DRAFT RED HERRING PROSPECTUS
Please read Section 60B of the Companies Act, 1956
Dated February 8, 2012
Book Building Offer
This Draft Red Herring Prospectus will be updated upon filing with the RoC

NATIONAL BUILDINGS CONSTRUCTION CORPORATION LIMITED

Our Company was originally incorporated on November 15, 1960 as 'National Buildings Construction Corporation Limited' as a private limited company under the Companies Act, 1956. We became a public company on May 24, 2011 and our name was changed to 'National Buildings Construction Corporation Limited'. For further details in relation to corporate history of our Company and details of the change in the Registered Office, please see the section titled "***History and Certain Corporate Matters***" on page **117**of this Draft Red Herring Prospectus.

Registered and Corporate Office: NBCC Bhawan, Lodhi Road, New Delhi - 110003, India; **Telephone:** +91 11 43591555; **Facsimile:** +91 11 24366995.
Company Secretary and Compliance Officer: Mr. A. K. Singh; **Telephone**: +91 11 43591555 Ext 1202; **Facsimile**: +91 11 24366995;**E-mail**:cs.nbcc@nic.inWebsite: www.nbccindia.gov.in

THE PROMOTER OF OUR COMPANY: THE PRESIDENT OF INDIA, ACTING THROUGH THE MINISTRY OF URBAN DEVELOPMENT, GOVERNMENT OF INDIA

PUBLIC OFFER OF 12,000,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (THE "EQUITY SHARES") OF NATIONAL BUILDINGS CONSTRUCTION CORPORATION LIMITED ("NBCC" OR "COMPANY") THROUGH AN OFFER FOR SALE BY THE PRESIDENT OF INDIA, ACTING THROUGH THE MINISTRY OF URBAN DEVELOPMENT, GOVERNMENT OF INDIA (THE "SELLING SHAREHOLDER") FOR CASH AT A PRICE OF ₹[●]PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE), AGGREGATING ₹ [●] MILLION* (THE "OFFER"). THE OFFER COMPRISES A NET OFFER TO THE PUBLIC OF 11,880,000 EQUITY SHARES (THE "NET OFFER") AND A RESERVATION OF 120,000 EQUITY SHARES FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER WOULD CONSTITUTE 10% OF THE POST OFFER PAID-UP EQUITY CAPITAL OF OUR COMPANY AND THE NET OFFER WOULD CONSTITUTE 9.90% OF THE POST OFFER PAID-UP EQUITY CAPITAL OF OUR COMPANY **

THE FACE VALUE OF THE EQUITY SHARE IS ₹ 10 EACH AND THE OFFER PRICE IS [●] TIMES THE FACE VALUE.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY THE SELLING SHAREHOLDER AND OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS ("BRLMs") AND PUBLISHED ATLEAST TWO WORKING DAYS PRIOR TO THE BID OPENING DATE, IN ONE HINDI NATIONAL DAILY NEWSPAPER AND ONE ENGLISH NATIONAL DAILY NEWSPAPER, EACH WITH WIDE CIRCULATION (HINDI ALSO BEING THE REGIONAL LANGUAGE IN THE STATE WHERE THE REGISTERED OFFICE IS LOCATED), WITH THE RELEVANT FINANCIAL RATIOS CALCULATED AT THE FLOOR PRICE AND AT THE CAP PRICE.**

**subject to adjustments that may be required as a consequence of, inter-alia the Retail Discount, Employee Discount and the actual subscription and Allotment in terms of the Basis of Allotment.*
***A Discount of 5% (equivalent to ₹[●]) on the Offer Price is being offered to Retail Bidders ("**Retail Discount**") and to Eligible Employees (the "**Employee Discount**").Eligible Employees and Retail Bidders should note that the benefit of the Retail Discount and Employee Discount can be availed at the time of submitting the Bid.*

In case of revision in the Price Band, the Bidding Period will be extended for at least three additional Working Days after the revision of the Price Band subject to the Bidding Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be widely disseminated by notification to the BSE Limited (the "**BSE**") and the National Stock Exchange of India Limited (the "**NSE**"), by issuing a press release, and also by indicating the change on the websites of the Book Running Lead Managers ("**BRLMs**") and the Self Certified Syndicate Banks ("**SCSBs**") and at the terminals of the members of the Syndicate.

This Offer being made is in terms with Rule 19 (2) (c) of the Securities Contract Regulation Rules, 1957, as amended, and pursuant to Regulation 26(1) of the the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, (the "**SEBI ICDR Regulations**"),through the 100% Book Building Process,wherein not more than 50% of the Net Offer will be allocated to Qualified Institutional Buyers ("**QIBs**") ("**QIB Portion**"). Further, 5% of the QIB Portion will be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion will be available for allocation on a proportionate basis to QIBs including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. The remainder of the QIB Portion will be available for allocation on a proportionate basis to QIBs including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In addition not less than 15% of the Net Offer will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Offer Price. Further 120,000 Equity Shares shall be available for allocation on a proportionate basis to Eligible Employees (as defined hereafter), subject to valid Bids being received from them at or above the Offer Price. Any Bidder may participate in the Offer through the ASBA process by providing the details of the bank accounts in which the corresponding Bid Amounts will be blocked by the SCSBs. Specific attention of investors is invited to the section titled "**Offer Procedure**" on page 290 of this Draft Red Herring Prospectus.

RISK IN RELATION TO FIRST OFFER

This being the first public offer of equity shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 each and the Floor Price is [•] times of the face value. The Offer Price (as determined by the Selling Shareholder and our Company in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares through a Book Building Process and as stated in the section titled "Basis for the Offer Price" on page 38 of this Draft Red Herring Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading market in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares offered in this Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page xv of this Draft Red Herring Prospectus.

IPO GRADING

Pursuant to the SEBI ICDR Regulations, the Offer has been graded by [●] and has been assigned a grade of IPO Grade [●] indicating [●].The rationale furnished by the grading agency for its grading, will be updated at the time of filing of the Red Herring Prospectus with the RoC. The IPO Grading is assigned on a five-point scale from 1 to 5, with IPO Grade 5/5 indicating strong fundamentals and IPO Grade 1/5 indicating poor fundamentals. For more information on the IPO Grading, see the section titled "General Information" on page 17 of this Draft Red Herring Prospectus.

COMPANY'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. The Selling Shareholder confirms all information set out in this Draft Red Herring Prospectus in its respect as the Selling Shareholder which is material in the context of Offer for Sale.

LISTING

The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on the BSE and the NSE. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. We have received in-principle approvals from BSE and the NSE for the listing of our Equity Shares pursuant to their letters dated [●] and [●], respectively.

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE OFFER
IDBI Capital Market Services Limited 3rd floor, Mafatlal centre, Nariman Point, Mumbai 400 021, India **Telephone :** +91 22 4322 1212 **Facsimile :** +91 22 2285 0785 **E-mail :**nbcc.ipo@idbicapital.com **Investors Grievance Email :** redressal@idbicapital.com **Website :**www.idbicapital.com **Contact Person :**Mr. Subodh Mallya | Mr. Rishi Tiwari **SEBI Registration No:** INM000010866	**Enam Securities Private Limited**## 801 Dalamal Tower, Nariman Point Mumbai 400 021, India **Telephone:** +91 22 66381800 **Facsimile:** +91 22 22846824 **E-mail:**nbcc.ipo@enam.com **Investors Grievance E-mail:** complaints@enam.com **Website:**www.enam.com **Contact Person:** Ms. Kanika Sarawgi **SEBI Registration No:** INM000006856	**Bigshare Services Private Limited** E/2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai 400 072, India **Telephone :** +91 22 404 30 200 **Facsimile :** +91 22 2847 5207 **Email**:ashok@bigshareonline.com **Investor Grievance ID :** ipo.nbcc@bigshareonline.com **Website :** www.bigshareonline.com **Contact Person :**Mr. Ashok Shetty **SEBI Registration No. :**INR000001385

BID/OFFER PROGRAMME

BID OPENS ON [•]	**[•]**	**BID CLOSES ON (FOR QIB BIDDERS)#**	**[•]**
		BID CLOSES ON (FOR ALL OTHER BIDDERS)	**[•]**

#OurCompany and the Selling Shareholder in consultation with the BRLMs may consider closing the QIB Bidding Period one Working Day before the Bid Closing Date for other Bidders.

##The SEBI registration certificate of Enam Securities Private Limited, one of the book running lead managers to the Offer, as merchant banker, has expired on October 15, 2011. As required under Regulation 9(1) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 and in compliance with SEBI Circular No. SEBI/MIRSD/DR-2/SRP/Cir-2/2005 dated January 4, 2005, an application dated June 21, 2011 for renewal of the said certificate of registration, in the prescribed manner, was made on June 24, 2011 by Enam Securities Private Limited to SEBI, three months before the expiry of the said certificate of registration. The approval of SEBI in this regard is awaited. No communication has been received by Enam Securities Private Limited from SEBI rejecting the said application.

TABLE OF CONTENTS

SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

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

Company Related Terms

Term	Description
"Our Company" or to "NBCC" or "we" or "us" or "our"	National Buildings Construction Corporation Limited, a public limited company having its registered office at NBCC Bhawan, Lodhi Road, New Delhi – 110003
AoA / Articles of Association / Articles	The articles of association of our Company, as amended from time to time.
Audit Committee	The committee of directors constituted as our Company's audit committee in accordance with Clause 49 of the Listing Agreement
Auditors	The statutory auditors of our Company, being Amit Ray & Co., Chartered Accountants
Board or Board of Directors	The board of directors of our Company or a committee constituted thereof
CMD	Chairman-cum-Managing Director of our Company
Director(s)	The director(s) of our Company
Investor Redressal Committee	The Shareholders/ Investor Redressal Committee constituted by the Board on December 27, 2011
Joint Ventures	The joint ventures of our Company as referred to in the section titled "History and Certain Corporate Matters" on beginning on page 117 of this Draft Red Herring Prospectus
Key Management Personnel	The personnel listed as key management personnel in the section titled "Our Management" on beginning on page 127 of this Draft Red Herring Prospectus
Memorandum of Association or Memorandum	The memorandum of association of our Company, as amended
Promoter	The President of India, acting through the Ministry of Urban Development, Government of India
Registered and Corporate Office	The registered and corporate office of our Company, located at NBCC Bhawan, Lodhi Road, New Delhi-110003, India
Remuneration Committee	The Remuneration Committee constituted by the Board on December 27, 2011
Saleable Area	The part of Developable Area from which we derive economic interest
Selling Shareholder	The President of India, acting through the Ministry of Urban Development, Government of India

Offer Related Terms

Term	Description
Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Bidder who has been or is to be Allotted the Equity Shares after discovery of the Offer Price in accordance with the Book Building Process, including any revisions thereof
Allotted/Allotment/Allot	Unless the context otherwise requires, the transfer of the Equity Shares to successful Bidders pursuant to the Offer
Allottee	A successful Bidder to whom the Equity Shares are Allotted
ASBA or Application Supported by Blocked Amount/ASBA	An application, whether physical or electronic, used by Bidders to make a Bid authorizing the SCSB to block the Bid Amount in the specified

Term	Description
	bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which will be blocked by such SCSB to the extent of the appropriate Bid Amount in relation to a Bid by an ASBA Bidder, as specified in the Application-Cum-Bidding Form
ASBA Bidders	Prospective investors in this Offer who intend to Bid/ apply through the ASBA process
Application-Cum-Bidding Form	The form in terms of which a Bidder (including an ASBA Bidder) makes a Bid in terms of the Red Herring Prospectus and which will be considered as an application for Allotment
Banker(s) to the Offer/ Escrow Collection Banks	The banks which are clearing members and registered with SEBI, in this case being [●], [●] and [●], and with whom the Escrow A/c & Public offer A/c would be open
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Bidders under the Offer which is described in '***Offer Procedure***' beginning on page 290 of this Draft Red Herring Prospectus
Bid	An indication by the Bidder to make an offer to subscribe for Equity Shares in terms of the Red Herring Prospectus
Bid Amount	The highest value of the optional Bids indicated in the Application-Cum-Bidding Form and payable by the Bidder upon submission of the Bid. For Eligible Employees Bidding in the Employee Reservation Portion and Retail Bidders, the Bid shall be net of the Retail Discount and Employee Discount.
Bid Revision Application Form	The forms used by the Bidders (including ASBA Bidders) to modify the quantity of Equity Shares or the Bid Amount in any of their Application-Cum-Bidding Form(if submitted in physical form)
Bid/ Offer Closing Date	The date after which the members of the Syndicate and SCSBs will not accept any Bids for the Offer and which shall be notified in an English national newspaper and a Hindi national newspaper, each with wide circulation and in case of any revision, the extended Bid/ Offer Closing Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations In case of QIBs, the Bid/ Offer Period may close one Working Day prior to the Bid/ Offer Closing Date
Bid/ Offer Opening Date	The date on which the members of the Syndicate and SCSBs start accepting Bids for the Offer and which shall be notified in an English national newspaper and a Hindi national newspaper, each with wide circulation, each with wide circulation and in case of any revision, the extended Bid/ Offer Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations
Bid/ Offer Period	The period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof
Bidder	A prospective investor who makes a Bid in this Offer and unless otherwise stated or implied includes an ASBA Bidder
Bidding	The process of making a Bid
Bidding Centres	A centre for acceptance of the Application-Cum-Bidding Form (in case of non-ASBA Bids)
Bid Lot	[●]
Bid Price	The prices indicated against each optional Bid in the Application-Cum-Bidding Form
Book Building Process	The book building process as described in Part A Schedule XI of the SEBI ICDR Regulations, in terms of which this Offer is being made
Book Running Lead Managers/BRLMs	The book running lead managers to the Offer, in this case being IDBI

Term	Description
	Capital Market Services Limited and Enam Securities Private Limited
Cap Price	Higher end of the Price Band, including revisions thereof, above which the Offer Price will not be determined and above which no Bids will be accepted
Client ID	Client identification number of the Bidder's beneficiary account
Controlling Branches	Such branches of the SCSBs which coordinate Bids under this Offer by the ASBA Bidders with the Registrar to the Offer and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in/pmd/scsb.pdf
Cut-Off Price	The Offer Price, finalized by our Company and Selling Shareholder in consultation with the BRLMs, which shall be any price within the Price Band. Only Retail Individual Bidders, and Eligible Employees whose Bid Amount does not exceed ₹ 200,000 are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	The demographic details of the Bidders such as their address, PAN, occupation and bank account details
Designated Branches	Such branches of the SCSBs which shall collect the Application-Cum-Bidding Form, a list of which is available at http://www.sebi.gov.in/pmd/scsb.pdf or any such other website as may be prescribed by SEBI from time to time
Designated Date	The date on which funds are transferred from the Escrow Account(s) to the Public Offer Account and the amount blocked by the SCSBs are transferred from the ASBA Account specified by the ASBA Bidders to the Public Offer Account, as the case may be, after the Prospectus is filed with the RoC, following which the Board of Directors will Allot Equity Shares to the Allottees
Designated Stock Exchange	[●]
Draft Red Herring Prospectus or DRHP	This Draft Red Herring Prospectus dated February 8, 2012 filed with SEBI and issued in accordance with the SEBI ICDR Regulations
Eligible Employee	A permanent and full-time employee of our Company or a Director of our Company (excluding any person not eligible under applicable laws, rules, regulations and guidelines), who are Indian nationals based, working and present in India as on the date of submission of the Application-Cum-Bidding Form. The Directors, Key Managerial Personnel and other Company employees involved in the price fixation process cannot participate in the Offer (as per Model Conduct Discipline and Appeal Rules of CPSEs and Office memorandum of DPE dated June 16, 2009 and July 28, 2009).
Eligible NRI(s)	An NRI resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Red Herring Prospectus constitutes an invitation to Bid on the basis of the terms thereof
Employee Discount	A Discount of 5 % on the Offer Price shall be offered to Eligible Employees (the "**Employee Discount**"). The MoUD, through its letter No.O-17034/8/2009-PS dated August 24, 2011 conveyed the approval granted by the Cabinet Committee on Economic Affairs for the price discount of 5% to Eligible Employees of our Company.The rupee amount of the Employee Discount will be published by our Company at least two Working Days prior to the Bid/ Offer Opening Date, in the following newspapers, *i.e.* [●] and [●]. The Employee Discount is being offered to Eligible Employees Bidding in the Employee Reservation Portion at the time of making a Bid.
Employee Reservation Portion	The portion of the Offer, being 120,000Equity Shares, available for allocation to Eligible Employees on a proportionate basis

Term	Description
Enam	Enam Securities Private Limited
Equity Shares	Equity shares of the Company with a face value of ₹ 10 each
Escrow Account	Account(s) opened with the Escrow Collection Bank(s) and in whose favour the Bidder (excluding ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount
Escrow Agreement	The agreement to be entered into among our Company, the Selling Shareholder, the Registrar to the Offer, the BRLMs, Syndicate Members and the Escrow Collection Bank(s) for collection of the Bid Amounts and, where applicable, remitting refunds of the amounts collected to the Bidders (excluding ASBA Bidders) on the terms and conditions thereof
Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as bankers to the issue and with whom the Escrow Accounts will be opened, comprising [●]
First Bidder	The Bidder whose name appears first in the Application-Cum-Bidding Form
Floor Price	The lower end of the Price Band in this case being ₹[●], below which the Offer Price will not be finalized and below which no Bids will be accepted and which shall not be lesser than the face value of the Equity Shares, including revisions thereof
IDBI CAPS	IDBI Capital Market Services Limited
IPO Grading Agency	The IPO grading agency appointed by our Company for grading this Offer
Mutual Funds	Mutual funds registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Portion or 297,000 shares available for allocation to Mutual Funds only
Net Offer	The Offer less the Employee Reservation Portion
Non-Institutional Bidders	All Bidders who are not Qualified Institutional Buyers, Retail Individual Bidders or Eligible Employees Bidding under Employee Reservation Portion and who have Bid for the Equity Shares for an amount more than ₹ 200,000
Non-Institutional Portion	The portion of the Offer, being not less than 15% of the Net Offer or 1,782,000 Equity Shares, available for allocation to Non-Institutional Bidders on a proportionate basis
Non-Resident Indian or NRI	A person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000 dated May 2, 2000, as amended, issued by the RBI
Offer Agreement	The agreement entered into on January 27, 2012 between our Company, the Selling Shareholder and the BRLMs
Offer Price	₹[●] per Equity Share, being the final price within the Price Band finalized by the Selling Shareholder and our Company in consultation with the BRLMs, at which the Equity Shares will be transferred, in terms of the Red Herring Prospectus and the Prospectus, by the Selling Shareholder at the Pricing Date
Offer/ Offer for Sale	Public offer of 12,000,000Equity Shares through an offer for sale by the Selling Shareholder for cash at a price of ₹[●] per Equity Share, aggregating up to ₹[●] million, consisting of the Net Offer and the Employee Reservation Portion
Price Band	Price band of a minimum price (Floor Price) of ₹ [●] and a maximum price (Cap Price) of ₹ [●], including revisions thereof. The Price Band for the Offer will be decided by the Selling Shareholder, in consultation with the Company and the BRLMs and advertised in an English national daily newspaper *i.e.* [●], a Hindi national daily newspaper *i.e.* [●], each

