Sr. No.	Type of Equipment	Number of units	Kind / Make
1	Hydraulic Piling Rig	18	Mait /Soilmech
2	Poclain / Excavators	15	Tata Hitachi/Komatsu
3	Dumper & Tripper	40	Tata/Ashok Leyland
4	JCB	13	JCB 3D/3DX/4DX
5	Concrete Batching Plant	4	Schwing Stetter
6	Transit Mixers	27	Greaves Cifa/ Schwing Stetter

Sr. No.	Type of Equipment	Number of units	Kind / Make
7	Concrete Pump	6	Schwing Stetter/Putzmiester
8	Air Compressor	4	Atlas Copco
9	Rock Breaker	4	Atlas Copco/Fine 22X
10	Dozer	2	Komatsu/D-6-8-U
11	Vibratory Roller	5	Greaves Bomag
12	Soil Compactor	3	Greaves
13	Roller(Static)	6	Kamal & Jessop
14	Gantry Cranes	3	Workshopmade
15	Cranes	8	ACE/HYPPO/P&H 220
16	Generator	20	Kirloskar
17	Mono Rail Trolly	6	Speed Mark
18	Multipull Prestressing Jack	4sets	Power Pack MK-1
19	Single Pull Prestressing Jack	6sets	Dynamic Prestress (I) Pvt.Ltd.
20	Automatic Level	8	Tass/Lawerance& Mayo
21	Total station	5	Pentax R 315NX/ R-415N/R-322Ex
22	Cube Testing Machine	6	Tass/SKG
23	Cube Moulds	193	TassSKG
24	Tempo	8	Tata
25	Water Tankers	4	Tata
26	Electronic Weighbridge	3	
27	Trailor	2	Ashok Leland

Ready Mix Concrete Plants

We have five RMC plants with an average production capacity of approximately 180 cubic meter / hour serving most of our in -house requirements. Our RMC units are strategically located, thus reducing the cost in the transportation of concrete. The surplus RMC produced, if any, is sold in the open market.



MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our financial statements are prepared in conformity with Indian GAAP. Indian GAAP differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles and auditing standards in other countries with which prospective investors may be familiar. The degrees to which the financial statements included in the Placement Document will provide meaningful information, is dependent on the reader's level of familiarity with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI Guidelines. Any reliance on the financial disclosures presented in the Placement Document by persons not familiar with these Indian practices, law and rules should be limited. We have 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 the financial data herein.

Our actual results and the timing of selected events could differ materially from those anticipated in forward-looking statements contained in this discussion as a result of various factors, including those set forth under "Risk Factors" and elsewhere in this Placement Document. See the section entitled "Forward Looking Statements".

Our Fiscal ends on March 31st of each year, so all references to a particular "Fiscal" are to the 12-month period ended March 31st of that Fiscal.

Overview

We are a civil engineering and infrastructure development Company with a primary focus on development of flyovers, skywalks, roads, bridges, airport runways, commercial and residential buildings, railway buildings, sports complexes, and irrigation projects. We also undertake the piling of foundation work using hydraulic piling rigs for major real estate and infrastructure companies. We have been most active in Mumbai, Pune, Aurangabad and Vidharbha region of Maharashtra for the infrastructure projects, whereas have been undertaking piling contracts for projects across India.

Our core areas of expertise in the construction of infrastructure projects can be segregated in different business verticals as follows:

I TRANSPORTATION ENGINEERING

Construction of:

(a) Flyovers
(b) Skywalks
(c) Rigid and flexible pavement roads
(d) Pedestrian subways
(e) Bridges
(f) Rail Over Bridges "ROB", Rail Under Bridges "RUB"
(g) Storm Water Drainage Systems
(h) Grade Separators
(i) Airport runways

II CIVIL CONSTRUCTION

Construction of:

(a) Railway Terminus / Stations
(b) Commercial buildings
(c) Sports complexes
(d) Swimming pools

III IRRIGATION PROJECTS

Construction of:

(a) Earthen dams
(b) Minor Irrigation tanks
(c) Spillways
(d) Canals
(e) Aqueducts

IV PILING

We deploy state of the art hydraulic piling rigs to undertake piling of foundation works for various real estate and infrastructure companies.

We undertake design and construction of projects as per the client's specific requirements on a turnkey basis and also undertake construction of flyovers, skywalks, roads, bridges, buildings, irrigation projects and other infrastructure projects on contract basis.

We are registered independently as:

- Class I A contractor with Public Works Department "PWD", Government of Maharashtra
- Group A, Class I A with Vidharbha Irrigation Development Corporation "VIDC", Nagpur
- We are registered with Muncipal Corporation of Greater Mumbai "MCGM" under various categories signifying the maximum amount of work which can be undertaken:

Parameters of MCGM	Construction of				
Category	**Buildings**	**Flyovers**	**Roads**	**Sewage**	**Water Supply**
Grade	AA	AA	AA	A	B
Work Limit	Without limit	Without limit	Without limit	Upto Rs. 3 Crores	Upto Rs. 1 Crore

Over the years we have been executing projects for various government / semi-government authorities including:

- Maharashtra State Road Development Corporation Limited
- Mumbai Metropolitan Regulatory Development Authority
- Municipal Corporation of Greater Mumbai
- Pimpri Chinchwad Municipal Corporation
- Mumbai Rail Vikas Corporation

Apart from the above government clients, we undertake contracts from various private sector entities including:

- Larsen & Tourbo Limited
- Pipavav Shipyard Limited
- JSW Energy Limited
- Indiabulls Real Estate Limited
- Multi Commodity Exchange of India Limited
- Punj Lloyd Limited
- SMC Infrastructures Private Limited

For the years ended March 31, 2009 and March 31, 2008, our total income was Rs. 4,136.14 million and Rs. 2,170.23 million respectively, and for the six months ended September 30, 2009 our total income was Rs. 2,963.47 million. In the years ended March 31, 2009 and 2008, we earned a profit after tax of Rs. 329.28 million and Rs. 194.97 million respectively, and for the six months ended September 30, 2009 we earned a profit after tax of Rs. 320.82 million. As on September 30, 2009 our Order Book stands at Rs. 14,681.60 million, which comprises of some un-commenced projects and unfinished portion of projects under execution.

Some of the key infrastructure projects under execution include:

- Flyover including subway across S.V. Road at the Junction of Barfiwala in Mumbai
- Flyover near Times of India Building at Malad on Western Express Highway, Mumbai
- Design and Construction of four flyovers at Dr. Babasaheb Ambedkar Marg , Mumbai
- Construction of flyover at Kapurwadi Junction on Thane Ghodbunder Raod, Mumbai
- Development skywalk at various Railway stations in Mumbai and suburbs of Mumbai
- Improvement of road connecting Bandra Kurla Complex and LBS Marg Mumbai
- Construction of road BRTS from Nasik Phata flyover approach to Kaspati Vasti Mumbai
- Construction of eastern freeway section from Panjarapol to Chembur Mankurd Link Road, Mumbai
- Concreting of Andheri (W), & others roads in Paver Blocks in Khar /West Mumbai
- Concreting of Film City road, Goregaon (E) from Walbhat Bridge to Film City Gate, Mumbai
- Training of Mithi River from Custom Colony FOB to Pipeline Road, Powai, Mumbai
- Construction of new bridge across Mithi River on Piling Foundation Mumbai
- Construction of bridge and flyover on Mula River, Holkar Bridge Pune
- Construction of ROB at Milan subway including vehicular underpass, Mumbai
- Construction of ROB at Jogeshwari (South) in Mumbai
- Construction of ROB across Western Railway Tracks between Dahisar and Mira Road, Mumbai
- Dahegaon (Gargoti) M.I Tank Taluk, Ralegaon Dist Yavatmal Construction of earthwork of Dam Yavatmal
- Lower Wardha Mail Canal- Construction of Barrage at Pulgaon on Wardha River, Amravati
- Earthwork and structure in various parts of Bembla Main Canal
- Widening, Constructing, Training, Reconstructing, Cleaning and Improvement of various nallas in Mumbai.
- Piling work using hydraulic piling rig for various real estate and infrastructure companies

For further details of our projects under execution and orders-in-hand, please see the paragraph titled "Order Book" in the section titled Business Overview.

KEY FACTORS AFFECTING OUR FINANCIAL CONDITION AND OUR RESULTS OF OPERATIONS

As an infrastructure development company, our financial condition and results of operations are affected by numerous factors and the following are of particular importance:

- **Macro economic conditions and its impact on business in India**

  Our business is significantly dependent on the general economic conditions and the activity in the infrastructure sectors, particularly in the state of Maharashtra in India in which we operate primarily and the state government along with central governments policies relating to real estate and infrastructure development projects. At present Government's policy of encouraging greater private sector participation as well as increased funding in infrastructure projects in India have resulted in large infrastructure projects in India. There can be no assurance that this will continue in future as well. Also, improvements in infrastructure facilities have a strong impact upon GDP growth. The overall economic growth will therefore impact the results of our operations.

- **Government policy and regulations towards infrastructure spending**

  Changes in the government policies, which began in the early 90's, facilitated the entry of private capital into infrastructure and led to rapid growth in certain sectors. Recently the policy changes in energy, transportation, urban infrastructure and industrial and commercial infrastructure sectors have begun to attract private investment. If the present trend continues, we believe that our growth and financial operations will be positively impacted.

- **Dependence upon limited number of clients and projects**

  We are dependent on a limited number of clients and projects and we depend on getting further business from such clients. Our top clients vary depending on the completion schedule of the projects and this may result in variations in our revenue and profits during such periods. Any loss of a significant client will have an adverse effect on our business and result of operations. Our business will be adversely affected if we are unable to develop and maintain a harmonious relationship with our key clients and any loss of a key client will reduce or eliminate the business operations.

- **Competition and our bidding and execution capability in comparison to them**

  We face intense competition from big international and domestic construction companies and expect competition to increase due to possible new entrants in the market, existing competitors further expanding their operations and our entry into new markets where we may compete with well-established infrastructure companies. Our competition varies depending upon size, nature and complexity of the project. Contracts in the infrastructure sector are awarded on the basis of pre-qualification criteria and competitive bidding processes. Once the technical requirements of the tender are cleared, the contract is usually awarded on the basis of the competitive price quoted by the bidder.

- **Availability of cost effective raw material, labour and other inputs**

  The cost of raw materials, labour and other inputs constitutes a significant part of our operating expenses and we rely on third parties to provide us such inputs. Even though our long-term contracts have a price escalation clause in case of steel and cement, we are still liable for the increases in the cost of other raw materials. Any unanticipated increases in the cost of raw materials, labour or other inputs; unforeseen construction conditions, including the inability of the client to obtain requisite environmental and other approvals, resulting in delays and increased costs; delays caused by local weather conditions; and suppliers' or subcontractors' failures to perform can have a compounding effect by increasing the costs of performing other parts of the contract. These variations and risks generally inherent in the construction industry may result in our profits on a project being less than as originally estimated or may result in our Company, experiencing losses depending on the size of a project. We are also liable for a specified period, following the completion of the project for any defects arising out of the services provided by us.

- **Availability of cost effective funding sources**

  We will need significant funds, which are cost effective for our future growth. Need of additional working capital to finance our future business plans and, in particular, our plans for expansion is significant. All these funding sources depend on 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 an when needed, on acceptable commercial terms. Any such situation would adversely affect our business and growth prospects. We believe for growth the availability of cost effective funding sources would be of importance.

- **Ability to attract and retain skilled personnel**

  Our ability to meet future business challenges depends on our ability to attract, recruit and retain talented and skilled personnel. We are highly dependent on our senior management, our Directors and other key personnel, including skilled project management personnel for successful growth of our Company. A significant number of our employees are skilled engineers and we face strong competition to recruit and retain skilled and professionally qualified staff. Due to the limited pool of available skilled personnel, competition for senior management and skilled engineers in our industry is intense. We may experience difficulties in attracting, recruiting and retaining an appropriate number of managers and engineers for our business needs. We may also need to increase our pay structures to attract and retain such personnel. Our future performance will depend upon the continued services of these persons. The loss of any of the members of our senior management, our Directors or other 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.

- **Changes in Tax Laws**

  We believe that any change in the existing tax benefits and incentives can affect our financial condition and operations. Infrastructure sector enjoys many benefits as per current tax laws.

BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared and presented under the historical cost convention using the accrual basis of accounting in accordance with the accounting principles generally accepted in India and are in accordance with the applicable Accounting Standards, Guidance Notes and the relevant provisions of the Companies Act, 1956.

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known / materialized.

SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

Our Company follows the percentage completion method, on the basis of physical measurement of work actually completed at the balance sheet date, taking into account the contractual price and revision thereto by estimating total revenue and total cost till completion of the contract and profit so determined has been accounted for proportionate to the percentage of actual work done.

Claims are accounted as income in the year of receipt of arbitration award or acceptance by client or evidence of acceptance received.

Fixed Assets

a) Fixed Assets are valued at cost (including other expenses related to acquisitions and installation) less accumulated deprecation/ amortization.

b) The cost of an asset comprises of purchase price and any directly attributable cost of bringing the assets to its present condition for intended use.

Depreciation

a) Depreciation on Fixed Assets is being provided on Written Down value Method as specified in Schedule XIV to the Companies Act, 1956.

b) Depreciation in respect of additions or deletions to fixed assets is provided on pro-rata basis from the date on which such assets are acquired/ put to use.

Valuation of Inventories

(a) Inventories are valued at the lower of cost or net realizable value except waste/scrap which is valued at net realizable value. The cost is computed on FIFO basis.

(b) Work in progress on construction contracts reflect the value of material inputs and expenses including appropriate overheads incurred on such contracts, at cost.

Investments

Investment are classified as Current Investment and carried in the books lower of Cost or Market value.

Borrowing Cost

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying assets are capitalized. Other borrowing costs are charged as expenses.

Accounting for Joint Venture Contracts

In respect of contracts executed in integrated joint venture under profit sharing arrangements (assessed as Partnership Firm under the Income Tax laws) the profit or loss is accounted for, as when it is determined by the joint venture and the net investment in the joint venture is reflected as investments.

Foreign Exchange Transactions

Transaction denominated in foreign currencies is normally at the exchange rate prevailing at the time of the transaction.

Retirement Benefits to Employees

Our Company is not making any provision in the books of account for gratuity, leave encashment and superannuation however Provident Fund contributions are made to the Government administered provident fund. Our Company has no further obligations in respect of provident fund beyond the contribution charged in the financial statements.

Lease Transactions

Leases, where significant portion of risk and reward of ownership are retained by the lesser, are classified as Operating Leases and lease rentals thereon are charged to the Profit and Loss Account

SUMMARY OF OUR RESULTS OF OPERATIONS

The table below sets forth our Company's profit and loss information for the Fiscal ended March 31, 2009 and 2008:

(Rs. in million)

Particulars	Fiscal 2009			Fiscal 2008	
	Rs.	% of income from operations	Increase in 2009 compared to 2008	Rs.	% of income from operations
Income					
Income from operation	**4064.61**	**100.00%**	**89.72%**	**2142.43**	**100.00%**
Other income	71.53	1.76%	157.25%	27.81	1.30%
Total Income	**4136.14**	**101.76%**	**90.59%**	**2170.23**	**101.30%**
Expenditure					
Construction expenses	3139.46	77.24%	97.06%	1593.13	74.36%
Employees remuneration and benefits	87.97	2.16%	122.52%	39.53	1.85%
Administration, selling and other expenses	233.25	5.74%	93.03%	120.83	5.64%
Interest and financial charges	79.82	1.96%	33.11%	59.97	2.80%
Depreciation	106.71	2.63%	75.17%	60.92	2.84%
Profit before tax	**488.94**	**12.03%**	**65.27%**	**295.85**	**13.81%**
Provision for taxation	159.66	3.93%	58.27%	100.88	4.71%
Profit after tax	**329.28**	**8.10%**	**68.89%**	**194.97**	**9.10%**

Description of Income and Expenditure

Income

Our total income consists of the following items:

- Income from operations
- Other income

Income from Operations: Income from operations comprises income from activities that are directly related to our main business and share of income from jointly controlled entities.

- Income from infrastructure projects
- Piling contracts (boring, chiseling, hiring charges)
- RMC sales
- Revenue from joint ventures

Income from infrastructure projects consists of revenues from our different business verticals of transport engineering, civil construction and irrigation. Revenues from infrastructure projects, which are executed in our joint ventures is reflected in revenue from joint ventures.

Income from piling contracts which include, turnkey projects for piling as well as providing piling rigs on hire to others, when they are lying idle.

Our RMC units are for our in-house requirements, but if there is any surplus it is sold in the open market, these revenues are booked under this head.

Other Income: Other income comprises lease rentals from property, profits on the sale of investments, dividend and interest from current investments, profit on sales of fixed assets and miscellaneous receipts.

Expenditure

Our total expenditure consists of the following items:

- Construction expenses;
- Employee's remuneration and benefits;
- Administration, selling and other expenses;
- Interest and financial charges; and
- Depreciation and amortization.

Construction expenses: Construction expenses comprises among other things construction material consumed for our businesses such as cement, steel, bitumen, other construction material, stores and spares, power and fuel, labour charges, and transport charges; and others, royalties, soil investigation and excavation charges, water charges, and other expenses.

Employee's remuneration and benefits: Employee remuneration and benefits comprises among other things such as salaries and other benefits, contributions to provident funds and other funds, staff welfare expenses, leave encashment and medical expenses.
Administration, selling and other expenses: Administrative, selling and other expenses include such as rent and taxes, repairs and maintenance, traveling and conveyance, telephone, printing and stationary, miscellaneous expenses, consultation charges and miscellaneous expenditure written off.

Interest and financial charges: Interest and financial charges incurred by us include net interest charges payable by us for fixed period loans and other loans, including bank charges, bank guarantee commission, processing and other charges.

Depreciation: Depreciation expenses incurred by us result from the depreciation of buildings, plants and machinery, furniture, fixtures, motor vehicles, computers, office equipment and certain other items.

Results of Operations

Due to the nature of transportation engineering and civil construction activities undertaken by us, the completion schedules of our projects, the way we recognize revenue, the nature of expenditure involved in a particular project, the specific terms of a particular infrastructure development project contract (including payment terms) and other factors that affect our income and expenditures on specific projects, our results of operations may vary significantly from period to period.

Fiscal ended March 31, 2009 compared with Fiscal ended March 31, 2008

Total Income

Income from operations for Fiscal 2009 was Rs. 4,064.61 million in comparison to Rs. 2,142.43 million for Fiscal 2008 which is an increase of 89.72%. This increase can be primarily attributed to completion of flyover at Dindoshi, skywalk at Kanjurmarg Station and Mira Road Stations in Mumbai. Further we are in an advanced stage of completing the flyover at Dr. Babasaheb Ambedkar Marg, Mumbai and skywalk at Bandra (W), Mumbai during Fiscal 2009.

Other income for Fiscal 2009 was Rs. 71.53 million as compared to Rs. 27.81 million in the previous year, which is an increase of 157.25%. This is mainly due to increased interest income on fixed deposits, increase in income from current investments, and also higher amount of dividends received from current investment.

Construction Expenses

The construction expenses increased in Fiscal 2009 to Rs. 3,139.46 million from Rs. 1,593.13 million in Fiscal 2008 which is an increase of 97.06%. This increase is primarily attributable to new projects which we have undertaken and corresponds with the increase in the sales and work in progress.

Further as a percentage of sales the construction expenses stood at 77.24% a marginal increase over the previous

Fiscal of 74.36%, due to increased prices of raw materials, labour charges and initiating new projects.

Employee remuneration and benefits

Employment cost was Rs. 87.97 million in Fiscal 2009 compared to Rs. 39.53 million in Fiscal 2008 an increase of 122.52%. The increase in cost reflects increase in the number of employees and the increase in salary levels as compared to Fiscal 2008.

Administrative, Selling and Other Expenses

Administrative, selling and other expenses were Rs. 233.25 million in Fiscal 2009 as against Rs. 120.83 million in Fiscal 2008, an increase of 93.03%. The increase is mainly due to consultancy charges incurred on new projects in Fiscal 2009, preliminary expenses written off, and also on account of increases in electricity charges, general charges and professional charges which corresponded to an increase in our business.

Interest and Finance Charges

Interest and finance expense for Fiscal 2009 were Rs. 79.82 million as compared to Rs. 59.97 million in Fiscal 2008, an increase of 33.11%. The increase was primarily due to higher short term borrowings for working capital purpose from banks and financial institutions.

Our secured loans have increased from Rs. 382.61 million as on March 31, 2008 to Rs. 485.08 million as on March 31, 2009 mainly due to working capital facilities in view of the expansion and growth of our Company.

Depreciation

Depreciation for Fiscal 2009 was Rs. 106.71 million as compared to Rs. 60.92 million in the previous year. The increase in depreciation in Fiscal 2009 is due to purchase of new plant and machinery.

Profit Before Tax and Profit After Tax

Our profit before tax increased by Rs. 193.09 million from Rs. 295.85 million in Fiscal 2008 to Rs. 488.94 million in Fiscal 2009.

Our profit after tax increased by Rs. 134.31 million or 68.89% from Rs. 194.97 million in Fiscal 2008 to Rs. 329.28 million in Fiscal 2009.

LIQUIDITY AND CAPITAL RESOURCES

Historically, our principal liquidity and capital resources requirements have been to finance our working capital needs and our capital expenditure requirements. Our business requires a significant amount of working capital to finance the purchase of construction materials, submission of earnest money deposit and other work on our infrastructure development projects before payment is received from clients. For our projects, we tend to receive payments in intervals depending on the stage of completion of the project. We need to finance these cash flow mismatches during the interim periods. To the extent that we participate in large scale projects, we may be required to increase our borrowing in order to meet the higher levels of working capital required to undertake such projects.

To fund our capital needs, we rely on short-term and long-term borrowings with one to five year terms, working capital financing and cash flows from operating activities.

Cash Flows

The table below summarizes our Company's cash flow statements:

(Rs. in million)

Particulars	Fiscal 2009	Fiscal 2008
Net cash generated from / (used in) operating activities	141.80	(69.58)
Net cash (used in) investing activities	(325.79)	(453.76)
Net cash generated from financing activity	(16.00)	855.55
Net Increase / (decrease) in cash and cash equivalents at the end of the year	(200.00)	332.21

Operating Activities

Net cash generated from operating activities was Rs. 141.80 million for Fiscal 2009. Net cash generated from operating activities consisted mainly of cash generated on account of net profit before tax of Rs. 647.90 million and an outflow of Rs. 506.11 million on account of working capital changes. During Fiscal 2009 our Company continued its infrastructure development activities and invested cash flows in completing our ongoing projects and building our inventory. Further, we have had a significant increase in sundry debtors from Rs. 149.70 million as of March 31, 2008 to Rs. 296.66 million as of March 31, 2009. As at March 31, 2009 approximately 98.24% of the total sundry debtors were outstanding for a period of less than six months.

Net cash used in operating activities was Rs. 69.58 million for Fiscal 2008. Net cash used in operating activities consisted mainly of net profit before tax of Rs. 398.27 million and an outflow of Rs. 467.85 million on account of working capital changes.

Investing Activities

Net cash used in investing activities was Rs. 325.79 million for Fiscal 2009, which primarily included Rs. 539.20 million towards purchase of fixed assets. The net outflow was reduced on account of inflow of Rs. 180.00 million towards redemption of investments.

Net cash used in investing activities is Rs. 453.76 million for the Fiscal 2008, which primarily included Rs. 287.92 million towards purchase of fixed assets and Rs. 180.20 million towards purchase of investments.

Financing Activities

Net cash used from financing activities for the Fiscal 2009 was Rs. 16.00 million which primarily included Rs. 79.82 million towards interest and finance charges and Rs.36.37 million towards dividend paid during the year. Further there was an inflow of Rs. 102.46 million due to increase in long term borrowings.

Net cash generated from financing activities for the Fiscal 2008 was Rs. 855.55 million which primarily included Rs. 715.00 million from proceeds of IPO and Rs. 138.32 million from Pre-IPO placement, as reduced by Rs. 59.97 million towards interest and finance charges and Rs. 54.97 million towards IPO expenses.

Indebtedness

Our secured loans have increased from Rs. 382.61 million as on March 31, 2008 to Rs. 485.08 million as on March 31, 2009. Our secured loans primarily consists of working capital limits of Rs. 343.88 million and term loans for equipment financing for 139.06 million as on March 31, 2009.

These loans were secured by, among other things, pledge of Equity Shares of our promoters and promoter group, inventory of projects and other movable and immovable assets.

Pursuant to certain of our financing agreements, we have some restrictive covenants which require us to obtain consent of our lenders, for further details please refer the section entitled 'Risk Factors'.

OFF-BALANCE SHEET LIABILITIES

The following table sets forth contingent liabilities of our Company not provided for, as at March 31, 2009 and March 31, 2008:

(Rs. in million)

Sr. No.	Particulars	As at March 31, 2009	As at March 31, 2008
(A)	On account of corporate guarantees issued by our Company to Bankers on joint ventures for facilities availed by them (amount outstanding there against)	620.27	500.51

Select Balance Sheet items:

Fixed assets

Fixed assets include land, buildings, plant and machinery, furniture fixtures, computers and vehicles. Our gross block of fixed assets was Rs. 1,212.51 million and Rs. 673.31 million as on March 31, 2009 and March 31, 2008 respectively. The increase in fixed assets is because of purchase of new fixed assets of Rs. 539.20 million during Fiscal 2009, out of which new plant and machinery purchased is of Rs. 516.52 million.

Investments

Investments, primarily represent money invested in our Joint Ventures as on March 31, 2009 and includes investments in liquid mutual funds as on March 31, 2008. Our Company's total investment was Rs. 9.52 million and Rs. 184.11 million as on March 31, 2009 and March 31, 2008 respectively.

Current assets, loans and advances

Current assets, loans and advances comprises inventories, work in progress, sundry debtors, cash and bank balances, other current assets and loans and advances. Our Company's total current assets, loans and advances were Rs. 1,803.10 million and Rs. 1149.94 million as on March 31, 2009 and March 31, 2008 respectively.

Inventories

Inventories comprises of raw material and work in progress. Our total inventories were Rs. 362.32 million and Rs. 61.59 million as on March 31, 2009 and March 31, 2008 respectively. Raw material has increased from Rs. 41.06 million to Rs. 118.42 million during Fiscal 2009. Our work in progress has increased from Rs. 20.53 million to Rs. 243.90 million during Fiscal 2009.

Sundry Debtors

Sundry debtors increased from Rs. 149.70 million as of March 31, 2008 to Rs. 296.66 million as of March 31, 2009. As at March 31, 2009 approximately 98.24% of the total sundry debtors were outstanding for a period less than six months.

Cash and Bank Balances

Our cash and bank balances comprise cash in hand and balances with banks. The total cash and bank balances were Rs. 242.49 million and Rs. 442.49 million as on March 31, 2009 and March 31, 2008 respectively.

Other Current Assets

Other current assets were Rs. 151.68 million and Rs. 78.96 million as on March 31, 2009 and March 31, 2008 respectively.

Loans and Advances

Our loans and advances primarily comprise of unsecured advances that are recoverable in cash or kind and advance payments made in respect of income tax and other advances towards general business purpose. Total loans and advances were Rs. 749.94 million and Rs. 417.20 million as on March 31, 2009 and March 31, 2008 respectively.

Current Liabilities

Our total current liabilities were Rs. 521.54 million and Rs. 174.49 million as on March 31, 2009 and March 31, 2008 respectively. Our current liabilities include sundry creditors for transport, sundry creditors for goods, security deposits received and other liabilities.

Provisions

Our Company's total provisions were Rs. 330.87 million and Rs. 172.70 million as on March 31, 2009 and March 31, 2008 respectively. These provisions include provisions primarily related to taxation and dividend.

HALF YEARLY RESULTS

The table below sets forth our Company's unaudited financial results (limited reviewed) for the half year ended September 30, 2009 and September 30, 2008, respectively:

(Rs. in million)

Particulars	Half Year ended September 30, 2009 (Unaudited)	Increase / (Decrease) in Half Year September 2009 compared to Half Year September 2008	Half Year ended September 30, 2008 (Unaudited)
Income			
Income from operation and other operating income	2941.13	76.84%	1663.20
Other income	22.34	-34.10%	33.91
Total	2963.47	74.62%	1697.11
Expenditure			
Increase / Decrease work in progress	-124.94	5062.81%	-2.42
Construction and other cost	2128.84	89.60%	1122.78
Employees Cost	63.66	99.25%	31.95
Labour Wages	165.86	31.30%	126.32
Depreciation	70.98	78.83%	39.69
Other Expenditure	127.09	-10.93%	142.68
Interest and Financial charges	45.95	48.73%	30.9
Profit before tax	486.02	136.85%	205.2
Provision for taxation	165.2	142.98%	67.99
Profit after tax	320.82	133.82%	137.21

CAPITAL STRUCTURE AND MAJOR SHAREHOLDERS

Share Capital

As per the MoA of our Company, the authorised Equity Share capital is Rs. 400,000,000.

Issued/Paid up Capital of our Company

The issued and paid up equity share capital of our Company as on the date of the Preliminary Placement Document is Rs. 247,244,200.

Changes in the authorised share capital

Date of the Meeting	Particulars of Increase
February 28, 2006	Increased from 50,000 Equity Shares of Rs. 10/- each aggregating to Rs. 500,000/- to 10,000,000 Equity Shares of Rs. 10/- each aggregating to Rs. 100,000,000/-
March 10, 2007	Increased from 10,000,000 Equity Shares of Rs. 10/- each aggregating to Rs. 100,000,000/- to 25,000,000 Equity Shares of Rs. 10/- each aggregating to Rs. 250,000,000/-
September 9, 2009	Increased from 25,000,000 Equity Shares of Rs. 10/- each aggregating to Rs. 250,000,000/- to 40,000,000 Equity Shares of Rs. 10/- each aggregating to Rs. 400,000,000/-

Changes in the paid-up share capital

Details of the changes in paid-up share capital of our Company, since inception is set forth in the table below;

(Amount in Rs. million)

Sr. No	Date of Allotment / Fully Paid-up	No. of Equity Shares	Face Value	Issue Price	Consid-eration	Nature of allotment	Cumulative Securities Premium	Cumulative Paid-Up Capital
1	2-Dec-99	30	10	10	Cash	Original subscribers to the Memorandum of Association	Nil	300
2	11-Dec-02	9,970	10	10	Cash	Further allotment to promoters	Nil	100,000
3	5-Apr-06	40,000	10	10	Cash	Further allotment to promoters & promoter group	Nil	500,000
4.a	7-Jul-06	4,297,020	10	10	Cash	Further allotment to promoters & promoter group		43,470,200
4.b	7-Jul-06	5,652,980	10	10	Cash	Further allotment to others	Nil	100,000,000
5	14-Mar-07	2,495,420	10	10	Cash	Further allotment to others	Nil	124,954,200
6.a	18-Aug-07	1,405,000	10	80	Cash	Further allotment to others	98,350,000	139,004,200
6.b	18-Aug-07	324,000	10	80	Cash	Further allotment to promoters	121,030,000	142,244,200
7	6-Feb-08	6,500,000	10	110	Cash	Fresh allotment of Equity Shares in an Initial Public Offering	771,030,000	207,244,200
8	19-Aug-09	2,400,000	10	60	Cash	Conversion of	891,030,000	231,244,200

Sr. No	Date of Allotment / Fully Paid-up	No. of Equity Shares	Face Value	Issue Price	Consid-eration	Nature of allotment	Cumulative Securities Premium	Cumulative Paid-Up Capital
						warrants: promoters		
9	19-Aug-09	1,600,000	10	60	Cash	Conversion of warrants: Others	971,030,000	247,244,200
	Total	**24,724,420**						

The details of the shareholding pattern of our Company as of September 30, 2009 are set forth in the table below:

Code	Category of shareholders	No. of share-holders	Total no. of shares	No. of shares held in dematerial-ized form	Total shareholding as a percentage of total of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	No. of Shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX) = (VIII)/(IV)* 100
(A)	**Promoter and Promoter Group**							
(I)	**Indian**							
(a)	Individuals/Hindu Undivided Family	6	11,355,910	11,355,910	45.93	45.93	4,000,000	35.22
(b)	Bodies Corporate	2	3,800,000	3,800,000	15.37	15.37	-	-
(c)	Any Other (Promoter Group)	1	10	-	-	-	-	-
	Sub-Total (A)(I)	**9**	**15,155,920**	**15,155,910**	**61.30**	**61.30**	**4,000,000**	**26.39**
(2)	**Foreign**							
	Sub-Total (A)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Total Shareholding of Promoter and Promoter Group (A)=A(1)+A(2)	**9**	**15,155,920**	**15,155,910**	**61.30**	**61.30**	**4,000,000**	**26.39**
(B)	**Public Shareholding**						**NA**	**NA**
(1)	**Institutions**						**NA**	**NA**
(a)	Mutual Funds/UTI	6	1,635,352	1,635,352	6.61	6.61		
(b)	Foreign Institutional Investors	2	462,146	462,146	1.87	1.87		
	Sub-Total (B)(1)	**8**	**2,097,498**	**2,097,498**	**8.48**	**8.48**		
(2)	**Non-institutions**						**NA**	**NA**
(a)	Bodies Corporate	287	2,203,673	2,203,673	8.91	8.91		
(b)	Individuals -							
	i. Individual shareholders holding nominal share capital up to Rs.1 lakh.	7,618	1,698,943	1,660,439	6.87	6.87		
	ii. Individual	44	2,685,915	2,673,415	10.86	10.86		

Code	Category of shareholders	No. of share-holders	Total no. of shares	No. of shares held in dematerial-ized form	Total shareholding as a percentage of total of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	No. of Shares	As a percentage
	shareholders holding nominal share capital in excess of Rs.1 lakh.							
(c)	Any Other (specify)				-	-		
	NRIs	114	153,660	153,660	0.62	0.62		
	Clearing Members	235	371,428	371,428	1.50	1.50		
	Trusts	1	357,383	357,383	1.45	1.45		
	Sub-Total (B)(2)	**8,299**	**7,471,002**	**7,419,998**	**30.22**	**30.22**		
	Total Public Shareholding (B)=B (1)+(2)	**8,307**	**9,568,500**	**9,517,496**	**38.70**	**38.70**	**NA**	**NA**
	Total (A)+(B)	**8,316**	**24,724,420**	**24,673,406**	**100.00**	**100.00**		
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**	**-**	**-**	**-**	**NA**		**NA**	**NA**
	Grand Total (A)+(B)+(C)	**8,316**	**24,724,420**	**24,673,406**	**NA**	**100.00**		

The shareholding pattern of persons belonging to the category "Promoter and Promoter Group" is set forth in the table below as on September 30, 2009:

Sr. No	Name of the shareholder	Total Shares held		Shares pledged or otherwise encumbered		
		Number	As a % of total Share Capital	Number	As a percentage of Individual stake (VI)=(V)/(III) *100	As a % of total Share Capital
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)
1	Jagdishkumar M. Gupta	5,293,980	21.41	2,000,000	37.78	8.09
2	J. Kumar Software Systems (India) Pvt. Ltd.	3,000,000	12.13	0	0.00	0.00
3	Kusum J. Gupta	1,424,510	5.76	0	0.00	0.00
4	Kamal J. Gupta	1,322,500	5.35	1,000,000	75.61	4.04
5	Nalin J. Gupta	1,307,000	5.29	1,000,000	76.51	4.04
6	Shalini N. Gupta	1,035,910	4.19	0	0.00	0.00
7	Sonal K. Gupta	972,010	3.93	0	0.00	0.00
8	Govind Dabriwal	10	0.00	0	0.00	0.00
9	J. Kumar Minerals & Mines (India) Pvt. Ltd.	800,000	3.24	0	0.00	0.00

Total	**15,155,920**	**61.30**	**4,000,000**	**-**	**16.18**

The shareholding pattern of persons belonging to the category "Public" and holding more than 1% of the total number of Equity Shares of our Company as on September 30, 2009 is set forth in the table below:

Sr. No.	Name of the shareholder	Number of shares	As a % of total Share Capital
1	Sundaram BNP Paribas Mutual Fund A/c	569,529	2.30
2	DSP Blackrock Tax Saver Fund	546,987	2.21
3	Reliance Capital Trustee Co. Ltd.- Reliance	500,661	2.02
4	Sandstone Capital India Master Fund Ltd.	447,146	1.81
5	Surendrakumar Balkrishndas Agarwal	406,000	1.64
6	Anand Rathi Realty Fund	357,383	1.45
7	Sai Prasad Estate Pvt. Ltd.	350,000	1.42
8	Longlife Realtors Pvt. Ltd.	350,000	1.42
9	Rathi Global Finance Pvt. Ltd.	347,475	1.41
10	Kishore Gavrichand Shah	298,629	1.21
11	Sudhadevi Opremkumar Agarwal	281,000	1.14
	Total	**4,454,810**	**18.02**

Lock-in Details as on September 30, 2009

Details of the locked in shares are provided in the table below:

Sr. No.	Name Of The Shareholder	Number Of Locked-In Shares
1	Jagdishkumar M. Gupta	5,293,980
2	J Kumar Software Systems (India) Private Limited	3,000,000
3	Kusum J. Gupta	1,424,510
4	Shalini N. Gupta	1,035,910
5	Sonal K. Gupta	972,010
6	Kamal J. Gupta	822,500
7	Nalin J. Gupta	807,000
8	J. Kumar Minerals & Mines (I) Pvt Ltd	800,000
9	Rajkumar Rajgarhia HUF	75,000
10	Nandkishore Rajgarhia HUF	75,000
11	Ramkishore Rajgarhia HUF	75,000
12	Aparna Rajgarhia	75,000
13	Vanita N. Rajgarhia	75,000
14	Hemant Pasari HUF	75,000
15	Kamalkant Pasari	75,000
16	Manisha Pasari	75,000
17	Longlife Realtors P.Ltd	350,000
18	Kishore Kumar Kedia	75,000
19	Shantilal Kedia	75,000
20	Uttam Kedia	75,000
21	Akash Kedia	75,000
22	Saiprasad Estate Pvt. Ltd.	350,000
	TOTAL	15,755,910

HISTORY AND CERTAIN CORPORATE MATTERS

Our History and Background

The foundation of our business was laid when our promoter Mr. Jagdishkumar M. Gupta setup his proprietorship concern under the name and style of J. Kumar & Co. in 1980. Under his able leadership the proprietary concern made a modest beginning by maintenance of PWD buildings and scaled up to get registered with Public Works Department, Government of Maharashtra as a Class I-A Civil Contractor. With this registration he started executing civil contracts for Government, semi government and other various private organizations relating to infrastructure and civil engineering construction contracts, comprising mainly of roads, flyovers, bridges, irrigation projects, commercial buildings, railway buildings, sports complexes and airport contracts.

Our promoter Mr. Jagdishkumar M. Gupta has extensive experience in this field. From 1980 till 2004 he carried out the business in his proprietary concern J. Kumar & Co. with a vision to expand the business, become a professionally driven company and to reap the benefits of a corporate entity our promoters incorporated a Company on December 2, 1999, by the name of “J. Kumar & Company (India) Private Limited” under the Companies Act, 1956, with the Registration No. 11-122886 having its registered office at 16-A, Andheri Industrial Estate, Veera Desai Road, Andheri (West), Mumbai – 400 058. There has been no change in our registered office since our incorporation.

The proprietary concern J. Kumar & Co. had a PWD registration of Class 1-A. With effect from November 25, 2004 the said license of J. Kumar & Co. was transferred to our Company without any consideration and a fresh Certificate of Registration was issued by the Public Works Department to our Company effective from the said date.

Pursuant to the special resolution passed by our Company at the EGM held on December 14, 2006 the name of our Company was changed to a J. Kumar Infraprojects Private Limited. The Fresh certificate of incorporation consequent to the change in name was granted by Registrar of Companies, Mumbai on January 8, 2007.

Further, by way of special resolution passed at the EGM of our Company held on January 25, 2007 and was converted into a Public Limited Company pursuant to which the name of our Company was changed to J. Kumar Infraprojects Limited. The fresh certificate of incorporation consequent to the change in name was granted by RoC, Mumbai on January 31, 2007.

MAJOR EVENTS

Some of the key events of our proprietorship concern and our Company are as follows:

Year	Event
1999	Formed a private limited company by the name of J. Kumar & Co. (India) Private Limited
1999-2000	Construction of vehicular underpass of Rani Sati Marg Junction on Western Express Highway, Malad (West) at a total cost of Rs. 81.50 million under Joint Venture with M/s. Ameya Developers
2001	Construction of Goregaon Sports Club comprising of elevated olympic size swimming pool, diving pool, recreation pool, health club building, game hall building and roads at a total cost of Rs. 82.50 million
2002	Construction of pedestrian subway at Rajaram Nagar near Airport, Santacruz (E) in Western Express Highway at a total cost of Rs. 45.67 million . This construction was completed 67 days before the stipulated time period with bonus for early completion of the work.
	Construction of new station building at bandra terminus at a total cost of 48.20 million.
	Construction of flyover, slip roads and allied works at seven hill chowk at Aurangabad Jalna Road at a total cost of Rs. 85 million under Joint Venture with Ameya Developers Pvt. Limited
2005	Construction of new bridge over mithi river carrying taxi track B-3 at CSI Airport, Mumbai at a total cost of Rs. 140 million
	Design and construction of flyover at Saswadphata Junction on NH-9 with solid ramps, pedestrian subways and widening of minor bridge at Pune, Maharashtra at a total cost of 140 million under

Year	Event
	Joint Venture with M/s. Ameya Developers Pvt. Limited.
	Construction of flyover covering Kalyan Naka Junction to new S.T stand on old NH3 at a total cost of Rs. 149.45 million.
	Widening and construction of Western Express Highway at Times of India Flyover north gate to Ashanagar at a total cost of 112.2 million
	Construction of flyover near Times of India building at Malad junction on Western Express Highway at a total cost of Rs. 171 million under Joint Venture with M/s. Ameya Developers Pvt. Limited.
2006-2007	Name of our Company changed to J. Kumar Infraprojects Pvt. Ltd. and then to J. Kumar Infraprojects Ltd.
	Turnover of our Company crosses 1000 million
	We get ISO 9001: 2000 certification from Q.A. International Certification Limited
	Awarded our largest contract till date in Joint Venture with Nagarjuna Construction Company Ltd of a total contract value of Rs. 1,119 million and our share being 50%.
2009	An Initial Public Offering of Rs. 715 million and listed on BSE and NSE
	Our Company has upgraded its quality management systems to the the international standards as per ISO 9001:2000
	Our Company has received 16 work orders for the construction of 22 skywalks worth 560 crores.
	The turnover of our Company crosses 4 billion.
2009-10	Our Company has received its single largest workorder of Rs 1.7 billion to construct an elevated flyover in Mumbai.

MAIN OBJECTS OF OUR COMPANY

1. To take over the existing business of proprietorship concern M/s J. Kumar & Co. along with all its liabilities and assets.

2. To carry on the business of builders, contractors, subcontractors, decorators, plumbers, technicians, mechanics, masons, electricians, scaffolding and over setters, engineers, including civil sanitary structural, electrical, mechanical, mining, & chemical engineers, architects, planners, designers, technical advisers, analysis, investigators, consultants, fabricators and founders in their various fields and branches and whether in India or abroad.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Details of our Board of Directors

On the date of the Placement document, our Board consists of the following Directors:

No.	Name of Directors	Designation
1.	Mr. Jagdishkumar M. Gupta	Chairman-cum-Managing Director
2.	Mr. Kamal J. Gupta	Executive Director
3.	Mr. Nalin J. Gupta	Executive Director
4.	Mr. Padmanabh P. Vora	Independent Director
5.	Dr. R. Srinivasan	Independent Director
6.	Mr. Roshankhan H. Tadvi	Independent Director

Brief profile of our Directors:

Mr. Jagdishkumar M. Gupta

Mr. Jagdishkumar M. Gupta, 61 years, is the person instrumental in setting up and for the growth of this organization. He made a modest start in the year 1980 by setting up a proprietorship concern by the name of J. Kumar & Co. Since its inception, under his able leadership, we have expanded and grown as a Registered Class I-A construction company. Today, because of his acumen, our Company's turnover has increased to more than 4 billion in 2009 from Rs. 2 million in J. Kumar & Co. in 1980. It is because of his management skills we have successfully completed numerous projects including construction of roads, bridges and flyovers, swimming pools, earthen dams, airport contracts, housing and commercial complexes etc. He also takes keen interest in various social activities.

Mr. Kamal J. Gupta

Mr. Kamal J. Gupta, 37 years, has done his Bachelors in Civil Engineering. He is associated with us since 1996 and carries with him an experience of more than 13 years in construction field. He plays a vital role in execution of flyovers within the stipulated time frame. To his credit is successful completion of 7 flyovers, skywalks, swimming pool and rail over bridges. Presently he is looking after the construction of flyover and skywalk projects in Mumbai.

Mr. Nalin J. Gupta

Mr. Nalin J. Gupta, 34 years, is a commerce graduate and a member of Indian Institution of Bridge Engineers. He is associated with us since 1997 and carries with him an experience of over 12 years. He is instrumental in construction work related to roads and its widening, construction of subway, railway buildings, flyovers and rail over bridges. He has played a vital role in guiding our company in setting and developing the piling business.

Mr. Padmanabh P. Vora

Mr. Padmanabh P. Vora, aged 66 years, is an independent director of our Company and has over 32 years experience in finance, banking and management. He holds a Bachelor's degree in Commerce and is a Chartered Accountant by profession. During his long and illustrious career as banker, he has held several prestigious positions in the industry such as serving as the Chairman-cum-Managing Director of the Industrial Development Bank of India from which he retired in 2003.

Dr. R. Srinivasan

Dr R. Srinivasan, aged 78 years, is a Doctorate in Banking and Finance, comes with extensive managerial expertise. He has held several senior managerial positions in the public sector banks like Chairman and Managing Director of Bank of India and Allahabad Bank for several years. He is also associated currently with as Chairman/Director of several companies focussed on software, pharma, gems & jewellery, tea, paint in addition to mutual fund industry.

Mr. Roshankhan H. Tadvi

Mr Roshankhan H Tadvi, aged 65 years, is a B.E. (Civil). He has been an Assistant Lecturer in the College of Engineering Aurangabad for two years. Subsequently he has served in the Public Works Deparment for more than 30 years in the capacity of Dy. Engineer, Executive Engineer, Chief Engineer, and Secretary. From 2003 onwards he has been acting as a consultant and arbitrator.

Directors' Remuneration

The details of remuneration paid / payable to the executive and non-executive directors for the Fiscal 2010 is as under:

Remuneration of Executive Directors

(Rs. in million)

Name of the Director	Annual Salary for Fiscal 2010
Mr. Jagdishkumar M. Gupta	4.20
Mr. Kamal J. Gupta	3.60
Mr. Nalin J. Gupta	3.60

Note: The Executive Directors also receive allowances and perquisites within the limits as laid down under Sections 198, 309, 310 and all other applicable provisions, if any, of the Companies Act read with Schedule XIII of the Companies Act as in force from time to time.

Remuneration of Non-Executive Directors

The details of sitting fees paid / payable to the non-executive directors for the Fiscal 2010 (upto September 30, 2009) is as under:

Name of the Director	Sitting Fees
Mr. Padmanabh P. Vora	35,000
Mr. Roshankhan H. Tadvi	35,000
Dr. R. Srinivasan	35,000

Directors' Shareholding

The following table sets out the shareholdings of the Directors in our Company as on September 30, 2009:

Sr. No.	Name of the Shareholders	Designation	No. of Shares Held	As a % of total Share Capital
1	Mr. Jagdishkumar M. Gupta	Chairman-cum-Managing Director	5,293,980	21.41%
2	Mr. Kamal J. Gupta	Executive Director	1,322,500	5.35%
3	Mr. Nalin J. Gupta	Executive Director	1,307,000	5.29%
4	Mr. Padmanabh P. Vora	Independent Director	--	--
5	Mr. Roshankhan H. Tadvi	Independent Director	--	--
6	Dr. R. Srinivasan	Independent Director	--	--

Corporate Governance

We stand committed to good corporate governance transparency, disclosure and independent supervision to increase the value of our stakeholders. We have complied with SEBI (ICDR) Regulations in respect of corporate governance specially with respect to broad basing the Board, constituting the Committees *viz*., Audit Committee, Shareholders and Investors' Grievances Redressal and Share Transfer Committee and Remuneration Committee. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management and the constitution of the Board Committees.