Term	Description
	with wide circulation (Hindi also being the regional language in the state where the Registered Office is located) at least one Working Day prior to the Bid Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price
Pricing Date	The date on which the Selling Shareholder and our Company in consultation with the BRLMs will finalize the Offer Price
Prospectus	The prospectus of our Company to be filed with the RoC relating to the Offer post the Pricing Date pursuant to Section 56, 60 and 60 B of the Companies Act and SEBI ICDR Regulations, containing, *inter alia*, the Offer Price that is determined at the end of the Book Building Process on the Pricing Date, including any corrigendum thereof
Public Offer Account	The bank account opened under Section 73 of the Companies Act with the Banker to the Offer to receive money from the Escrow Accounts on the Designated Date and where the funds transferred by the SCSBs from the ASBA Accounts shall be received
QIB Portion	The portion of the Offer, being not more than 50% of the Net Offer or 5,940,000Equity Shares, available for allocation to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual fund registered with SEBI, FII and subaccount registered with SEBI, other than a Sub-Account which is a foreign corporate or foreign individual, multilateral and bilateral development financial institution, VCF, FVCIs, state industrial development corporation, insurance company registered with Insurance Development Regulatory Authority, provident fund with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million and National Investment Fund set up by Government of India and insurance funds set up and managed by army, navy or air force of the Union of India and the insurance funds set up and managed by the Department of Posts, India FVCIs registered with SEBI and multilateral and bilateral development financial institutions are not entitled to participate in this Offer
Red Herring Prospectus or RHP	The red herring prospectus to be issued by our Company in accordance with Sections 56, 60 and 60B of the Companies Act and the SEBI ICDR Regulations which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Offer. The Red Herring Prospectus will be filed with the RoC at least three days before the Bid/ Offer Opening Date and will become a Prospectus upon filing with the RoC after the Pricing Date
Refund Account	Accounts opened with Refund Banks, from which refunds of the whole or part of the Bid Amount (excluding the ASBA Bidders), if any, shall be made
Refund Bank(s)	The Bankers to the Offer with whom the Refund Accounts will be opened, in this case being [●]
Registrar to the Offer/Registrar	Bigshare Services Private Limited
Registrar’s Agreement	The agreement entered into on January 27, 2012among our Company, the Selling Shareholder and the Registrar to the Offer
Retail Discount	A Discount of 5 % on the Offer Price shall be offered to Retail Bidders. The MoUD, through its letter No. O-17034/8/2009-PS dated August 24, 2011 conveyed the approval granted by the Cabinet Committee on Economic Affairs for the price discount of 5% to retail Bidders of our Company.The rupee amount of the Retail Discount will be published by our Company at least two Working Days prior to the Bid/ Offer Opening

Term	Description
	Date, in the following newspapers, *i.e.* [●] and [●]. The Retail Discount is being offered to Retail Bidders Bidding in the Retail Portion at the time of making a Bid.
Retail Individual Bidders	Individual Bidders (including HUFs applying through their Karta's and NRIs) who have Bid for the Equity Shares for an amount less than or equal to ₹ 200,000 in any of the Bidding options in the Net Offer
Retail Portion	The portion of the Offer, being not less than 35% of the Net Offer consisting of 4,158,000 Equity Shares, available for allocation to Retail Individual Bidders on a proportionate basis
ROC or RoC	Registrar of Companies, NCT of Delhi and Haryana
Self Certified Syndicate Bank or SCSB	The banks which are registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offer services of ASBA, including blocking of an ASBA account in accordance with SEBI ICDR Regulations, a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf or any such other website as may be prescribed by SEBI from time to time
Stock Exchanges	The BSE and the NSE
Sub-Account	Sub-accounts of FIIs registered with SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995 as amended from time to time
Syndicate	The BRLMs and Syndicate Members
Syndicate Agreement	The agreement among the members of the Syndicate, our Company, the Registrar to the Offer and the Selling Shareholder in relation to the collection of Bids in the Offer (excluding Bids by the ASBA Bidders)
Syndicate ASBA Bidding Centres	Cities as specifies in the SEBI circular No. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely, Mumbai, Chennai, Kolkata, Delhi, Ahmadabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda and Surat
Syndicate Members	Intermediaries registered with the SEBI permitted to carry out activities as an underwriter, in this case being [•]
Self Certified Syndicate Bank/ SCSB	The banks which are registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offer services of ASBA, including blocking of bank account, a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf
Transaction Registration Slip or TRS	The slip or document issued by a member of the Syndicate or the SCSBs (only on demand) to a Bidder as proof of registration or revision of the Bid
Underwriters	BRLMs and the Members of the Syndicate Members
Underwriting Agreement	The agreement among our Company, the Selling Shareholder and the Underwriters to be entered into on or after the Pricing Date
Working Day(s)	Any day, other than Saturdays and Sundays, on which commercial banks in Mumbai, India are open for business, provided however, for the purpose of the time period between the Bid/Offer Closing Date and listing of the Equity Shares on the Stock Exchanges, "Working Days" shall mean all days excluding Sundays and bank holidays in Mumbai in accordance with the SEBI circular No. CIR/CFD/DIL/3/2010 dated April 22, 2010

Conventional / General Terms and Abbreviations

Term	Description
Act or Companies Act	Companies Act, 1956, as amended
AS	Accounting Standard issued by the Institution of Chartered Accountants of India
A/c	Account
BAN	Bank Account Number
BSE	The BSE Limited
CAGR	Compounded Annual Growth Rate

Term	Description
CDSL	Central Depository Services (India) Limited
CCI	Competition Commission of India
CIT	Commissioner of Income Tax
Competition Act	Competition Act 2003 as amended from time to time
Depositories Act	Depositories Act, 1996, as amended
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended vis. NSDL and CDSL
Depository Participant/DP	A depository participant as defined under the Depositories Act.
DIN	Director Identification Number
DP ID	Depository Participant's Identity
DPE	Department of Public Enterprises
DPE's OM	Department of Public Enterprises Office Memorandum
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
ECS	Electronic Clearing Services
EGM	Extraordinary general meeting of the shareholders of our Company
EPS	Earnings per share, which has been computed by dividing profit/ (loss) after tax and before extraordinary items for the respective Fiscals, by the weighted average number of equity shares outstanding during the period/year
ESIC	Employees State Insurance Corporation
FCNR Account	Foreign Currency Non-Resident Account established in accordance with FEMA
FDI	Foreign direct investment
FEMA	Foreign Exchange Management Act, 1999, as amended, together with rules and regulations thereunder
FIIs	Foreign Institutional Investors (as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995) registered with SEBI
FIPB	The Foreign Investment Promotion Board of the Government of India
Fiscal/FY	Period of 12 months ended March 31 of that particular year
FVCI	Foreign Venture Capital Investors (as defined under the SEBI (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GDP	Gross Domestic Product
GIR number	General index registration number
GoI/ Government	The Government of India
HNI	High Net worth Individual
HUF	Hindu Undivided Family
IPO	Initial Public Offering
Indian GAAP	Generally Accepted Accounting Principles in India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
IRDA	Insurance Regulatory and Development Authority
IT Act	Income Tax Act, 1961, as amended
Listing Agreement	Listing agreement to be entered into by our Company with the Stock Exchanges
MCA or MoCA	Ministry of Corporate Affairs
MF(s)	Mutual Funds
Million	1,000,000
MoUD	Ministry of Urban Development
MoU	Memorandum of Understanding
N.A. or N/A	Not Applicable
NAV	Net Asset Value
NECS	National Electronic Clearing System

Term	Description
NEFT	National Electronic Fund Transfer
Non-Resident	A person resident outside India, as defined under FEMA and includes a Non-Resident Indian
NRE Account	Non-Resident External Account established in accordance with FEMA
NRO Account	Non-Resident Ordinary Account established in accordance with FEMA
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under FEMA. OCBs are not allowed to participate in this Offer
p.a.	Per annum
PAN	Permanent Account Number allotted under the IT Act
PAT	Profit after tax
P/E Ratio	Price/Earnings Ratio
QFIs	Qualified Foreign Investor means a person resident in a country, which is compliant with Financial Action Task Force standards and is a signatory to International Organization of Securities Commission's Multilateral Memorandum of Understanding. However, a QFI cannot be a resident in India or a SEBI registered Foreign Institutional Investor (FII) or a Sub-account or FVCI. The expressions 'person' and 'resident in India' shall have the meaning as ascribed in the IT Act.
RBI	The Reserve Bank of India
₹ or Rs. or INR	Indian Rupees
RTGS	Real Time Gross Settlement
SCRA	The Securities Contracts (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI ICDR Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
Securities Act	The U.S. Securities Act of 1933, as amended.
State Government	Government of a state in India
Takeover Code	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
U.S. GAAP	Generally Accepted Accounting Principles in the United States
US$ or USD or US Dollar	U.S. Dollar
VCFs	Venture Capital Funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996

Technical and Industry / Business Related Terms

Term	Description
BRO	Border Roads Organisation
BOT	Built-Operate-Transfer
BOLT	Build Operate Lease Transfer
BOOM	Built Own Operate Manage
Developable Area	The total area which we develop in each of our real estate development projects, including carpet area, common area, service

Term	Description
	and storage area, car parking and other open areas on which we may undertake any development
EPC	Engineering, Procurement and Construction
Forthcoming Project	Such projects where construction work has not yet commenced
GNCTD	Government of National Capital Territory of Delhi
HVAC	Heating, ventilation and air conditioning
JV	Joint Venture
Km	Kilometre(s)
Leasable Area	The part of Developable Area from which our Company will derive economic interest by leasing the space.
LoI	Letter of Intent
MoEF	Ministry of Environment and Forests
MoRD	Ministry of Rural Development
MoRTH	Ministry of Road Transport & Highways
NH	National Highway
NHAI	National Highway Authority of India
NHDP	National Highway Development Project/Program
On-going Projects	Such projects where construction work has commenced
Order Book	The amount of order book is calculated as the total contract value (as per the terms of the contract / attendant documents / addendums) of all existing contracts as of such date, minus any revenue already recognised by the Company in relation to such existing contracts up to and including such date.
PMC	Project Management Consultancy for civil construction.
PPP	Public Private Partnership
PWD	Public Works Department
RCC	Reinforced Cement Concrete
SPV	Special Purpose Vehicle

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references in this Draft Red Herring Prospectus to "India" are to the Republic of India. All references in this Draft Red Herring Prospectus to the "US", "USA" or "United States" are to the United States of America. Unless the context otherwise requires, all references to the "Company", "we", "us" and "our" refers to National Building Construction Corporation Limited.

Financial Data

Unless indicated otherwise, the financial data in this Draft Red Herring Prospectus is derived from our audited financial statements as of and for years ended March 31, 2011, 2010, 2009, 2008 and 2007 and for six months period ended September 30, 2011 prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations.

Our Company's financial year commences on April 1 and ends on March 31 of the next year, so all references to a particular Fiscal Year or Financial Year or FY are to the twelve-month period ended March 31 of that year. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All decimals have been rounded off to two decimal points.

There are significant differences between Indian GAAP, IFRS and U.S. GAAP. The reconciliation of the Financial Statements to IFRS or US GAAP Financial Statements has not been provided. Accordingly, the degree to which the financial statements prepared in accordance with Indian GAAP included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI ICDR Regulations. Any reliance by any persons not familiar with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI ICDR Regulations on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. Our Company has not attempted to explain these differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Unless otherwise indicated in the Draft Red Herring Prospectus, all figures have been expressed in millions.

One million represents 1,000,000 and one billion represents 1,000,000,000.

Currency of Presentation

All references to "Rupees" or "₹" or "INR" or "₹" are to Indian Rupees, the official currency of the Republic of India.

All references to "US$", "U.S. Dollar", "USD" or "US Dollars" are to United States Dollars, the official currency of the United States of America.

Market and Industry Data

Market and industry data used throughout this Draft Red Herring Prospectus has been obtained from various industry publications. We have also used in this Draft Red Herring Prospectus, industry report prepared by Credit Analysis and Research Limited. These publications generally state that the information contained therein has been obtained from sources believed to be reliable, but it has not been independently verified by us and its accuracy and completeness is not guaranteed and its reliability cannot be assured. Although we believe market data used in this Draft Red Herring Prospectus is reliable, neither we nor the BRLMs have independently verified such information or ascertained the underlying economic assumptions contained therein. The data used from these sources may have been reclassified by us for purposes of presentation. Data from various market sources may not be comparable. The extent to which the market and industry data is presented in this Draft Red Herring Prospectus is meaningful depends upon the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different market and industry sources.

In accordance with the SEBI ICDR Regulations, we have included in —Basis for Offer Price on page 38 information relating to our peer group companies. Such information has been derived from publicly available sources and our Company has not independently verified such information.

Land Reserves

In this Draft Red Herring Prospectus, land referred to as "our Land" or "our Land Reserves" are lands to which our Company has title or joint development rights or other interest in the lands, and also include lands from which our Company can derive economic benefits through a documented framework or lands in relation to which our Company or other entities in which we have a stake have executed a joint venture agreement. It includes the total amount of saleable area to be developed through On-going and Forthcoming Projects. Our Land Reserves figures herein may include land in respect of which we have already recognized revenue, due, in part, to the application of percentage completion accounting.

All land areas are stated in acres and all developable, saleable and leasable areas are stated in sq. ft.

Conversion table for area

In this Draft Red Herring Prospectus, the Company has presented information related to land in various units. The conversion ratio of such units is as follows:

1 acre = 4,046.85 sq. mts.
1 acre = 43,560.00 sq. ft.
1 Sq. Mt.= 10.764 sq. ft.

References to "our Completed Projects", "our Ongoing Projects", or "our Forthcoming Projects" include projects owned or developed through joint ventures or associates. For a discussion of how we recognize income from projects owned by an associate, see the section titled "***Management's Discussion and Analysis of Financial Condition and Results of Operation***" on page 190

Exchange Rates

This Draft Red Herring Prospectus contains translations of U.S. Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of item (VIII) sub-item (G) of Part A of Schedule VIII of the SEBI ICDR Regulations. It should not be construed as a representation that such currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The exchange rates of the respective foreign currencies into Indian rupees as on March 31, 2007, 2008, 2009, 2010 and 2011 and September 30, 2011 are provided below:

Currency	Exchange Rate as on (in ₹)					
	30-Sep-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
1 USD *	48.9600	44.5800	44.8900	50.6400	40.0200	43.1000
1 Pula **	6.7600	6.8300	6.6400	6.5700	NA	NA
1 Libyan Dinar **	36.9153	35.5543	37.5537	36.6056	31.7575	33.5151

* *Source:* *www.rbi.org.in*
** *Source:* *Centre for Monitoring Indian Economy*

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward looking statements” We have included statements in this Draft Red Herring Prospectus which contain words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “propose”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions of similar import, that are “forward-looking statements”. Similarly statements that describe our objectives, strategies, plans or goals are also forward-looking statements. All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward looking statement.

All statements regarding the expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements as to the business strategy, the revenue, profitability, planned projects or initiatives. These forward-looking statements and any other projections contained in this Draft Red Herring Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Important factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the sections titled “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Industry Overview” and “Our Business” on pages xv,190,49 and 80of this Draft Red Herring Prospectus respectively.

The forward-looking statements contained in this Draft Red Herring Prospectus are based on the beliefs of management, as well as the assumptions made by and information currently available to management. Although we believe 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 materializes, or if any of the underlying assumptions prove to be incorrect, the actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent written and oral forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Our Company, the Selling Shareholder, the BRLMs, the Syndicate Members or their respective affiliates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company, the Selling Shareholder and the BRLMs will ensure that investors are informed of material developments until the time of the grant of final listing and trading permissions with respect to Equity Shares being offered, by the Stock Exchanges. Our Company and the Selling Shareholder will ensure that investors are informed of material developments in relation to statements about our Company and the Selling Shareholder in this Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus until the Equity Shares are Allotted to the investors.

SECTION II – RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including our financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 190 of this DRHP and the risks and uncertainties described below, before making an investment in our Equity Shares. If anyone or some combination of the following risks were to occur, our business, financial condition and results of operations could suffer, and the price of our Equity Shares could decline and you may lose all or part of your investment. Unless specified in the relevant risk factor below, we are not in a position to quantify the financial implication of any of the risks mentioned below. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another.

The following factors have been considered for determining the materiality:

1. *Some events may not be material individually but may be found material collectively;*

2. *Some events may have material impact qualitatively instead of quantitatively;*

3. *Some events may not be material at present but may have material impact in future.*

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. The actual results of our operations could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks we face as described below and elsewhere in this Draft Red Herring Prospectus. You should also consider the warning regarding forward looking statements in "Forward-Looking Statements" beginning on page xiv of this DRHP.

Any potential investor in, and purchaser of, our Equity Shares should pay particular attention to the fact that we are governed, in India and other countries in which we operate, by a legal and regulatory environment which may be different from that which prevails in other countries in some material respects.

In addition, the risks set out in this section may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved.

Unless otherwise stated, the financial information of our Company used in this section is derived from our restated financial statements prepared under Indian GAAP and restated in accordance with the SEBI ICDR Regulations.

INTERNAL RISKS

1. ***We have certain contingent liabilities that have not been provided for in our accounts, and if such contingent liabilities materialize it may adversely affect our financial condition.***

The following table sets forth the principal components of our contingent liabilities as of September 30, 2011 and March 31, 2011:

	Particulars	**30-Sept-11**	**31-Mar-11**
(a)(i)	Claims against the Company not acknowledged as debts. Counter claims of the Company against these claims amounting to ₹ 5,347.80 million (Previous year ₹ 1,998.60 million) not accounted for in books.	9,668.20	3,985.84
(ii)	Bank Guarantees for performance, Earnest Money Deposit and Security Deposit	3,387.27	3,404.07
(b)(i)	Our Company had paid tax in earlier years in Libya on profits based on accounts audited by local auditors. Additional demand for tax amounting to LD	275.78	248.24

	6,716,079.430 equivalent to ₹ 275.78 million (previous year LD 6,716,079.430 equivalent to ₹ 248.24 million) based on turnover *etc.*, for the years from 1977-78 to 1989-90 raised by the tax department of Libya has not been accepted by our Company and not provided for. Our Company has filed appeal / objections against the above demand under the tax laws of Libya.		
ii)	The Government guarantee charges on internal / external borrowings have not been accounted for as the matter regarding waiver of these charges has been taken up with MOUD.	165.49	165.49
iii)	Recovery at penal rate on account of excess consumption of material over theoretical norms for the materials supplied by the clients at issue price and free of cost, pending final settlement with the clients.	NOT ASCERTAINABLE*	

**Recovery at penal rate on account of excess consumption of material over theoretical norms for the materials supplied by the clients at issue price and free of cost, pending final settlement with the clients cannot be ascertained as these contingent items cannot be quanitified.*

We have significant contingent liabilities, primarily relating to claims against our Company not acknowledged as debts. As of September 30, 2011, our aggregate contingent liabilities were ₹13,497 million. Our contingent liabilities, as reflected in our annual reports, as of March 31, 2007, 2008, 2009, 2010 and 2011 were ₹3,154.39 million, ₹ 8,132.81 million, ₹ 6,013.45 million, ₹ 6,825.16 million and ₹7803.64 million, respectively, compared to our profit after tax, as restated, of ₹778.01 million, ₹ 2,777.75 million, ₹1,621.87 million, ₹1,187.51 million, ₹1,404.73 million and ₹746.90 million, in fiscal 2007, 2008, 2009, 2010, 2011 and the period ended September 30, 2011 respectively. Historically, our contingent liabilities as of the end of a fiscal year have been greater than our profit after tax for such period. Our high contingent liabilities have historically principally related to disputed tax liabilities, guarantees given by our Company. If a significant portion of such contingent liabilities were to materialize, it would materially adversely affect our results of operations and financial condition.