Committees of the Board have been also constituted in order to look into various matters in respect of compensation, shareholding and audit, details of which are as follows:

Audit Committee

Our Company has an Audit Committee in compliance with Section 292A of the Companies Act and Clause 49 of the Listing Agreement. Currently the Audit Committee consists of the following Directors:

Name of the Director	Nature of Directorship	Designation in the Committee
Mr. Padmanabh P. Vora	Independent Director	Chairman
Dr. R. Srinivasan	Independent Director	Member
Mr. Jagdishkumar M. Gupta	Chairman-cum-Managing Director	Member

Brief terms of reference

1. The Audit Committee shall have meetings periodically as it may deem fit with at least three meetings in a year, viz., one meeting before finalization of annual accounts and once every six months.
2. The Audit Committee shall invite such of the executives (and in particular the head of the finance division), to be present at the meetings of the Committee whenever required by it.
3. The finance head and the auditors of our Company shall attend and at the meetings without right to vote.
4. The Audit Committee shall have the following powers:
    - It shall have authority to investigate into any matter in relation to the items specified in Section 292A of the Companies Act, 1956 or referred to it by the Board and for this purpose, shall have full access to information contained in the records of our Company and external professional advice, if necessary.
    - To investigate any activity within its terms of reference.
    - To seek information from any employee.
    - To obtain outside legal or other professional advice.
    - To secure attendance of outsiders with relevant expertise, if it considers necessary.
    - Oversight of our Company's financial reporting process and the disclosure of financial information to ensure that the financial statement is correct, sufficient and credible.
    - Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
    - Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
    - Any changes in accounting policies and practices.
    - Major accounting entries based on exercise of judgment by management.
    - Qualifications in draft audit report.
    - Significant adjustments arising out of audit.
    - The going concern assumption.
    - Compliance with accounting standards.
    - Compliance with stock exchange and legal requirements concerning financial statements.
    - Any related party transactions, i.e. transaction of our Company which are of material nature, with promoters or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of company at large.
    - Reviewing with the management, external and internal auditors and the adequacy of internal control systems.
    - Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
    - Discussion with internal auditors and 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.

- Discussion with external auditors before the audit commences, nature and scope of audit as well as have post audit discussion to ascertain any area of concern.
- Reviewing our Company's financial and risk management policies.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividends) and creditors.
- It shall have discussions with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors and review the quarterly, half yearly, and annual financial statements before submission to the Board.
- It shall ensure compliance of internal control systems.
- The Chairman of the Audit Committee shall attend the Annual General Meetings of our Company to provide any clarification on matters relating to audit sought by the members of our Company.

Remuneration Committee

The Remuneration Committee was constituted by our Board of Directors. The committee's goal is to ensure that our Company attracts and retains highly qualified employees in accordance with our business plans, that our Company fulfils its ethical and legal responsibilities to its employees, and that management compensation is appropriate. Currently the Remuneration Committee consists of the following members:

Name of the Director	Nature of Directorship	Designation in the Committee
Dr. R. Srinivasan	Independent Director	Chairman
Mr. Padmanabh P. Vora	Independent Director	Member
Mr. Roshankhan H. Tadvi	Independent Director	Member

Brief terms of reference

1. The Remuneration Committee shall meet as when required.
2. The Remuneration Committee shall determine remuneration packages for executive Directors including pension rights and any compensation payment.

Shareholders / Investors' Grievances Redressal and Share Transfer Committee

The committee has been formed by the Board of Directors in compliance with the Companies Act and Clause 49 of the Listing Agreement. Currently the Shareholders/ Investors' Grievances Redressal and Share Transfer Committee consists of the following Directors:

Name of the Director	Nature of Directorship	Designation in the Committee
Mr. Roshankhan H. Tadvi	Independent Director	Chairman
Mr. Kamal J. Gupta	Executive Director	Member
Mr. Nalin J. Gupta	Executive Director	Member

Brief terms of reference
To allot the equity shares of our Company, and to supervise and ensure

- Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc;
- Issue of duplicate / split / consolidated share certificates;
- Allotment and listing of shares;
- Review of cases for refusal of transfer / transmission of shares and debentures;
- Reference to statutory and regulatory authorities regarding investor grievances;
- And to otherwise ensure proper and timely attendance and redressal of investor queries and grievances.

QIP Issue Committee

The Board of Directors constituted a QIP Issue Committee. The purpose of setting up the committee is to allot Equity Shares or other instruments of our Company in the form of QIPs to the qualified institutional buyers as regulated under Chapter VIII of the SEBI (ICDR) Regulations.

The QIP Issue Committee of the Board consists of the following Directors:

Name of the Director	Nature of Directorship	Designation in the Committee
Mr. Jagdishkumar M. Gupta	Chairman-cum-Managing Director	Chairman
Mr. Kamal J. Gupta	Executive Director	Member
Mr. Nalin J. Gupta	Executive Director	Member

The terms of reference of the QIP Issue Committee:

- to decide on the actual size of the offering, including domestic or international offerings in one or more markets and in one or more tranches, Equity Shares, bonds, Global Depositary Receipts (GDRs), American Depositary Receipts (ADRs), or any other instrument ("Securities") secured or unsecured subscribed to in Indian Rupee and/or foreign currency (ies) by foreign banks, financial institutions, foreign institutional investors, mutual funds, companies, other corporate bodies, Non-Resident Indians, foreign nationals and other eligible investors;
- to appoint and enter into arrangements with the book running lead managers, co-managers to the Issue, underwriters to the Issue, syndicate members to the Issue, stabilizing agent, brokers to the Issue, escrow collection bankers to the Issue, legal advisors and any other agencies or persons;
- to finalize, settle, execute and deliver or arrange the delivery of the offering document, and all other documents, deeds, agreements and instruments as may be required or desirable in connection with the issues of shares by our Company;
- to open a separate current account with a Bank to receive applications along with application monies in respect of the issue of the securities of our Company;
- to make any applications to the FIPB, RBI and such other authorities, as may be required, for the purpose of issue of shares by our Company to non-resident investors such as NRIs and FIIs;
- to make applications for listing of the equity shares of our Company in one or more stock exchanges(s) and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned stock exchange(s);
- to finalize the basis of allocation and to allot the securities to the successful allottees;
- to settle all questions, difficulties or doubts that may arise in regard to such issues or allotment as it may, in its absolute discretion deem fit;
- and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, allocation and allotment of the securities as permissible in law, issue of certificates in accordance with the relevant rules.

Details of Key Managerial Personnel

Brief profiles of our key managerial personnel (other than our Executive Directors) are as follows:

Mr. S. M. Thorat – Associate Vice President (Technical)

Mr. S.M. Thorat, 72 years, is associated with our Company us since August 01, 2004 and with J. Kumar & Co. since September 01, 1995. He has done his B.E. in Civil from Poona University. Mr. Thorat has a total experience of 45 years. He retired as a Superintending Engineer after 32 years of service in PWD, Maharashtra state. He has extensive experience in planning and execution of various bridges, roads, flyovers and multi storied buildings and administration. During his tenure with PWD, he was instrumental in (a) Construction of flyover at Turbhe, Navi Mumbai, Amar Mahal at Chembur, Kalanagar at Bandra and Thane on Eastern Express Highway. (b) Multi-storied building such as MLA Hostel, VVIP guesthouse at Sahyadri. (c) Various creek bridges and river bridges (d) Road work on state Highways and major district roads. Post his retirement from PWD. Mr. Thorat has executed several construction projects of flyover, subways and bridges. Prior to joining our Company, he was working with J. Kumar & Co. (proprietary concern) since 1995-1996.

Mr. Nalin M. Gupta, General Manager (Projects)

Mr. Nalin M. Gupta, 46 years, is associated with our company us since August 01, 2005. He is a Civil Engineer and has also done Diploma in Civil Engineering. He is a member of Indian Institute of Bridge Engineers and of Indian Concrete Institute. Prior to joining our Company, he was working with M/s. Villayati Ram Mittal and has total experience of 24 years in this field. He has experience of execution of various construction projects like Bridges, Flyovers, Roads, High-rise buildings and other infrastructure projects. Presently he is looking after execution of various Flyover Projects in Mumbai.

Mr. Kishore K. Pahuja, General Manager (Finance & Accounts)

Mr. Kishore Kumar Pahuja, 49 years, is associated with our company since October 24, 2009. He is a Commerce Graduate and Chartered Accountant. He has also cleared the CIMA (Stage II) from the The Chartered Institute of Management Accountants, London. He has been offering consultancy in project finance, taxation, import – exports and company incorporation in India after coming back from Singapore. Before that he has been working with the Parkway Group Healthcare Ltd., Singapore. He has a very rich experience of the corporate finance function in organizations based out of India. Presently he is looking after finance and administration function. His current responsibilities include accounts, corporate finance, taxation related matters, administration, and liasioning with various statutory authorities.

Mr. Mahesh K. Avachat, Head (IT, HR & Admin)

Mr. Mahesh K. Avachat, 45 years, is associated with our company since January 8, 2009. He has done his B.Sc (Micro) and B. Sc. (Comp. Sc.) from Poona University. He carries with him a total experience of 22 years in Systems, HR and Administration. Before joining our organization he was working with Indorama Industries Limited at Mumbai as Vice President (Systems & HR). He has also worked for reputed organizations like Raymond Synthetics Limited and Gujarat Ambuja Cements Limited in the functions of Systems and HR. Presently he is looking after defining the processes in IT and HR and supervising the administration department.

Mr. P. K. Prabhakaran, Contract Manager

Mr. P. K. Prabhakaran, 66 years, is associated with our Company us since June 01, 2007 and with J. Kumar & Co. since November 01, 2004. He has done his Diploma in Civil Engineering from Department of Technical Education, Kerala. Mr. Prabhakaran joined our organization after retiring as Deputy Executive Engineer with PWD, Maharashtra. He was associated with PWD Maharashtra state, for a period of 37 years. He has extensive experience in planning and execution various road works, reclamation works, building works, creek bridge work at Thane Creek and Road work in Mumbai carried out by the PWD. Currently he is looking after tender work and liasioning with various government departments.

Mr. Mohammad Fahim, Project Manager

Mr. Mohammad Fahim, 57 years, is associated with our Company us since September 01, 2006 and with J. Kumar & Co. since April 01, 1989. He has done his B.Sc. He has total 29 years of experience in this field. Since his association with us, he has completed flyover work at Chheda-nagar, Konkan Bhavan on Express Highway, Flyover at Seven Hills junction, Aurangabad, subway on Western Express Highway, reinforced earth structures, road work. Prior to joining us he was working with a contractor Mr. D. D. Patel.

Mr. Shirish A Kulkarni Manager (Contracts Foundation Engg.)

Mr. Shirish Kulkarni, 45 years, is associated with our company us since November 1, 2006. He has done his M.Sc in Geology. He carries with him a total experience of 21 years in Soil Investigation, Rock Anchoring, Piling / Micro piling, Construction of Diaphragm wall and Rotary piling work for various types of structures like Dams, Tunnels, Highways, Bridges, Flyovers, Canals, Buildings and Hydropower and thermal power stations. Prior to joining us, he has worked with DBM Geotechnics and Constructions Private Limited and Consolidation Foundations Limited. Presently looking after the Piling Division of our organization.

Mrs. Poornima Reddy, Company Secretary & Compliance Officer

Ms. Poornima Reddy, 38 years, is associated with our company us since July 16, 2007. She is a Company Secretary and has done her LLB alongwith with P.G.Diploma in Financial Management. She carries with her a total experience of 10 years. Prior to joining us, she has worked with ThyssenKrupp Electical Steel as Manager and Company Secretary. Presently she is handling the secretarial and legal matters.

Mr. Hiralal Poddar, Finance and Administration

Mr. Hiralal Poddar, 72 years, is associated with our Company us since April 01, 2004 and with J. Kumar & Co. since November 01, 1988. He is a Bachelor of Commerce. Mr. Poddar has a total experience of around 52 years and has been associated with the J. Kumar group since the last 29 years. His current responsibilities include accounts and taxation related matters, administration, and liasioning with ESIC, PF department and other government departments. Prior to joining our company he was working with Podar Mills Limited.

Employees

As of September 30, 2009, our work force consisted of approximately 676 full-time employees. Further we also employ labour based on the requirements of the project, which on an average amount to 4000 to 6000 casual workers.

Policy on Disclosures and Internal Procedure for Prevention of Insider Trading

Regulation 12 (1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 applies to us and our employees, and requires us to implement a code of internal procedures and conduct for the prevention of insider trading. We have already implemented an internal code of conduct in line with the SEBI (Prohibition of Insider Trading) Regulations, 1992 in this regard.

Interest of Directors

The Directors of our Company do not have any interest except; (i) to the extent of the compensation as mentioned above (ii), the shares held by them, directly or indirectly or their relatives or through entities in which they are interested and (iii)and the agreements entered into by them or by their relatives/entities in which they may be interested with our Company pursuant to which the payments have been provided for, as disclosed under the section "Financial Statements".

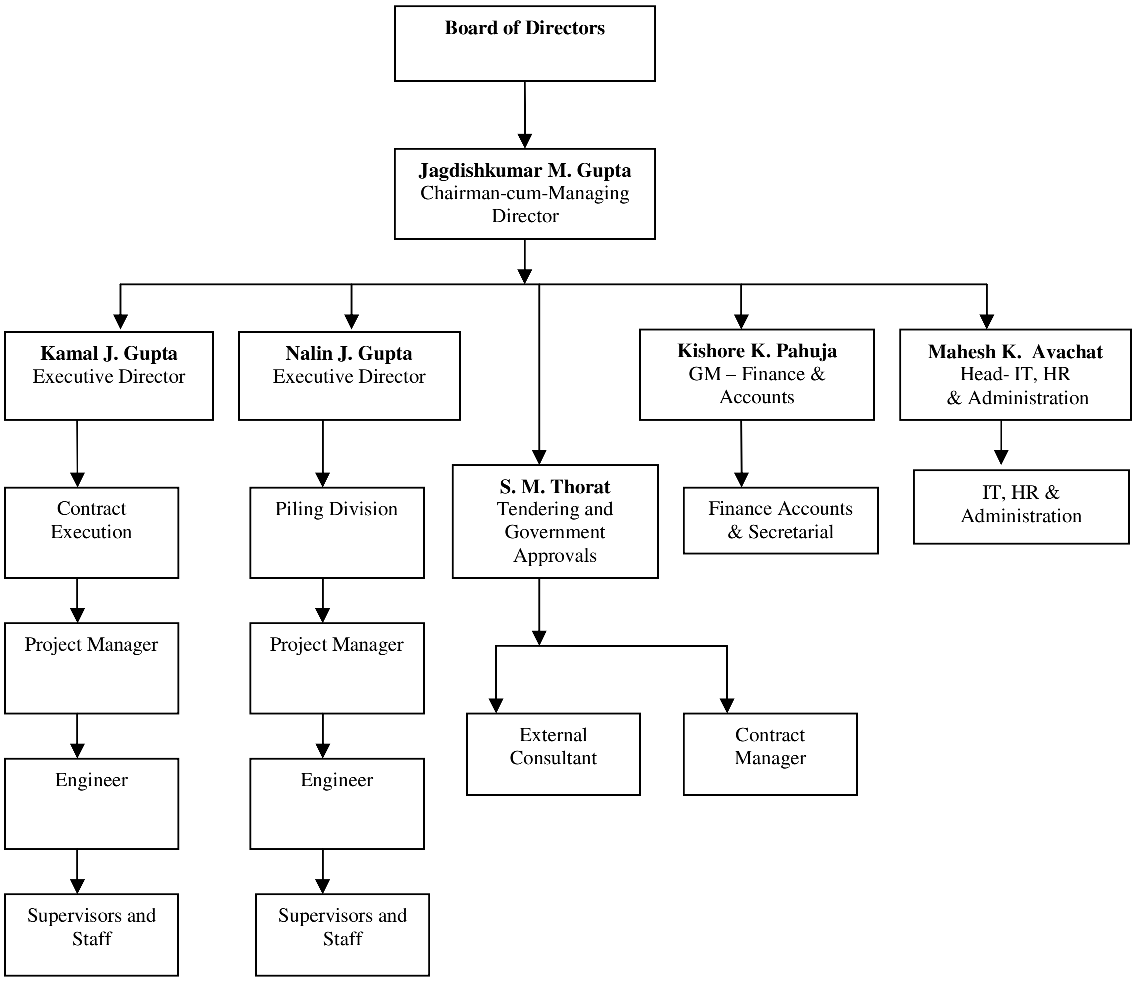
All our Directors may be deemed to be interested in the contracts, agreements / arrangements entered into or to be entered into by our Company or other entity with any company in which they hold directorships or they or their relatives hold significant shareholding or beneficial interest any partnership firm in which they or their relatives are partners as declared in their respective declarations.

ESOPs

At present, our Company does not have any stock option scheme for its employees or the management.

Organization Structure

The organizational structure in terms of management of our Company is depicted in the following chart:



REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government and as we believe applicable to us. The information detailed in this chapter has been obtained from the various legislations that are available in the public domain. The regulations 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 legal advice. In this section, unless the context requires otherwise, any reference to our Company refers to JKIL.

Indian Regulations

There are no specific regulations in India governing the construction/infrastructure industry. Our projects require, at various stages, the sanction of the concerned authorities under the relevant Central/State legislations and local by-laws. Set forth below are certain significant legislations and regulations prescribed by the Government of India that generally govern this industry in India:

GENERAL

Our Company is engaged in the business of civil engineering construction contractors in infrastructural projects mainly in roads, flyovers, bridges, commercial and residential buildings, sports complexes, irrigation projects, airport contracts. Our Company also undertakes the piling of foundation work using hydraulic piling rigs for major projects which are awarded to other Contractors. Our company has been most active in Mumbai, Pune, Aurangabad and Vidharbha region of Maharashtra. For the purpose of executing the work undertaken by our Company, our Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations applicable in the relevant state, and depending on the projects.

Foreign Ownership

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

No approvals of the FIPB or the RBI are required for such Allotment of Equity Shares under this Issue. Our Company will be required to make certain filings with the RBI after the completion of the Issue.

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 our Company after approval of the Board of Directors and shareholders of our Company. As on date of this Placement Document, no such resolution has been passed. Hence the total FII holding cannot exceed 24% of the post-Issue paid-up capital of our Company.

Environment and Labour Regulations

Labour Laws

We are also required to comply with an extensive set of laws, rules and regulations in relation to hiring and employment of labour. The laws applicable to us include the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, Employees' State Insurance Act, 1948, the Workmen's Compensation Act, 1923, the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, Payment of Gratuity Act, 1972, Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Contract Labour (Regulation and Abolition) Act, 1970.

A brief explanation in relation to the aforesaid legislations is given hereinbelow:

The Payment of Wages Act, 1936 makes every employer responsible for the payment of wages to a person employed by him, prescribes periods for which wages must be paid, time of payment of wages, deductions which may be made from wages, etc.

The Minimum Wages Act, 1948, provides for the fixing of appropriate minimum wages for workers involved in the various scheduled industries as specified in the act. The schedule of the Act refers to 'employment on the construction' or 'maintenance of roads or in building operations'.

The Payment of Bonus Act, 1965 prescribes the compulsory payment of bonuses to the employees by the establishments not expressly excluded by the statute. The provisions of the Payment of Bonus Act, 1965 provide for a minimum annual bonus payable to every employee, irrespective of whether or not the employee has made a profit or loss in the corresponding accounting year for which the bonus is payable. Under this Act, every employer is bound to pay to every employee, in respect of the accounting year, a minimum bonus which is 8.33% of the salary or wage earned by the employee during the accounting year or Rs.100, whichever is higher.

The Employees' State Insurance Act, 1948 is to provide benefits for employees or their beneficiaries in case of sickness, maternity, disablement and employment injury and to make provision for the same. Under this Act, every employee (including casual and temporary employees), whether employed directly or through a contractor, who is in receipt of wages upto Rs. 7,500 per month is entitled to be insured. In respect of such employees, both the employer and the employee must make certain contributions to the Employee State Insurance Corporation. Currently, the employee's contribution rate is 1.75% of the wages and that of employer's is 4.75% of the wages paid/payable in respect of the employee in every wage period.

The Workmen's Compensation Act, 1923 provides for compensation payable to workmen for death/injury/disablement arising out of an accident (and otherwise for some occupational diseases) in the course of such workmen's employment (including through a contractor).

The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 aims to provide for regulation of employment & conditions of service of the building and other construction workers as also their safety, health and welfare measures in every establishment, which employs or employed during the preceding year ten or more workers. This Act provides for registration of establishments to which this Act is applicable as well as building workers, and has provisions for immediate assistance in case of accidents, old age pension, loans for construction of house, premia for group insurance, financial assistance for education, to meet medical expenses, maternity benefits etc.

The Payment of Gratuity Act, 1972 provides for the payment of gratuity to employees in certain prescribed establishments. Gratuity is payable to an employee on the termination of his employment after he has rendered continuous service for not less than five years on his superannuation, on his retirement or resignation or on his death or disablement due to accident.

The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 was introduced with the institution of provident funds and pension funds for employees in establishments, which employ more than 20 persons, and factories specified in Schedule I of the Act. The funds constituted under these schemes framed under the Act consist of contributions from both the employer and the employees, in the manner specified in this Act.

The Contract Labour (Regulation and Abolition) Act, 1970 ("CLRA") has been enacted to regulate the employment of contract labour in certain establishments, the regulation of their conditions and terms of service and to provide for its abolition in certain circumstances. The Contract Labour (Regulation & Abolition) Act, 1970 imposes obligations on the principal employer to obtain registration as a pre-requisite to employing contract labour, where applicable, and on each contractor employed by such principal employer, where contract labour is employed, to obtain a license under that Act. The contractor is required to comply with the terms of the license issued. This Act contains beneficial provisions to ensure the welfare of workers employed on contract labour.

ISSUE PROCEDURE

Below is a summary intended to present a general outline of the procedure relating to the bidding, payment, Allocation and Allotment of the Equity Shares. The procedure followed in the Issue may differ from the one mentioned below and the investors are advised to appraise themselves of the same from our Company or the GC-BRLM. The investors are further advised to inform themselves of any restrictions or limitations that may be applicable to them, and are required to consult their respective advisers in this regard. Investors that apply in this Issue will be required to confirm and will be deemed to have represented to our Company, the GC-BRLM and their respective directors, officers, agents, advisors, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company and the GC-BRLM and their respective directors, officers, agents, advisors, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares. For further details, please refer to the sections titled "Transfer Restrictions" and "Selling Restrictions" of the Placement Document.

Qualified Institutions Placement

The Issue is being made to QIBs in reliance upon Chapter VIII of the SEBI (ICDR) Regulations through the mechanism of qualified institutions placements wherein an Indian listed company may issue and allot "eligible securities" as defined in the SEBI (ICDR) Regulations to include equity shares, non-convertible debt instruments along with warrants and convertible securities other than warrants, on a private placement basis to Qualified Institutional Buyers as defined in Regulation 2(1) (zd) of the SEBI (ICDR) Regulations provided that:

- a special resolution approving the qualified institutions placement has been passed by its shareholders;
- the equity shares of the same class, which are proposed to be allotted through qualified institutions placement, have been listed on a recognised stock exchange having nation wide trading terminal for a period of at least one year prior to the date of issuance of notice to its shareholders for convening the meeting to pass the special resolution; and
- compliance with the requirement of minimum public shareholding specified in the listing agreement with the stock exchanges;

The aggregate of the proposed Qualified Institutions Placement and all previous Qualified Institutions Placements made in the same financial year shall not exceed five times the net worth of the issuer as per the audited balance sheet of the previous financial year.

Additionally, there is a minimum pricing requirement under the SEBI (ICDR) Regulations. The Issue price shall be equal or more than the price calculated in accordance with Regulation 85 of the SEBI (ICDR) Regulations which shall be the Floor Price. The issue price of the equity shares of the company shall not be less than the average of the weekly high and low of the closing prices of the equity shares of the same class quoted in the stock exchange during the two weeks preceding the relevant date.

The relevant date for the determination of Floor Price for the issue of the Equity Shares means the date of the meeting in which our Board or any Committee thereof, thereof decides to open the Issue.

Our Company has received in-principle approval under Clause 24(a) of the Listing Agreement from BSE and NSE *vide* their letters dated December 02, 2009 and December 02, 2009 for the listing of the Equity Shares on BSE and NSE. The trading approvals from the stock exchanges have been received vide their letters dated December 02, 2009 and December 02, 2009.

We have also filed a copy of the Preliminary Placement Document with the Stock Exchanges.

Pursuant to the provisions of Section 67 of the Companies Act, for a transaction that is not a public offering, an invitation or offer may not be made to more than 49 persons. The Preliminary Placement Document is a private document provided to not more than 49 investors through serially numbered copies and is required to be placed on the website of the concerned stock exchange and of the Issuer with a disclaimer to the effect that it is in connection with an issue to QIBs and no offer is being made to the public or to any other category of investors.

Securities allotted to QIBs pursuant to a qualified institutions placement shall not be sold for a period of one year from the date of Allotment except on a recognized stock exchange in India.

A copy of the Placement Document is required to be filed with the SEBI for record purposes within 30 days of the Allotment of the Equity Shares in this Issue.

Issue procedure

1. Our Company and the GC-BRLM shall circulate serially numbered copies of the Preliminary Placement Document and the Bid-cum-Application Form, either in electronic form and/or physical form to not more than 49 QIBs.

2. The list of QIBs to whom the Bid-cum-Application Form is delivered shall be determined by our Company in consultation with the GC-BRLM. **Unless a serially numbered Preliminary Placement Document and the Bid-cum-Application Form is addressed to a particular QIB, no invitation to subscribe shall be deemed to have been made.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person.

3. Our Company shall intimate the Bid/Issue Opening Date to the Stock Exchanges.

4. QIBs may submit their Bids through the Bid-cum-Application Form during the Issue period to the GC-BRLM.

5. QIBs may submit such Bid-cum-Application Forms to the GC-BRLM and would have to indicate the following in the Bid-cum-Application Form:

   (a) Full name of the QIB to whom Equity Shares are to be allotted
   (b) Number of Equity Shares Bid for
   (c) Price at which they are agreeable to Bid for the Equity Shares provided that QIBs may also indicate that they are agreeable to submit a Bid at "Cut-off Price" which shall be any price as may be determined by our Company in consultation with the GC-BRLM at or above the minimum price calculated in accordance with Regulation 85 of the SEBI (ICDR) Regulations which shall be the Floor Price..
   (d) The details of the dematerialised account(s) to which the Equity Shares should be credited.

   Note: Each sub-account of an FII will be considered as an individual QIB and separate Bid-cum-Application Form will be required from each sub-account for submitting Bids. It may be noted that a sub-account which is a foreign corporate or a foreign individual is not a "QIB" in terms of SEBI (ICDR) Regulations.

6. Once the Bid-cum-Application Form is submitted by the QIB, the Bid constitutes an irrevocable offer and cannot be withdrawn. The Bid may be revised till Bid/Issue Closing Date, for which the QIB will have to revise the Bid in a Revision Form available with the GC-BRLM. Revision Forms received after the closure of the Issue on Bid/Issue Closing Date shall not be considered as valid and the original Bid will stand.

7. The Bid / Issue Closing Date shall be notified to the Stock Exchanges and the QIBs shall be deemed to have been given notice of such date.

8. Upon receipt of the duly completed Bid-cum-Application Form, our Company shall, in consultation with the GC-BRLM, after the closure of the Issue, decide (i) the Issue Price and (ii) the number of Equity Shares to be Allocated and the Applicants to whom the same would be Allocated. Our Company shall notify the Stock Exchanges of the Issue Price. On determination of the Issue Price, the GC-BRLM will send the CAN to the QIBs who have been Allocated Equity Shares. The dispatch of the CAN shall

be deemed a valid, binding and irrevocable contract for the QIBs to pay the entire Issue Price for all the Equity Shares Allocated to such QIBs. The CAN shall contain details like the number of Equity Shares Allocated to the QIB and payment instructions including the details of the amounts payable by the QIB for the Allotment of Equity Shares in its name and the Pay-In Date as applicable to the respective QIB. The decision of our Company and the GC-BRLM in this regard shall be at their sole and absolute discretion, and may not be proportionate to the number of Equity Shares applied for.

9. QIBs would have to deliver the cheque /confirmation of payment through electronic transfer for the subscription monies to the Escrow Account of our Company by the Pay-In Date as specified in the CAN sent to the respective QIBs.

10. Upon receipt of the application monies from QIBs, our Company shall issue and allot the Equity Shares to those QIBs as per the details provided in their respective CANs. Our Company shall intimate to the Stock Exchanges the details of the Allotment. The allottees shall in no event exceed 49 in number.

11. Our Company shall then apply for listing of the Equity Shares. After receiving the listing approval, Equity Shares shall be credited into the depository participant accounts of the QIBs.

12. Our Company shall then apply for the final trading permission from the Stock Exchanges.

13. The Equity Shares that have been so allotted and credited to the depository participant accounts of the QIBs shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading approval from the Stock Exchanges.

14. As per the applicable laws, the Stock Exchanges shall notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company shall communicate the receipt of the listing and trading approvals from the Stock Exchanges to those QIBs to whom the Equity Shares have been allotted. Our Company and GC-BRLM shall not be responsible for any delay or non-receipt of the communication of the listing and trading approvals from the Stock Exchanges or any loss arising from such delay or non-receipt. QIBs are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

Qualified Institutional Buyers

Only QIBs as defined in Regulation 2(1)(zd) of the SEBI (ICDR) Regulations are eligible to invest. For the purposes of the Issue, the term "QIB" means the following:

- A mutual fund, venture capital fund, foreign venture capital investors registered with SEBI;
- A foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with SEBI;
- A public financial institutions as defined in section 4A of the Companies Act, 1956;
- A scheduled commercial bank;
- A multilateral and bilateral development financial institution;
- A state industrial development corporation;
- An insurance company registered with Insurance Regulatory and Development Authority;
- A provident fund with minimum corpus of Rs. 250 million;
- A pension fund with minimum corpus of Rs. 250 million; and
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India.

Persons resident outside India are permitted to participate in the issue subject to compliance with all applicable laws and such that the shareholding of such persons does not exceed specified limits as prescribed under applicable laws in this regard.

In case of FIIs investing in this Issue through the Portfolio Investment Scheme (PIS), the issue of Equity Shares to each FII / sub account under the PIS shall not exceed 10% of the total post-issue paid-up capital of our Company.

The issue of Equity Shares to a single FII should not exceed 10% of the post-Issue paid-up capital of our Company. In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total post-Issue paid-up capital of our Company.

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 our Company after approval of the Board of Directors and shareholders of our Company. As on date of this Placement Document, no such resolution has been passed. Hence the total FII holding cannot exceed 24% of the post-Issue paid-up capital of our Company.

No Allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being our promoter or any person related to our promoter(s).

QIBs, who have all or any of the following rights shall be deemed to be a person related to promoter(s):

a) rights under a shareholders agreement or voting agreement entered into with our promoters or persons related to our promoters;

b) veto rights; or

c) right to appoint any nominee director on our Board.

Provided that a QIB who does not hold any shares in the issuer and who has acquired the said rights in the capacity of a lender shall not be deemed to be a person related to promoters.

We and the GC-BRLM are not liable for the summary of legal provisions as stated herein and any amendment or modification or change in applicable laws or regulations, which may occur after the date of the Preliminary Placement Document. QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. QIBs are advised to ensure that any single Bid-cum-Application Form from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Preliminary Placement Document. Further, QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the Takeover Code, and the QIB shall be solely responsible for compliance with the provisions of the Takeover Code, SEBI (Prohibition of Insider Trading) Regulations, 1992 and other applicable laws, rules, regulations, guidelines and circulars.

A minimum of 10% of the Equity Shares in the Issue shall be allotted to Mutual Funds. If no Mutual Fund is agreeable to take up the minimum portion as specified above, such minimum portion (or part thereof not so taken up) may be allotted to other QIBs.

Note: Affiliates or associates of the GC-BRLM who are QIBs may participate in the Issue in compliance with applicable laws.

Bid/Issue Programme

Bidding Period / Issue Period:

BID/ISSUE OPENED ON	**December 08, 2009**
BID/ISSUE CLOSED ON	**December 09, 2009**

Application Process

Bid-cum-Application Form

QIBs shall only use the specified serially numbered Bid-cum-Application Form supplied by the GC-BRLM in either electronic form or by physical delivery for the purpose of making an Application in terms of the Preliminary Placement Document. Revisions to the Bid shall only be made in the Revision Form.

QIBs WOULD NEED TO PROVIDE THEIR DEPOSITORY ACCOUNT DETAILS, THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID-CUM-APPLICATION FORM. QIBs MUST ENSURE THAT THE NAME GIVEN IN THE BID-CUM-APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. FOR THIS PURPOSE, SUB-ACCOUNTS OF A FII WOULD BE CONSIDERED AS AN INDEPENDENT QIB.

IF SO REQUIRED BY THE GC-BRLM, THE QIB SUBMITTING A BID, ALONG WITH THE BID-CUM-APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE GC-BRLM TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE GC-BRLM, COLLECTION BANK(S) OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSURE, THE QIB SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE KNOW YOUR CUSTOMER (KYC) NORMS.

The submission of the Bid-cum-Application Form by the QIBs shall be deemed a valid, binding and irrevocable offer by the QIB to pay the entire Issue Price for its share of Allocation (as indicated by the CAN) and becomes a binding contract on the QIB, upon issuance of the CAN by our Company in favour of the QIB.

Demographic details including address, bank account will be obtained from the Depositories as per the demat account details given above.

QIBs shall only use the specified and serially numbered Bid-cum-Application Form supplied by the GC-BRLM in either electronic form or by physical delivery for the purpose of making a Bid (including revision of Bid) in terms of the Preliminary Placement Document and the Bid-cum-Application Form.

By making an Application (including revision) for Equity Shares pursuant to the terms of the Preliminary Placement Document and Bid-cum-Application Form, the QIB will be deemed to have made the representations and warranties as contained in the paragraph titled "Representations by Investors" in the section entitled "Notice to Investors" of the Preliminary Placement Document, in addition to the representations, warranties and agreements made under the section entitled "Selling Restrictions" of the Preliminary Placement Document.

The QIBs may also be sent a serially numbered Placement Document either in electronic form or by physical delivery.

Bids by MFs

The Bids made by the asset management companies or custodian of MFs shall specifically state the names of the concerned schemes for which the Bids are made. Each scheme/fund of a mutual fund will have to submit separate Bid-cum-Application Form.

Each mutual fund will have to submit separate Bid-cum-Application Forms for each of its participating schemes. Such applications will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. However, for the purpose of calculating the number of allotters/applicants, various schemes of the same mutual fund will be considered as a single allottee/applicant.

Demographic details like address, bank account among other will be obtained from the Depositories as per the demat account details given above.

As per the current regulations, the following restrictions are applicable for investments by MFs:

No MF scheme shall invest more than 10% of its net asset value in Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No MF under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights.

The above information is given for the benefit of the Bidders. We and the GC-BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of the Placement Document. 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 the applicable laws and regulations.

Submission of Bid-cum-Application Form

All Bid-cum-Application Forms shall be duly completed with information including the name of the QIB, the price and the number of Equity Shares applied. The Bid-cum-Application Form shall be submitted to the GC-BRLM either through electronic form or through physical delivery at the following address:

Anand Rathi Advisors Limited
11th Floor, Times Tower, Kamla City,
Senapati Bapat Marg,
Lower Parel,
Mumbai – 400 013, India.
Tel: +91-22-4047 7000
Fax: +91-22-4047 7070
E-mail: jkumar.qip@rathi.com
Contact Person: Akshay Bhandari / Rajesh Biyani

The GC-BRLM shall not be required to provide any written acknowledgement of the same.

Pricing and Allocation

Build up of the Book

The QIBs shall submit their Bids through the Bid-cum-Application Form within the Issue period to the GC-BRLM who shall maintain the Book.

Price discovery and allocation

Our Company, in consultation with the GC-BRLM, shall finalize the Issue Price for the Equity Shares which shall be at or above the Floor Price.

After finalization of the Issue Price, our Company shall update the Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Method of Allocation

We shall determine the Allocation in consultation with the GC-BRLM on a discretionary basis and in compliance with Chapter VIII of the SEBI (ICDR) Regulations.

Bid-cum-Application Forms received from the QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such QIBs will be made at the Issue Price. Allocation shall be decided by us in consultation with the GC-BRLM on a discretionary basis. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid applications being received at or above the Issue Price.

THE DECISION OF OUR COMPANY AND GC-BRLM IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL QIBS. QIBS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT OUR SOLE AND ABSOLUTE DISCRETION AND QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATIONS AT OR ABOVE THE ISSUE PRICE. NEITHER WE NOR THE GC-BRLM ARE OBLIGED TO ASSIGN ANY REASONS FOR SUCH NON-ALLOCATION.

Number of Allottees

The minimum number of allottees in the Issue shall not be less than:
(a) two, where the Issue Size is less than or equal to Rs. 2.5 billion; or
(b) five, where the Issue Size is greater than Rs. 2.5 billion.

Provided that no single allottee shall be allotted more than 50% of the Issue size.

Provided further that QIBs belonging to the same group or those who are under common control shall be deemed to be a single allottee for the purpose of this Regulation. For details of what constitutes "same group" or "common control" see "Application Process— Bid-cum-Application Form."

The maximum number of allottees of Equity Shares shall not be greater than 49 allottees.

Confirmation and Allocation Note ("CAN")

Based on the Bids received and the Issue Price decided, our Company in consultation with the GC-BRLMs will decide the QIBs to whom the CAN shall be sent containing details of the Equity Shares allocated to them and the details of the amounts payable by them for Allotment of the Equity Shares in their respective names. Additionally, the CAN would include details of the bank account for transfer of funds if done electronically, Pay - In Date as well as the probable designated date, "Designated Date", being the date of credit of the Equity Shares to the investor's account, as applicable to the respective QIBs. The dispatch of the serially numbered Preliminary Placement Document and the CAN shall be deemed to be a valid, binding and irrevocable non-negotiable and non transferable obligation on QIB to furnish all details that may be required by the GC-BRLM and to pay the entire Issue Price for all the Equity Shares allocated to such QIB.

QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allocated/Allotted to them pursuant to the Issue.

Bank Account for Payment of Application Money

Our Company has opened a special bank account (Designated Bank Account / Escrow Account) with YES Bank Limited ("Collection Bank / Designated Bank / Escrow Bank") in terms of the arrangement between GC-BRLM, our Company and the Collection Bank. The QIB, to whom CAN is sent, will be required to deposit the entire amount payable for the Equity Shares allocated to it by the Pay-In Date as mentioned in the respective CAN.

If the payment is not made favouring the Collection Bank Account within the time stipulated in the CAN, the Bid-cum-Application Form and the CAN of the QIB are liable to be cancelled.

In case of cancellations or default by the QIBs, we and the GC-BRLM have the right to reallocate the Equity Shares at the Issue Price among existing Applicants to the Issue or new QIBs at their sole and absolute discretion, subject to statutory limits.

Payment Instructions

- The payment of application money shall be made by the QIBs in the name of "J Kumar - QIP Escrow Account" as per the payment instructions provided in the CAN.

- QIBs may make payment through cheques or electronic fund transfer, or such as other mode as may be required by GC-BRLM.

Note: Payment of the amounts through outstation cheques are liable to be rejected. Cheques should be only payable at Mumbai.

Designated Date and Allotment of Equity Shares

- The Equity Shares will not be allotted unless the QIBs pay the amount payable as mentioned in the CANs issued to them, into the bank account with the Collection Bank as stated above.

- In accordance with the SEBI (ICDR) Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

- We reserve the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.

- Post Allotment and credit of Equity Shares into the QIBs depository participant account, we would apply for trading approval from the Stock Exchanges.

- In the unlikely event of any delay in the Allotment or credit of Equity Shares, or receipt of trading approval or cancellation of the Issue, no interest or penalty would be payable by us. On cancellation of the Issue, monies received from investors in the Issue shall be refunded within a reasonable time, without interest or penalty as stated above.

Submission to SEBI

We shall submit the Placement Document to SEBI within 30 days of the date of Allotment for record purposes.

<u>Other Instructions</u>

Permanent Account Number (PAN)

Applicants should mention its PAN allotted under the Income Tax Act, 1961. **The copy of the PAN card or PAN allotment letter is required to be submitted with the Bid-cum-Application Form.** Bid-cum-Application Forms received without PAN are liable to be rejected. It is to be specifically noted that applicant should not submit the GIR number instead of the PAN as the Bid-cum-Application Form is liable to be rejected on this ground.

Our Right to Reject Bids

We, in consultation with the GC-BRLM, may reject Bids without assigning any reasons whatsoever. Our decision with the GC-BRLM in relation to the rejection of any Bid shall be final and binding.

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 the Issue shall be only in a dematerialised form, (*i.e.*, not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

- A QIB 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.
- Allotment to a successful QIB will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the QIB.
- Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
- The trading of our Equity Shares would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.
- We shall not be responsible or liable for the delay in the credit of Equity Shares due to errors in the Bid-cum-Application Form or on the part of the QIBs.

Release of funds to our Company

The Escrow Bank shall not release the monies lying to the credit of the **"J Kumar - QIP Escrow Account"** till such time, that it receives an instruction in pursuance to the Escrow Agreement, alongwith the Listing approval of the Stock Exchanges for the Equity Shares offered in the Issue.

PLACEMENT

Memorandum of Understanding

The GC- BRLM has entered into a Memorandum of Understanding with our Company (the "**MOU**"), pursuant to which the GC-BRLM has agreed to place the Equity Shares of our Company, on a best effort basis to Qualified Institutional Buyers, pursuant to Chapter VIII of the SEBI (ICDR) Regulations.

The MOU contains customary representations and warranties, as well as indemnities from our Company and is subject to termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares and admit them to trading on the Stock Exchange. No assurance can be given as to the liquidity or sustainability of the trading market for Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

The Preliminary Placement Document or the Placement Document has not been, and will not be, registered as a prospectus with the Registrar of Companies in India and that, with the exception of QIBs, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors other than QIBs.

In connection with the Issue, the GC- BRLM (or its affiliates) may, for its own accounts, enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the GC- BRLM may hold long or short positions in such Equity Shares. These transactions may comprise of a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the GC- BRLM may purchase Equity Shares and be allocated Equity Shares for proprietary purposes and not with a view to distribution or in connection with the issuance of P-Notes, see "Notice to Investors — Off-shore Derivative Instruments (P-Notes)".

SELLING RESTRICTIONS

The distribution of the Placement Document and the offer, sale or delivery of the Equity Shares is restricted by law in certain jurisdictions. Persons who come into possession of the Placement Document are advised to take legal advice with regard to any restrictions which may be applicable to them and to observe such restrictions. The Placement Document may not be used for the purpose of an offer or sale in any circumstances in which such offer or sale is not authorised or permitted.

United States of America

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold except (i) pursuant to an exemption from the registration requirements of the U.S. Securities Act and in compliance with the applicable US state securities laws or (ii) in a transaction not subject to the registration requirements of the U.S. Securities Act. The Equity Shares are being offered and sold in the Issue outside the United States pursuant to Regulation S. The Equity Shares are not being offered or sold in the United States and you may not purchase Equity Shares in the Issue if you are in the United States.

European Economic Area

The GC-BRLM has represented that in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”) it has not made and will not make an offer of Equity Shares to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Equity Shares to the public in that Relevant Member State at any time:

- to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

- to any legal entity which has two or more of: (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, in the case of (2) and (3) as shown in its last annual or consolidated accounts;

- to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the GC-BRLM; or

- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offering of Equity Shares shall result in a requirement for the publication by our Company or the GC-BRLM of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Equity Shares to the public” in relation to any Equity Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United Kingdom (in addition to European Economic Area restrictions, above)

The Equity Shares cannot be promoted in the United Kingdom to the general public. The GC-BRLM has represented, warranted and agreed in the Placement Agreement that (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "FSMA") to persons who are investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or circumstances in which section 21(1) of the FSMA does not apply to our Company; and (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Equity Shares in, from or otherwise involving the United Kingdom. Any invitation or inducement to engage in investment activity (within the meaning of Section 21 of FSMA) in connection with, or relating to, the sale or purchase of any Equity Shares, may only be communicated or caused to be communicated in circumstances in which Section 21(1) of the FSMA does not apply. It is the responsibility of all persons under whose control or into whose possession this document comes to inform themselves about and to ensure observance of all applicable provisions of FSMA in respect of anything done in relation to an investment in Equity Shares in, from or otherwise involving, the United Kingdom.

Hong Kong

No Equity Shares have been offered or sold, and no Equity Shares may be offered or sold, in Hong Kong, by means of any document, other than to "professional investors" as defined in the Securities and Futures Ordinance, Chapter. 571 of the laws of Hong Kong ("Securities and Futures Ordinance") and any rules made under that Ordinance; or in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance, Chapter. 32 of the laws of Hong Kong ("Companies Ordinance") or which do not constitute an offer to the public within the meaning of the Companies Ordinance. No document, invitation or advertisement relating to the Equity Shares has been issued or may be issued, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted under the securities laws of Hong Kong) other than with respect to Equity Shares which are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance. The Preliminary Placement Document or Placement Document and the Equity Shares have not been and will not be registered with the Securities and Futures Commission of Hong Kong and/or the Stock Exchange of Hong Kong. There are no public markets or platforms in Hong Kong for the purchase or disposal of the Equity Shares. If you are in doubt as to the contents of the Placement Document, you must immediately seek legal and investment advice from your solicitor, accountant and/or professional advisors.

Singapore

The Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor pursuant to Section 274 of the Securities and Future Act (Chapter 289) of Singapore (the "SFA"), (ii) to a relevant person, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Unless otherwise permitted under the SFA, where the Equity Shares are acquired by a person pursuant to Section 274 or 275 of the SFA, such Equity Shares shall not be transferable for six months after that person has acquired the Equity Shares, except (i) to another person who is an institutional investor or a relevant person, or (ii) pursuant to Section 275(1A) of the SFA.

Unless otherwise permitted under the SFA, where the Equity Shares are subscribed or purchased pursuant to Section 275 of the SFA by a relevant person which is:

- a corporation which is not an accredited investor (as defined in Section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- a trust (where the trustee is not an accredited investor) the sole purpose of which is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except: (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on the terms that such Equity Shares, debentures and units of Equity Shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, in accordance with the conditions, specified in Section 275 of the SFA as applicable; (ii) where no consideration is given for the transfer; or (iii) by operation of law.

United Arab Emirates

The Placement Document does not, and shall not, constitute an invitation, offer, sale or delivery of Equity Shares or other securities under the laws of the United Arab Emirates (the "UAE") (including the laws of the Dubai International Financial Centre (the "DIFC")) and accordingly shall not be construed as such. Neither the Issue, Equity Shares nor interests therein offered are regulated under the laws of the UAE (including the laws of the DIFC) relating to securities, investments or otherwise. Neither the Issue nor the Placement Document is approved or licensed by, or registered with, the UAE Central Bank, the Dubai Financial Services Authority ("DFSA"), or any other relevant licensing or regulatory authorities or governmental agencies in the UAE (including in the DIFC). The Equity Shares have not been and will not be registered under Federal Law No. 4 of 2000 Concerning the Emirates Securities and Commodities Authority and the Emirates Security and Commodity Exchange, or with the UAE Central Bank, the Dubai Financial Market, the Abu Dhabi Securities market or with any other UAE or DIFC exchange.

The Issue, the Equity Shares and interests therein do not constitute a public offer of securities or an advertisement or solicitation to the general public in the UAE in accordance with the Commercial Companies Law, Federal Law No. 8 of 1984 (as amended) or otherwise, or an offer of securities in the DIFC in accordance with the Markets Law, DIFC Law No. 12 of 2004. The Placement Document is strictly private and confidential and is being distributed to a limited number of selected institutional and/or sophisticated investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the Equity Shares may not be offered or sold directly or indirectly to retail investors or the public in the UAE (including in the DIFC) and no sale of securities or other investment products is intended to be consummated within the UAE or the DIFC. The GC-BRLM is not a licensed broker, dealer, financial advisor or investment advisor under the laws applicable in UAE and the DIFC, and does not advise individuals resident in the UAE or the DIFC as to the appropriateness of investing in or purchasing or selling securities or other financial products. Nothing contained in the Placement Document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the UAE or the DIFC. This document is confidential and for your information only and nothing in the Placement Document is intended to endorse or recommend a particular course of action. Prospective investors should conduct their own due diligence on the Issue and the Equity Shares. You should consult an appropriate professional for specific advice rendered on the basis of your situation.

TRANSFER RESTRICTIONS

Allottees are not permitted to sell the Equity Shares for a period of one year from the date of Allotment except through the Stock Exchanges. Subject to the foregoing:

Each purchaser of the Equity Shares in the Issue will be deemed to have represented and agreed as follows:

- It is authorized to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations.

- It acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that such Equity Shares have not been and will not be registered under the US Securities Act.

- It certifies that either (A) it is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares and is located outside the United States (within the meaning of Regulation S) or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, and (ii) such customer is located outside the United States (within the meaning of Regulation S).

- It agrees that it will not offer, sell, pledge or otherwise transfer such Equity Shares except in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S or pursuant to any other available exemption from registration under the US Securities Act and in accordance with all applicable securities laws of the States of the United States and any other jurisdiction, including India.

It acknowledges that the GC-BRLM and its affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements deemed to have been made by virtue of its purchase of the Equity Shares are no longer accurate, it will promptly notify us. Any resale or other transfer, or attempted resale or other transfer, made other than in compliance with the above-stated restrictions will not be recognized by us.

INDIAN SECURITIES MARKET

The information in this section has been extracted from publicly available documents from various sources, including officially prepared materials (including websites) of SEBI, BSE and NSE and has not been prepared or independently verified by our Company or the GC-BRLM to the Issue, or any of our or their respective affiliates or advisers.

The Indian Securities Market

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai.