For further information relating to our contingent liabilities, see "Financial Statements" and "Management's Discussion and Analysis of our Financial Condition and Results of Operations – Contingent Liabilities" beginning on page 150 and 190, respectively, of this DRHP. The amount of contingent liability recorded in our audited restated financial statements represent estimates and assumptions of our management based on advice received. There can be no assurance that any or all of these contingent liabilities will not become actual liabilities. In the event any or all of these contingent liabilities become actual liabilities, it may have an adverse effect on our business, financial condition and results of operations.

2. ***We and some of our Directors are involved in a number of legal proceedings that, if determined against us, could have a material adverse impact on our results of operations, financial condition, business and reputation.***

Our Company is involved in a number of proceedings including criminal proceedings, civil cases, suits for recovery, arbitration proceedings, employee grievances and labour disputes, rent disputes, which are related primarily to our ordinary course of business. These proceedings are currently pending at different levels of adjudication before various courts, tribunals, enquiry officers, and appellate tribunals. Should any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements, which could increase our expenses or our liabilities. We cannot assure you that these legal proceedings will be decided in our favour. Any adverse decision may have a material adverse effect on our results of operations, financial condition, business and reputation. Our outstanding legal proceedings and the amounts claimed in these proceedings have been disclosed to the extent ascertainable in the summary below. For further details on these proceedings, see "Outstanding Litigation and Material Developments" beginning on page 210 of this DRHP.

Litigation against our Company

Except for the Material Cases as disclosed below, there are no Material Cases / proceedings initiated against our Company including for any economic offences or penalties imposed in the past or any adverse findings against our Company as regards compliance with the securities laws, related matters:

S. No.	Nature of the cases/ claims	No. of Material Cases outstanding	Amount involved (₹ million) (approximate)
1.	Criminal proceedings	1*	0.40
2.	Tax cases	10*	451.79
3.	Civil suits	18	634.22
4.	Public Interest litigatons & Writ Petitions	15	98.00
5.	Arbitration matters	27	499.33
6.	Labour / Employment Matters	25	15.25
7.	Notices received	9	31.90

*Total number of cases

Litigation by our Company

Except for the litigations as disclosed below, there are no Material Cases initiated by our Company:

S. No.	Nature of the cases/ claims	No. of Material Cases outstanding	Amount involved (₹ million) (approximate)
1.	Criminal proceedings	1*	-
2.	Tax cases	5*	184.94
3.	Civil suits	15	246.45
4.	PIL & Writ Petitions	3	13.87
5.	Arbitration matters	18	1,865.74
6.	Labour / Employment Matters	-	-
7.	Land Related	1	100.00

Litigation against our Directors

Except as disclosed below, there are no cases initiated against our Directors:

S. No.	Name of the Directors	Nature of the cases/ claims	No. of cases outstanding *
1.	Mr V.P. Das	2 Employee matters and one writ petition	3
2.	Mr Anoop Kumar Mittal	Employee matter	1

*Amount not ascertainable

For further details of legal proceedings involving our Company, see "Outstanding Litigations and Material Developments" beginning on page 210 of this DRHP.

3. ***The projects that are included in our Order Book may be delayed; modified, cancelled or not fully paid for by our clients and therefore, our Order Book may not be an accurate or reliable indicator of our future business or earnings.***

As at September 30, 2011, the total value of our Order Book was ₹ 106,226.41 million for our PMC and civil infrastructure for power sector businesses together. Our Order Book represents business that we currently consider to be firm; however contracts may remain on our Order Book for an extended period of time or may be cancelled or may be subject to changes in scope of work or schedule. We may also encounter problems executing the projects on a timely basis. Moreover, factors beyond our control or that of our clients may postpone a project or cause delay in completion or its cancellation, such as availability of hindrance free site, delays or failures to obtain necessary governmental approvals and delays caused due to force majeure circumstances. Consequently, our Company cannot guarantee that the revenues indicated in our Order Book will be realised or, if realised, will be realised on time or result in profit. Failure of our Company in not being able to realise the expected margins or facing any delay, failure or execution difficulty with respect to projects in our Order Book may adversely affect our business, results of operations and financial condition.

4. ***The scheduled completion date for some of our PMC and civil infrastructure for power sector segment projects has elapsed, for which we are in the process of seeking extensions from our clients. Any failure to obtain extension or adhere to agreed/extended timelines may adversely affect our reputation and/or expose us to financial liability.***

The scheduled completion date for some of our projects in the PMC and civil infrastructure for power sector segments has elapsed. We were not able to complete these projects on time because of various reasons including, *inter-alia*, un-availability of hindrance free site for the project on the scheduled time or delay in receiving statutory approvals. In cases where there has been a delay from the scheduled completion date due to reasons not attributable to us, we inform our client and seek an extension of completion date. In the event that the client does not grant a new completion date, it might result in non-performance of our obligations under our agreements with clients. Any failure to adhere to the contractually agreed schedule for reasons other than the agreed force majeure events could result in imposition of liquidated damages (as agreed in our contract with the client) or invocation of performance guarantees provided by us. Any failure to obtain required extension or adhere to agreed timelines may adversely affect our reputation and/or expose us to financial liability.

Further, any delay in execution of projects in the civil infrastructure for power segment could lead to unanticipated increase in the price of raw materials, labour and other project related inputs. If the execution cost of such project escalates, and the client does not agree to grant escalation in our fee accordingly, then this may result in our profits being less than originally estimated or may even result in us experiencing losses.

5. ***Most of our agreements with our clients for PMC projects require us to obtain all necessary statutory licenses and approvals for such projects for our clients. Any inability to procure any or all such licences could expose us to significant risk including abandonment and/or delay of such project and an adverse effect on business, revenue and financial results.***

Most of our agreements with our clients for PMC projects require us to obtain all necessary statutory licenses and approvals for such projects for our clients. We generally delegate this responsibility to the sub-contractors we engage for such project, however, we supervise whether the sub-contractors have obtained the required licences. Any inability to obtain any or all such statutory licences may have an adverse impact on the project. If in the absence of the requisite licences and approvals, the construction work on the project is continued, the statutory authorities could take action against the client, impose penalties and restrain work on the project. Any such action would directly affect our revenue from such project. It would also have an impact on our relationship with such client. Such an event could also attract adverse publicity, thus, affect our reputation. Thus, inability to procure any or all required licences and approvals could expose us to significant risk including that of payment of penalty to our client, abandonment and/or delay of such project which could have an adverse effect on our business, revenue and financial results.

6. ***We depend on sub-contractors for timely and successful completion of our projects. Our projects may be delayed on account of the performance of sub-contractors, resulting in delayed or no payments from our clients or in some cases payment of penalties to our clients.***

We typically sub-contract civil construction and other development works of our PMC and civil infrastructure for power sector segment projects. A completion delay on the part of a sub-contractor, for any reason, could result in delayed payments to us. In addition, when our Company sub-contracts, we may be liable to the client due to failure on the part of our sub-contractor to maintain the required performance standards or insufficiency of a sub-contractor's performance guarantees.

The execution risks our Company faces using sub-contractors include:

- sub-contractors engaged by us may not be able to complete construction on time, within budget or to the specifications and standards that have been set in the contracts with them;

- delays in meeting project milestones or achieving commercial operation by the scheduled completion date could increase the financing costs associated with the construction and cause our Company's forecasted budget to be exceeded or result in delayed payment to our Company by the client, invoke liquidated damages or penalty clauses, or may result in termination of the contract;

- sub-contractors may not be able to obtain adequate working capital or other financing on favourable terms as and when required to complete construction;

- our Company may not be able to pass on certain risks in its entirety to sub-contractors such as unforeseen site and geological conditions; and

Even when our Company sub-contracts work, we remain responsible for the sub-contracted work which means clients still have recourse to our Company for actions, omissions and defects of our sub-contractors. We assume liability for defects in connection with any design or engineering work provided by sub-contractors and the sub-contractor gives us necessary warranties in connection with design and engineering work as well as provides guarantees and indemnities to cover cost overruns and additional liabilities. However, these guarantees and indemnities may not address all losses, damages or risks or cover the full loss or damage suffered due to construction delays, performance shortfalls, or the entire amount of any cost overruns. Also, in the event sub-contractors default or corrective action is not taken by them, we will still be accountable towards our clients. If our sub-contractors fail to perform all or any obligations under a contract, this may affect our business, results of operations and financial condition.

7. ***Our revenues are significantly dependant on our PMC business. Any decline in PMC business, could, in turn, adversely affect our business prospects, financial condition and results of operations.***

We depend significantly on our PMC business. 90.8%, 93.4 %, 90.9 % and 84.8 % of total income (Value of Work Done + Work-in-Progress) for half year ended September 30, 2011 and each year in Fiscal year 2011, 2010 and 2009, respectively, has been derived from the PMC segment. A decline in the generation of PMC business, or excessive delays in the award of PMC projects or no PMC orders, could, in turn, adversely affect our business prospects, financial condition and results of operations.

8. ***We are in the process of terminating the joint venture arrangement with Jamal Trading Company Pvt Ltd. Any liability in connection with the joint venture company or any dispute with the joint venture partner may expose us to litigation risk and may cause financial liability and may adversely affect our business and financial condition.***

In 2001, we entered into a joint venture agreement dated February 27, 2001 ("JV Agreement") with Jamal Trading Company (PTY) Limited ("JTC") for the purposes of establishing a joint venture company in Botswana, Jamal-NBCC International (Proprietary) Limited ("J-NBCC"), for taking up works in the republic of Botswana after participation in tenders or through direct negotiations, completing the same as per terms of contract and provide services and assume responsibilities as are reasonably related. For more details of the joint venture agreement with JTC, please see the section titled "History and Certain Corporate Matters" beginning on page 117 of this DRHP.

Our Board of Directors in their meeting held on September 26, 2011 have decided that the manner in which JTC has been conducting itself including, *inter-alia*, non-compliance with various provisions of the JV Agreement, therefore, a termination notice in this regard to be served on JTC.We are in the process of finalisation of the termination notice. We cannot assure you that JTC shall agree with the termination notice served on them, if they raise dispute on such termination of JV Agreement then we may face risk of litigation and it may cause financial liability.

Further, as per the joint venture agreement, the liability of the company's shareholders shall be limited to the amount of their shares. It is also provided that upon termination, the rights and obligations shall be shared in accordance with equity shareholding. Therefore, upon termination, we may be liable for any past, present or future proceedings, accounting claims and liabilities, dues, damages and other demands relating to or connected with J-NBCC, its customers, suppliers, contractors, employees or any third party. Any such dispute or litigation may adversely affect our business and financial condition.

9. ***We may not be compliant with the applicable FEMA regulations with respect to our investment in our overseas joint venture, Jamal-NBCC International Pty. Limited in Botswana. Any possible non-compliance with FEMA regulations could subject us to penalty or compounding proceedings by the RBI.***

In respect of our overseas joint venture, Jamal-NBCC International (Proprietary) Limited ("J-NBCC") in Botswana, we had communicated with the RBI seeking permit for remittance of Botswana Pula 49,000 towards equity participation in J-NBCC. In the absence of a response from the RBI to our communication and any intimation to the contrary, we assumed that we are not required to make any compliances and thus have not made any form filings, annual or otherwise, with the Reserve Bank of India under the applicable FEMA regulations. We cannot assure you whether we are in compliance with the applicable FEMA regulations in this respect. Any non-compliance could subject us to penalties under FEMA, unless offence is compounded under the Foreign Exchange (Compounding Proceedings) Rules, 2000.

10. ***Some of our completed commercial real estate projects have deficiency / irregularity of title as the lease deed is pending execution with the government authorities. Any penalty or other adverse action by the government authority may have an adverse effect on our results of operation and financial condition.***

Some of our completed commercial real estate projects have deficiency / irregularity of title. The Government had allotted land on the basis of which the following projects were executed, however the lease deed / conveyance deed is yet to be executed:

- NBCC Plaza at Pushp Vihar, New Delhi;
- NBCC Place at Pragati Vihar, New Delhi;

The lease deeds were pending execution as the occupancy certificates for the aforesaid buildings were not issued. On March 29, 2011 the occupancy certificate was issued for Pushp Vihar building, however, some extra ground rent is being demanded by the authorities, in respect of which we are in correspondence with the authorities and have sought waiver and requested for early execution of lease deed. For Pragati Vihar building, we have not yet received the occupation certificate.

Since the units at commercial complex at Pushp Vihar and Pragati Vihar have been sold to third parties (without lease deed in respect of land having been executed), any further penalty or other adverse action by the government authority against us may have an adverse effect on our results of operation and financial condition.

11. ***For our real estate development projects, we may be unable to obtain or renew required approvals and permits in a timely manner or at all and existing approvals or permits may be suspended or revoked or may lapse and not renewed.***

To successfully execute our real estate development, we are required to obtain statutory and regulatory approvals, licenses, registration and permits and applications need to be made at appropriate stages of the projects. For example, we are required to obtain the approval of conversion of land use (if any), building plans, layout plans, environmental consents and fire safety clearances during various stages of the projects. While most of the licences are material, certain attendant approvals such as approvals for water, power and storm water connectivity to the sewerage systems, are sought after the completion of construction of structure of the project or are a part of the building plans where we do not need to seek a specific approval. The procedure for obtaining these attendant approvals depend on the policy of the relevant local authorities. For example, the building plans contain the storm water connectivity and water connection plans, some local authorities do not insist on a separate approval for these, while some do.

Where we develop projects on a joint venture basis, our ability to develop such projects is, in some cases, dependent on our joint venture partners or other third parties obtaining necessary approvals and permits.

Certain approvals that we have applied for are currently pending and besides this, in the ordinary course of our business we may need to apply for renewal of approvals which may expire from time to time. Some licences and approvals are yet to be applied for as the stage of the project at which the company is required to apply for the same may not have been reached. We may encounter difficulties in fulfilling any conditions precedent to the grant of approvals for which we have applied for or any approvals or renewals that we may require in the future, some of which may be onerous. For further details of the approvals obtained by us and pending approvals, please see the section titled "Government and other Approvals" beginning on page 246 of this DRHP.

There may also be delays on the part of the regulatory / administrative bodies in considering our applications and granting approvals. If we fail to obtain or renew, or experience delays in obtaining or renewing, the requisite approvals, the schedule of development and the sale of our projects could be delayed, which could in turn have an adverse effect on our business prospects, financial condition and results of operations.

12. *Delays associated with the collection of receivables from our clients may adversely affect our business, results of our operations and financial condition.*

We have experienced delays and may experience delays associated with the collection of receivables from our clients, in respect of our PMC and civil infrastructure for power sector segments. As at September 30, 2011, for₹2,641.37 million, or 40.7%, of our accounts receivable were outstanding for a period of more than six months. While we currently have a negative working capital gap, any change in this condition and delayed collection of receivables could adversely affect our business, results of operations and financial condition.

13. *We face significant competition and margin pressures in these segments in which we operate, thereby constraining our business opportunities and adversely affecting our business, prospects, financial condition and results of operations.*

The competition for the business segments in which we operate varies depending on the size, nature and complexity of the project and on the geographical region in which the project is to be executed. Our competitor may reduce their margins in order to gain market share. For more information on our competitors, see "Our Business –Competition" beginning on page 80 of this DRHP. There can be no assurance that we can continue to effectively compete with our competitors in the future, and failure to compete effectively may have an adverse effect on our business, financial condition and results of operations.

14. *Our insurance does not cover all of the risks we face, and the occurrence of events that are not covered by our insurance could cause losses, which if significant, could adversely affect our financial condition.*

Our insurance policies consist of workmen compensation policies, contractor's all-risk policies, public liability policies, machinery insurance, marine cargo policy and vehicle insurances, amongst others. In some instances, under our contracts with our clients, we or our sub-contractors are required to obtain workmen compensation policies, contractor's all-risk policies and third party liability policies for the project. While we believe that the insurance coverage we maintain would reasonably be adequate to cover all normal risks associated with the operation of our business, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. To the extent that we suffer loss or damage, resulting from not obtaining or maintaining insurance or exceeding our insurance coverage, the loss would have to be borne by us and it could have an adverse effect on our results of operations and financial condition.

In accordance with industry practice, our Company operates with certain business risks uninsured including business interruptions and loss of profit or revenue. To the extent that uninsured risks materialize, our business, results of operations and financial condition would be affected.

15. *We could be adversely affected if we fail to keep pace with technical and technological developments in the construction industry.*

Our recent experience indicates that clients are increasingly engaging in larger and technically complex projects. To meet our clients' needs, we must regularly update technology and develop new technology. In addition, rapid and frequent technology and market demand changes can often render existing technologies and equipment obsolete, requiring substantial new capital expenditures and/or write-downs of assets, which could have an adverse effect on our financial position and results of operations.

16. ***We are dependent on our senior management personnel as well as the availability of qualified personnel and our business and operations will be adversely affected if we cannot attract and retain qualified personnel.***

We are dependent on our senior management personnel, including members of our Board. Our future success substantially depends on the continued service and performance of the members of our senior management team and other key personnel in our business for management, running of our daily operations, and the planning and execution of our business strategy. As a public sector undertaking, the GoI policies regulate and control the emoluments, benefits and perquisites that we pay to our employees, including our key managerial and technical personnel and these policies may not permit us to pay at market rates. We have entered into service contracts with our executive director and key management personnel. All these contracts are terminable by these respective Directors or key management personnel without assigning any cause by giving a notice of 3 months. In case any of these executive directors or key management personnel terminates their employment, then our Company may take a longer time to find or may not be able to find the requisite person for such positions. The loss of key members of our senior management or other key team members, particularly to competitors, could have an adverse effect on our business and results of operations. Our performance also depends on our ability to attract and train highly skilled personnel. If we are unable to do so, it would adversely affect our business, prospects and results of operations.

17. ***We are subject to stringent labour laws and trade union activity and any work stoppage could have an adverse effect on our business, financial condition and results of operations.***

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for employee removal and dispute resolution and imposes financial obligations on employers. This makes it difficult for us to maintain flexible human resource policies, discharge employees or downsize, which though not quantifiable, may adversely affect our business and profitability.

As at January 15, 2012, we employed 2,466 full-time employees. This is in addition to temporary labour employed by our sub-contractors at our project sites. We have three labour unions - All India NBCC Employees (LalJhanda) Union, All India NBCC Employees Association and All India NBCC Shramik Union. Our Company has in 1989 lost time on account of strikes or labour unrest. The strike was in relation to demands of the All India NBCC Employees' Association *inter alia* to regularise the employment of nominal muster roll/ casual workmen after 240 days of continuous service with our Company. However, following detailed discussions and negotiations between our Company and the All India NBCC Employees' Association, the matter was resolved and the employment of the nominal muster roll/ casual workmen was regularised. Since 1989, our Company has not experienced any strike or labour unrest.

While we believe that we maintain good relationships with our employees and contract labourers, there can be no assurance that we will not experience future disruptions to our operations due to disputes, strikes or other problems with such work force, which may adversely affect our goodwill, business and results of operations.