Stock Exchange Regulation

India's stock exchanges are regulated primarily by SEBI, as well as by the GoI acting through the Ministry of Finance, Stock Exchange Division, under the SCRA and the SCRR along with the rules, by-laws and regulations of the respective stock exchanges, which regulate the recognition of stock exchanges, the qualifications for membership and the manner in which contracts are entered into and enforced between members. The Securities and Exchange Board of India Act, 1992 granted the SEBI powers to regulate the business of Indian securities markets, including stock exchanges and other financial intermediaries, promote and monitor self-regulatory organizations, prohibit fraudulent and unfair trade practices and insider trading, and regulate substantial acquisitions of Equity Shares and takeovers of companies. The SEBI has also issued Regulations concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of Equity Shares and takeovers of companies, buybacks of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, FIIs, credit rating agencies and other capital market participants.

Listing

The listing of securities on recognised Indian stock exchanges is regulated by the SCRR and the listing agreement of the respective stock exchanges, under which the governing body of each stock exchange is empowered to suspend trading of or dealing in a listed security for breach of the company's obligations under such agreement, subject to the company receiving prior notice of the intent of the exchange.

Equity shares of a listed company can be delisted under the provisions of the SEBI (Delisting of Equity Shares) Regulations, 2009, (the "Delisting Regulations"), which govern voluntary and compulsory delisting of equity shares of Indian companies from the stock exchanges. The Delisting Regulations have been recently notified, and replace the provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003. A company may be delisted through a voluntary delisting or a compulsory delisting by a stock exchange(s) concerned. A company may voluntarily delist from the stock exchange where its securities are listed subject to, inter alia, approval of its Board of Directors and shareholders and the in-principle approval of the stock exchange(s) concerned, further provided that an exit opportunity has been given to the investors at an exit price. The exit price is a minimum of a floor price determined in accordance with a specified formula with the final offer price being determined based on a "book building process" specified in the Delisting Regulations. For certain listed companies of paid up share capital of upto rupees one crore and either upto 300 public shareholders or no trading in equity shares for one year (as per specific criteria in the Delisting Regulations), the exit price determination lies with the promoter seeking delisting and not with the shareholders. However, shareholders may choose whether to accept the exit price or not. The procedure for compulsory delisting also requires the company to make an exit offer to the shareholders in accordance with the above-mentioned Delisting Regulations.

The Delisting Regulations provide that if for any reason the securities of a company become liable to be delisted from the relevant stock exchange, the promoter may, if it desires to maintain listing of the company, follow the procedure laid down in the Delisting Regulations for such continuous listing. Pursuant to the Delisting Regulations, the company may, within six months, issue new shares to the public or the promoter(s) of the company may sell a portion of their shares to the public by way of offer for sale or sale in open market through transparent mechanism, such that the minimum level of public shareholding is re-established.

SEBI has the power to amend listing agreements and by-laws of stock exchanges in India. In order to restrict abnormal price volatility in any particular stock, SEBI has instructed the stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. An index based market-wide (equity and equity derivatives) circuit breaker system has been implemented and additionally, there are currently in place varying individual scrip-wise bands. The Indian stock exchanges can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by stockbrokers.

Disclosures under the Companies Act and Securities Regulations

Under the Companies Act, 1956 a public offering of securities in India must be made by means of a prospectus, which must contain information specified in the Companies Act, 1956 and the SEBI (ICDR) Regulations as amended, and be filed with the Registrar of Companies having jurisdiction over the place where a company's registered office is situated, which in the case of our Company, is currently the Registrar of Companies located at Mumbai, Maharashtra situated at Everest, 100 Marine Drive, Mumbai 400002, Maharashtra, India. A company's directors and promoters may be subject to civil and criminal liability for misrepresentation in a prospectus. The Companies Act also sets forth procedures for the acceptance of subscriptions and the allotment of securities among subscribers and establishes maximum commission rates for the sale of securities. The SEBI has issued detailed Regulations concerning disclosure by public companies and investor protection.

Public limited companies are required under the Companies Act and SEBI (ICDR) Regulations to prepare, file with the Registrar of Companies and circulate to their shareholders audited annual accounts which comply with the Companies Act's disclosure requirements and regulations governing their manner of presentation and which includes sections pertaining to corporate governance, related party transactions and the management's discussion and analysis as required under the listing agreement. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of its listing agreement with the relevant stock exchange. Accordingly, companies are now required to publish unaudited financial statements, although subject to a limited review by a company's auditors, on a quarterly basis and are required to inform stock exchanges immediately regarding any stock price-sensitive information.

The Institute of Chartered Accountants of India ("ICAI") and SEBI have implemented changes which require Indian companies to account for deferred taxation, to consolidate their accounts with subsidiaries, to provide segment-wise reporting and to increase their disclosure of related party transactions from April 1, 2001 and accounting for investments in associated companies and joint ventures in consolidated accounts and interim financial reporting from April 1, 2002. As of April 1, 2003, accounting of intangible assets is also regulated by accounting standards set by the ICAI and as of April 1, 2004 accounting standards regulate accounting for impairment of assets.

Indian Stock Exchanges

There are various recognised Stock Exchanges in India. BSE and NSE together hold a dominant position among the stock exchanges in terms of the number of listed companies, market capitalisation and trading activity. With effect from April 1, 2003, the stock exchanges in India operate on a trading day plus two, or T+2, rolling settlement system. At the end of the T+2 period, obligations are settled with buyers of securities paying for and receiving securities, while sellers transfer and receive payment for securities. For example, trades executed on a Monday would typically be settled on a Wednesday. SEBI proposes to subsequently move to a T+ 1 settlement system. In order to contain the risk arising out of the transactions entered into by the members of various stock exchanges either on their own account or on behalf of their clients, the stock exchanges have designed risk management procedures, which include compulsory prescribed margins on the individual broker members, based on their outstanding exposure in the market, as well as stock-specific margins from the members.

To restrict abnormal price volatility, SEBI has instructed stock exchanges to apply the following price bands calculated at the previous day's closing price (there are no restrictions on price movements of index stocks):

Market Wide Circuit Breakers. In order to restrict abnormal price volatility in any particular stock, SEBI has instructed stock exchanges to apply daily circuit breakers, which do not allow transactions beyond certain price volatility. An index based market-wide (equity and equity derivatives) circuit breaker system has been implemented and the circuit breakers are applied to the market for movement by 10%, 15% and 20% for two prescribed market indices: the BSE Sensex for the BSE and the Nifty for the NSE, or the NSE Nifty, whichever is breached earlier. If any of these circuit breaker thresholds are reached, trading in al1 equity and equity derivatives markets nationwide is halted.

Price bands are circuit filters of 20% movements either up or down, and are applied to most securities traded in the markets, excluding securities included in the BSE Sensex and the NSE Nifty and derivatives products. In addition to the market-wide index based circuit breakers, there are currently in place varying individual scrip wise bands (except for scrips on which derivative products are available or scrips included in indices on which derivative products are available) of 20% either ways for all other scrips.

Circuit-breakers are not applicable to certain stocks listed in the "A" category of BSE, on which stocks, futures and options are traded. The stock exchanges of India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by stockbrokers. At the discretion of the stock exchanges and under instructions from SEBI, the stock exchanges can also impose ad hoc margins on the stockbrokers, for specific stocks in the event of extreme volatility in price movements.

Bombay Stock Exchange Limited

The BSE, the oldest stock exchange in India, was established in 1875. It is the first stock exchange in India to have obtained permanent recognition in 1956 from the Government of India under the SCRA. It has evolved over the years into its present status as the premier stock exchange of India. The BSE switched over from an open outcry trading system to online trading ("BOLT") from May 1995. Earlier an association of persons, BSE is now a corporatised and demutualised entity incorporated under the provisions of the Companies Act, 1956, pursuant to the BSE (Corporatisation and Demutualisation) Scheme, 2005 notified by SEBI. Only a member of the BSE has the right to trade in the stocks listed on the BSE.

Derivatives trading commenced on the BSE in 2000. The BSE has wholesale and retail debt trading segments. Retail trading in government securities commenced in January, 2003.

National Stock Exchange of India Limited

The NSE was established by financial institutions and banks to provide nationwide on-line satellite-linked screen based trading facilities for market makers with an electronic order-based trading system, and electronic clearing and settlement for securities, including government securities, debentures, public sector bonds and units. The principal aim of the NSE is to enable investors to buy or sell securities from anywhere in India and to serve as a national market for securities. Deliveries for trades executed "on-market" are settled through the National Securities Clearing Corporation Limited. The NSE does not categorise shares into groups as in the case of BSE, except in respect of the trade-to-trade category. Screen- based paperless trading and settlement is possible through the NSE from various cities in India. The NSE commenced operations in the wholesale debt market in June 1994, in capital markets in November 1994 and in derivatives in June 2000. The NSE launched the NSE 50 Index, now known as S&P CNX NIFTY on April 22, 1996 and the mid-cap index on January 1, 1996. The securities in the NSE 50 Index are highly liquid. With a wide network in major metropolitan cities, screen-based trading, a central monitoring system and greater transparency, the NSE has recently recorded high volumes of trading.

Takeover Code

Disclosure and mandatory bid obligations under Indian law are governed by the Takeover Code, which prescribes certain thresholds or trigger points that give rise to these obligations. Certain important provisions of the Takeover Code are as follows:

(1) Any acquirer (meaning a person who, directly or indirectly, acquires or agrees to acquire equity shares or voting rights in a company, either by himself or with any person acting in concert) who acquires equity shares or voting rights that would entitle him to more than 5%, 10%, 14%, 54% or 74% of equity shares or voting rights in a Company (together with a company's equity shares or voting rights, if any, already held by him) is required to disclose the aggregate of his equity shareholding or voting rights in that company to the company (which in turn is required to disclose the same to each of the stock exchanges on which the company's equity shares are listed) and to each of the stock exchanges on which the company's equity shares are listed within two days of (a) the receipt of allotment information; or (b) the acquisition of equity shares or voting rights, as the case may be. The term "shares" has been defined under the Takeover Code to mean equity shares or any other security which entitles a person to acquire shares with voting rights.

(2) A person who, together with persons acting in concert with him, holds 15% or more but less than 55% of equity shares or voting rights in any company is required to disclose any purchase or sale representing 2% of the equity shares or voting rights of that company (together with the aggregate shareholding after such acquisition or sale) to that company and the stock exchanges on which the company's equity shares are listed within two days of the purchase or sale and is also required to make annual disclosure of his holdings to that company (which in turn is required to disclose the same to each of the stock exchanges on which the company's equity shares are listed).

(3) Promoters or persons in control of a company are also required to make a bi-annual disclosure of their holding in the same manner. The company is also required to make annual disclosure of holdings of its promoters or persons in control as on March 31 of the respective year to each of the stock exchanges on which its equity shares are listed.

(4) An acquirer cannot acquire equity shares or voting rights which (taken together with existing equity shares or voting rights, if any, held by him or by persons acting in concert with him) would entitle such acquirer to exercise 15% or more of the voting rights in a company, unless such acquirer makes a public announcement offering to acquire a further minimum of 20% of equity shares of the company at a price not lower than the price determined in accordance with the Takeover Code. A copy of the public announcement is required to be delivered, on the date, on which such announcement is published, to SEBI, the company and the stock exchanges on which the company's equity shares are listed.

(5) No acquirer who, together with persons acting in concert with him, has acquired, in accordance with law, 15% or more but less than 55% of the shares or voting rights in a company, shall acquire, either by himself or through or with persons acting in concert with him, additional shares or voting rights that would entitle him to exercise more than 5% of the voting rights in any financial year ending March 31, unless such acquirer makes a public announcement offering to acquire a further minimum of 20% of equity shares of the company at a price not lower than the price determined in accordance with the Takeover Code.

(6) An acquirer who, together with persons acting in concert with him, has acquired, in accordance with law, 55% or more but less than 75% of equity shares or voting rights in a company (or, where the company concerned had obtained the initial listing of its shares by making an offer of at least 10% of the issue size to the public pursuant to Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 (the "SCRR"), less than 90% of the shares or voting rights in the company) would require such an acquirer to make an open offer to acquire a minimum of 20% of the shares or voting rights which it does not already own in the company. However, if an acquisition made pursuant to an open offer results in the public shareholding in the target company being reduced below the minimum level required under the listing agreement with the stock exchanges, the acquirer would be required to take steps to facilitate compliance by the target company with the relevant provisions of the listing agreement with

the stock exchanges, within the time period prescribed therein.

(7) Where an acquirer who (together with persons acting in concert) holds 55% or more, but less than 75% of the shares or voting rights in a target company (or, where the concerned company had obtained the initial listing of its shares by making an offer of at least 10% of the issue size to the public pursuant to Rule 19(2)(b) of the SCRR, less than 90% of the shares or voting rights in the company), intends to consolidate its holdings while ensuring that the public shareholding in the target company does not fall below the minimum level permitted by the listing agreement with the stock exchanges, the acquirer may do so only by making an open offer in accordance with the Takeover Code. Such open offer would be required to be made for the lesser of (i) 20% of the voting capital of the company, or (ii) such other lesser percentage of the voting capital of the company as would, assuming full subscription to the open offer, enable the acquirer (together with persons acting in concert), to increase the holding to the maximum level possible, which is consistent with the target company meeting the requirements of minimum public shareholding laid down in the listing agreement with the stock exchanges.

(8) However, such open offer would not be required (until the 75% limit stated hereinabove) if acquirer, either by himself or through persons acting in concert with, acquires additional shares or voting rights entitling him upto 5% additional voting rights in the concerned listed company, subject to the following: the acquisition is made through open market purchase in normal segment on the stock exchange but not through bulk deal/block deal/negotiated deal/preferential allotment, or the increase in shareholding or voting rights is pursuant to the buyback of shares of the concerned listed company. Some further conditions have been prescribed by SEBI in this regard by its circular dated August 6, 2009.

(9) In addition, regardless of whether there has been any acquisition of equity shares or voting rights in a company, an acquirer cannot directly or indirectly acquire control over a company (for example, by way of acquiring the right to appoint a majority of the directors or to control the management or the policy decisions of the company) unless such acquirer makes a public announcement offering to acquire a minimum of 20% of the voting equity shares of the company. In addition, the Takeover Code introduces the "chain principle" by which the acquisition of a holding company will obligate the acquirer to make a public offer to the shareholders of each subsidiary company which is listed. The Takeover Code sets out the contents of the required public announcements as well as the minimum offer price.

The Takeover Code permits conditional offers and provides specific guidelines for the gradual acquisition of shares or voting rights.

Specific obligations of the acquirer and the board of directors of the target company in the offer process have also been specified. Acquirers making a public offer are also required to deposit in an escrow account a percentage of the total consideration which amount will be forfeited in the event that the acquirer does not fulfill his obligations.

The general requirements to make such a public announcement do not, however, apply entirely to bailout takeovers when a promoter (i.e. a person or persons in control of the company, persons named in any offer document as promoters and certain specified corporate bodies and individuals) is taking over a financially weak company but not a "sick industrial company" pursuant to a rehabilitation scheme approved by a public financial institution or a scheduled bank. A "financially weak company" is a company which has at the end of the previous financial year accumulated losses which have resulted in the erosion of more than 50% but less than 100% of the total sum of its paid up capital and free reserves as at the end of the previous financial year. A "sick industrial company" is a company registered for more than five years which has at the end of any financial year accumulated losses equal to or exceeding its entire net worth.

Further, in the event that the board of directors of any company have been have been removed by Central Government or State Government any other regulatory authority, and such government or authority has appointed other persons to hold office as directors under the provisions of any law for the time being in force for the orderly conduct of the affairs of the company, and if certain other pre-conditions are met, then SEBI has the power to relax compliance with the provisions of Chapter III of the Takeover Code (which consists of

Regulations 10 to 29A), which provide, inter alia, for the trigger for making an open offer, manner of making open offer, obligations of parties and other incidental matters.

The Takeover Code, subject to certain conditions specified in the Takeover Code, exempts certain specified acquisitions from the requirement of making a public offer, including, among others, the acquisition of shares (1) by allotment in a public issue or a rights issue, (2) pursuant to an underwriting agreement, (3) by registered stockbrokers in the ordinary course of business on behalf of clients, (4) in unlisted companies, (5) pursuant to a scheme of reconstruction or amalgamation, (6) pursuant to a scheme under Section 18 of the Sick Industrial Companies (Special Provisions) Act, 1985, (7) resulting from transfers between companies belonging to the same group of companies or between promoters of a publicly listed company and relatives, (8) by way of transmission through inheritance or succession, (9) resulting from transfers by Indian venture capital funds or foreign venture capital investors registered with SEBI, to promoters of a venture capital undertaking or venture capital undertaking pursuant to an agreement between such venture capital funds or foreign venture capital investors with such promoters or venture capital undertaking, (10) by the Government of India controlled companies, unless such acquisition is made pursuant to a disinvestment process undertaken by the Government of India or a state government, (11) change in control by takeover/restoration of the management of the borrower company by the secured creditor in terms of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, (12) acquisition of shares by a person in exchange of equity shares received under a public offer made under the Takeover Code and (13) in terms of regulations relating to delisting of securities as specified by SEBI. The Takeover Code does not apply to acquisitions in the ordinary course of business by public financial institutions either on their own account or as a pledgee. An application may also be filed with the takeover panel seeking exception from the open offer requirements of the Takeover Code. In addition, the Takeover Code does not apply to the acquisition of Global Depository Receipts or American Depository Receipts so long as they are not converted into equity shares carrying voting rights.

Under the Takeover Code, the term "promoter" includes any person who is control of the Company or any person identified as a promoter in any document for the offer of securities to the public or existing shareholders or in the shareholding information disclosed under the listing agreement, whichever is later, or any person named as a relating to or belonging to the promoter group as defined under the Takeover Code.

Minimum level of public shareholding

In order to ensure availability of floating stock of listed companies, SEBI has recently notified amendments to the listing agreement. All listed companies are required to ensure that their minimum level of public shareholding remains at or above 25%. This requirement does not apply to those companies who at the time of their initial listing had offered at least 10% of the issue size to the public pursuant to Rule 19(2)(b) of the SCRR, and which fulfil the following conditions (i) a minimum of 20,00,000 securities were offered to the public, (ii) the size of the issue was at least Rs. 1,000 million and (iii) the issue was made only through book building method with allocation of 60% of the issue size to qualified institutional buyers as specified by SEBI or to those companies that have reached a size of 2,00,00,000 or more in terms of the number of listed shares and Rs. 10,000 million or more in terms of market capitalisation, that is, the average market capitalisation over the previous financial year. However, such listed companies are required to maintain the minimum level of public shareholding at 10% of the total number of issued ordinary shares of a class or kind for the purposes of listing. Failure to comply with this clause in the listing agreement requires the listed company to delist its shares pursuant to the terms of the Delisting Regulations and may result in penal action being taken against the listed company pursuant to the SEBI Act.

Insider Trading Regulations

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 1992 ("Insider Trading Regulations") have been notified by SEBI to prevent insider trading in India by prohibiting and penalising insider trading in India. The Insider Trading Regulations prohibit an ‘‘insider" from dealing, either on his own behalf or on behalf of any other person, in the securities of a company listed on any stock exchange when in possession of unpublished price-sensitive information. The terms "insider", "unpublished" and "prices sensitive information" are defined in the Insider Trading Regulations. The Insider Trading Regulations define an insider to mean any person who: (i) is or was connected with the company or is deemed to have been connected with the company and who is reasonably expected to have access to unpublished price sensitive information in respect of securities of a company or (ii) has received or has had access to such unpublished price sensitive information.

Price sensitive information means any information which relates directly or indirectly to a company and which if published is likely to materially affect the price of securities of the company, such as the periodical financial results of the company, intended declaration of dividends (both interim and final), issue of securities or buyback of securities The insider is also prohibited from communicating, counselling or procuring, directly or indirectly, any unpublished price-sensitive information to any other person who whilst in possession of such unpublished price-sensitive information shall not deal in securities. The prohibition under the Insider Trading Regulations also extends to all persons, including a company dealing in the securities of a company listed on any stock exchange whilst in the possession of unpublished price-sensitive information. It is to be noted that recently SEBI has amended the Insider Trading Regulations to provide certain defences to the prohibition on companies in possession of unpublished price-sensitive information dealing in securities.

The Insider Trading Regulations make it compulsory for listed companies and certain other entities associated with the securities market to establish an internal code of conduct to prevent insider trading and also to regulate disclosure of unpublished price-sensitive information within such entities so as to minimise misuse of such information. To this end, the Insider Trading Regulations provide a model code of conduct.

Further, the Insider Trading Regulations specify a model code of corporate disclosure practices to prevent insider trading which must be implemented by all listed companies. As per the recent amendments, the Insider Trading Regulations require that the model code of conduct should not be diluted in any manner and shall be complied with. The model code of conduct has also been amended to prohibit all directors / officers / designated employees who buy or sell any number of shares of the company from entering into opposite transactions during the next six months following the prior transaction. All directors and designated employees have also been prohibited from taking positions in derivative transactions in shares of the company at any time. Further, certain provisions pertaining to, inter alia, reporting requirements have also been extended to dependants of directors and designated employees of the company.

The Insider Trading Regulations require any person who holds more than 5% of the shares or voting rights in any listed company to disclose to the company the number of shares or voting rights held by such person, on becoming such holder, within 4 working days of either:

- the receipt of intimation of allotment of the shares; or
- the acquisition or the sale of the shares or voting rights, as the case may be

Every listed company within 5 days of receipt shall disclose the above information to all stock exchanges on which the company is listed.

On a continuing basis, under the Insider Trading Regulations, any person who holds more than 5 per cent of the shares or of the voting rights in any listed company is required to disclose to the company,- the number of shares or voting rights held by him and any change in shareholding or voting rights,- (even if such change results in the shareholding falling below 5 per cent) if there has been change in such holdings from the last disclosure made, provided such change exceeds 2 per cent of the total shareholding or voting rights in the company. Such disclosure is required to be made within four working days of:

- the receipt of intimation of allotment of the shares; or
- the acquisition or the sale of the shares or voting rights, as the case may be

Further, all directors and officers of a listed company are required to disclose to the company the number of shares or voting rights held and positions taken derivatives by such persons in such company within four working days of becoming a director or officer of such company. All directors and officers of a listed company are also required to make periodic disclosures of their shareholding in the company as specified in the Insider Trading Regulations.

Depositories

In August 1996, the Indian Parliament enacted the Depositories Act, 1996 which provides a legal framework for the establishment of depositories to record ownership details and effectuate transfers in book entry form. The SEBI framed the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 which provide for the formation of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, the beneficial owners and the companies. The depository system has significantly improved the operations of the Indian securities markets. Trading of securities in book-entry form commenced in December 1996. In January 1998, the SEBI has notified scrips of various companies for compulsory dematerialized trading by certain categories of investors such as foreign institutional investors and other institutional investors and has also notified compulsory dematerialized trading in specified scrips for all retail investors. The SEBI has subsequently significantly increased the number of scrips in which dematerialized trading is compulsory for all investors. Under Regulations issued by the SEBI, a Company shall give the option to subscribers/shareholders to receive the security certificates and hold securities in dematerialized form with a depository.

However, even in the case of scrips notified for compulsory dematerialized trading, investors, other than institutional investors, are permitted to trade in physical shares on transactions outside the stock exchange where there are no requirements to report such transactions to the stock exchange and on transactions on the stock exchange involving lots of less than 500 securities. Transfers of shares in book-entry form require both the seller and the purchaser of the equity shares to establish accounts with depository participants registered with the depositories established under the Depositories Act, 1996. Charges for opening an account with a depository participant, transaction charges for each trade and custodian charges for securities held in each account vary depending upon the practice of each depository participant and must be borne by the account holder. Upon delivery, the shares shall be registered in the name of the relevant depository on the company's books and this depository shall enter the name of the investor in its records as the beneficial owner, thus affecting the transfer of beneficial ownership. The beneficial owner shall be entitled to all rights and benefits and be subject to all liabilities in respect of his/her securities held by a depository. The Companies Act compulsorily provides that Indian companies making any initial public offering of securities for or in excess of Rs. 100 million should issue the securities in dematerialized form.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRA Rules and the SEBI Act. The SCRA was amended in February 2000 and derivative contracts were included within the term "securities," as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivative exchange or derivative segment of a stock exchange functions as a self regulatory organization under the supervision of the SEBI. Derivatives products were introduced in phases in India, starting with futures contracts in June 2000 and index options, stock options and stock futures in June 2000, July 2001 and November 2001, respectively.

Exchange Controls

Restrictions on Conversion of Indian Rupees

There are restrictions on conversion of Rupees into U.S. dollars. Before February 29, 1992, RBI determined the official value of the Rupee in relation to a weighted basket of currencies of India's major trading partners. In the February 1992 budget, a new dual exchange rate mechanism was introduced by allowing conversion of 60% of the foreign exchange received on trade or current account at a market-determined rate and the remaining 40% at the official rate. All importers were, however, required to buy foreign exchange at the market rate except for certain priority imports. In March 1993, the exchange rate was unified and allowed to float. In February 1994 and again in August 1994, RBI announced relaxations of the payment restrictions previously applicable to certain transactions. Since August 1994, the Central Government has substantially complied with its obligations to the International Monetary Fund, under which India is committed to refrain from using exchange restrictions on current international transactions as an instrument to manage the balance of payments. Effective July 1995, the process of current account convertibility was advanced by relaxing restrictions on foreign exchange for various purposes, such as foreign travel and medical treatment. The Central Government has also relaxed restrictions on capital account transactions by resident Indians since 1999.

DESCRIPTION OF EQUITY SHARES

Set forth below is certain information relating to the share capital of our Company including a brief summary of some of the provisions of the Memorandum and Articles of Association of our Company and the Companies Act relating to the rights attached to the Equity Shares.

General

Our Company's authorized share capital is Rs. 400,000,000 and our paid up capital is Rs. 247,244,200.

Dividends

Under the Companies Act unless the Board recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Under our Company's Articles, our Company in general meeting may, subject to Section 205 of the Companies Act declare dividends, to be paid to members according to their respective rights and interests in the profits but subject to any law of the time being in force and may fix the time for payment. Our Company in general meeting may declare a lower, but not higher, dividend than that recommended by the Board. The profits of our Company, subject to any special rights relating thereto created or authorized to be created by the Memorandum or the Articles and subject to the provision of any law for the time being in force, shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively. In addition, the Board may declare and pay interim dividends.

The dividends can only be paid in cash to shareholders listed on the register of shareholders on the date which is specified as the "record date" or "book closure date, and in case of unregistered transfers, where the instrument of transfer has been delivered to the company for registration, the company shall comply with Section 205 of the Companies Act by transferring such dividend to a special account unless the company is authorized by the registered holder in writing to pay such dividend to the transferee mentioned in the instrument.

No shareholder is entitled to a dividend while any amount is due from him to the company either in respect of such shares or otherwise, either jointly or alone. This amount may be deducted from the interest or dividend payable to the shareholder without prejudice to any other remedy of the company. However, once the amount is declared, there shall be no forfeiture of unclaimed dividends. Any dividend remaining unpaid or unclaimed after having been declared by the company shall be dealt with by the company in accordance with Section 205A, 205B and 205C of the Companies Act.

Dividends must be paid by cheque or warrant sent through post to the registered address of the member or person entitled, or in case of joint holders to that one first named in the register in respect of joint holding. Every such cheque shall be made payable to the order of the person to whom it is sent. Under the Companies Act, a company may only pay a dividend in excess of 10% of paid-up capital in respect of any year out of the profits of that year after it has transferred to the reserves of the company a percentage of its profits for that year ranging between 2.5% to 10% depending on the rate of dividend proposed to be declared in that year. The Companies Act further provides that if the profit for a year is insufficient, the dividend for that year may be declared out of the accumulated profits earned in previous years and transferred to reserves, subject to the following conditions: (i) the rate of dividend to be declared may not exceed the lesser of the average of the rates at which dividends were declared in the five years immediately preceding the year, or 10% of paid-up capital; (ii) the total amount to be drawn from the accumulated profits from previous years may not exceed an amount equivalent to 10% of paid-up capital and reserves and the amount so drawn is first to be used to set off the losses incurred in the financial year before any dividends in respect of preference or equity shares; and (iii) the balance of reserves after withdrawals must not be below 15% of paid-up capital.

Capitalization of Reserves

Our Company's Articles state that our Board of Directors may vide any General Meeting resolve that any moneys, investments or other asset forming part of the undivided profits of the company standing to the credit of the reserve fund, or any Capital Redemption Reserve Fund, or in the hands of the company and available for dividend or representing premium received on the issue of shares and standing to credit of the share premium account be, subject to the provisions of Section 78 of the Companies Act, capitalized and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportion on the footing that they become entitled thereto as capital and that al or any part of such capitalized fund be applied on behalf of such shareholders in paying up in full either at par or such premium as the resolution may provide, any unissued shares or debentures or debenture stock of the company which shall be distributed accordingly or in towards payment of the uncalled liability on any issued share or debentures or debenture-stock, and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum.

Any issue of bonus shares would be subject to the Regulations issued by the SEBI in this regard. The relevant SEBI (ICDR) Regulations prescribe that no Company shall, pending conversion of convertible securities, issue any shares by way of bonus unless similar benefit is extended to the holders of such convertible securities, through reservation of shares in proportion to such conversion. Further, for the issuance of such bonus shares a Company should not have defaulted in the payment of interest or principal in respect of fixed deposits and interest on existing debentures or principal on redemption of such debentures. The declaration of bonus shares in lieu of dividend cannot be made. The bonus issue must be made out of free reserves built out of genuine profits or share premium account collected in cash only.

Further, a Company should have sufficient reason to believe that it has not defaulted in respect of the payment of statutory dues of the employees such as contribution to provident fund, gratuity and/or bonus. The issuance of bonus shares must be implemented within six months from the date of approval by the board of directors or the shareholders, whichever is later.

Pre-Emptive Rights and Alteration of Share Capital

Subject to the provisions of the Companies Act, a company, in general meeting, may increase its share capital by issuing new shares on such terms and with such rights as a company, by action of shareholders in a general meeting, determines, which may vary from the original issue in terms of rights as to dividend, voting or otherwise in accordance with such rules and subject to such conditions as may be prescribed. In this regard, the laws require that for a Company to issue shares with differential voting rights a company must have had distributable profits in terms of the Companies Act for a period of three financial years and have not defaulted in filing annual accounts and annual returns for the immediately preceding three years. Whenever the capital of a company has been increased through such resolution, the directors shall comply with the provisions of Section 97 of the Companies Act.

As per Section 81 of the Companies Act, such new shares shall be offered to the persons, who at the date of the offer are holders of equity shares in a company in proportion to the amount paid up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and limiting a time, being not less than 30 days from the date of the offer within which such offer, if not accepted, will be deemed to have been declined. After such date the Board may dispose of the shares offered in respect of which no acceptance has been received, in such manner as they think most beneficial to a company. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person acceptable to the Board.

Under the provisions of Section 81(1A) of the Companies Act, new shares may be offered to any persons whether or not those persons include existing shareholders, in any manner whatsoever, if a special resolution to that effect is passed by the shareholders of a company in a general meeting. Where no such special resolution is passed, if the vote cast (show of hands or on poll) in favour of the proposal contained in the resolution moved at the general meeting sanctioning the issue of such shares (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 in that behalf that the proposal is most beneficial to the company.

Notwithstanding this but subject to Section 81(3) of the Companies Act, a company may increase its subscribed capital on exercise of an option attached to the debenture issued or loans raised by a company to convert such debentures or loans into shares, or to subscribe for shares in a company. A company can also alter its share capital by way of a reduction of capital subject to Sections 78, 80 and 100 to 105 of the Companies Act, or by undertaking a buy-back of shares under the prescribed SEBI (ICDR) Regulations and subject to the approvals and terms and conditions as prescribed under Section 77A, 77AA and 77B of the Companies Act.

The Articles of our Company provides that subject to Section 94 of the Companies Act, our Company, in a general meeting may consolidate or sub-divide our share capital, convert all or any of our fully paid-up shares into stock and reconvert that stock into fully paid-up shares of any denomination, sub-divide the equity shares or any of them into shares of smaller amounts than fixed by the Memorandum, so however, that in the sub-division the proportion between the amount paid and the amount, if any unpaid on each reduced share shall be the same as it was in the case of the shares from which the reduced share is derived, or cancel shares which have not been taken up by any person.

Preference Shares

Subject to Section 80 of the Companies Act, any new shares may be issued as preference shares which are or at the option of a company are liable to be redeemed, and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption subject to the following the conditions: Under the Companies Act, a company may issue redeemable preference shares but

(i) no such shares shall be redeemed except out of profits of a company which would otherwise be available for dividends or out of the proceeds of a fresh issue of shares made for the purposes of the redemption;
(ii) no such shares shall be redeemed unless they are fully paid;
(iii) the premium, if any, payable on redemption shall have been provided for out of the profits of a company or out of a company's share premium account before the shares are redeemed;
(iv) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividends, 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;
(v) subject to the provisions of Section 80 and 80A of the Companies 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 determine; and
(vi) whenever a company shall redeem any redeemable preference shares, a company shall, within one month thereafter, give notice thereof to the Registrar of Companies as required by Section 95 of the Act. Preference shares must be redeemable before the expiry of a period of 20 years from the date of their issue.

General Meetings of Shareholders

In accordance with Section 166 of the Companies Act, a company must hold its Annual General Meeting each year within 15 months of the previous Annual General Meeting or within six months after the end of each accounting year, whichever is earlier, unless extended by the Registrar of Companies at the request of a company for any special reason. Every member of a company shall be entitled to attend every general meeting either in person or by proxy, and the auditor of a company shall have the right to attend and to be heard at any general meeting on any part of the business which concerns him as auditor. The Board may convene an extraordinary general meeting of shareholders when necessary or at the request of a shareholder or shareholders holding in the aggregate not less than 10% of the issued paid-up capital of a company in accordance with Section 169 of the Companies Act.

Written notices convening a meeting setting out the date, place and agenda of the meeting must be given to members at least 21 days prior to the date of the proposed meeting. A general meeting may be called after giving shorter notice if consent is received from all shareholders in the case of an Annual General Meeting, and from shareholders holding not less than 95% of the paid-up capital of a company, in the case of any other general meeting. A document may be served by a company on any member thereof and the notice of every meeting of a company shall be given to every member in any manner authorized by and as provided in sections 53 and 172 of the Companies Act. The accidental omission to give notice of any meeting to or the non receipt of any notice by the member or other person to whom it should be given shall not invalidate the proceedings at the meetings. Currently, our Company gives written notices to all members and, in addition, gives public notice of general meetings of shareholders in a daily newspaper of general circulation in Maharashtra. General meetings are held in Mumbai, Maharashtra.

A Company intending to pass a resolution relating to matters such as, but not limited to, amendment in the objects clause of the Memorandum, buy-back of shares under the Companies Act, giving loans or extending guarantees in excess of limits prescribed under the Companies Act, and Regulations issued there under, is required to obtain the resolution passed by means of a postal ballot instead of transacting the business in the general meeting of our Company. If the resolution is assented to by a requisite majority of shareholders by means of a postal ballot, it shall be deemed to have been duly passed at a general meeting convened in that behalf.

Voting Rights

Subject to the provisions of the Companies Act and the Articles, votes may be given either personally or by proxy, or in the case of a body corporate, a duly authorised representative under Section 187 of the Companies Act. At a general meeting, upon a show of hands, every member holding shares and entitled to vote and present in person has one vote. 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 by his own motion, and shall be ordered to be taken by him on a demand made in that behalf by the persons or person as may be provided by the Companies Act. This demand for a poll may be withdrawn at any time by the persons or person who made that demand. A poll demanded on any other question (not being a question relating to the election of the Chairman) shall be taken at such time not being later than forty eight hours from the time when the demand was made, as the Chairman may direct. The Chairman shall be sole judge for the validity of both a vote on a show of hands as well as a vote on a poll. The Chairman of the meeting has a casting vote. A proxy may not vote the shares except on a poll. Ordinary resolutions may be passed by simple majority of those present and voting. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution. The Companies Act provides that to amend the Articles a special resolution is required to be passed in a general meeting. Certain instances, including dissolutions, merger or consolidation of a company, transfer of the whole or a significant part of the business of a company to another company or taking over the whole of the business of any other Company and, in any case where shareholding of public financial institutions and banks exceeds 25%, appointment of statutory auditors, require a special resolution.

A shareholder may exercise his voting rights by proxy to be given in the form required by the articles of a company. Any member entitled to vote at a meeting of a company is entitled to appoint another person as his proxy to attend and vote on a poll instead of himself, but a proxy so appointed does not have the right to speak at the meeting. Every notice convening a meeting of a company shall state that a member entitled to attend and vote at the meeting is entitled to appoint a proxy and that the proxy need not be a member of a company. The instrument appointing a proxy is required to be lodged with a company at least 48 hours before the time of the meeting in accordance with Schedule IX of the Companies Act as far as possible. Every member who is entitled to vote at the meeting shall be entitled from a period beginning 24 hours prior to the time fixed for the meeting and concluding at the end of the meeting, to inspect the proxies lodged at the meeting during business hours, provided that three days' written notice is given to a company. A shareholder may, by a single power of attorney, grant a general power of representation regarding several general meetings of shareholders. A corporate shareholder is also entitled to nominate a representative to attend and vote on its behalf at general meetings. A shareholder which is a legal entity may appoint an authorised representative who can vote in all respects as if a member both on a show of hands and a poll. However, no member shall be entitled to vote at any general meeting either personally or by proxy or as proxy for another member or be reckoned in a quorum while any call or other sum shall be due and payable to a company in respect of any of the shares of such member or in respect of any shares on which a company has or had exercised any right of lien.

Register of Shareholders and Record Dates

A company is obliged to maintain a register of shareholders at its Registered Office in Mumbai, Maharashtra. With the approval of its shareholders by way of a special resolution and with prior notice to the Registrar of Companies, Mumbai, a company may maintain the register of shareholders at some other place in the same city. The register and index of beneficial owners maintained by a depositary under the Depositories Act, 1996 is deemed to be an index of members and register and index of debenture holders. In the case of shares held in physical form, a company registers transfers of shares on the register of shareholders upon lodgment of the share transfer form duly complete in all respects accompanied by a share certificate or, if there is no certificate, the letter of allotment in respect of shares transferred, together with duly stamped transfer forms. In respect of electronic transfers, the depository is the registered owner in the books of that company and transfers shares by entering the name of the purchaser in its books as the beneficial owner of the shares. Every person holding securities of a company and whose name is entered as a beneficial owner in the records of the depository shall be deemed to be a member of that company. The beneficial owner is entitled to all the rights and benefits as well as the liabilities with respect to the shares that are held by the depository. Transfer of beneficial ownership through a depository is exempt from any stamp duty but each depository participant may have its own depository charges. A transfer of shares by way of a stock transfer form attracts stamp duty at the rate of 0.25% of the transfer price.

For the purpose of determining the shareholders, the register may be closed for periods not exceeding 45 days in any one year or 30 days at any one time at such times, as the Board may deem expedient in accordance with the provisions of the Companies Act. Under the listing agreements of the Stock Exchanges on which a company's outstanding Shares are listed, the company may, upon at least 15 days' advance notice to such stock exchanges, set a record date and/or close the register of shareholders in order to ascertain the identity of shareholders. The trading of shares and the delivery of certificates in respect thereof may continue while the register of shareholders is closed. Under the Companies Act, a company is also required to maintain a register of debenture holders.

Annual Report and Financial Results

The Annual Report must be laid before the Annual General Meeting. This includes certain financial information about a company such as the audited financial statements as of the date of closing of the financial year, a corporate governance section and management's discussion and analysis, and is sent to the shareholders of a company.

Under the Companies Act, a company must file the Annual Report with the Registrar of Companies within seven months from the close of the accounting year or within 30 days from the date of the annual general meeting, whichever is earlier. As required under the listing agreements with the Stock Exchanges, copies are required to be simultaneously sent to the Stock Exchanges. A company must also publish its financial results in at least one English language daily newspaper circulating in the whole or substantially the whole of India and also in a newspaper published in the language of the region where the registered office of the company is situated.

Our Company files certain information on-line, including its Annual Report, six-month and quarterly financial statements and the shareholding pattern statement, in accordance with the requirements of the listing agreements and as may be specified by the SEBI from time to time.

Transfer of Shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by the SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownerships of shares held through a depository are exempt from stamp duty. Our Company has entered into an agreement for such depository services with National Securities Depository Limited and the Central Depository Services India Limited.

The SEBI requires that a company's shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. A company shall keep a book called the register of transfer in which every transfer or transmission of shares will be entered.

The shares are freely transferable, subject only to the provisions of the Companies Act, under which, if a transfer of shares contravenes the SEBI provisions or the regulations issued under it, or the Sick Industrial Companies (Special Provisions) Act, 1985 ("SICA"), or any other similar law, the Company Law Board may, on an application made by a Company, a depository incorporated in India, an investor, the SEBI or other parties, direct a rectification of the register of members. If a Company without sufficient cause refuses to register a transfer of shares within two months from the date on which the instrument of transfer is delivered to that company, the transferee may appeal to the Indian Company Law Board seeking to register the transfer of equity shares. The Company Law Board may, in its discretion, issue an interim order suspending the voting rights attached to the relevant equity shares before completing its investigation of the alleged contravention.

Under the Companies (Second Amendment) Act, 2002, the Indian Company Law Board will be replaced with the National Company Law Tribunal. Further, under the Sick Industrial Companies (Special Provisions) Repeal Act, 2003, which is expected to come into force shortly, the SICA is sought to be repealed and the Board of Industrial and Financial Reconstruction, as constituted under the SICA, is to be replaced with the National Company Law Tribunal.

Pursuant to the listing agreements, in the event a company has not effected the transfer of shares within one month or where the company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of one month, the company is required to compensate the aggrieved party for the opportunity loss caused during the period of the delay.

The Companies Act provides that the shares or debentures of a publicly listed Company shall be freely transferable. However, the Board may, subject to Section 111 of the Companies Act, at anytime in their absolute and uncontrolled discretion by giving reasons decline to register shares. However, this may not be done on the grounds that the transferor is indebted to the company on any account whatsoever. Notice of such refusal must be sent to the transferee within two months of the date on which the transfer was lodged with the company.

A transfer may also be by transmission. Subject to the provisions of the company's Articles, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Board, upon producing such evidence that he sustains the character in respect of which he proposes to act under the Article, or his title, as the Board thinks sufficient, be registered as a member in respect of such shares, or may, subject to the regulations as to transfer contained in the Articles, transfer such shares.

Acquisition by a company of its own Shares

A company is prohibited from acquiring its own shares unless the consequent reduction of capital is effected by an approval of at least 75% of its shareholders, voting on the matter in accordance with the Companies Act and sanctioned by the High Court of Judicature in the city where the company's registered office is located. Subject to certain conditions, a Company is prohibited from giving, whether 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 for any shares in the company or its holding company. However, pursuant to the Companies Act by way of Section 77A, 77AA and 77B, a company has been empowered to purchase its own shares or other specified securities out of its free reserves, or the securities premium account or the proceeds of the issue of any shares or other specified securities (other than from the proceeds of an earlier issue of the same kind of shares or other specified securities proposed to be bought back) subject to certain conditions, including:

(i) the buy-back should be authorised by the Articles of Association of the company;
(ii) a special resolution has been passed in the general meeting of the company authorising the buy-back;
(iii) the buy-back is limited to 25% of the total paid-up capital and free reserves;
(iv) the debt owed by the company is not more than twice the capital and free reserves after such buy-back; and
(v) the buy-back is in accordance with the Securities and Exchange Board of India (Buy-Back of Securities) Regulation, 1998.

The condition mentioned above in (ii) would not be applicable if the buy-back is for less than 10% of the total paid-up equity capital and free reserves of the company and provided that such buy-back has been authorized by the board of directors of the company. A company buying back its securities is required to extinguish and physically destroy the securities so bought back within seven days of the last date of completion of the buy-back. Further, a company buying back its securities is not permitted to buy back any securities for a period of one year from the buy-back and to issue securities for six months. Every buy-back must be completed within a period of one year from the date of passing of the special resolution or resolution of the Board, as the case may be.

A company is also prohibited from purchasing its own shares or specified securities through any subsidiary company, including its own subsidiary companies, or through any investment company (other than a purchase of shares in accordance with a scheme for the purchase of shares by trustees of or for shares to be held by or for the benefit of employees of the company) or if the company is defaulting on the repayment of deposit or interest, redemption of debentures or preference shares or payment of dividend to a shareholder or repayment of any term loan or interest payable thereon to any financial institution or bank, or in the event of non-compliance with certain other provisions of the Companies Act.

Liquidation Rights

Subject to the rights of creditors, of employees and of the holders of any other shares entitled by their terms of issue to preferential repayment over the shares, in the event of a winding-up of the company, the holders of the shares are entitled to be repaid the amounts of capital paid up or credited as paid up on such shares. All surplus assets after payments due to employees, the holders of any preference shares and other creditors belong to the holders of the Equity Shares in proportion to the amount paid up or credited as paid up on such shares, respectively, at the commencement of the winding-up. In case assets available are insufficient to repay the whole of the paid up capital, the assets shall be so distributed such that the losses are borne to the extent possible by the shareholders in the ratio of capital contributed. In case any of the shares involve a liability to call or otherwise, any person may, within ten days after the passing of the resolution, by notice in writing direct the liquidators to sell his proportion and pay him the net proceeds and the liquidator shall, if practicable, act accordingly.

The division of assets on winding up, if thought expedient, may subject to the provisions of the Companies Act, be otherwise than in accordance with the legal rights of the contributories (except when unalterably fixed by the Memorandum) and in particular, any class may be given preferential or special rights which may be excluded altogether or in part but any contributory who is prejudiced by the same would have a right to dissent and possess ancillary rights as though such determination were a special resolution under Section 494 of the Companies Act.

TAXATION ASPECTS RELATING TO THE INSTRUMENT

The Board of Directors,
J. Kumar Infraprojects Limited
16 -A, Andheri Industrial Estate,
Veera Desai Road,
Andheri (W), Mumbai 400053
Maharashtra, India

Dear Sirs,

Subject: Statement of Possible Tax Benefits

We hereby report that the enclosed annexure states the probable tax benefits that may be available to the Shareholders of J. Kumar Infraprojects Limited (the "Company") under the provisions of the Income Tax Act, 1961 and other allied direct and indirect tax laws presently prevailing and in force in India.

Several of these benefits are subject to the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws and their interpretations. Hence, the ability of the Company or its Shareholders to derive tax benefits is subject to fulfilment of such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfil.

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

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

- The Company or its shareholders will continue to obtain these benefits in future; or
- The conditions prescribed for availing the benefits have been / would be met with.
- The revenue authorities / courts will concur with the views expressed herein.

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. While all reasonable care has been taken in the preparation of this opinion we accept no responsibility for any errors and omissions therein or for any loss sustained by any person who relies on it.

This report is intended solely for information and for the inclusion in the Preliminary Placement Document / Placement Document in connection with the proposed Qualified Institutional Placement of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Gupta Saharia & Co.
Chartered Accountants

Pawan Gupta
Partner
Membership No. 071471
Date: December 01, 2009
Place: Mumbai

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY'S SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961 AND OTHER DIRECT TAX LAWS PRESENTLY IN FORCE IN INDIA

The information provided below sets out the possible tax benefits available to the 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. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may not choose to fulfil. 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.

Indian Taxation

The following is a summary of the material Indian tax consequences of owning and disposing of Equity Shares purchased in this Issue.

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.

For these purposes, “Non-Resident” means a person who is not a resident in India. For purposes of the Income Tax Act, 1961 (the “IT Act”), 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) a period or periods amounting to 182 days or more; or

(b) a period or periods amounting to 60 days or more and within the four preceding years he/she has been in India for a period or periods amounting to 365 days or more; or

(c) in the case of a citizen of India who leaves India as a member of the crew of an Indian ship or for the purposes of employment outside India, the words “60 days” in paragraph (b) above shall be substituted by words “182 days”; or

(d) in the case of a citizen of India or a person of Indian origin living abroad who visits India, the words “60 days” in paragraph (b) above shall be substituted by words “182 days”.

A company is resident in India if it is formed and incorporated in accordance with the Companies Act and has its registered office in India or the control and management of its affairs is situated wholly in India. A firm or other association of persons is resident in India except where the control and management of its affairs is situated wholly outside India.

The following is based on the provisions of Indian tax laws as of the date hereof, which are subject to change, possibly on a retrospective basis.

This summary is not intended to constitute a complete analysis of the Indian tax consequences to any particular Non-Resident holders. Individual tax consequences of an investment in Equity Shares may vary for Non-Residents in various circumstances, and potential investors should therefore consult their own tax advisers as to the tax consequences of such purchase, ownership and disposition under the tax laws of India, the jurisdiction of their residence and any tax treaty between India and their country of residence. The IT Act is revised by the annual Finance Act every fiscal year. The provisions of the tax laws summarized below are based on the Finance Act 2009.

Taxation of Dividends

Dividends on shares received from an Indian company on which dividend distribution tax has been paid are exempt from tax in the hands of the shareholders. However, the Indian Company distributing dividends is subject to a distribution tax at the rate of 16.995%. Distributions of bonus shares and rights to subscribe for equity shares to Non-Residents are not a taxable event under Indian tax laws.

Income Tax Laws and Tax Treaty Benefits

The taxation of Non-Resident in India shall be governed by the provisions of the IT Act and the tax treaty between India and the jurisdiction of the Non-Residents ("Tax Treaty"). As per Section 90 (2) of IT Act, the provisions of IT Act would apply to the extent they are more beneficial than the provisions of applicable tax treaty.