As of January 15, 2012, approximately 55 % of our employees are unionised and our failure to effectively negotiate with the trade unions representing our employees or any union activity could result in work stoppages. Any such work stoppage, though not quantifiable, could have an adverse effect on our business, financial condition and results of operations and the price of our Equity Shares.

18. ***We have not executed BOT/BOLT/BOOM projects in the past and hence have no experience of executing such projects. Further, pre-qualification for certain BOT/BOLT/BOOM infrastructure projects may require entering into joint ventures or strategic alliances with third parties. In case we are unable to forge an alliance with such third parties, we may lose on the opportunity of qualifying for such projects, or if we are unable to manage such projects, then it may adversely affect on our strategies and growth prospects.***

As part of our strategy to focus on large infrastructure construction projects, we plan to selectively Bid for BOT / BOLT / BOOM projects in the future. However, though we have experience of undertaking projects in PMC, real estate development and for civil infrastructure for power sector segments, we have not executed any BOT / BOLT / BOOM projects in the past.

BOT/BOLT/BOOM projects that we propose to foray into operate generally on Private Public Partnerships model of financing, developing, operating and maintaining such projects. The risks associated with undertaking BOT/BOLT/BOOM projects can be substantial, including the risk of incorrect forecasts at the Bid stage of the estimated revenues to be derived from the use of the constructed facility and the risk of extended exposure to fluctuating economic conditions including change in government policy. BOT/ BOLT/BOOM projects typically have long gestation periods and we may incur substantial capital expenditure on these projects before we derive expected benefits or returns on our investment. This can impact on our business prospects.

In order to meet the pre-qualification requirements for certain BOT/BOLT/BOOM infrastructure projects, which require higher capital adequacy or technical expertise, our Company may have to enter into joint ventures or strategic alliances with third parties. In case we are unable to forge an alliance with such third parties, we may lose on the opportunity of qualifying for such projects, which could have an adverse effect on our strategies growth prospects. Further, the inability of a joint venture or strategic alliance partner to continue with a project due to financial or legal difficulties could mean that we may be required to bear increased and possibly sole responsibility for the completion of the project and bear a correspondingly greater share of the financial risk of the project. In the event of disagreement between us and our joint venture partners regarding the business and operations of the joint ventures, we do not assure that we will be able to resolve them in a manner that will be in the best interests of our Company, which in turn, could have an adverse effect on our business prospects.

19. ***Contracts in the civil infrastructure for power sector segment are awarded on the basis of pre-qualification criteria and competitive Bidding processes. If we are unable to procure any further contracts then this may adversely affect our business prospects.***

Contracts in the civil infrastructure for power sector segment are awarded on the basis of pre-qualification criteria and competitive Bidding processes. We may not be able to meet the specified pre-qualification criteria in order to Bid for certain projects independently. In order to be able to Bid for such projects, we may form alliances by entering into memoranda of understanding or joint venture agreements with other construction companies. These alliances may allow us to meet criteria that may be required as part of the Bidding process or for executing the contract. If we are unable to procure any further contracts or to forge necessary alliances then this may adversely affect our business prospects.

20. ***Our operations are sensitive to seasonal changes. Abnormalrains or adverse weather conditions could have an adverse impact on our business operations.***

Our business operations may be affected by difficult working conditions due to rain during monsoon or adverse weather conditions that restrict our ability to carry on construction and development activities, may require the evacuation of personnel, suspension or curtailment of operations, result in damage to construction sites or delays in the delivery of materials and fully utilize our resources. During periods of curtailed activity due to weather conditions, we may continue to incur fixed operating expenses, but our revenues from operations may be delayed or reduced. Although such adverse weather conditions do not typically have a material impact on our revenue from operations, however, prolonged monsoon season or adverse weather conditions or floods, storm, heavy snowfalls, may cause delays and reduction of our productivity, thus affecting our business operations.

21. ***We engage independent consultants prior to undertaking a real estate development project to scope the market potential and assess the prevailing demand, which aids us to assess financial viability of the project. Any inability to assess or identify the risks and liabilities, may adversely affect our business, results of operation and financial condition.***

Due to the nature of real estate development industry in which we operate, certain potential risks and liabilities may not come to our notice while conducting such exercises, such as suitability of the land for the proposed development. Prior to undertaking a real estate development project, we engage independent consultants to conduct assessment exercises in relation to land and to assess the financial viability of the project and prepare a valuation report. The independent consultant may not correctly estimate the cost of the project when budgeting for the project. Further, our decision to acquire land and undertake a project involves an assessment of the size and location of the land, the preferences of potential customers, the economic potential of the region, the proximity of the land to civic amenities and urban infrastructure, the willingness of landowners to sell the land to us on terms which are commercially acceptable to us, the ability to enter into an agreement to buy land from multiple owners, the availability and cost of financing such acquisitions, the existence of encumbrances, government directives on land use, and the ability to obtain permits and approvals for land acquisition and development.

Any failure to identify suitable projects, build or develop saleable properties or anticipate and respond to customer demand in a timely manner or any failure to acquire suitable land may cause us to change, delay or abandon entire project, which in turn could adversely affect our competitive position, business, financial condition and results of operation.

22. ***Our title and development rights or other interests over land may be subject to legal uncertainties and defects which may have an adverse impact on our ability to develop and market projects developed on such lands. Further, Title insurance is not commercially available in India and we may face uncertainty of title to our lands and inadequate or doubtful title may expose us to the risks of litigation.***

Prior to any agreement for purchase and/or development of land with respect to any land or any right therein that we purchase from private parties, we usually verify the history and title of the land based on available documents and information by undertaking a title due diligence process by engaging legal counsels. However, there can be no absolute assurance that such documents and information is accurate, authentic or complete or there are no defects in title.

Further, due to defect in title, if there arises any legal disputes then this can take several years to resolve and can entail considerable expense. If we or the owners of the land, which is the subject of our agreements, are unable to resolve such disputes with these claimants, we may either lose our interest in such land or may be rendered unable to commence or continue development thereon. The failure to obtain good title to a particular plot of land may materially prejudice the success of any development for which that plot is a critical part and may require us to write- off expenditure in respect of the development.

Title insurance is not commercially available in India to guarantee title or development rights in respect of land. Our title to land may be defective as a result of a failure on the part of a prior transferee, to obtain the consent of all such persons. Prospective investors should note that the legal counsel to the Offer is not providing opinion in respect of title to our land. For details on the land reserves, please see "Our Business" beginning on page 80 of this DRHP. There can be no assurance that any irregularities in title may not arise in the future. Any difficulty in verifying title to land may increase our exposure to third parties claiming title to the property. This could result in a delay in our selling the property or even a loss of title to the property, affect valuations of the property, or otherwise materially prejudice the development of the property which could in turn have an adverse effect on our business and financial condition.

23. ***We currently have three joint ventures with third parties for real estate development projects which may have associated business risks. Our business strategies may include investments in related fields, in the event that we are not able to manage these investments, it may affect our business and results of operations.***

We currently have three joint ventures with third parties in connection with our real estate development business operations. Investments through joint ventures may, under certain circumstances, involve risks as joint venture partners may fail to meet their commercial or other obligations in respect of the joint venture. In addition, joint venture partners may have business interests or goals that differ from our or our shareholders' business interests or goals.

We expect to continue to pursue selective investments in joint ventures. We cannot assure that the investments we have made in the past or those that we may make in the future may always be suitable or that we may be able to consummate any such transactions on terms and conditions acceptable to us, or that such transactions will always be successful. To the extent we have undertaken or will undertake investments, we may face various risks and uncertainties including risks associated with (i) the required investment of capital and other resources, and (ii) the possibility to engage in such activities profitably or without incurring inappropriate amounts of risk.

When conducting due diligence and making an assessment regarding an opportunity, we rely on the sources available to us, including information provided by the third parties. The due diligence investigation that we have carried out for past investments or that we will carry out with respect to any future opportunity may not be sufficient to identify all significant risks associated with the investments. If a business, initiated in the past or to be initiated in the future, generates insufficient revenues or if we are unable to efficiently manage our expanded operations, our results of operations may be adversely affected.

24. *For some of our properties allotted by government entities for our real estate development Ongoing Project and Forthcoming Projects, the Government is yet to execute conveyance / lease deeds. If such conveyance / lease deeds are not executed, at all, or delayed, then, this may adversely affect our business, results of operation and financial condition.*

For the following real estate development projects, the government has allotted the land, however the conveyance / lease deed is yet to be executed:

Ongoing Projects:

- Commercial complex at Hemanta Basu Sarani, Kolkata

Forthcoming Projects:

- Residential-cum-Commercial Complex (Phase-I) at Bahadurpur, Patna
- Phase-II at Bahadurpur, Patna
- Commercial Complex on 5 Acre land parcel at Action area –III, Rajarhat, Kolkata
- Group Housing Project, Alwar
- Commercial Complex , Lucknow

For more details of these projects, please refer to the section titled “Our Business” beginning on page 80 of this DRHP.

The conveyance deed / lease deed for the aforesaid projects shall be executed in due course. Any failure to execute and register the conveyance deed / lease deed, shall affect the project. We may have to cancel the project or the project may get delayed. This may adversely affect our business, results of operation and financial condition.

25. *Some or all of our on-going and forthcoming real estate development projects may not be completed by their expected completion dates or previously estimated cost, or at all, which may adversely affect our business, results of operations and financial condition.*

As of January 15, 2012, we had 7 Ongoing and 12 Forthcoming real estate development projects. For details, please see the section titled ‘Our Business’ beginning on page 80 of this DRHP. There could be unscheduled delays and cost overruns in relation to our Ongoing and Forthcoming real estate development projects.

Our estimated timelines or estimated project cost for our Ongoing and Forthcoming real estate development projects may change due to, among others, factors outside our control, including:

- availability of raw materials;
- increases in construction costs;
- natural disasters;

- reliance on third party contractors;
- the risk of decreased market demand during the development of a project;
- changes to the national, state and local business climate and regulatory environment; and
- changes with respect to competition from other property developers.

Due to reasons stated aforesaid, we may not be able to complete projects according to our previously established timelines, at our previously estimated project cost, or at all, which could harm our results of operations and financial condition. In addition, where cost of project has increased significantly or unexpectedly, we may not be able to pass the increase in construction costs through to our customers, particularly if we pre-sell a significant portion of our residential or commercial project units prior to project completion, which could reduce or eliminate the profits we attain with regards to our real estate developments projects. If such changes occur during the time it takes to complete a certain project, our return on such project may be lower than expected. In such an event we may decide not to develop these projects as planned, or at all, thus, it may have an adverse effect on our business, results of operations and financial condition.

26. ***We may be subject to penalty or compounding proceedings for violation of Section 253 of the Companies Act. There can be no assurance that the Ministry of Corporate Affairs ("MCA") will not impose any penalty or subject us to compounding proceedings and this may adversely affect our financial condition.***

Some of our directors, appointed pursuant to the MoUD orders, did not have Director Identification Number ("DIN") at the time of their appointment as directors of our Company. Our Company took note of appointment of such directors at Board meeting and filed the requisite forms with the Registrar of Companies (after due approval of their respective DIN). As per Section 253 of the Companies Act, no company can appoint an individual as director of the company unless he has been allotted a DIN under section 266B of the Companies Act. We may be subject to penalty or compounding proceedings for violation of Section 253 of the Companies Act. There can be no assurance that the Ministry of Corporate Affairs ("MCA") will not impose any penalty or subject us to compounding proceedings and this may adversely affect our financial condition.

27. ***Any disruptions to our Enterprise Resource Planning (ERP) and disaster recovery platforms or to our business systems could adversely affect our ability to carry on our business efficiently.***

We have invested in information technology systems designed to help us better monitor and run our business. Our Enterprise Resource Planning (ERP) platform covers some business processes related to accounting, salaries, HRM system and e-Bidding system. We have a centralized deployment of ERP through the data centre located at our Registered and Corporate office at New Delhi which captures data that can be accessed by users across our Company offices. ERP is implemented at all our offices.

All our ERP servers and data centre facilities are located only at a single location in New Delhi and are vulnerable to damage, power loss, third party disruptions, natural calamities, fire and similar events. Any significant disruption to these servers or other computer or communication systems may damage our ability to carry on our business efficiently.

28. ***Certain employees of our Company face allegations of engaging in corrupt practices, which may adversely impact our business reputation.***

Certain employees of our Company face allegations of engaging in corrupt practices including misappropriation of funds, demand and acceptance of illegal gratification and other offences under the Prevention of Corruption Act, 1988, as applicable. Investigation proceedings have been initiated against these personnel, and are presently pending investigation before the CBI /the Central Vigilance Commission / the chief vigilance officer of the Company. Based on the records available with our Company, there are 6 vigilance proceedings pending against 16 employees of our Company. There are also CBI enquiries pending against 2 of our employees. As on date, based on the information available with the Company, there are no pending proceedings in relation to charges of corruption against any of the Directors or any of the present key managerial personnel of our Company.

While we have initiated various internal compliance procedures to address corrupt practices, there can be no assurance that we will be able to prevent such incidents in the future. Corrupt activities by employees of our Company may attract significant media attention in India, which could harm our business reputation.

29. *Misconduct by employees or joint venture partners or our failure to comply with laws or regulations could subject us to fines and penalties, which could have an adverse impact on our business, financial condition, and results of operations.*

Misconduct, fraud, non-compliance with applicable laws and regulations, or other improper activities by any of our employees or joint venture partners could have a significant negative impact on our business and reputation. Such misconduct could include the failure to comply with government regulations regarding the protection of classified information, regulations prohibiting bribery and other foreign corrupt practices, regulations regarding the pricing of labour and other costs in government contracts, regulations pertaining to the internal controls over financial reporting, environmental laws, and any other applicable laws or regulations. The precautions we take to prevent and detect these activities may not be effective, and we could face unknown risks or losses. Any failure to comply with applicable laws or regulations or acts of misconduct by our employees, could subject us to fines and penalties, which could have an adverse impact on our business, financial condition, and results of operations.

30. *We may engage contract labour in our civil infrastructure for power sector segment for carrying out certain of our operations and we may be responsible for paying the wages of such workers if the independent contractors through whom such workers are hired default on their obligations, which could have an adverse effect on our financial condition.*

In order to retain operational efficiencies in our civil infrastructure for power segment, at times, we engage contract labour through contractors. Although we do not engage these labourers directly, if the contractor is unable to pay the contract labourers their wages or other dues then, under law, we may be responsible for such wages or other labour dues of our sub-contractors as we are the principal employer. Any requirement to fund their wage requirements may have an adverse impact on our financial condition. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be required to absorb a number of such contract labourers as permanent employees. Thus, any such order from a regulatory body or court may have an adverse effect on our business, financial condition and results of operations.

31. *The interests of some of our Directors may cause conflicts of interest in the ordinary course of our business.*

Conflicts may arise in the ordinary course of decision-making by our Board as some of our Directors may also be on the Board of Directors of certain companies engaged in businesses similar to the business of our Company. In accordance with the procedure laid down in the Companies Act, our Directors are required to disclose any conflict of interest to the Board, following which they are allowed or restrained from participating in any discussions concerning the matters tabled before the Board. Although, we have in the past not had any incidence of conflict of interest, there is no assurance that no conflict of interest will arise in future.

32. *Our Registered and Corporate Office in New Delhi and our zonal office in Mumbai, though owned by us, are not registered in our name. In case of any dispute arising in the future with respect to our title, our business operations may be impaired.*

Under the Indian Law, all transfers of immovable property must be duly registered. Our Registered and Corporate Office situated at New Delhi, though owned by us, have not been duly registered in our name. Though we had executed an agreement for purchase of this property but the same is not registered in our name. Also, the property in respect of our zonal office at Mumbai is not registered in our name as the title documents are improper. In case of any dispute arising in the future with respect to our title, our business operations may be impaired till such time as we are able to make alternate arrangements.

33. ***Some of our zonal and regional offices are procured by us on leasehold basis. The lease agreements for these premises have not been registered as required under Indian law, in case any disputes arise between our Company and any lessors, then it may disrupt our operations.***

Some of our zonal and regional offices through which we operate our business, are leased by us from third parties. We may in future also enter into such transactions with third parties. Any adverse impact on the title /ownership rights/ development rights of our landlords from whose premises we operate our offices or breach of the contractual terms of such lease and license agreements may impede our Company's effective operations. Also, in the event, the leases are not renewed, our operations may get affected till such time the leases are renewed or alternative arrangements are made.

Further, some of our lease agreements for our offices, exceeding a term of over eleven months are not registered. The non-registration of lease agreement, for term exceeding eleven months, affects the validity of the agreement and such a lease is voidable. Besides this, such unregistered lease agreements are inadmissible in evidence before the courts. Also, the term of the lease deed for one of our offices at Mizoram has expired, we are in the process of getting the same renewed. In case a dispute arises in respect of any of our leased premises between the lessor (of any of the offices) and our Company, our operations may get affected.

34. ***Our ability to pay dividends in the future will depend upon our future earnings, financial condition, working capital requirements, capital expenditures and other factors.***

Pursuant to guidelines issued by the Ministry of Finance in September 2004, applicable to public sector undertakings, the minimum amount of dividend required to be declared is higher of 20.0% of equity or 20.0% of profits after tax. We have in the past paid dividends to the GoI accordingly. We paid dividends of ₹ 280.68 million, ₹ 232.99 million and ₹ 318.31 million in fiscal 2009, 2010 and 2011, respectively. For details, please refer to the section "Dividend Policy" beginning on page 149. However, the amount of our future dividend payments, if any, is subject to the discretion of the Directors, and will depend upon our future earnings, financial condition, and other factors. There can be no assurance as to whether our Company will pay a dividend in the future and if so, the level of such future dividends. For more information on our dividend policy, see the section titled "Dividend Policy" beginning on page 149 of this DRHP.

35. ***We had negative net cash flows from investing and financing activities in the past and may do so in the future.***

The Cash Flows, as Restated for the six month period ended September 30, 2011 and for the financial years ended March 31, 2011, 2010, 2009, 2008, and 2007 are as follows:

₹in millions

Particulars	For the period ended					
	30-Sept-11	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**	**31-Mar-07**
Net cash flow from operating activities	946.03	914.50	1,188.78	1,107.77	1,964.31	880.82
Net cash flow from investing activities	1,037.92	1,577.32	(527.83)	(150.47)	189.60	485.05
Net cash flow from financing activities	-	(232.99)	(318.31)	(591.84)	(937.00)	(141.28)
Net increase in cash and cash equivalents	1,983.94	2,258.83	342.64	365.46	1,216.91	1,224.59

Our net cash flows from investing and financing activities in the past have been negative at times and we cannot assure you that this may not happen in the future.

36. ***Some of the Company's records relating to forms filed with the Registrar of Companies are not traceable.***

We have been unable to locate the copies of certain of our corporate records *i.e.* prescribed forms filed by us with the Registrar of Companies, including, *inter-alia*, in respect of the allotment of Equity Shares (Form 2), changes in its authorized share capital (Form 5) and changes in its registered office (Form 18). While the Company believes that these forms were duly filed with the RoC on a timely basis, it has not been able to obtain copies of these documents, including from the Registrar of Companies. The Company cannot assure you that these form filings will be available in the future or that it will not be subject to any penalty imposed by the competent regulatory authority in this respect. There is no perceptible impact on the operations of the Company due to non-availability of copies of forms required to be filed under the Companies act.

37. ***We do not hold a trademark registration for our trade name and logo " ".If we are not successful in enforcing our intellectual property rights for any reason, it may have an adverse effect on our business and competitive position.***

We do not hold a trademark registration for the trade name and logo " " used by us. In the event of our failure to obtain registration of the trademark for such logo, or otherwise any inability to use such logo in the future, may result in the loss of any goodwill associated with such logo. Our ability to enforce our trademarks and other intellectual property is subject to general litigation risks and an action for passing-off may not sufficiently protect our trademarks or trade names. If we are not successful in enforcing our intellectual property rights for any reason, it may have an adverse effect on our business and competitive position.

38. ***The GoI will continue to control us post listing of our Equity Shares. This may conflict with your interests as a shareholder and affect our decision making process in certain business and strategic decisions going forward.***

Upon the completion of this Offer, the GoI will hold approximately 108,000,000 Equity Shares or approximately 90.0% of our post-Offer paid up equity share capital. Consequently, the GoI, acting through the MoUD, will continue to control us and will have the power to elect and remove our Directors and determine the outcome of most proposals for corporate action requiring approval of our Board or shareholders, such as proposed five-year plans, revenue budgets, capital expenditure, dividend policy, transactions with other GoI controlled companies. Under the Companies Act, we will continue to be a public sector undertaking which is owned and controlled by the Government of India.

Under the Articles of Association, the President of India may issue directives with respect to the conduct of our business or our affairs for as long as we remain a government owned Company, as defined under the Companies Act. For instance, under Article 50 of our Articles of Association, the President of India, by virtue of holding a majority of our Equity Share capital, has the power to appoint our Chairman and Managing Director and other whole-time Directors and determine the terms and conditions including remuneration and tenure applicable to the appointment. The interests of the GoI may be different from our interests or the interests of our other shareholders. As a result, the GoI may take actions with respect to our business and the businesses of our peers and competitors that may not be in our or our other shareholders' best interests. The GoI could, by exercising its powers of control, delay or defer or initiate a change of control of our Company or a change in our capital structure, delay or defer a merger, consolidation, or discourage a merger with another public sector undertaking.

The GoI also exercises substantial control over the growth of the infrastructure sector in India and could require us to take actions designed to serve the public interest and not necessarily to maximize our profits. This may affect the decision making process in certain business and strategic decisions taken by the Company going forward.

39. ***The proceeds from this Offer will not be available to us.***

As this Offer is by way of an offer for sale of Equity Shares by the Selling Shareholder, the proceeds from this Offer will be remitted to the Selling Shareholder and our Company will not benefit from such proceeds.

EXTERNAL RISKS

Risks Factors Relating to this Offer

1. ***The price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop.***

Prior to this Offer, there has been no public market for our Equity Shares. There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Offer, or that the price at which our Equity Shares are initially offered will correspond to the prices at which they will trade in the market subsequent to this Offer. The trading price of our Equity Shares may fluctuate after this Offer due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the financial services industry, the energy industry and the perception in the market about investments in the financial services industry, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares may also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could materially affect the price of our Equity Shares.

2. ***Any future issuance of Equity Shares by the Company or sale of the Equity Shares by any of its significant shareholders may adversely affect the trading price of the Equity Shares.***

Any future issuance of our Equity Shares by our Company could dilute your shareholding. Any such future issuance of our Equity Shares or sales of our Equity Shares by any of our significant shareholders may also adversely affect the trading price of our Equity Shares, and could impact our ability to raise capital through an offering of our securities. Upon completion of the Offer, 20 % of our post-Offer paid-up capital held by our Promoter will be locked in for a period of 3 years from the date of allotment/allocation of Equity Shares in the Offer. For further information relating to such Equity Shares that will be locked in, please see the section titled "***Capital Structure***" beginning on page 28 of the DRHP. All other remaining Equity Shares that is outstanding prior to the Offer other than the Equity Shares being offered for sale in the Offer, will be locked in for a period of one year from the date of allotment/allocation of Equity Shares in the Offer. Other than these, there are no restrictions on the transfer of our Equity Shares. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber their Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

3. ***The market value of investors' investments may fluctuate due to the volatility of the Indian securities markets.***

Indian securities markets may be more volatile than the securities markets in other countries. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. Indian stock exchanges (including the BSE and the NSE) have experienced problems which, if such or similar problems were to continue or recur, could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares. These problems have included temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of Indian stock exchanges have from time ***to*** time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, from time to time, disputes have occurred between listed companies and the stock exchanges and other regulatory bodies, which in some cases may have a negative effect on market sentiment.

4. ***The continuation or recurrence of systemic events such as the recent global economic crisis, instability of economic policies and the political situation in India or globally may adversely affect our performance.***

Conditions outside India, such as continued slowdowns in the economic growth of other countries may adversely impact the growth of the Indian economy, and Government policy may change in response to such conditions. The consequent slowdown in the Indian economy may adversely affect our business, including our ability to implement our business strategy.

The current economic policies of the Government may change further to respond to the recent global economic meltdown or a recurrence thereof. Particularly, there may be changes to specific laws and policies affecting the industry and other policies affecting foreign investment in our business. Any significant shift or change in India's economic policies and regulations may disrupt economic conditions in India and this may in turn affect our business, financial condition and results of operations.

An unstable internal and international political environment may impact the economic performance of the financial services industry, including our Company, in the short and long term. Our business, and the market price and liquidity of our Equity Shares, may be affected by reactionary changes in interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India on account of any changes in the global economy.

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries. Financial turmoil in Asia, the United States, Europe and elsewhere in the world in recent years has affected the Indian economy. 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. The recent global economic downturn had a severe impact on the Indian equity markets. The Indian stock exchanges experienced significant volatility, with the SENSEX declining by almost 24.64% during calendar year 2011. A loss in investor confidence in the financial systems of other markets may increase volatility in Indian financial markets and, indirectly, in the Indian economy in general, thereby adversely affecting our business, financial condition and results of operations.

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

Our Articles of Association, regulations of our Board of Directors and Indian law govern our 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 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 of our Company than as a shareholder of a corporation in another jurisdiction.

6. ***We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and the civil construction sector and the real estate development sector contained in this Draft Red Herring Prospectus.***

While facts and other statistics in this Draft Red Herring Prospectus relating to India, the Indian economy and the construction, infrastructure, power and real estate sector has been based on various publications and reports from agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisers and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the section titled "***Industry Overview***" beginning on page 49 of this DRHP. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

7. ***Fluctuations in the exchange rate between the Rupee and other currencies could have a material adverse effect on the value of the Equity Shares, independent of our operating results.***

The Equity Shares are quoted in Rupees on the BSE and the NSE. Any dividends in respect of the Equity Shares will be paid in Rupees and subsequently converted into other currencies for repatriation. Any adverse movement in exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, 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 other currencies could fluctuate significantly in the future, which may have a material adverse effect on the value of the Equity Shares and returns from the Equity Shares, independent of our operating results.

8. *There is no guarantee that the Equity Shares allotted pursuant to the Offer 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 listing and trading of the Equity Shares allotted pursuant to the Offer will not be granted until after the Equity Shares have been allotted. Approval for listing and trading will require all relevant documents authorizing the allotment of Equity Shares to be submitted. There could be a failure or delay in listing the 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.

9. *Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.*

Under current Indian tax laws and regulations, capital gains arising from the sale of Equity Shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax ("STT") has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realized on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is 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 jurisdiction on a gain upon the sale of the Equity Shares.

10. *There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which the shareholders may sell, Equity Shares.*

Subsequent to listing, our Company may be subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India which does not allow transactions beyond certain volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our Company's circuit breaker is set by the stock exchanges based on certain factors such as the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges are not required to inform our Company of the percentage limit of the circuit breaker from time to time, and may change it without its knowledge. This circuit breaker, if imposed, would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

11. *There has been press coverage about this Offer. You should read this Draft Red Herring Prospectus carefully and we strongly caution you not to place any reliance on any information contained in press articles, including, in particular, any financial projections, valuations or other forward-looking information.*

There has been press coverage about us and this Offer, primarily in India, that included certain projections, valuations and other forward-looking information. We wish to emphasize to potential investors that we do not accept any responsibility for the accuracy or completeness of such press articles and that such press articles were not prepared or approved by us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other forward-looking information, or of any assumptions underlying such projections, valuations or other forward-looking information, included in or referred to by the media. Any such statements may be inconsistent with, or conflict with, the information contained in this Draft Red Herring Prospectus. Accordingly, you should only make your decision as to whether to purchase our Equity Shares by relying only on the financial, operational and other information contained in this Draft Red Herring Prospectus.

Risk Factors Related to India

12. ***We rely on projects awarded by Government Entities for a significant portion of our revenues. If there is any change in the government, or budgetary allocations by governments, or downturn in available work in a particular sector as a result of shifts in government policies or priorities or exhaustion of Government's development budgets, our financial results and business prospects may be adversely affected.***

Contracts awarded by the GoI and state government entities have historically accounted for significant portion of our Company's revenue. Of our three segments, our PMC and civil infrastructure for power sector segmentsare entirely dependent on projects awarded by government entities. There can be no assurance that the GoI or state governments will continue to engage us. If there is any change in governments, or budgetary allocations by governments, or downturn in available work in a particular sector as a result of shifts in government policies or priorities or exhaustion of Government's development budgets, our financial results and business prospects may be adversely affected.

13. ***Demand for our PMC and civil infrastructure for power sector segment depends on economic growth and the level of investment and activity in the infrastructure sector.***

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

14. ***The real estate development operations are extensively regulated by the GoI, State Governments and various statutory and regulatory authorities. The compliance costs, liabilities and requirements associated with existing statutory and regulatory requirements and adverse regulatory or policy developments may have a significant impact on our real estate development operations.***

Our real estate development operations are subject to extensive regulation by the GoI, the relevant State Governments within which we operate, and various Central, State, provincial and municipal statutory and regulatory authorities and agencies, including without limitation the MoUD, MoEF and State Pollution Control Boards.

The compliance costs, liabilities and requirements associated with existing and any new policies and statutory and regulatory requirements can have a significant impact on our operations. In addition, there can be no assurance that our results of operations will not be adversely affected by any future changes in such regulations and policies. Our business operations and prospects may therefore be affected by various policies and statutory and regulatory requirements and developments that affect the real estate development industry in India in general.

15. ***Our real estate business is dependent on the performance of the real estate market and the availability of real estate financing in India.***

Our real estate business is dependent on the performance of the real estate market in India, and could be adversely affected if market conditions deteriorate. Real estate projects take a substantial amount of time to develop, and we could incur losses if we purchase land at high prices and we have to sell or lease our developed projects during weaker economic periods. Further, the real estate market both for land and developed properties is relatively illiquid and that there may be high transaction costs as well as little or insufficient demand for land or developed properties at the expected rental or sale price, as the case may be, which may limit our ability to respond promptly to market events.

The real estate market is significantly affected by changes in government policies, economic conditions, demographic trends, employment and income levels and interest rates, among other factors. These factors can negatively affect the demand for and the valuation of our planned projects. Lower interest rates on financing from India's retail banks and housing finance companies, particularly for residential real estate, and favourable tax treatment of loans, have helped fuel the recent growth of the Indian real estate market. However, India has experienced rising interest rates in the recent past. Rising interest rates could discourage consumers from borrowing to finance real estate purchases and could depress the real estate market. Changes in interest rates could also affect the willingness and ability of our prospective real estate customers, particularly the customers for our residential properties, to obtain financing for their purchases of units in our developments. The interest rate at which our real estate customers may borrow funds affects the affordability of, and hence the markets demand for, our residential real estate developments. Mortgage rates have risen significantly in the recent past. Additionally, stricter provisioning and risk weightage norms imposed by the RBI in relation to real estate loans by banks and housing finance companies could reduce the attractiveness of property or developer financing and the RBI or the Government of India may take further measures designed to reduce or having the effect of reducing credit to the real estate sector. If the demand for, or supply of, real estate financing at attractive rates were to diminish or cease to exist, our business and financial results could be adversely affected.

16. ***The government may exercise rights of compulsory purchase or eminent domain in respect of our lands.***

Like other real estate development companies in India, we are subject to the risk that governmental agencies in India may exercise rights of eminent domain, or compulsory purchase in respect of lands. The Land Acquisition Act, 1894 allows the central and state governments to exercise rights of compulsory purchase, or eminent domain, which, if used in respect of our land, could require us to relinquish land with minimal compensation. The likelihood of such actions may increase as the central and state governments seek to acquire land for the development of infrastructure projects such as roads, airports and railways. Any such action in respect of one or more of our major current or proposed developments could adversely affect our business.

17. ***Our business and activities will be regulated by the Competition Act, 2002 ("Competition Act") and any application of the Competition Act to us could have an adverse effect on our business, financial condition and results of operations.***

The Competition Act is designed to prevent business practices that have an appreciable adverse effect on competition in India. Under the Competition Act, any arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India is void and attracts substantial monetary penalties. Any agreement which directly or indirectly determines purchase or sale prices, limits or controls production, shares the market by way of geographical area, market or number of customers in the market is presumed to have an appreciable adverse effect on competition. Further, if it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any Director, manager, secretary or other officer of such company, that person shall be guilty of the contravention and liable to be punished. For more information, see section titled "Regulations and Policies" beginning on page 106 of this DRHP.

The provisions of the Competition Act relating to combinations were notified recently on March 4, 2011 and have come into effect on June 1, 2011. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is likely to have an appreciable adverse effect on competition in India. Effective June 1, 2011, all combinations have to be notified to the CCI within 30 days of the execution of any agreement or other document for any acquisition of assets, shares, voting rights or control of an enterprise under the Competition Act. If we are affected, directly or indirectly, by any provision of the Competition Act, or its application or interpretation, including any enforcement proceedings initiated by the Competition Commission and any adverse publicity that may be generated to scrutiny or prosecution by the Competition Commission, it may have a material adverse effect on our business, financial condition and results of operations.

18. ***Significant differences exist between Indian GAAP and IFRS, which may be material to investors' assessment of our financial condition and results of operations. On February 25, 2011, MCA has notified 35 Indian Accounting Standards converged with IFRS, the date of implementation of which is yet to be notified. The proposed adoption of IFRS converged Indian Accounting Standards could result in our financial condition and results of operations appearing materially different than under Indian GAAP.***

We may be required to prepare annual and interim financial statements under IFRS converged Indian Accounting Standards in accordance with the roadmap for the adoption of, and convergence with, IFRS announced by the Ministry of Corporate Affairs, GoI in January 2010. The convergence of 35 Indian Accounting Standards with IFRS was notified by the Ministry of Corporate Affairs by way of a press release on February 25, 2011. The date of implementing such converged Indian accounting standards has not yet been determined, and will be notified by the Ministry of Corporate Affairs in due course after various tax-related and other issues are resolved.

Our financial statements, including the audited financial statements included in this Draft Red Herring Prospectus are prepared in accordance with Indian GAAP. We have not attempted to quantify the impact of IFRS on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those under IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. In making an investment decision, investors must rely upon their own examination of the Company, the terms of this Offer and the financial information contained in this Draft Red Herring Prospectus.

Our financial condition, results of operations or changes in shareholders' equity may appear materially different under IFRS than under Indian GAAP. This may have a material adverse effect on the amount of income recognized during that period and in the corresponding period in the comparative period. In addition, in our transition to IFRS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Moreover, our transition may be hampered by increasing competition and increased costs for the relatively small number of IFRS-experienced accounting personnel available as more Indian companies begin to prepare IFRS financial statements.

19. ***Companies operating in India are subject to a variety of central and state government taxes and surcharges.***

Tax and other levies imposed by the central and state governments in India that affect our tax liability include: central and state taxes and other levies, income tax, value added tax, turnover tax, service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. For example, a new direct tax code is proposed to be introduced before the Indian Parliament. In addition, there is a proposal to introduce a new goods and services tax, effective April 1, 2012, and the scope of the service tax is proposed to be enlarged. The central or state governments may in the future increase the corporate income taxes they impose. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business and results of operations.

20. ***Unfavourable changes in legislation, including tax legislation, or policies applicable to us could adversely affect our results of operations.***

The Finance Minister has presented the Direct Tax Code Bill, 2010 ("DTC Bill") on August 30, 2010, which is proposed to be effective from April 1, 2012. On the finalisation of the DTC Bill and on obtaining the approval of the Indian Cabinet, the DTC Bill will be placed before the Indian Parliament for its approval and notification as an Act of Parliament. Accordingly, it is currently unclear what effect the Direct Tax Code would have on our financial statements. However, under the proposed DTC Bill, the deductions under Sections 36(1)(vii)(c) and 36(1)(viii) of the I.T. Act, which are currently available to us, would not be available in the future, which will increase our tax liability. If the DTC Bill is passed in its entirety and we are affected, directly or indirectly, by any provision of the Direct Tax Code, or its application or interpretation, including any enforcement proceedings initiated under it and any adverse publicity that may be generated due to scrutiny or prosecution under the Direct Tax Code, it may have a material adverse effect on our business, financial condition and results of operations. For more information, see section titled "Statement of Tax Benefits" beginning on page 40 of this DRHP.

21. ***Investors may not be able to enforce a judgment of a foreign court against us or our management.***

The enforcement by investors in our Equity Shares of civil liabilities, including the ability to affect service of process and to enforce judgments obtained in courts outside of India may be affected adversely by the fact that we are incorporated under the laws of the Republic of India and almost all of our executive officers and Directors reside in India. Nearly all of our assets and the assets of our executive officers and directors are also located in India. As a result, it may be difficult to enforce the service of process upon us and any of these persons outside of India or to enforce outside of India, judgments obtained against us and these persons in courts outside of India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments are provided for under Section 13 and Section 44A of the Civil Procedure Code respectively. The GoI has under Section 44A of the Civil Procedure Code notified certain countries as reciprocating countries, as discussed below. Section 13 of the Civil Procedure Code provides that a foreign judgment 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 recognise the law of India in cases in 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 in force in India.

Section 44A of the Civil Procedure Code provides that where a foreign judgment has been rendered by a court 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 Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a similar nature or in respect of a fine or other penalties and does not include arbitration awards. The United Kingdom and some other countries have been declared by the Government to be a reciprocating territory for the purposes of Section 44A. However, the United States has not been declared by the Government to be a reciprocating territory for the purposes of Section 44A. A judgment of a court in the United States may be enforced in India only by a suit upon the judgment, subject to Section 13 of the Civil Procedure 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. Generally, there are considerable delays in the disposal of suits by Indian courts. 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 in India. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI under FEMA to repatriate any amount recovered pursuant to execution and any such amount may be subject to income tax in accordance with applicable laws. Any judgment or award in a foreign currency would be converted into Indian Rupees on the date of the judgment or award and not on the date of the payment. Generally, there are considerable delays in the processing of legal actions to enforce a civil liability in India, and therefore it is uncertain whether a suit brought in an Indian court will be disposed off in a timely manner or be subject to considerable delays.