Taxation of Capital Gains

The Tax Treaty between India and countries like the U.S. and U.K. do not limit India's ability to impose tax on capital gains. However, capital gains on the sale of Equity Shares purchased in this Issue by residents of certain other countries like Mauritius and Singapore will not be taxable in India by virtue of the provisions contained in the Tax Treaty between India and these countries.

Equity Shares held by a Non-Resident investor for a period of more than 12 months shall be treated as long-term capital assets and the amount of gain on sale of such Equity Shares will be treated as long-term capital gain. If the Equity Shares are held for a period of 12 months or less than 12 months, the capital gain arising on the sale thereof is to be treated as short-term capital gain.

The amount of gain on the disposition of an equity share must be computed by converting the cost of acquisition and full value of the consideration received as a result of such disposition into the same foreign currency as was initially utilised for acquisition, and the capital gains so computed in foreign currency shall be reconverted into Rupees. In respect of securities of Indian Company, purchased in foreign currency, the cost of acquisition is not allowed to be increased on account of inflation i.e. Indexation benefit is not available in such a case.

Long-Term Capital Gains

In the event that the benefits of the Tax Treaty are not available to the Non-Residents or the applicable Tax treaty permits the taxation of capital gain in India incidence of tax would be as follows:

- Long term capital gains being gains on sale of listed Indian securities held for a period of more than twelve months would not be taxable in India provided Securities Transaction Tax ("STT") has been paid on the same;

- Long term capital gains realized on sale of listed Indian securities not routed through a recognized stock exchange in India and therefore not subject to STT would be taxed at the rate of 10.56%. The rate for short term capital gains on such transactions for Non-Resident companies is 42.23% and for FIIs is 31.67%.

Short-Term Capital Gains

- Short-term capital gains being gains on sale of listed Indian securities held for a period of twelve months or less will be taxed at the rate of 15.84% provided STT has been paid on the same;

- In the event that sale is otherwise than on a stock exchange and as a result no STT is paid, short-term gain is subject to tax at the rate of 42.23% in case of Non-Resident company and 30.90% in case of Non-Resident individual.

STT

All transactions entered on a recognized stock exchange in India will be subject to Securities Transaction Tax ("STT") levied on the transaction value.

- *Delivery based transactions*

  In case of purchase/sale of listed equity shares which is settled by way of actual delivery or transfer of the equity share, STT will be levied at the rate of 0.125% on both the buyer and seller of the equity share.

- *Non-delivery based transactions*

  In case of sale of equity shares settled otherwise than by way of actual delivery or transfer of the equity share, STT will be levied at the rate of 0.025% on the seller of the equity share.

- *Taxability of STT*

  In case of income being treated as trading income, STT paid can be claimed as deductible expenditure in computing taxable income from business.

Characterisation of the income of the Investor

It may be noted that there are contradicting judicial rulings on characterization of income of a fund regularly trading in shares and securities in India and the confusion is expected to be clarified by the revenue authorities by providing guidance for such characterisation by way of a circular. Pending such clarification, in case the income of the Investor is characterized as business income and it is regarded to have a permanent establishment in India, the income could be taxed at the rate of 42.23%.

Tax Deduction at Source

Generally, tax, surcharge and education cess on the capital gain if any, are withheld at the source by the purchaser/person paying for the equity shares in accordance with the relevant provisions of the IT Act.

Wealth Tax and Gift Tax

No Indian wealth tax or gift tax will be payable with respect to the Equity Shares. However, as per Finance Bill, 2009 any property (includes Shares and Securities) received in excess of Rs.50,000 with out consideration or inadequate consideration will be included in total Income, except for any property received from relatives.

The foregoing does not purport to be a complete analysis of the potential tax considerations relating to the Issue, and should not be construed as tax advice/opinion. Prospective investors should consult their own tax advisors as to the particular tax considerations applicable to them relating to the purchase, ownership and disposition of the Equity Shares, including the applicability of the local tax laws or non-tax laws, any changes in applicable tax laws and any pending or proposed legislation or regulations.

For Gupta Saharia & Co.
Chartered Accountants

Pawan Gupta
Partner
Membership No. 071471
Date : December 01, 2009
Place: Mumbai

LEGAL PROCEEDINGS

Our Company is involved in various legal proceedings pending before relevant Courts/statutory authorities, including tax-related litigation, civil matters and criminal matters. Our Company does not expect these legal proceedings to have a material adverse impact on our business, results of operations and financial condition.

We and two of our promoter directors, Mr. Jagdishkumar M. Gupta and Mr. Nalin J. Gupta, are involved in legal proceedings and claims in relation to certain matters. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. Any unfavorable decision against our Company and promoters resulting in imposition of a monetary liability could have an adverse impact on our financials.

Type of Legal Proceedings	Total number of pending cases		Amount involved (Rs. in million, approximate amount)
	Cases filed by our Company	Cases filed against our Company	
Civil cases	Nil	2	10.50
Customs cases	Nil	1	73.32
Income Tax cases	Nil	1	Not quantifiable
Excise cases	Nil	1	Not quantifiable

There are certain pending Income Tax appeals pending against our promoters. A classification of these is given in the following table:

Type of Legal Proceedings	Total number of pending cases		Amount involved (Rs. in million)
	Cases filed by our promoters	Cases filed against our promoters	
Income Tax cases	Nil	2	• For assessment year 2001-2002: 0.18 million • For Assessment Year 2003-04: 1.73 million

GENERAL INFORMATION

Our Company was incorporated as J. Kumar & Company (India) Private Limited on December 2, 1999. The name of our Company was further changed to "J. Kumar Infraprojects Private Limited" and later to "J. Kumar Infraprojects Limited" pursuant to conversion into a public limited company on January 31, 2007. Our corporate identity number is L74210MH1999PLC122886.

Our Company's current corporate and registered office is situated at 16-A, Andheri Industrial Estate, Veera Desai Road, Andheri (West), Mumbai – 400 058

Our Company has undertaken the following acts in connection with the issue:

(a) This Issue was authorized and approved by the Board of Directors on July 30, 2009 and approved by the shareholders in their meeting on September 09, 2009.

(b) Our Company has filed a copy of the Preliminary Placement Document with BSE and NSE, and has received in-principle approvals from BSE and NSE under Clause 24(a) of the listing agreement by their letters dated December 02, 2009 and December 02, 2009, respectively.

(c) Our Company prepared its audited financial information for the years ended March 31, 2008 and March 31, 2009 and the unaudited financial results (limited reviewed) and notes thereto for the half year ended September 30, 2009, as contained herein in conformity with Indian GAAP, except as disclosed herein.

(d) Except as disclosed in the Placement Document, there has been no significant change in our financial position since March 31, 2009, the date of our last audited financial results.

(e) Our Statutory Auditors, Gupta Saharia & Co., Chartered Accountants have consented to the inclusion of their report in the Placement Document, which includes the audited financial information for the years ended March 31, 2008 and March 31, 2009, and the unaudited financial results (limited reviewed) for the half-year ended September 30, 2009.

(f) Copies of our Memorandum and Articles of Association will be available for inspection during usual business hours on any weekday (except Saturdays, Sundays and public holidays) at our Registered Office between 11 am and 4 pm.

(g) We have obtained all consents, approvals and authorizations required in connection with the Issue.

(h) We confirm that we are in compliance with the minimum public shareholding requirements as required under the terms of the listing agreements with the Stock Exchanges.

(i) Our Company and the GC- BRLM accept no responsibility for statements made otherwise than in the Placement Document and anyone placing reliance on any other source of information, including our website www.jkumar.com , would be doing so at his or her own risk.

(j) The Floor Price for the Issue is Rs. 180.25 per Equity Share of face value of Rs. 10 each. The Floor Price is calculated in accordance with Regulation 85 of the SEBI (ICDR) Regulations.

ACCOUNTANTS

The audited financial statements as of and for the two years ended March 31, 2009, March 31, 2008 and the unaudited financial results (limited reviewed) for the half year ended September 30, 2009; were prepared in accordance with the Auditing Standards and Generally Accepted Accounting Principles followed in India and which were so included in reliance on the report of Gupta Saharia & Co., Chartered Accountants Statutory Auditors, Mumbai for the years given on the authority of such firm as experts in auditing and accounting.

DECLARATION

The Company certifies that all relevant provisions of Chapter VIII read with Schedule XVIII of the SEBI (ICDR) Regulations have been complied with and no statement made in the Placement Document is contrary to the provisions of Chapter VIII and Schedule XVIII of the SEBI (ICDR) Regulations and that all approvals and permissions required to carry on this Issue have been obtained, are currently valid and have been complied with. We further certify that all the statements in the Placement Document are true and correct.

Chairman-cum-Managing Director

Date: December 15, 2009

Place: Mumbai

ANNEXURE - FINANCIAL STATEMENTS

Financial statements for the financial year ended March 31, 2009 and March 31, 2008

GUPTA SAHARIA & CO.
Chartered Accountants
4, Atlanta,
Evershine Nagar,
Malad (West),
Mumbai – 400 064
India

Auditors' Report to the Board of Directors of J. Kumar Infraprojects Limited on the Financial Statements of J. Kumar Infraprojects Limited.

1. We, M/s. Gupta Saharia & Co., Chartered Accountants have audited the attached Balance Sheet of J. Kumar Infraprojects Limited (hereinafter referred to as "the Company") as at March 31, 2009 and 2008, the Profit and Loss Account for the years ended on those dates and the Cash Flow statement for the years ended March 31, 2009 and 2008 which we have signed under reference to this report. These Financial Statements are the responsibility of the management of the Company and have been prepared by the management on the basis of separate financial statements and other financial information relating to the separate entities of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We report that the Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, ' Financial Statements', Accounting Standard (AS) 23, 'Accounting for Investments in Associates in Financial Statements' and Accounting Standard (AS) 27 'Financial Reporting of Interests in Joint Ventures' and on the basis of separate audited financials statements of the Company.

4. As the accompanying financials statements have been prepared on the basis of the audited statutory financial statements for the respective years, which have been adjusted for taxes and other income / expenditure in respect of earlier years and subsequent events. These financial statements have been audited by M/s. Gupta Saharia & Co., Chartered Accountants for the financial years ended March 31, 2009 and 2008. The audited statutory financial statements will continue to be the basis of annual reporting for the Company without above referred adjustments.

5. On the basis of the information and explanations given to us and on consideration of the separate audit reports on individual audited financial statements of the Company and its aforesaid entities, in our opinion, the Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009 and 2008;
   (b) in the case of the Profit and Loss Account, of the results of operations of the Company for the years ended on March 31, 2009 and 2008; and
   (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the years ended March 31, 2009 and 2008.

6. This report is solely for your information and for inclusion in the offer document being issued by the Company in connection with the proposed placement of equity shares under Chapter VIII of The Securities And Exchange Board Of India (Issue Of Capital And Disclosure Requirements) Regulations, 2009 and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For and on Behalf of
Gupta Saharia & Co.
Chartered Accountants

Pawan Gupta
Partner
Membership No.: 071471
Date : December 01, 2009
Place: Mumbai

AUDITORS' REPORT

To,

The Members

J. KUMAR INFRAPROJECTS LIMITED

1. We have audited the attached Balance Sheet of **J. KUMAR INFRAPROJECTS LIMITED** as at 31st March 2009 and also Profit and Loss Account for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we annex a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to Paragraph 3 above, we report that:
   a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
   b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
   c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
   d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section 3(C) of Sec. 211 of the Companies Act, 1956.
   e) On the Basis of written representations received from the directors, as on 31st March 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2009 from being appointed as a director in terms of section 274(1)(g) of the Companies Act, 1956;
   f) In our opinion and to the best of our information and according to the explanations given to us, the accounts read together with other notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
      1. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2009.
      2. In the case of Profit and Loss Account, of the Profit for the Company for the year ended on that date.
      3. In the case of Cash Flow Statement, of the Cash Flows for the Company for the year ended 31st March 2009.

For Gupta Saharia & Co.
Chartered Accountants

Pawan Gupta
(Partner)
M. No. 071471

Place: Mumbai
Date: July 30, 2009

Annexure referred to in paragraph 3 of the Auditor's report to the members of J. KUMAR INFRAPROJECTS LIMITED on the accounts for the year ended 31st March, 2009.

1. FIXED ASSETS:

(a) The Company has maintained proper records showing full particulars, including quantitative details and the situation of its fixed assets;

(b) The fixed assets have been physically verified by the management during the year. In our opinion, the frequency of verification of the fixed assets by the management is reasonable having regard to the size of the company and the nature of its assets. No discrepancies were noticed on such verification;

(c) Fixed assets disposed of during the year were not substantial. According to the information and explanations given to us, we are of the opinion that the disposal of fixed assets has not affected the going concern status of the Company;

2. INVENTORIES:

(a) The inventory have been physically verified by the management at reasonable intervals;

(b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventory followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business

(c) In our opinion the Company has maintained proper records of inventory. No material discrepancies between the physical stocks and the book records were found.

3. LOANS AND ADVANCES:

(a) According to the information and explanations given to us, the company has neither granted nor taken any loans, secured or unsecured from the Companies , firms and other parties mentioned in the Register maintained under section 301 of the Companies Act,1956.

(b) Since the Company has neither granted nor taken any loans, the provision of Clause (iii) (b), (iii) (c), (iii)(d), (iii) (e), (iii) (f), (iii) (g), of the Order are not applicable to the Company.

4. TRANSACTIONS WITH PARTIES UNDER SECTION 301 OF THE COMPANIES ACT 1956.

Based on the audit procedure applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 have been properly entered in the said register;

5. INTERNAL CONTROL:

In our Opinion and according to information and explanation given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for purchase of inventory and fixed assets and for the work done. During the course of audit, we have not observed any major weakness in internal control system.

5. DEPOSITS:

The Company has not accepted any deposits within purview of Sec.58A of the Companies Act, 1956.

6. INTERNAL AUDIT

The Company has a system of internal audit which, in our opinion is commensurate with its size and nature of its business.

7. COST RECORDS:

Maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act 1956

8. STATUTORY DUES:

According to the records, information and explanation provided to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Employee Provident Fund, Employee State Insurance Scheme, Income tax, sales-tax, Service Tax, Excise duty, Custom duty, Cess and other statutory dues applicable to it and no undisputed amounts payable were outstanding as 31st March 2009 for a period of more than six months from the date they became payable.

9. NET WORTH/CASH LOSSES:

The Company does not have accumulated losses as at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.

10. REPAYMENT OF DUES:

The Company has not defaulted in repayment of any dues to financial institutions or banks or debenture holders.

11. ADVANCES AGAINST SHARES :

In our opinion , the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

12. CHIT FUND/ NIDHI FUND

The Company is not chit/nidhi/ mutul benefit fund/society and hence clause 4(xiii) of the order is not applicable.

13. TRADING IN SHARES, SECURITIES, DEBENTURES & OTHER INVESTMENTS

The Company is not dealing or trading in shares, securities, debentures and other investments.

14. GUARANTEES

On the basis of the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions

15. TERM LOANS:

On the basis of the information and explanations given to us the Company has applied the term loans for the purpose for which the same was obtained;

16. SOURCE AND APPLICATION OF FUNDS:

On the basis of our examination of the books of accounts and the information and explanation given to us, in our opinion, the funds raised for short-term basis have not been used for long-term investment, and vice versa.

17. PREFERENTAL ALLOTMENT OF SHARES TO PARTIES COVERED IN THE REGISTER MAINTAINED UNDER SECTON 301 OF THE COMPANIES ACT 1950

During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act 1956.

18. MISCELLANEOUS:

i. The Company does not have any outstanding debenture during the year.

ii. Based on the audit procedure performed and information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For Gupta Saharia & Co.
Chartered Accountants

Pawan Gupta
(Partner)
M.No.071471

Place: Mumbai
Date: July 30, 2009

BALANCE SHEET AS AT 31ST MARCH, 2009

PARTICULARS	SCHEDULE	As at 31.03.2009 Rs.	As at 31.3.2008 Rs.
SOURCES OF FUNDS :			
1. SHAREHOLDER'S FUNDS :			
(a) SHARE CAPITAL	A	207,244,200	207,244,200
(b) RESERVES & SURPLUS	B	1,300,529,725	1,019,748,357
2. LOAN FUNDS			
(a) SECURED LOAN	C	485,078,395	382,613,815
(b) UNSECURED LOAN	D	-	-
3. Deferred Tax Liability		24,999,466	11,385,624
		2,017,851,786	1,620,991,996
APPLICATION OF FUNDS :			
1. FIXED ASSETS	E		
GROSS BLOCK		1,212,509,325	673,314,105
LESS : ACCUMULATED DEPRECIATION		201,756,439	95,503,602
NET BLOCK		1,010,752,886	577,810,503
2. INVESTMENT	F	9,524,847	184,107,558
3. CURRENT ASSETS, LOANS & ADVANCES			
INVENTORIES	G	362,322,154	61,588,681
SUNDRY DEBTORS	H	296,664,973	149,703,710
CASH & BANK BALANCE	I	242,494,493	442,488,680
OTHER CURRENT ASSETS	J	151,680,701	78,959,552
LOANS & ADVANCES	K	749,940,945	417,198,045
Total (I)		1,803,103,267	1,149,938,668
LESS :			
4. CURRENT LIABILITIES & PROVISIONS			
CURRENT LIABILITIES	L	521,541,231	174,489,968
PROVISIONS	M	330,869,978	172,700,944
Total (II)		852,411,209	347,190,912
NET CURRENT ASSETS (I) - (II)		950,692,057	802,747,756
5. MISCELLANEOUS EXPENSES		46,881,996	56,326,179
(To the extent not written off or adjusted)			
		2,017,851,786	1,620,991,996
NOTES TO ACCOUNTS	T		

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

As per report of even date.
For Gupta Saharia & Co.
Chartered Accountants

Pawan Gupta
Partner
Membership No.71471

Place : Mumbai
Date : July 30, 2009

For and on behalf of Board of Directors of
J. Kumar Infraprojects Limited

Jagdishkumar M. Gupta
Chairman & Managing Director

Kamal J. Gupta
Executive Director

Nalin J. Gupta
Executive Director

Poornima Reddy
Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

PARTICULARS	SCHEDULE	As at 31.03.2009 Rs.	As at 31.3.2008 Rs.
INCOME			
INCOME FROM OPERATION	N	4,064,606,575	2,142,425,687
OTHER INCOME	O	71,533,171	27,807,385
Total 1 :		4,136,139,746	2,170,233,072
EXPENDITURE			
CONSTRUCTION EXPENSES	P	3,139,457,040	1,593,132,961
EMPLOYEE'S REMUNERATION & BENEFITS	Q	87,967,069	39,531,949
ADMINISTRATION, SELLING & OTHER EXPENSES	R	233,245,465	120,833,816
INTEREST & FINANCIAL CHARGES	S	79,823,454	59,969,176
DEPRECIATION		106,711,117	60,916,581
Total 2 :		3,647,204,145	1,874,384,483
PROFIT/LOSS BEFORE TAXATION (1-2)		488,935,601	295,848,589
LESS: PROVISION FOR TAXATION			
CURRENT		144,583,205	95,129,423
DEFERRED TAX LIABILITY		13,613,842	4,453,212
FRINGE BENEFIT TAX		1,462,043	1,297,648
PROFIT/LOSS AFTER TAXATION		329,276,511	194,968,306
LESS: APPROPRIATIONS			
PROPOSED DIVIDEND ON EQUITY SHARES		41,448,840	31,086,630
CORPORATE TAX ON PROPOSED DIVIDEND ON EQUITY SHARES		7,046,303	5,284,727
BALANCE OF PROFIT CARRIED TO BALANCE SHEET		280,781,368	158,596,949
NOTES TO ACCOUNTS	T		

The schedules referred to above and notes to accounts form an integral part of the Profit & Loss A/c.

As per report of even date.
For Gupta Saharia & Co.
Chartered Accountants

Pawan Gupta
Partner
Membership No.71471

Place : Mumbai
Date : July 30, 2009

For and on behalf of Board of Directors of
J. Kumar Infraprojects Limited

Jagdishkumar M. Gupta
Chairman & Managing Director

Kamal J. Gupta
Executive Director

Nalin J. Gupta
Executive Director

Poornima Reddy
Company Secretary

Annexure- III

CASH FLOW STATEMENTS

Particulars	31.03.2009 Rs.	31.03.08 Rs.
CASH FLOW FROM OPERATING ACTIVITIES		
Net Operating Profit before Taxation & Extraordinary Item	488,935,601	295,848,589
Adjustment for:		
Depreciation (net)	106,252,837	60,722,722
Dividend Received	(9,849,873)	(423,054)
Interest & Rent Received	(28,971,895)	(17,852,308)
Preliminary Expenses W/off	11,713,425	-
Interest & Finance Charges paid	79,823,454	59,969,176
Operating Profit before working capital changes	**647,903,549**	**398,265,125**
Adjustment for changes in Working Capital:		
Inventories	(300,733,474)	(28,713,821)
Debtors	(146,956,855)	(136,913,313)
Loans & Advances	(332,747,306)	(298,707,618)
Other Current Assets	(72,721,149)	(69,620,981)
Current Liabilities & Provision	347,051,263	66,108,879
Movement in Working capital limits	**(506,107,521)**	**(467,846,854)**
Cash generated from operation	141,796,028	(69,581,729)
Net Cash from Operating Activities (A)	**141,796,028**	**(69,581,729)**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(539,195,220)	(287,923,452)
Investment in Joint Venture	(5,417,289)	(3,907,558)
(Purchase)/Redemption of Investment	180,000,000	(180,200,000)
Dividend Received	9,849,873	423,054
Interest & Rent Received	28,971,895	17,852,308
Net Cash from Investing Activities (B)	**(325,790,741)**	**(453,755,648)**
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(36,371,357)	-
Increase in Long Term Borrowing	102,464,580	118,162,941
Decrease in Unsecured Loan	-	(1,000,000)
Increase in Share Capital	-	82,290,000
Increase in Share Premium	-	771,030,000
Increase in Share Application	-	-
Interest & Finance charges paid	(79,823,454)	(59,969,176)
IPO Expenses/ Preliminary Expenses	(2,269,243)	(54,965,059)
Net Cash from Financing Activities (C)	**(15,999,474)**	**855,548,706**
Net Increase/(Decrease) in Cash & Cash Equivalent (A+B+C)	**(199,994,187)**	**332,211,329**
Cash & Cash Equivalent at the beginning of the year	**442,488,680**	**110,277,351**
Cash & Cash Equivalent at the end of year	**242,494,493**	**442,488,680**

Note:All figures have been rounded off to the nearest decimal.

As per report of even date.