22. *There could be political, economic or other factors that are beyond our control but may have a material adverse impact on our business and results of operations should they materialize.*

The following external risks may have a material adverse impact on our business and results of operations should any of them materialize:

- Political instability, a change in the Government or a change in the economic and deregulation policies could adversely affect economic conditions in India in general and our business in particular;
- A slowdown in economic growth in India could adversely affect our business and results of operations. The growth of our business and our performance is linked to the performance of the overall Indian economy. We are also impacted by consumer spending levels and businesses such as ours would be particularly affected should Indian consumers in our target segment have reduced access to disposable income;
- Civil unrest, acts of violence, terrorist attacks, regional conflicts or situations or war involving India or other countries could materially and adversely affect the financial markets which could impact our business. Such incidents could impact economic growth or create a perception that investment in Indian companies involves a higher degree in risk which could reduce the value of our Equity Shares
- Natural disasters in India may disrupt or adversely affect the Indian economy, the health of which our business depends on;
- Any downgrading of India's sovereign rating by international credit rating agencies may negatively impact our business and access to capital. In such event, our ability to grow our business and operate profitably would be severely constrained;
- Instances of corruption in India have the potential to discourage investors and derail the growth prospects of the Indian economy. Corruption creates economic and regulatory uncertainty and could have an adverse effect on our business, profitability and results of operations; and
- The Indian economy has had sustained periods of high inflation. Should inflation continue to increase sharply, our profitability and results of operations may be adversely impacted.
- An outbreak of an infectious disease or any other serious public health concerns in India, Asia or elsewhere could adversely affect our business.
- A decline in India’s foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition.

23. *There may be less information available about our Company and the Indian securities markets than in securities markets in other more developed countries.*

There is a difference between the level of regulation, disclosure and monitoring of the Indian securities markets and the activities of investors, brokers and other participants and that of markets in more developed economies. SEBI is responsible for ensuring 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 economies. As a result, shareholders may have access to less information about our business, results of operations and financial condition than those of our competitors that are listed on the BSE and the NSE and other stock exchanges in India on an Ongoing basis than shareholders may have in the case of companies subject to the reporting requirements of other more developed countries.

24. *A third party could be prevented from acquiring control of us because of anti-takeover provisions under Indian law.*

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of the Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. These provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of us. Under the takeover regulations an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of Indian takeover regulations.

25. ***Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the 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 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 or a tax clearance certificate from the income tax authority. We 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.

26. ***Any downturn in the Indian and global financial markets could adversely affect our business, results of operations and financial condition.***

In fiscal 2008, 2009 and 2010 the global credit markets experienced, significant dislocations and liquidity disruptions, which have originated from the liquidity disruptions in the United States and the European credit and sub-prime residential mortgage markets. These and other related events, such as the collapse of a number of financial institutions, had a significant adverse impact on the availability of credit and the confidence of the financial markets, globally as well as in India. The deterioration in the financial markets heralded a recession in many countries, which led to significant declines in employment, household wealth, consumer demand and lending and as a result adversely affected economic growth in India and elsewhere. In addition, uncertainties in the global and Indian credit and financial markets led to a significant decrease in the availability of credit and an increase in the cost of financing in fiscal 2009 and part of fiscal 2010. In response to such developments, although legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. There can be no assurance that similar downturns in the Indian and global financial markets will not recur in the future. In the event of similar circumstances in the future, we may have difficulty accessing the financial markets, which could make it more difficult or expensive for us to obtain funds in the future. There can be no assurance that we will be able to secure additional financing required by us on adequate terms or at all. If there are changes in statutory limitations on the amount of liquidity we must maintain or if there is any significant financial disruption, such conditions could have an adverse effect on our business, prospects, results of operations, financial condition and the trading price of the Equity Shares.

Prominent Notes:

- This Offer is an initial public offering by way of an offer for sale of 12,000,000 Equity Shares for cash at a price of ₹ [●] per Equity Share aggregating up to ₹ [●] million of the Company by the Selling Shareholder. The Offer comprises a Net Offer to the public of 11,880,000 Equity Shares and a reservation of 120,000 Equity Shares for subscription by Eligible Employees. The Offer shall constitute 10% of the post-Offer paid-up Equity Share capital of our Company and the Net Offer shall constitute 9.90% of the post-Offer paid-up Equity Share capital of our Company. The Offer Price is [●] times the face value.
- A discount of 5% (equivalent to ₹[●]) to the Offer Price is being offered to Retail Bidders and to Eligible Employees, respectively.

- The average cost of acquisition of Equity Shares by our Promoter is ₹7.50 per Equity Share.
- Refer to our financial statements relating to related party transactions in section titled “Financial Statements-Annexure Related Party Transactions beginning on page 148 of this DRHP.
- The net worth of our Company as at March 31, 2011 and September 30, 2011 was ₹6,542.76 million and ₹7,288.32 million, respectively, as per the restated financial statements included in this DRHP.
- The NAV/ book value per Equity Share as at March 31, 2011 and September 30, 2011 was ₹54.52 and ₹45.73 million, respectively, as per our restated financial statements. For more information, see the section titled “Financial Statements” beginning on 151 of this DRHP.
- There has been no financing arrangement whereby the Directors and/ or their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of filing of this DRHP with the SEBI.

Investors may contact the Book Running Lead Managers who have submitted the due diligence certificate to the SEBI, for any complaint pertaining to this Offer. All grievances relating to ASBA process may be addressed to the Registrar to the Offer, with a copy to the relevant SCSBs, giving full details such as name, address of the applicants, number of Equity Shares applied for, Bid Amounts blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application-Cum-Bidding Form has been submitted by the ASBA Bidder.

SECTION III – INTRODUCTION

SUMMARY OF INDUSTRY

Overview of the Indian Economy

India, with a Gross Domestic Product (GDP) of ₹48,778 bn at the end of FY11, is the fourth-largest economy in the world after USA, China and Japan. Barring FY09, the economy has registered a growth of 8% and above during the period FY 06-11.

YoY (%)	FY06	FY07	FY08	FY09	FY10	FY11
GDP	9.5	9.6	9.3	6.8	8.0	8.5
Agriculture	5.1	4.2	5.8	-0.1	0.4	6.6
Industry	9.7	12.2	9.7	4.4	8.0	7.9
Services	11.0	10.1	10.3	10.1	10.1	9.4

Source: Reserve Bank of India (RBI) and CARE Research *at Factor cost (2004-05 prices)*

The global financial crisis also hit the Indian economy and economic growth slashed to 6.8% in FY09. However, with buoyant domestic demand, accommodative policies and stimulus packages announced by the government, macroeconomic environment improved in the later year and the economy registered a growth of 8% in FY10.

The economy grew at a higher rate in FY11 and registered an impressive growth of 8.5%. The high growth in GDP came from all the sectors: agricultural sector expanded by 6.6%, manufacturing sector grew at 8.3%, construction sector expanded by 8.1% while the mining sector grew at 5.8%. The service sector was also buoyant and clocked a growth of 9.4%.

Economic scenario in the first half of FY 12

During the current fiscal, quarterly GDP for the Q2FY12 grew by 6.9% over the corresponding quarter of the previous year while the half yearly GDP growth stood at 7.3%. During the first half of the current fiscal, agriculture & allied activities grew by 3.6% compared to growth of 3.7% in the corresponding period last year. Sectors such as mining, manufacturing and construction have taken a beating in the first half this year, consequent on lower production and investments in the backdrop of rising interest rate regime. Mining & quarrying registered a negative growth of -0.5% during the first half of FY 12 while the construction registered the sluggish growth of mere 2.7% compared to 7.2% registered in the last year. Manufacturing sector registered a growth of 4.9% during the same period.

Overview of the Construction Industry

Broadly, construction can be classified into three segments – infrastructure, industrial and real estate. The infrastructure segment involves construction projects in different sectors like roads, rails, ports, irrigation, power, telecom *etc.* Investment in the infrastructure sector plays a crucial role in the growth of the economy of the country. Development of infrastructure in the country mainly depends upon the spending by GoI in various sub-segments of infrastructure.

Characteristics of construction industry

- Highly fragmented
- Labour intensive
- Working capital intensive
- Close linkage with economic growth
- Rising trend of Joint ventures
- Low mechanisation levels compared to global standards
- Varied gestation period and profitability across different construction projects

Construction Industry and GDP

GDP and Construction at the factor cost (at constant prices)

	GDP (₹ Cr)	GDP growth (%)	Construction (₹ Cr)	Construction as % of GDP
FY06	32,54,216	**9.5**	2,58,124	**7.9**
FY07	35,66,011	**9.6**	2,84,798	**8.0**
FY08	38,98,958	**9.3**	3,15,389	**8.1**
FY09	41,62,509	**6.8**	3,32,557	**8.0**
FY10	44,93,743	**8.0**	3,55,918	**7.9**
FY11	48,77,842	**8.5**	3,84,629	**7.9**

Source: Central Statistical Organisation (CSO) and CARE Research

Construction as a percentage of GDP has been in the narrow range of 7.9-8.1% in the past six years. With a slowdown in the economic growth in FY09, growth in construction GDP had also declined to 5.4% compared to the growth of 10.7% registered in FY08. In FY09, many manufacturing companies had deferred their expansion plans. Investment in the infrastructure projects had decelerated owing to the liquidity constraints. Also, many corporates were finding it difficult to achieve the financial closure of the projects. Imminent elections had put a halt on the awarding of new projects.

Overview of the Real Estate sector

The real estate sector in India has evolved over the years, accompanied by various regulatory reforms. In the past, factors such as the absence of a centralized title registry providing title guarantee, lack of uniformity in local laws affecting real estate and their application, the unavailability of bank financing, high interest rates and transfer taxes and the lack of transparency in transaction values led to inefficiencies in the sector. However, in recent years, the real estate sector in India has exhibited a trend towards greater efficiency and transparency due to the various laws and regulations that have been implemented to govern the sector.

The real estate sector in India is highly fragmented with many regional players, who have a significant presence in their respective local markets. The sector is one of the largest employers providing employment across various skill sets thereby significantly contributing to the overall economic development. Highly correlated with the economy, the growth of the sector is supported by favorable demographics, increasing urbanization, availability of finance and rising income levels. This sector is directly affected by changes in government policies like Floor Space Index (FSI), related regulations and any changes in the approvals required for the projects from various government bodies, usually at the state level.

The key risks associated with the real estate sector are mainly the cyclical nature of the business, interest rate fluctuations and changes in government policies. Any reversal in the economic cycle, fall in demand as a result of excessive increase in prices and/or increased supply affects the cash flow of the developers. Besides, the adverse movement in interest rate affects the real estate players in both ways by hampering the demand as well as increasing the cost of construction.

The demand for the real estate sector can be categorized mainly into three segments viz residential, commercial and retail. While demand for residential space is determined by a combination of factors such as property price trend, individuals' income levels, interest rates and the employment market scenario, the demand for the retail and commercial segments is directly correlated to the state of the economy.

The prices of residential, office and commercial properties had shot up considerably during the period FY06-FY08, led by increase in demand, overall economic development as well as substantial funds available from foreign investments. During this period, prices in the residential segment in prominent cities like Mumbai, Bangalore, Kolkata and NCR region grew (CAGR) in the range of about 25%-40%.In the same period, capital value of commercial properties in NCR registered the highest CAGR of 43% followed by Mumbai (26%), Bangalore (22%), and Kolkata (11%).

Thereafter, events like the global slowdown, drop in demand - especially in the commercial and retail segments and tight liquidity conditions led to a severe downturn in the real estate industry in FY09.

Consequently, the developers were holding large inventories and the overall liquidity crunch further led to the debt trap.

Characteristics of the real estate industry

- Highly fragmented market by regional players
- Local knowledge is critical to successful development
- High transaction costs
- Enhanced role of mortgage financing
- Lack of clarity in land title
- Sector governance issues

The real estate industry historically has been among the most regulated sectors in India. Incomplete and inaccurate land records, high transaction taxes and extensive real estate regulations have kept a large portion of property transactions out of the formal market. The Urban Land Ceiling Act and the Rent Control Act, limit the supply of land in India, which has resulted in Mumbai and New Delhi becoming among the most expensive real estate markets in the world. The Government has introduced progressive reform measures intended to unlock the potential of the sector and meet increasing levels of demand. In recent years, various reforms have been initiated by the central government as well as by individual state governments, which has led to improved organization and transparency in the sector.

Overview of the road sector

India has an extensive road network of 3.3 million kms – the second largest in the world. The country's roads carry about 65% of the total freight and 80% of the passenger traffic. The following table shows the bifurcation of the types of roads in the country:

Bifurcation of the types of roads in the country

Type	Kms	% of total
National highways	70,934	2.1
State highways	1,31,899	4.0
District roads	467,763	14.1
Rural & other roads*	2,650,200	79.8
Total	**3,320,796**	**100.0**

Source: National Highway Authority of India (NHAI) ** includes Expressways*

National highways serve as the arterial network across the country. Even though they constitute only 2% of all roads, they carry 40% of the road traffic. Moreover, only 20% of them have four or more lanes. In fact, the total length of expressways is just about 1,000 kms in the country. India's road density is 2.75 km per 1,000 people which is abysmally low as compared to the global average of 6.7 km per 1,000 people.

The Ministry of Road Transport and Highways (MoRTH) is responsible for formulating policies and overseeing the road sector in the country. MoRTH and National Highway Authority of India (NHAI) manage the national highways. At the state/district level, state governments, Public Works Departments (PWDs) and infrastructure boards have the responsibility of road development. Rural roads are under the purview of the Ministry of Rural Development (MoRD) and local authorities like Panchayat/Zila Parishad, whereas the urban roads come under Municipal Corporations. Road development programmes such as National Highways Development Programme (NHDP) - implemented by NHAI, Pradhan Mantri Gram Sadak Yojna (PMGSY) – implemented by MoRD and other state-level projects are currently underway in the country.

Pradhan Mantri Gram Sadak Yojana (PMGSY)

PMGSY was launched in December 2000 as a fully-funded Centrally Sponsored Scheme (CSS) with the prime objective of providing connectivity, through good all-weather roads to all unconnected habitations, with a population of more than 1,000 persons, by 2003 and all villages with population of more than 500 by the end of 2007. It planned to connect around 1,68,000 habitations involving construction of about 370,000 km of roads in addition to upgrading 375,000 km of the existing rural roads that were in poor condition. Subsequently, this programme was re-phased to achieve time-bound targets of rural connectivity under the overall umbrella of Bharat Nirman initiated in 2005–06.

Status of PMGSY (including Bharat Nirman) (as at the end of May 2011)

	Target	Achieved
Habitations (nos.)	1,36,451	78,951
New Connectivity (kms)	3,65,094	1,94,454
Upgradation (kms)	3,74,844	1,31,234

Source: MoRD

SUMMARY OF OUR BUSINESS

In this section, unless the context requires otherwise, any reference to the terms "we", "us" and "our" refers to our Company.

OVERVIEW

We are one of the few public sector companies engaged in the business of (i) project management consultancy services for civil construction projects ("**PMC**") (ii) civil infrastructure for power sector and (iii) real estate development. We are headquartered in New Delhi and in addition have 10 regional / zonal offices across India. The projects undertaken by our Company are spread across 23 states and 1 union territory in India. In addition, we have also undertaken projects overseas.

Our Company was incorporated in November 1960 as a wholly owned Government of India undertakingunder the erstwhile Ministry of Works, Housing & Supply ("**MoWHS**"), which is now known as the Ministry of Urban Development ("**MoUD**"). As of the date of this DRHP, the President of India acting through the MoUD, GoI holds 100% of our equity share capital.

On October 14, 2008, the Government granted us Schedule 'A' PSU status. We have also been awarded ISO 9001:2008 from the Bureau of Indian Standards in respect of our consultancy and project management division. We have also received "Excellent" rating from MoUD for each of the Fiscal years from 2004 to 2010 and Ministry of Heavy Industries & Public Enterprises has awarded us with an "Excellence Award". MoUD grants us "Excellent" rating if we achieve all the targets set out in the MoU with MoUD for the respective Fiscal year. Further, in 2011, for one of our PMC projects, we were awarded an 'Appreciation Shield' for quality and timely completion of NSEZ Noida Project by the Ministry of Commerce & Industry and the Development Commissioner, NSEZ. For details on our awards and recognitions, please refer to the section titled "History and Certain Corporate Matters" beginning on page 117 of this DRHP.

We operate primarily in the following three business segments:

1. Project Management Consultancyfor civil construction projects ("PMC")

Our PMC business segment includes providing management and consultancy services for a range of civil construction projects including residential and commercial complexes, redevelopment of buildings and colonies, hospitals, educational institutions; infrastructure works for security personnel, border fencing as well as infrastructure projects such as roads, water supply systems, storm water systems and water storage solutions. Some of our clients in this segment are or have been, ESIC, Ministry of Defence, Ministry of Home Affairs (including Security forces like CRPF, CISF, NSG, BSF), Ministry of External Affairs, MoUD, Ministry of Commerce and Industry, Ministry of Corporate Affairs, Ministry of Finance, Haryana Urban Infrastructure Development Board, IIT Roorkee, IIT Kharagpur, IIT Patna, SVNIT, amongst others.

Our key completed projects during the period April 01, 2006 tillSeptember 30, 2011, based on the total contract value, include road works at Agartala, construction of defence campus at Jaipur, Jodhpur, Ahemdabad, Ambala, Sulur, CBI headquarters at New Delhi, Extension of campus of MDU university and IIT Roorkee. Our key domestic PMC Ongoing Projects based on the total outstanding contract value, include Indo Bangladesh Border Fencing Works at Meghalaya, Tripura, Mizoram & Assam, ESIC Mandi, ESIC, K.K. Nagar, Chennai, ESIC Medical College & Hospital Works, Bihta, ESIC Hospital, Parel (Mumbai). We presently have one overseas PMC Ongoing Project at Male, Maldives for construction of India – Maldives Friendship Faculty of Hospitality & Tourism Studies.

As of September 30, 2011	PMC Projects	
	Ongoing Projects	Forthcoming Projects
Number of projects	130	59
Contract Value (₹ in million)	162,764.24	23,786.40 *

As of September 30, 2011	PMC Projects	
	Ongoing Projects	Forthcoming Projects
Outstanding Contract Value / Order Book (₹ in million)	79,240.52	23,786.40 *

* There are 3 projects for which the contract value is yet to be determined.

2. Civil Infrastructure for power sector

Our civil Infrastructure for power sector segment includes providing engineering and construction services for power projects, including design and execution of (i) civil and structural works for power projects (ii) Cooling towers (iii) Chimneys. Some of our clients in this segment include NTPC Limited, BHEL, APGENCO Limited, Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited, MAHAGENCO Limited and Karnataka Power Corporation Limited.

Our completed key projects, during the period April 01, 2006 till September 30, 2011based on the total contract value, include construction of civil, structural and architectural works for 2x250 MW at Korba, Chattisgarh;Rihand Main Plant – Civil Works in Uttar Pradesh; Site levelling work at Barh, Patna, Bihar and 220M/275M Twin Steel Flue with RCC Chimney Elevator at (i) Dadri, Uttar Pradesh, (ii) Mejia, West Bengal, (iii) Kadappa, Andhra Pradesh. Further, our key On-going PMC Projects, based on the total outstanding contract value, include cooling tower, chimney at Farakka Super Thermal Power Project, West Bengal, ,Koderma Thermal Power Project at Jharkhand, Durgapur, Thermal Power Project at West Bengal, Rihand Super Thermal Power Project, Uttar Pradesh, Barh Super Thermal Power Project, Patna, Mauda and Vindhyachal Super Thermal Projectat Maharashtra &Madhya Pradesh respectively.

As of September 30, 2011	Civil Infrastructure for power projects
	Ongoing Projects
Number of projects	14
Contract Value(₹ in million)	7,875.43
Outstanding Contract Value / Order Book(₹ in million)	3,199.49

3. Real Estate Development

Our real estate development segment focuses on principally two types of projects, namely, (i) residential projects, such as apartments and townships and (ii) commercial projects, such as corporate office buildings and shopping malls. Our Company has undertaken real estate projects which are spread across 10 states in India. As of January 15, 2012, our Land Reserves aggregate approximately 127.918 Acre. Our Land Reserves are located in Delhi, Uttar Pradesh, Patna, Gurgaon, Kolkata, Kochi, Alwar and Lucknow.

As on January 15, 2012, our completed commercial projects include commercial complex at Vadodara, Cuttack, Agartala, Ghaziabad (Uttar Pradesh) and at BhikajiCama Place, PragatiVihar and Pushp Vihar in New Delhi. Further, some of our key real estate development Ongoing Projects include residential complex at "NBCC Heights" at Sector-89, Gurgaon, Haryana; Khekra (Phase-I), Baghpat, Uttar Pradesh; residential-cum-commercial complex at Bahadurpur, Phase-I, Patna; NBCC Vibgyor Towers at Rajarhat, Kolkata; and commercial complex at "NBCC Centre" at Okhla- Phase-I, New Delhi,Sukias Lane at Kolkata and Hemanta Basu Sarani Complex at Kolkata. The following table represents details for types of real estate projects, as of January 15, 2012:

(Area in Sqft)

Type of real estate development	Completed projects		Ongoing Projects				Forthcoming Projects			
	No. of Projects	Developable Area	No. of Projects	Developable Area	Saleable Area	Leasable Area	No. of Projects	Developable Area	Saleable Area	Leasable Area
Residential	Nil	-	4	3,732,053	3,410,403	0	6	5,555,821	4,878,882	147,585
Commercial	8	1076,645	3	407,633	239,560	66624	6	2,323,908	1,724,101	290,768
TOTAL	8	1076.645	7	4,139,686	3,649,963	66624	12	7,879,729	6,602,983	438,353

Our Income from operations was ₹ 12765.65 million and profit after tax, as restated was ₹ 746.90 million for the six months ended September 30, 2011.Our Income from operations has increased from ₹ 14,424.48 million for the financial year 2007 to ₹ 31,267.72 million for the financial year 2011 at a CAGR of 21.3% during such period. Our profit after tax, as restated has increased from ₹ 778.01 million for the financial year 2007 to ₹ 1,404.73 million for the financial year 2011 at a CAGR of 15.9% during such period. Our profit after tax margin was 7.9%, 3.9% and 4.3% for the financial years 2009, 2010 and 2011, respectively.

OUR COMPETITIVE STRENGTHS

We believe the following are our principal strengths:

Established brand name and reputation

We started our operations in 1960 and the Government granted us Schedule 'A' PSU status. We have established client relationships with different State and Central Government ministries, department and agencies and various public sector undertakings. Over the past five decades, our ability to successfully manage projects as well as maintain quality standards has helped us in developing our brand as a trusted service provider. This provides us with access to business opportunities especially in our PMC segment.

We have received several awards and accreditations from time to time. We have been awarded ISO 9001:2008 from the Bureau of Indian Standards in respect of our PMC business. We have also received for each of the Fiscal years 2004 to 2010, "Excellent" rating from MoUD and in this connection, the Ministry of Heavy Industries & Public Enterprises has awarded us with an "Excellence Award". Further in 2011, we received an '*AppreciationShield'* on quality and timely completion of NSEZ Noida Project from the Ministry of Commerce and Industry and the Development Commissioner, NSEZ. For details of awards and accreditations, please see the section titled "History and Certain Corporate Matters" on page 117 of this DRHP.

We believe that our brand commands respect and credibility. We intend to continue to leverage the goodwill of our brand to enhance relationships with existing clients, seek new clients as well as diversify our business in allied sectors to help us grow our operations.

Operations in diverse sectors with strong Order Book position

We have, over the years, leveraged our PMC expertise in diverse segments of the civil construction such as residential and commercial complexes, institutions, hospitals and other buildings, sewage treatment plants, roads; and civil infrastructure for power sector such as cooling towers, chimneys and other civil and structural works. Each of these segments / sub-segments require specific skill sets and experience which have been developed by our Company for the timely execution of the projects in these sectors. As of September 30, 2011, our Order Book for the PMC and Civil Infrastructure for power sector was ₹106,226.41 million. As of September 30, 2011,the total Order Book comprised of 29.97% in the hospitals segment, 28.21% in the infrastructure segment, 31.81% in the institutional construction segment, 3.01% for cooling towers, chimneys and balance of plants for power plants, 5.32% for commercial construction and 1.67% for residential construction. We continue to add new orders to our Order Book. Furthermore, we believe that a large Order Book will increase our operational efficiency by allowing us economies of scale.

We believe that the size and diversification of our Order Book may enable us to sustain our financial condition and results of operations through difficult economic conditionand reduce our dependence on any particular segment and negate cyclical risks associated with a particular industry or sector.

Financial strength

Currently, we are a debt free Company. We believe that our track record of prudent financial management over the past five years and steady cash flows from our existing operations provide us with sufficient resources to fund our real estate development projects, support our working capital requirements and maintain a healthy level of cash and bank balance on our balance sheet. Our income from operations was ₹ 19,503.23 million, ₹ 29,328.40 million, ₹ 31,267.72 million and ₹ 12,765.65 million in Fiscal 2009, 2010 and 2011, and half year period ended September 30, 2011 respectively. Our Net Working Capital (Current Assets – Cash & Bank Balances – Current Liabilities) was ₹(7,962.59) million as of September 30, 2011. Supported by a well-managed working capital cycle, we have managed to limit our requirement of accessing borrowed funds for meeting our working capital requirements. With cash resources of ₹ 13,681.92 million as at September 30, 2011 and no debt, we benefit from a liquidity position that we believe provides us with significant flexibility.

Qualified and experienced management

Our senior management team and Key management personnel possess extensive management skills, operational experience and knowledge. We believe that our management teams have contributed to our growth and development. Our management teams have an average experience of about 20 years in the industry in which we operate, through which we believe that we are able to take advantage of new market opportunities. The strength and quality of our management has been instrumental in implementing our business strategies. For more details of our Directors and Key management personnel, please refer to section titled "Our Management" on page 127 of this DRHP.

Significant experience and track record

We have significant experience in the three business segments we operate in and have established a track record of managing a diverse range of projects. With over 50 years of experience, we have undertaken diverse construction related projects and have constructed residential and commercial complexes, institutions, hospitals and other buildings, sewage treatment plants, roads; cooling towers, chimneys and balance of plants for power plants. In the PMC and civil infrastructure for power sector segments together, we have completed 54 projects in theduring the period April 01, 2006 – September 30, 2011and have 144 Ongoing Projects. In addition, we have significant experience in real estate development sector.We believe our experience in PMC has enabled us to leverage relationships across lines of businesses and capitalise on our industry and product knowledge, especially for real estate development projects.

Vast Industry knowledge and technical expertise

Our experienced engineers adapt to the technical requirements of the diverse projects that we undertake. Experience gathered over the years by our engineering team ensures that we meet the set standards of quality and workmanship in a cost effective manner. We are dedicated to the development of expertise and know-how of our employees and continue to ensure that they have the necessary training and tools needed to be successful in a challenging environment. We periodically organise training programmes for our engineers, which are conducted by experts in management, engineering, design, quality and human resource development. As of January 15, 2012, our work force comprised of 494 employees in our engineering cadre and 96 employees in our technical cadre.

OUR STRATEGY

We intend to continue to provide high quality services to our clients and grow our business by leveraging ourstrengths, reaping out existing customer relationships and implementing the following strategies:

Focus on high value projects in the PMC and civil infrastructurefor power sectorsegments to benefit from economies of scale

In our PMC segment and civil infrastructure for power projects segment, we intend to focus on undertaking projects having a high order value, which we consider to be projects above ₹ 1,000 million in value. As at September 30, 2011, we had 35 Ongoing Projects in PMC segment and 1 Ongoing Project in civil infrastructure for power sector with a contract value higher than ₹ 1,000 million. In the PMC segment, we intend to focus on, inter alia, redevelopment projects whereby old buildings, complexes and colonies are redeveloped. Such projects are typically high value projects. Projects having a high order value typically have a smaller percentage of overhead cost as a percentage of total cost and therefore provide a higher profit margin. The pre-qualification and financial entry barriers for pursuing high value projects, if any, would provide us an edge over our competitors who Bid for such projects. We believe that these entry barriers make high value projects an attractive segment in which to operate. We aim to focus on establishing ourselves as a leading player in the large order size projects so that we can take advantage of these barriers to entry leading to lower levels of competition and higher profit margins.

Expand our real estate development business

As of January 15, 2012, we have successfully completed 8 real estate development projects. We have in hand 4 residential Ongoing Projects,6 residential Forthcoming Projects and3 commercial Ongoing Projects and 6 Forthcoming Projects. While real estate development requires significant amounts of capital, since it provides better profit margins and as we believe that the opportunities in both the commercial and residential segments are significant, we intend to expand our presence through a diverse range of projects in these segments. We recognise that owning land reserve is critical for this strategy. We intend to secure lands available with Central and State Government agencies for our real estate development projects. We also intend to continue to selectively enter into joint ventures agreements to increase the amount of land or land development rights available to us for development. This model helps us to spread the risk of our real estate projects' portfolio in addition to reducing our capital investment and beneficially utilising our PMC, sales and marketing capabilities.

Continue to focus on quality and timely project delivery

We believe that we have acquired a reputation for undertaking quality projectsin our PMC, civil infrastructure for power sector and real estate development segments and completing them on time.We intend to continue to focus on quality and timely project execution thereby maximising customer satisfaction in all our business segments. We intend to continue building our in-house design capabilities, including, building our on-the-job expertise through participation in design projects, recruiting qualified personnel, expanding our equipment base and selectively acquiring specialized businesses with design capabilities. We believe that this strategy can help strengthen our ability to engage in complex projects.

Capturing the high growth opportunities in the Infrastructure segment

We intend to take advantage of opportunities in the infrastructure space by Bidding for BOT / BOLT / BOOM projects under PPP mode. An additional advantage of BOT / BOLT / BOOM projects is that they offer long-term revenue streams. We intend to leverage on our PMC and real estate development businesses to procure large infrastructure projects. In order to meet the pre-qualification requirements for certain BOT/BOLT/BOOM infrastructure projects, which require higher capital adequacy or technical expertise and execution experience, our Company may have to enter into joint ventures or strategic alliances with third parties. We intend to pursue strategic alliances with established domestic as well as international players which we believe will augment our prospects of securing such projects. For related risk factors, please see the section titled "Risk Factors" beginning on page xv of this DRHP.

Expansion of PMC business overseas

We have significant experience in executing PMC projects across India. In addition, we have also executed a few projects outside India. We currently have one On-going overseas PMC project at Maldives. In the last five fiscal years, our PMC segment has significantly contributed to our total income, most of which has been from projects undertaken in India. We believe that the opportunities to grow in overseas PMC market are immense. We, further, believe that if we undertake projects overseas, we could implement the best practices developed outside on such projects to other PMC projects in India as well as abroad. As part of our strategy for future growth and expansion, we intend to take advantage of the significant growth opportunities by diversifying into new locations outside India.

THE OFFER

The following table summarizes the details of the Offer:

Equity Shares offered through this Offer	12,000,000 Equity Shares*
Of which	
Employee Reservation Portion#(1)	120,000 Equity Shares
Therefore,	
Net Offer to public#	11,880,000Equity Shares
Of which	
A. QIB Portion##	Not more than 5,940,000 Equity Shares available**
Of which	
Available for allocation to Mutual Funds only	297,000 Equity Shares
Balance for all QIBs including Mutual Funds	5,643,000 Equity Shares**
B. Non-Institutional Portion	Not less than 1,782,000 Equity Shares available**
C. Retail Portion(1)	Not less than 4,158,000 Equity Shares available**
Pre and Post Offer Equity Shares	
Equity shares outstanding prior to the Offer	120,000,000 equity shares
Equity shares outstanding after the Offer	120,000,000 equity shares
Use of Offer Proceeds	Our Company will not receive any proceeds from the Offer for Sale. For further details please see the section titled "***Objects of the Offer***" on page 37 of this Draft Red Herring Prospectus.

* *The MoUD, through its letter No. O-17034/8/2009-PS dated August 24, 2011 conveyed the approval granted by the Cabinet Committee on Economic Affairs for the Offer. The Equity Shares offered by the Selling Shareholder in the Offer have been held by it for a period of at least one year as on the date of filing of this Draft Red Herring Prospectus.*

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

\# *Under subscription, if any, in the Employee Reservation Portion, shall be added back to the Net Offer. In the event of under subscription in the Net Offer, spill over to the extent of under subscription shall be allowed from the Employee Reservation Portion. Subject to valid Bids being received at or above the Offer Price, under subscription, if any, in any other category would be allowed to be met with spill-over from other categories or a combination of categories, at the discretion of the Selling Shareholder and our Company in consultation with the BRLMs and the Designated Stock Exchange.*

\## *Allocation to QIBs is proportionate as per the terms of this Draft Red Herring Prospectus. 5% of the QIB Portion shall be available for allocation to Mutual Funds. Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. Under-subscription below 5% of the Mutual Fund Portion would be included for allocation to the remaining QIB Bidders on a proportionate basis.*

(1) *A Discount of 5 % (equivalent to ₹[●]) on the Offer Price shall be offered to Retail Bidders ("**Retail Discount**") and to Eligible Employees (the "**Employee Discount**").Eligible Employees and Retail Bidders should note that the benefit of the Retail Discount and Employee Discount can be availed at the time of submitting the Bid. The MoUD, through its letter No. O-17034/8/2009-PS dated August 24, 2011 conveyed the approval granted by the Cabinet Committee on Economic Affairs for the price discount of 5% to retail investors and employees of our Company. The amount of Retail Discount and Employee Discount shall be advertised in oneHindi national daily newspaper and one English national daily newspaper, each with wide circulation at least two working days before Bid/ Offer Opening Date.*

For details of the terms of the Offer, see the section titled "***Terms of the Offer***" *beginning* on page 278 of this Draft Red Herring Prospectus.

SUMMARY OF FINANCIAL INFORMATION

Summary Statement of Assets and Liabilities, As Restated

₹in millions

		Particulars	As at					
			30-Sep-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
A	Fixed assets							
	(a)	Gross block	361.93	359.29	358.06	234.21	221.98	277.12
	(b)	Less : Depreciation	122.79	116.77	106.65	101.02	93.66	153.04
	(c)	Net block	239.14	242.52	251.41	133.19	128.32	124.08
	(d)	**Total fixed assets**	**239.14**	**242.52**	**251.41**	**133.19**	**128.32**	**124.08**
B	**Investments**		**1,276.90**	**1,725.82**	**2,501.44**	**1,432.45**	**535.76**	**2.23**
C	Current assets, loans and advances							
	(a)	Inventories	134.16	134.05	148.66	148.51	124.91	123.37
	(b)	Work-in-progress	3,978.76	3,960.79	2,517.73	1,811.70	2,564.94	1,432.57
	(c)	Sundry debtors	6,432.07	8,689.59	8,820.75	7,784.03	4,470.82	4,798.97
	(d)	Cash and bank balances	13,681.92	11,697.98	9,439.15	9,096.51	8,731.05	7,514.14
	(e)	Other current assets	314.00	233.10	82.00	89.07	130.27	103.37
	(f)	Loans and advances	8,663.34	8,085.87	6,512.59	5,811.00	4,686.22	2,900.16
	(g)	**Total current assets, loans and advances**	**33,204.25**	**32,801.38**	**27,520.88**	**24,740.82**	**20,708.21**	**16,872.58**
D		**Deferred Tax Assets**	**63.18**	**62.74**	**64.58**	**58.58**	**39.35**	**58.66**
E	**Total assets [A + B + C+ D]**		**34,783.47**	**34,832.46**	**30,338.31**	**26,365.04**	**21,411.64**	**17,057.55**
F	Liabilities and provisions							
		Loan Funds						
	(a)	Secured Loans	-	-	-	-	-	-
	(b)	Unsecured Loans	-	-	-	-	-	671.36
	(c)	**Total Borrowed Funds**	**-**	**-**	**-**	**-**	**-**	**671.36**
		Current Liabilities & Provisions						
	(d)	Current liabilities	24,120.99	25,304.50	22,592.16	18,716.88	15,251.65	13,891.33
	(e)	Provisions	3,363.93	2,974.64	2,247.27	3,036.69	2,818.79	1,006.89
	(f)	**Total current liabilities and provisions**	**27,484.92**	**28,279.14**	**24,839.43**	**21,753.57**	**18,070.44**	**14,898.22**
	(g)	**Total liabilities**	**27,484.92**	**28,279.14**	**24,839.43**	**21,753.57**	**18,070.44**	**15,569.58**
G	**Less: Deferred Tax Liabilities**		**10.23**	**10.55**	**11.01**	**8.53**	**8.54**	**9.37**
H	**Net worth [A + B + C + D -F]**		**7,288.32**	**6,542.77**	**5,487.87**	**4,602.94**	**3,332.66**	**1,478.60**
I	Represented by :							
	(a)	Share capital	1,200.00	900.00	900.00	900.00	900.00	1,200.00
		Reserves and surplus						
	(b)	Capital Redemption Reserve	-	-	-	-	300.00	300.00
	(c)	General Reserve	2,000.00	2,300.00	2,300.00	2,300.00	2,000.00	-
	(d)	Balance of P&L, as restated	4,088.32	3,342.77	2,287.87	1,403.26	133.31	(20.42)
	(e)	***Total Reserves & Surplus***	6,088.32	5,642.77	4,587.87	3,703.26	2,433.31	279.58
	(f)	**Total share capital *plus* reserves**	**7,288.32**	**6,542.77**	**5,487.87**	**4,603.26**	**3,333.31**	**1,479.58**
	(g)	Less : Miscellaneous expenditure not written off	-	-	-	0.32	0.65	0.98
	(h)	**Net worth**	**7,288.32**	**6,542.77**	**5,487.87**	**4,602.94**	**3,332.66**	**1,478.60**

Notes:

The above statement should be read with the notes to the restated summary statement of assets and liabilities, profits and losses and cash flows as appearing in Annexure – IV