For Gupta Saharia & Co.
Chartered Accountants

Pawan Gupta
Partner
Membership No.71471

Place : Mumbai
Date : July 30, 2009

For and on behalf of Board of Directors of
J. Kumar Infraprojects Limited

Jagdishkumar M. Gupta
Chairman & Managing Director

Kamal J. Gupta
Executive Director

Nalin J. Gupta
Executive Director

Poornima Reddy
Company Secretary

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

		As at 31.03.2009 Rs.	As at 31.3.2008 Rs.
SCHEDULE : A			
SHARE CAPITAL			
AUTHORIZED			
2,50,00,000 Equity Shares of Rs.10/-each		250,000,000	250,000,000
(Previous Year : 2,50,00,000 Equity Shares of Rs. 10/- each)			
ISSUED, SUBSCRIBED & PAID-UP			
2,07,24,420 Equity Shares of Rs. 10 each (Previous Year : 2,07,24,420 Equity Shares of Rs. 10/- each)		207,244,200	207,244,200
		207,244,200	207,244,200
SCHEDULE : B			
RESERVES & SURPLUS			
Profit & Loss Account			
Op. Balance		248,718,357	90,121,408
Add(Less) : Profit(Loss) during the year		280,781,368	158,596,949
Closing Balance	A	529,499,725	248,718,357
Share Premium			
Op. Balance		771,030,000	-
Add: Addition during the year		-	771,030,000
Closing Balance	B	771,030,000	771,030,000
	Total (A+B)	1,300,529,725	1,019,748,357
SCHEDULE : C			
SECURED LOAN			
From Banks and Financial Institutions for :			
Working Capital			
Cash Credit From Bank Of India (Secured by hypothecation of stock, book debts & pledge of shares)		283,937,409	50,965,893
Bank Over Draft Facility From Bank Of India (Secured by Fixed Deposits)		59,941,887	46,817,346
Term Loan			
Term Loan From UTI Bank (Secured by first charge on immovable property of the company)		2,135,882	44,430,984
Other Term Loans (Secured by hypothecation of Plant & Machinery)		139,063,218	240,399,592
		485,078,395	382,613,815
(All Loans are Secured by Personal guarantee of Jagdishkumar Gupta, Kamal Gupta & Nalin Gupta)			
SCHEDULE : D			
UNSECURED LOAN:-		-	-
		-	-

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

SCHEDULE : E
FIXED ASSETS SCHEDULE

	Gross Block				Depreciation				Net Block	
Particulars	**Op. balance as on 1.04.2008**	**Additions during the year**	**Deductions during the year**	**Total**	**Op. balance as on 1.04.2008**	**Amount Written Back**	**For the Period up to 31.03.2009**	**Total**	**As on 31.03.2009**	**As on 31.03.2008**
Land Building	12,886,866	496,000	-	13,382,866	-	-	-	-	13,382,866	12,886,866
Computers	2,234,360	2,499,432	221,233	4,512,559	712,725	65,233	1,022,581	1,670,073	2,842,486	1,521,635
Furniture Fixture	6,600,810	11,725,550	-	18,326,360	813,453	-	1,855,959	2,669,412	15,656,948	5,787,357
Plant&Machinary	647,904,050	522,934,263	6,417,311	1,164,421,002	92,665,122	393,047	102,454,509	194,726,584	969,694,419	555,238,928
Vehicles	3,688,019	8,178,519	-	11,866,538	1,312,302	-	1,378,069	2,690,371	9,176,167	2,375,717
	673,314,105	**545,833,764**	**6,638,544**	**1,212,509,325**	**95,503,602**	**458,280**	**106,711,117**	**201,756,439**	**1,010,752,886**	**577,810,503**
Previous Year	385,390,653	288,895,610	972,158	673,314,105	34,780,880	193,859	60,916,581	95,503,602	577,810,503	

	As at 31.03.2009 Rs.	As at 31.3.2008 Rs.
SCHEDULE : F		
INVESTMENTS		
Shiva Engneering Construction	4,000,000	-
A.D. & J. Kumar Infra. J.V.	5,324,847	3,907,558
HDFC 90 D FMP	-	30,000,000
HDFC Infrastructure Fund	200,000	200,000
ICICI Prudential Flexible Income	-	50,000,000
Lotus India FMP Common	-	20,000,000
Reliance Liquid Plus Fund	-	50,000,000
SBI Debt Fund Services	-	10,000,000
Tata FIPF A3	-	10,000,000
UTI Fixed Maturity Plan	-	10,000,000
	9,524,847	184,107,558
SCHEDULE : G		
INVENTORIES(at lower of cost and net realizable value)		
Raw Material	118,422,154	41,056,878
Work in Progress	243,900,000	20,531,803
	362,322,154	61,588,681
SCHEDULE : H		
SUNDRY DEBTORS		
Outstanding for more than six Month		
Considered good	3,443,668	1,878,353
Considered Doubtful	1,788,843	-
Others Debts		
Considered good	291,432,462	147,825,357
	296,664,973	149,703,710

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	As at 31.03.2009 Rs.	As at 31.3.2008 Rs.
SCHEDULE: I		
CASH & BANK BALANCE		
Cash on Hand	1,989,779	2,665,683
Balances with Scheduled Banks		
On Current accounts	60,773,097	71,837,848
On Fixed Deposits accounts	179,731,617	367,985,149
	242,494,493	442,488,680
SCHEDULE: J		
OTHER CURRENT ASSETS		
Accrued Interest On FDR	23,621,011	11,123,617
Excise Duty Receivable	13,818,739	43,663,009
Withheld by Customer	38,176,737	22,033,682
Work Contract Tax (ADJK)	4,532,181	2,139,244
Cenvat Available	32,980,496	-
Prepaid Land Rent	23,371,596	-
Other Current Assets	15,179,941	-
	151,680,701	78,959,552
SCHEDULE: K		
LOAN & ADVANCES		
Advances recoverable in Cash or in Kind or for value to be received	150,545,565	137,272,260
Advance Tax (07-08)	69,459,212	69,459,212
Advance Tax (08-09)	19,962,043	-
Deposits		
TDS (07-08)	65,452,837	65,452,837
TDS (08-09)	81,826,570	-
Others	362,694,718	145,013,736
	749,940,945	417,198,045
SCHEDULE: L		
CURRENT LIABILITIES		
Sundry Creditors :		
For Transport	4,668,264	2,699,744
Goods	340,381,860	77,197,082
Loans & Advances		
Material Advance	80,040,880	48,228,033
Deposits	47,996,532	38,928,538
Landmark Corporation (S.D. & ASD)	24,999,722	-
Others Liabilities	23,453,973	7,436,571
	521,541,231	174,489,968

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	As at 31.03.2009 Rs.	As at 31.3.2008 Rs.
SCHEDULE: M		
PROVISION		
Provision for Income Tax (Financial Year 04-05)	253,418	253,418
Provision for Income Tax (Financial Year 05-06)	3,727,824	3,727,824
Provision for FBT (Financial Year 05-06)	131,730	131,730
Provision for Income Tax (Financial Year 06-07)	35,205,848	35,205,848
Provision for FBT (Financial Year 06-07)	583,696	583,696
Provision for Income Tax (Financial Year 07-08)	95,129,423	95,129,423
Provision for FBT (Financial Year 07-08)	1,297,648	1,297,648
Proposed Dividend on Equity Shares (F.Y.07-08)	-	31,086,630
Corporate Tax on Proposed Dividend on Equity Shares (F.Y.07-08)	-	5,284,727
Provision for Income Tax (Financial Year 08-09)	144,583,205	-
Provision for FBT (Financial Year 08-09)	1,462,043	-
Proposed Dividend on Equity Shares (F.Y.08-09)	41,448,840	-
Corporate Tax on Proposed Dividend on Equity Shares (F.Y.08-09)	7,046,303	-
	330,869,978	172,700,944

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	31.03.2009 Rs.	31.3.2008 Rs.
SCHEDULE: N		
INCOME FROM OPERATIONS		
Contract Revenue	3,649,596,674	1,852,067,966
Boring, Chiseling and Hiring Charges	245,773,941	245,778,771
RMC Sales	154,020,387	42,331,174
Profit from Joint Venture	15,215,573	2,247,776
	4,064,606,575	2,142,425,687
SCHEDULE: O		
OTHER INCOME		
Dividend Received	9,849,873	423,054
Discount Received	934,748	1,124,064
Interest On FDR	28,971,895	12,845,324
Miscellaneous income	22,055,735	4,311,743
Lease & License	9,720,920	7,555,200
Rent Received	-	1,548,000
	71,533,171	27,807,385
SCHEDULE: P		
CONSTRUCTION EXPENSES		
(Increase) / Decrease In Stock Of WIP		
Opening Stock of WIP	20,531,803	9,075,000
Closing Stock of WIP	(243,900,000)	(20,531,803)
	(223,368,197)	(11,456,803)
Material Cost		
Opening stock of Raw Material	41,056,878	23,799,860
Add: Purchases	2,902,027,348	1,247,183,465
Less: Closing stock of Raw Material	(118,422,154)	(41,056,878)
	2,824,662,072	1,229,926,447
Other Direct Expenses		
Anti Treatment	41,145,120	24,324,225
Blasting Charges	-	60,720
Material Supplied by Party	4,508,402	8,746,012
Royalty	1,131,431	2,267,862
Soil Investigation Charges	11,577,177	5,775,015
Soil Excavation	5,456,320	3,685,122
Hire Charges for Machine	21,750,779	17,296,854
Labour Charges	24,286,921	9,790,340
Water charges	3,170,443	1,715,240
Tree Plantation & Water Proofing charges	336,702	1,041,207
Dewatering & Fabrication Charges	6,495,930	-
	119,859,226	74,702,597
Construction Site Workers Wages	332,355,484	208,852,720
Sub Contract	55,470,559	58,036,002
Transport Charges	30,477,896	33,071,998
Grand Total	3,139,457,040	1,593,132,961

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	31.03.2009 Rs.	31.3.2008 Rs.
SCHEDULE : Q		
EMPLOYEES' REMUNERATION & BENEFITS		
Salary	71,150,853	29,589,009
Bonus	4,405,600	1,446,530
Staff Welfare	6,973,145	5,578,228
Leave Encashment	166,748	-
Medical Exp.	438,912	295,463
Workmen Compensation Insurance	1,798,795	1,601,786
Labour Welfare Fund	276,378	15,876
Provident Fund	2,074,304	670,711
E.S.I.C	682,334	334,346
	87,967,069	39,531,949
SCHEDULE: R		
ADMINISTRATION, SELLING &OTHER EXPENSES		
Advertisement	2,440,037	654,003
Consultancy Charges	19,599,122	9,413,391
Insurance	22,259,679	11,063,329
Directors Remuneration	7,500,000	5,890,000
Electricity Charges	16,769,834	11,701,267
General Expenses	10,891,580	3,367,324
Loss on sale of Fixed Assets	2,139,592	-
Maintenance Charges	-	117,301
M.Vat Paid	15,668,574	3,078,863
Octroi Charges	18,415,279	
Operating & Other Exp.	32,557,760	17,771,540
Preliminary Exp. W/o	11,713,425	-
Printing & Stationary	1,732,394	1,546,360
Professional Charges	4,630,095	2,088,428
Rent & Taxes	56,554,016	46,616,483
Repairs&Maintaenance	2,791,521	2,272,128
Telephone Expenses	3,203,889	2,227,662
Traveling Expenses	4,378,668	3,025,737
	233,245,465	120,833,816
SCHEDULE: S		
INTEREST AND FINANCIAL CHARGES		
Bank Guarantee Commission and L.C Charges	29,958,736	17,184,523
Bank Interest	24,479,777	7,015,050
Interest on term loan	24,188,500	27,582,869
Interest On Mobilization Advance	474,580	1,346,677
Other Interest / Financial Charges	721,861	6,840,057
	79,823,454	59,969,176

SCHEDULE T: Notes to Accounts for the year ended on 31st March, 2009.

SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

(A) **Significant Accounting Policies**:

1. Accounting Concepts:

a) The Financial Statements are prepared under the historical cost convention, on an accrual basis and in accordance with the applicable mandatory Accounting Standards issued by the Institute Of Chartered Accountants of India (ICAI) and relevant provision of Companies Act, 1956.

b) Accounting policies have been consistently applied by the company.

2. Revenue Recognition:

The Company follows the percentage completion method, on the basis of physical measurement of work actually completed at the balance sheet date, taking into account the contractual price and revision thereto by estimating total revenue and total cost till completion of the contract and profit so determined has been accounted for proportionate to the percentage of actual work done.

Claims are accounted as income in the year of receipt of arbitration award or acceptance by client or evidence of acceptance received.

3 Fixed Assets:

a) Fixed Assets are valued at cost (including other expenses related to acquisitions and installation) less accumulated deprecation/ amortization.

b) The cost of an assets comprises of purchase price and any directly attributable cost of bringing the assets to its present condition for intended use.

4. Depreciation:

a) Depreciation on Fixed Assets is being provided on Written Down value Method as specified in Schedule XIV to the Companies Act, 1956.

b) Depreciation in respect of additions or deletions to fixed assets is provided on pro-rata basis from the date on which such assets are acquired/ put to use.

5. Valuation of Inventories:

a) Inventories are valued at the lower of cost or net realizable value except waste/scrap which is valued at net realizable value. The cost is computed on FIFO basis.

b) Work in progress on construction contracts reflect the value of material inputs and expenses including appropriate overheads incurred on such contracts, at cost.

6. Investments:

Investment are classified as Current Investment and carried in the books at Cost.

7. Provision for Taxes:

- **Current Tax:**

  Provision for Current Tax is made on the basis of estimated taxable income for the current accounting period and in accordance with the provisions as per Income Tax Act, 1961.

- **Deferred Tax:**

  Deferred Tax resulting from timing difference between book and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date.

  The Break up of Deferred Tax Asset / Liabilities is as under:

(Rs. In Lacs)

Particulars	31.03.2009	31.03.2008
Deferred Tax Liabilities: Difference between Book and Tax Depreciation	136.14	44.53
Deferred Tax Assets:	Nil	Nil

- Fringe Benefit Tax is provided in accordance with the provisions of the Income Tax Act, 1961.

SCHEDULE T: Notes to Accounts for the year ended on 31st March, 2009.

8. **Borrowing Cost:**

Borrowing costs that are attributable to the acquisition, construction of a qualifying assets are capitalized. Other borrowing costs are charged as expenses.

9. **Accounting for Joint Venture Contracts:**

In respect of contracts executed in integrated joint venture under profit sharing arrangements (assessed as Partnership Firm under the Income Tax laws) the profit or loss is accounted for, as when it is determined by the joint venture and the net investment in the joint venture is reflected as investments.

The List of Joint Venture entities:

Sr no.	Name of the Joint Venture	Name of the Venture Partner	Proportion of Our interest in JV
1	J. Kumar Infraprojects Limited & Chirag Construction Co. (J.V.)	M/s Chirag Construction Company	55%
2	J.Kumar-Chirag-Babulal (Consortium)	M/s Babulal Uttamchand & Co. M/s Chirag Construction Company	51%
3	J.Kumar-Chirag-Navdeep (Consortium)	M/s Navdeep Construction Company M/s Chirag Construction Company	51%
4	J.Kumar-Chirag-Jkin (Consortium)	M/s Jekin Enterprise M/s Chirag Construction Company	51%
5	J.Kumar-Chirag-API (Consortium)	M/s API Construction M/s Chirag Construction Company	51%
6	NCC-J.Kumar J.V	M/s Nagarjuna Construction Company	50%
7	Ameya Developers & J. Kumar (J.V)	M/s Ameya Developers Pvt Ltd	50%
8	J.Kumar-Shiva Engneering	M/s Shiva Engineering Construction	50%
9	J. Kumar-RPS JV	M/s RPS Infraprojects Private Limited	51%
10	J.Kumar-Mukesh Brothers	M/s Mukesh Brothers	80%

10. **Foreign Exchange Transaction:**

Transaction denominated in foreign currencies is normally at the exchange rate prevailing at the time of the transaction.

11. **Earning Per Share:**

Basic EPS is computed using the weighted average number of equity share outstanding during the year. Diluted EPS is computed using the weighted average number of equity and diluted equity equivalent shares outstanding during the year except where the result would be anti- dilutive.

(Rs. in Lacs)

Basic & Diluted EPS	31.03.2009	31.03.2008
Net Profit as per Profit & Loss account available for equity shareholders	3292.77	1949.68
Weighted average number of Equity shares	2,07,24,420	2,07,24,420
Basic & Diluted EPS (before and after Extraordinary item)	Rs.15.89/-	Rs.9.41/-

12. **Provision, Contingent Liabilities Contingent Asset:**

Provision involving substantial degree of estimation in measurement is recognize when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Provisions are determined based on Management estimates required to settle the obligation at the Balance Sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current Management estimate.

Contingent liabilities are not recognize but are disclosed in the notes. Contingent asset are neither recognized nor disclosed in the financial statements. Outstanding Bank Guarantee as on 31st March 2009 is Rs.6202.72 lacs.

SCHEDULE T: Notes to Accounts for the year ended on 31st March, 2009.

13. Retirement Benefits to Employees:

The Company is not making any provision in the books of account for Gratuity, Leave Encashment and Superannuation however Provident Fund contributions are made to the Government administered provident fund. The Company has no further obligations in respect of provident fund beyond the contribution charged in the financial statements.

14. Micro & Small Enterprises:

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding more than 45 days at the Balance Sheet date. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

15. Lease Transactions:

Leases, where significant portion of risk and reward of ownership are retained by the lesser, are classified as Operating Leases and lease rentals thereon are charged to the Profit and Loss Account.

16. Segmental Reporting:

As the Management information system of the Company recognises and monitors "Construction" as the only business segment, the accounting standards "Segmental Reporting" does not apply.

17. In the opinion of the Management, the balance shown under sundry debtors & loans & advances have approximately the same realisable value as shown in accounts.

18. The Management is of the opinion that as on the Balance Sheet date, there are no indications of a material impairment loss on Fixed Assets, hence, the need to provide for impairment loss does not arise.

19. The Income-Tax assessments of the Company have been completed up to the accounting year ended 31stMarch, 2007.

20. Figures of previous year have been regrouped / rearranged wherever necessary.

B) Managerial Remuneration:

(Rs. In Lacs)

Particulars	For the year ended on 31/03/09	For the year ended on 31/03/08
1) Salary	75.00	58.90
2) Sitting Fees	1.10	0.60

C) Payments to Auditors:

(Rs. In Lacs)

Particulars	For the year ended on 31/03/2009	For the year ended on 31/03/2008
Audit Fees	12.50	10.00
Taxation matters	2.00	2.00
For Certification and other Services	1.00	1.00

D) Disclosure as per Accounting Standards – 7:

(Rs. In Lacs)

Particulars	For the year ended on 31/03/09	For the year ended on 31/03/08
1) Amount of Contract revenue recognized as revenue in the period	36495.97	18520.68
2) Contract Cost incurred and recognized Profits(less recognized losses) up to the reporting date.	31391.40	15931.33
3) Advances Received from Customer for Contract Work	800.40	473.58

SCHEDULE T: Notes to Accounts for the year ended on 31st March, 2009.

E) Secured Loans:

i) Working Capital Limits: The Company has taken Working Capital Limits against hypothecation of Stock and Book Debt from Bank Of India details of which is as follows:

Particulars	Working Capital Facility
Cash Credit	Rs.3000 Lacs
BG Limit	Rs.7000 Lacs
Collateral Security	(1) Pledge of 20.25 lacs Company's shares from Promoter's holding. (2) E.M. of open plot at Thane. (3) E.M. of Unit No. 14, at Andheri Industrial Estate, Andheri (W) (4) Hypothecation of unencumbered plant & machinary amounting to Rs.43 lacs as per list given by the company.
Guarantor	Personal guarantees of Directors Mr.Jagdishkumar M.Gupta, Mr.Kamal J Gupta, Mr.Nalin J Gupta and Mrs. Kusum J. Gupta & J.Kumar & Co.
Outstanding as on 31.03.2009	Rs.2839.37 lacs

ii) **Overdraft against FDR:**

The Company has taken Overdraft Facility against Fixed Deposit Receipts from Bank Of India and the outstanding balance as at 31st March,2009 was Rs.599.42 Lacs

iii) **Term Loan:**

The Company has taken Term Loan for the Purchase of Plant & Machinery from Several financials institutions and Banks and secured by way first charge on such Plant & Machinery. The Outstanding balance as at 31st March,2009 is Rs. 1411.99 lacs. The Company has also taken a loan from UTI Bank against mortgage of Immovable Properties.

F) Quantitative Details:

The Company is engaged in the business of Construction contract. Such activity can not be expressed in any generic unit. Hence, it is not possible to give the quantitative details of sales and the information as required under paragraph 3, 4C and 4D of part II of schedule VI of the Companies Act,1956.

G) RELATED PARTY TRANSACTIONS

Disclosure of Related Parties & Related Party Transactions

Proprietary Concern	**Joint Venture**	**Key Managerial Personnel**	**Relative of Key Managerial Personnel**	**Group Company**
J.Kumar & Co.	J. Kumar Infraprojects Limited & Chirag Construction Co. (J.V.)	Jagdishkumar M. Gupta	Kusum J Gupta	J. Kumar Software System (India) Private Limited
Goldline Advertisor	J.Kumar-Chirag-Babulal (Consortium)	Kamal J Gupta	Sonal K Gupta	J. Kumar Minerals & Mines Private Limited
	J.Kumar-Chirag-Navdeep (Consortium)	Nalin J Gupta	Shalini N Gupta	
	J.Kumar-Chirag-Jkin (Consortium)	Poornima Reddy	Govind Dabriwal	
	J.Kumar-Chirag-API (Consortium)	S.M.Thorat		
	NCC-J.Kumar J.V	Hiralal Poddar		
	Ameya Developers & J. Kumar (J.V)	Mohammad Fahim		
	J. Kumar-Shiva Engineering Construction	P. K. Prabhakaran		
	J. Kumar-RPS Infraprojects	Nalin M. Gupta		
	J. Kumar - Mukesh Brothers	Shirish A Kulkarni		

SCHEDULE T: Notes to Accounts for the year ended on 31st March, 2009.

Year Ended 2008 – 2009

(Rs. In Lacs)

Particulars	Proprietary Concern	Joint Venture	Key Managerial Personnel	Relative of Key Managerial Personnel	Associate Company
Investment	-	40.00	-	-	-
Remuneration Paid	-	-	75.00	-	-
Loan taken	-	4437.01	-	100.49	243.25
Loan Repaid	-	(3888.74)	-	(100.49)	(243.25)
Account Receivable	990.55	889.93	6.82	-	-
Account Receivable Paid	(990.55)	-	-	-	-

H) Details of Investment Purchased and redeemed during the year :-

Sr.No	Name of the fund	Opening balance of Units as on 01.04.2008		Purchased during the year		Sold during the year		Balance as on 31.03.2009	
		No. of units	Rs.	No.of units	Rs.	No.of units	Rs.	No.of units	Rs.
1	Birla Cash plus Liquid Fund	-	-	925,729	10,000,000	1,027,588	10,275,877	-	-
2	Birla Sun life Short term fund	-	-	5,000,000	50,000,000	5,019,676	50,224,372	-	-
3	HDFC 90D FMP	3,000,000	30,000,000	-	-	3,000,000	30,000,000	-	-
4	HDFC Infrastructure Fund	20,000	200,000	-	-	-	-	20,000	200,000
5	ICICI Prudential Flexible Income	4,218,875	50,000,000	-	-	4,789,546	50,642,268	-	-
6	LIC MF Floating Rate Fund	-	-	3,007,279	30,000,000	3,007,279	30,539,216	-	-
7	Lotus India FMP Common	2,000,000	20,000,000	-	-	2,015,676	20,161,198	-	-
8	Institutional Option Daily dividend plan	-	-	4,996,203	50,000,000	50,807	51,864,243	-	-
9	Fixed horizon Fund -VIII-Series -12	1,091,720	10,000,000	-	-	1,091,720	10,917,198	-	-
10	Montlly Interval Fund series-II Growth Plan	1,806,130	20,000,000	-	-	1,346,051	20,577,351	-	-
11	Quarterly Interval Fund series-III	999,930	10,000,000	-	-	1,041,712	10,426,492	-	-
12	Montlly Interval Fund	999,161	10,000,000	-	-	1,038,466	10,392,450	-	-
13	SBI Debt Fund	1,000,000	10,000,000	-	-	1,008,269	10,082,687	-	-
14	Tata FIPF A3	10,050	10,000,000	-	-	10,128	10,168,196	-	-
15	Tata Floater fund	-	-	996,453	10,000,000	1,013,545	10,171,532	-	-
16	UTI Fixed Maturity Plan	1,000,000	10,000,000	-	-	1022240	10224755	-	-
	Total	**16,145,866**	**180,200,000**	**14,925,663**	**150,000,000**	**26,482,703**	**336,667,834**	**20,000**	**200,000**

SCHEDULE T: Notes to Accounts for the year ended on 31st March, 2009.

I) DETAILS OF UTILISATION OF THE NET IPO PROCEEDS:

(Rs. In Lacs)

Particulars	As Projected in the Prospectus	As on 31st March, 2009
Investment in Capital Equipments	5084.23	5084.23
Funding our Working Capital Requirements	1552.67	1552.67
Public Issue Expenses	513.10	513.10
Total	**7150.00**	**7150.00**

J) EVENT OCCURRING AFTER THE BALANCE SHEET DATE:

1. **Issue of Convertible Warrants on Preferential basis to the parties covered under section 301 of the Companies Act 1956.**

   The Company has issued and allotted 40,00,000 Convertible warrants to the individuals and/or corporate belonging and/or not belonging to the Promoter/Promoter Group of the Company convertible into 40,00,000 Equity Shares at a price of Rs.60/-per equity shares (including premium of Rs.50/-per equity share) on preferential basis on 20th May,2009.

2. **To meet the working capital requirements, the Company has obtained the approval from various Bank s, sanctions for fund based and non fund based limits and collateral security offered by the Company as follows:-**

(Rs. in Lacs)

Sr. No.	Name of the Bank	Fund Based	Non Fund Based	Total
1	Bank Of India	3000	10000	13000
2	Central Bank of India	2000	7500	9500
3	Allahabad Bank	1000	6000	7000
4	Bank of Baroda	1500	3000	4500
5	Yes Bank	-	3500	3500
6	Citi Bank	2500	-	2500
	Total	**10000**	**30000**	**40000**

Particulars	Working Capital Facility
Cash Credit	Rs.10000 Lacs
BG Limit	Rs.30000 Lacs
Collateral Security	(1) Pledge of 40 lacs Company's shares from Promoter's holding. (2) E.M. of open plot at Thane. (3) E.M. of Unit No. 14, at Andheri Industrial Estate, Andheri (W) (4) Hypothecation of unencumbered plant & machinary.
Guarantor	Personal guarantees of Directors Mr.Jagdishkumar M.Gupta, Mr.Kamal J Gupta, Mr.Nalin J Gupta and Mrs. Kusum J. Gupta & J.Kumar & Co.

ISSUER

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