Summary Statement of Profits and Losses, as restated

₹in millions

		Particulars	For the period ended					
			30-Sep-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
A	**Income from Operations**							
	(a)	Value of Work Done	12,722.67	29,824.67	28,606.56	20,256.48	17,881.87	13,962.87
	(b)	Work-in-progress	328.85	1,443.05	1,213.25	155.55	1,818.07	636.47
	(d)	Accretion/(-)decretion to stocks	(285.87)	-	(491.41)	(908.80)	(685.70)	(174.86)
	(e)	**Total Income from Operations**	**12,765.65**	**31,267.72**	**29,328.40**	**19,503.23**	**19,014.24**	**14,424.48**
		Other Income	763.50	1,039.64	867.50	939.40	1,125.18	669.23
		Total Income	**13,529.15**	**32,307.36**	**30,195.90**	**20,442.63**	**20,139.42**	**15,093.71**
B	**Expenditure**							
	(a)	Land Cost / Material Consumed	277.86	1,399.27	1,155.35	344.04	1,531.12	150.56
	(b)	Expenditure on Piece Rate Work / Consultancy	11,182.70	27,002.24	25,527.61	16,099.97	12,684.71	12,312.71
	(c)	Salaries Wages & Benefits	604.31	1,138.09	1,062.04	930.82	771.49	462.84
	(d)	Other Expenses	148.36	342.09	363.49	325.26	313.40	664.36
	(e)	Provisions & Write Offs (Net)	123.83	256.17	261.17	270.90	621.10	209.81
		Total Expenditure	**12,337.06**	**30,137.86**	**28,369.66**	**17,970.99**	**15,921.82**	**13,800.28**
C	**Profit before depreciation, interest and taxation**		**1,192.09**	**2,169.50**	**1,826.24**	**2,471.64**	**4,217.60**	**1,293.43**
D	Less : Depreciation &Amotisation		10.40	32.10	31.18	30.69	30.94	29.38
	Less : Interest		72.68	43.22	48.70	32.19	35.64	21.29
E	Add/(Less) : Prior period items		(4.14)	(2.13)	0.43	9.25	2.18	(0.70)
F	**Profit before tax**		**1,113.15**	**2,096.29**	**1,745.92**	**2,399.52**	**4,148.83**	**1,243.46**
G	**Provisions for taxation**							
	(a)	Income tax for current year	364.22	691.51	582.81	818.33	1,328.68	429.61
	(b)	Income tax for earlier years	-	-	1.68	3.53	-	1.99
	(c)	Fringe benefits tax for current year	-	-	-	5.32	3.42	2.18
	(d)	**Total**	**364.22**	**691.51**	**584.49**	**827.18**	**1,332.10**	**433.78**
	(e)	Deferred tax adjustment for the period	(0.77)	1.39	(3.53)	(19.23)	18.48	0.90
	(f)	**Total provisions for taxation**	**363.45**	**692.90**	**580.96**	**807.95**	**1,350.57**	**434.68**
H	**Net profit after tax as per audited accounts**		**749.70**	**1,403.39**	**1,164.96**	**1,591.57**	**2,798.26**	**808.78**
I	**Extraordinary items (Net of tax)**		**-**	**-**	**-**	**-**	**-**	**-**
J	**Net profit after tax and extraordinary items**		**749.70**	**1,403.39**	**1,164.96**	**1,591.57**	**2,798.26**	**808.78**

	Particulars	For the period ended					
		30-Sep-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
K	**Adjustments on account of -**						
	(a) Changes in accounting policies	-	-	-	-	-	-
	(b) Prior period items	(4.14)	2.01	2.56	8.82	(7.07)	(2.88)
	(c) Other adjustments	-	-	30.42	37.08	(24.00)	(43.50)
	Tax impact						
	(a) Current year tax impact	1.34	(0.67)	(10.43)	(15.60)	10.56	15.61
	Total adjustments after tax impact	(2.80)	1.34	22.55	30.30	(20.51)	(30.77)
L	**Profit after tax, as restated**	**746.90**	**1,404.73**	**1,187.51**	**1,621.87**	**2,777.75**	**778.01**
	Balance Brought Forward, as restated	3,342.77	2,287.87	1,403.26	133.31	(20.42)	(463.33)
	Profit available for Appropriation	**4,088.32**	**3,670.07**	**2,560.47**	**1,775.68**	**2,788.10**	**290.08**
	Appropriations						
	Dividend & Dividend Distribution tax	-	327.30	272.60	372.42	654.79	10.50
	Transfer to Reserves					2,000.00	300.00
	Balance Carried Forward, As Restated	**4,088.32**	**3,342.77**	**2,287.87**	**1,403.26**	**133.31**	**(20.42)**

Notes:

The above statement should be read with the notes to the restated summary statement of assets and liabilities, profits and losses and cash flows as appearing in Annexure – IV

Summary Statement of Cash Flows, as restated

₹in millions

		Particulars	For the period ended					
			30-Sep-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
A	**Cash flow from operating activities :**							
	(a)	Profit before tax and extra-ordinary items	1,113.15	2,096.29	1,745.92	2,399.52	4,148.83	1,243.46
	(b)	Adjustments (see Annexure-IV)	(4.14)	2.01	32.98	45.90	(31.07)	(46.38)
	(c)	**Restated profit before tax**	**1,109.01**	**2,098.30**	**1,778.90**	**2,445.42**	**4,117.76**	**1,197.08**
	Adjustments for :							
	(d)	Depreciation	6.37	13.30	13.76	10.72	9.48	9.07
	(e)	(Profit) | Loss on Sale of Assets (Net)	0.03	(2.25)	(0.91)	(17.98)	(3.91)	(3.67)
	(f)	Interest received	(544.72)	(735.61)	(541.11)	(689.37)	(707.55)	(484.33)
	(g)	Rent	(0.16)	(0.16)	(0.14)	(0.15)	(0.34)	(0.15)
	(h)	Dividend Received	(47.15)	(68.09)	(127.71)	(50.42)	(25.05)	-
	(i)	Interest Expense				32.19	35.64	21.28
	(j)	Profit in Joint Venture	-	-	(3.27)	(3.90)	-	
	(k)	Total adjustments	(585.63)	(792.81)	(659.38)	(718.91)	(691.73)	(457.80)
		Operating profit before working capital	**523.38**	**1,305.49**	**1,119.52**	**1,726.51**	**3,426.03**	**739.28**
	Adjustments for changes in working capital :							
	(l)	Inventories	(0.12)	14.61	(0.15)	(23.60)	(1.54)	17.83
	(m)	Work in Progress	(17.97)	(1,443.05)	(706.04)	753.25	(1,132.37)	(359.62)
	(n)	Sundry Debtors	2,257.52	131.16	(1,036.72)	(3,313.21)	328.15	(47.63)
	(o)	Loans & Advances	(227.73)	(832.00)	112.18	(473.04)	(288.66)	70.75
	(p)	Other Current Assets	(80.89)	(151.10)	7.07	41.19	(26.90)	(38.67)
	(q)	Current Liabilities	(1,185.52)	2,712.34	3,875.28	3,465.22	1,360.33	991.45
	(r)	Provisions	20.48	(39.39)	(1,376.53)	(505.83)	(88.31)	(105.68)
	(s)	Miscellaneous Expenditure	-	-	0.33	0.33	0.33	2.50
	(t)	***Net changes in working capital***	***765.77***	***392.57***	***875.42***	***(55.69)***	***151.03***	***530.93***
	(u)	**Cash generated from operations**	**1,289.15**	**1,698.06**	**1,994.94**	**1,670.82**	**3,577.06**	**1,270.21**
	(v)	Direct Taxes paid	(349.74)	(741.29)	(813.77)	(651.74)	(1,497.39)	(424.38)
	(w)	Corporate Dividend Tax paid	-	(39.61)	(54.11)	(95.14)	-	-
	(x)	Gratuity and Leave Encashment	6.61	(2.66)	61.72	183.83	(115.36)	34.99
		Net cash flow from operating activities (A)	**946.02**	**914.50**	**1,188.78**	**1,107.77**	**1,964.31**	**880.82**
B	**Cash flow from investing activities :**							
	(a)	Purchase of fixed assets	(3.04)	(5.66)	(134.13)	(21.27)	(15.00)	(6.93)
	(b)	Sale of fixed assets	0.01	3.51	3.06	23.65	5.19	8.23
	(c)	Interest Received	544.72	735.61	541.11	689.37	707.55	484.33
	(d)	Rent	0.16	0.16	0.14	0.15	0.34	0.15
	(e)	Dividend Received	47.15	68.09	127.71	50.42	25.05	-

		Particulars	For the period ended					
			30-Sep-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
	(g)	Investments	448.92	775.61	(1,068.99)	(896.69)	(533.53)	(0.73)
	(h)	Profit in Joint Venture	-	-	3.27	3.90	-	
		Net cash flow from investing activities (B)	**1,037.92**	**1,577.32**	**(527.83)**	**(150.47)**	**189.60**	**485.05**
C	**Cash flow from financing activities :**							
	(a)	Proceeds from Issue of Equity shares	-	-	-	-	-	-
	(b)	Redemption of Preference Shares	-	-	-	-	(300.00)	-
	(c)	Increase / (Repayment) of Loans	-	-	-	-	(601.36)	(120.00)
	(d)	Dividend on Equity Shares paid	-	(232.99)	(318.31)	(559.65)	-	-
	(e)	Interest Expense				(32.19)	(35.64)	(21.28)
		Net cash flow from financing activities (C)	**-**	**(232.99)**	**(318.31)**	**(591.84)**	**(937.00)**	**(141.28)**
	Net increase in cash and cash equivalents		**1,983.94**	**2,258.83**	**342.64**	**365.46**	**1,216.91**	**1,224.59**
	Cash and cash equivalents at the -							
	Beginning of the year		11,697.98	9,439.15	9,096.51	8,731.05	7,514.14	6,289.55
	End of the year		13,681.92	11,697.98	9,439.15	9,096.51	8,731.05	7,514.14
	Net increase in cash and cash equivalents		**1,983.94**	**2,258.83**	**342.64**	**365.46**	**1,216.91**	**1,224.59**

Notes:

1. Figures in bracket indicate cash outflow
2. The above statement should be read with the notes to the restated summary statement of assets and liabilities, profits and losses and cash flows as appearing in Annexure – IV

GENERAL INFORMATION

Our Company was incorporated as "**National Buildings Constructions Corporation Limited**" on November 15, 1960 as a private limited company under the Companies Act with Registration Number 3355 of 1960 and registered with the RoC. Our status was subsequently changed to a public limited company by a special resolution of the members of our Company passed at the Extra Ordinary General Meeting held on May 24, 2011.

Registered and Corporate Office

Our Registered and Corporate office is presently situated at the following address:

NBCC Bhawan,
Lodhi Road,
New Delhi - 110003
India
Telephone:+91 11 4359 1555
Facsimile:+91 11 2436 6995
Website: www.nbccindia.gov.in
Email: info.nbcc@nic.in
Investor Grievance Email: cs.nbcc@nic.in

For information on the change of registered office of our Company, please see the section titled "***History and Certain Corporate Matters***" on page 117 of this Draft Red Herring Prospectus.

Corporate Identity Number: U74899DL1960GOI003335

Address of the RoC

Our Company is registered with the RoC described below:

Registrar of Companies, NCT of Delhi & Haryana
4th Floor, IFCI Tower,
61, Nehru Place,
New Delhi - 110019
Telephone: 011-26235703, 26235704
Facsimile: 011-26235702
Email: roc.delhi@mca.gov.in

Board of Directors

Our Board of Directors comprises the following:

Name, Designation and Occupation	Age	DIN	Address
Mr. Vishnu Pada Das *CMD, Functional Director* Occupation: Service	58	00785377	F-101, Saket Dham, Awas Samiti Limited, Plot No. –E-61, Sector-61, Noida – 201 301
Mr. Ajay Kumar Garg *Director (Finance), Functional Director* Occupation: Service	56	01472291	B-1, Ranjit Singh Block, Asiad Village, New Delhi – 110 049
Mr. Anoop Kumar Mittal *Director (Projects), Functional Director* Occupation: Service	52	05177010	III-A/117, Nehru Nagar, Ghaziabad (UP)

Name, Designation and Occupation	Age	DIN	Address
Ms. Sudha Krishnan *Government Nominee Director* Occupation: Government Officer	51	02885630	D-1/87, Satya Marg, Chanakya Puri New Delhi - 110 021
Mr. Brijeshwar Singh *Part Time Non-Official (Independent) Director* Occupation: Professional	61	01729968	S-345, Greater Kailash Part II, New Delhi-110048
Mr. K.L Mehrotraa *Part Time Non-Official (Independent) Director* Occupation: Service	63	00062172	B-8, IInd floor, Geetanjali Enclave, Panchsheel Geetanjali Road, New Delhi- 110017
Mr. S.C Saraf *Part Time Non-Official (Independent) Director* Occupation: Chartered Accountant	50	00268769	10, Mayfair Road, Flat No. 501, 5th floor, Kolkata – 700019
Dr. K Chandrashekar Iyer *Part Time Non-Official (Independent) Director* Occupation: Service	51	05192426	House No. 2, Street H, IIT Campus, Hauz Khas, New Delhi – 110016
Mr. V.K Gupta *Part Time Non-Official (Independent) Director* Occupation: Service	65	03491240	S-238(GF), Uppal Southend, Sohna Road, Gurgaon-122018

Further, the MoUD has vide its letter number O-17031/35/2008-PS dated December 29, 2011 approved the appointment of Mr D. Diptivilasa, Additional Secretary (UD) in the MoUD as a Director on the board of the company. Pending allotment of Directors Identification Number ("DIN) under the Companies (Director Identification Number)Rules, 2006 to Mr D. Diptivilasa, he has not been appointed on the Board of the Company as yet and upon DIN being allotted, Mr Diptivilasa shall be appointed as the director of our Company.

Company Secretary and Compliance Officer

Mr.A.K. Singh
NBCC Bhawan
Lodhi Road
New Delhi- 110003
India
Telephone: +91 11 43591555 Ext 1202
Facsimile: +91 11 2436 6995
Email: cs.nbcc@nic.in

Investors can contact the Compliance Officer or the Registrar to the Offer or the BRLMs in case of any pre-Offer or post Offer related problems or redressal of complaints such as non-receipt of letters of Allotment, credit of Allotted Offer Shares in the respective beneficiary account or refund orders. Grievances relating to the ASBA process may be addressed to the Registrar to the Offer, with a copy to the SCSBs, giving full details such as name, Application-Cum-Bidding Form, address of the Bidder, number of Equity Shares applied for, Bid Amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application-Cum-Bidding Form was submitted by the ASBA Bidders. All complaints, queries or comments received by SEBI shall be forwarded to the BRLMs who shall respond to the same.

Book Running Lead Managers

IDBI Capital Market Services Limited
3rd Floor, Mafatlal Centre,
Nariman Point, Mumbai 400 021
Maharashtra, India
Telephone: +91 22 4322 1212
Facsimile: +91 22 2285 0785
E-mail: nbcc.ipo@idbicapital.com
Investors Grievance E-mail: redressal@idbicapital.com
Website: www.idbicapital.com
Contact Person: Mr. Subodh Mallya | Mr. Rishi Tiwari
SEBI Registration No: INM000010866

Enam Securities Private Limited**
801 Dalamal Tower,
Nariman Point
Mumbai 400 021
Telephone: +91 22 66381800
Facsimile: +91 22 2284 6824
E-mail: nbcc.ipo@enam.com
Investors Grievance E-mail: complaints@enam.com
Website: www.enam.com
Contact Person: Ms. Kanika Sarawgi
SEBI Registration No: INM000006856

**The SEBI registration certificate of Enam Securities Private Limited, one of the book running lead managers to the Offer, as merchant banker, has expired on October 15, 2011. As required under Regulation 9(1) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 and in compliance with SEBI Circular No. SEBI/MIRSD/DR-2/SRP/Cir-2/2005 dated January 4, 2005, an application dated June 21, 2011 for renewal of the said certificate of registration, in the prescribed manner, was made on June 24, 2011 by Enam Securities Private Limited to SEBI, three months before the expiry of the said certificate of registration. The approval of SEBI in this regard is awaited. No communication has been received by Enam Securities Private Limited from SEBI rejecting the said application.

Syndicate Members

[●]

Domestic Legal Counsel to the Offer

Khaitan & Co
1105, Ashoka Estate
24, Barakhamba Road
New Delhi 110 001
Telephone: +91 11 4151 5454
Facsimile: +91 11 4151 5318

Registrar to the Offer

Bigshare Services Private Limited
E/2, Ansa Industrial Estate, Sakivihar Road,
Sakinaka, Andheri (E), Mumbai 400 072, India
Telephone: +91 22 404 30 200

Facsimile: +91 22 2847 5207
Email: ashok@bigshareonline.com
Investor Grievance ID:ipo.nbcc@bigshareonline.com
Website: www.bigshareonline.com
Contact Person: Mr Ashok Shetty
SEBI Registration Number: INR000001385

Bankers to the Offer /Escrow Collection Banks

[●]

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at http://www.sebi.gov.in/pmd/scsb.pd for at such other website as may be prescribed by SEBI from time to time. For details on designated branches of SCSBs collecting the Application-Cum-Bidding Form, please refer to the above mentioned link.

In relation to ASBA Bids submitted to a member of the Syndicate, the list of branches of the SCSBs at the Syndicate ASBA Bidding Locations (Mumbai, Chennai, Kolkata, Delhi, Ahmadabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat) named by the respective SCSBs to receive deposits of Application-Cum-Bidding Forms from the members of the Syndicate is provided on http://www.sebi.gov.in/pmd/scsb-asba.html.For more information on such branches collecting Application-Cum-Bidding Forms from the members of the Syndicate at Syndicate ASBA Bidding Locations, see the above mentioned SEBI link.

Refund Bankers

[●]

Statutory Auditors of the Company

M/s Amit Ray & Co.
5-B, Sardar Patel Marg
Allahabad 211 001 India
Telephone: 0532–2402763
Facsimile: 0532-2402763
Email: allahabad@amitrayco.com
Registration Number: 000483C

Bankers to our Company

State Bank of India
Address: I O C, Lodhi Road, New Delhi-110003
Telephone: +91 11 24368916/24300275
Facsimile: +91 11 24366074, 24368916
Email: sbi.06564@sbi.co.in
Website: www.statebankofindia.com
Contact Person: Mrs. Shashi Bedi, Branch Manager

Punjab National Bank
Address: A-9, Connaught Place, New Delhi-110001
Telephone: +91 11 49900822, 49900830, 49900831
Facsimile: +91 11 23730727
Email: bo4196@pnb.co.in
Website: www.pnbindia.com
Contact Person: Mr. K.A. Ravishankar, AGM

Union Bank of India
Address: F-1, New Khanna Market, Lodhi Colony, New Delhi-110003
Telephone: +91 11 24616901
Facsimile: +91 11 24652717
Email: lodhicolony@unionbankofindia.com
Website: www.unionbankofindia.co.in
Contact Person: Mr. Ranjan Kumar, Chief Manager

Corporation Bank
Address: GF, Block-11, CGO Complex, New Delhi-110003
Telephone: +91 11 24368653, 24392051
Facsimile: +91 11 24363542
Email: cb371@corpbank.co.in
Website: www.corpbank.co.in
Contact Person: Mr. H C Wadhwa, AGM

Axis Bank Limited
Address: K-1998, Cittaranjan Park, New Delhi-110019
Telephone: +91 11 26271805/26271806
Facsimile: +91 11 26271807
Email: chittaranjanpark.branchhead@axisbank.com
Website: www.axisbank.com
Contact Person: Mr. Joydeep Datta, Dy. Vice President & Branch head

Syndicate Bank
Address: NBCC Bhawan, Lodhi Road, New Delhi-110001
Telephone: +91 11 24367738
Facsimile: +91 11 23383796
Email: dl.9144nbcclodhi@syndicatebank.co.in
Website: www.syndicatebank.co.in
Contact Person: Mr. Ashok Vasisht

Credit Rating

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

Trustees

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

Monitoring Agency

As this is an Offer for Sale, the appointment of a monitoring agency is not required.

IPO Grading Agency

[●]

IPO Grading

This Offer has been graded by [●] and has been assigned a grade of [●]/5 indicating [●] fundamentals. The IPO Grading is assigned on a five point scale from 1 to 5, with IPO Grade 5/5 indicating strong fundamentals and IPO Grade 1/5 indicating poor fundamentals. For details in relation to the rationale furnished by [●], please refer to "**Annexure I**". Attention is drawn to the disclaimer appearing under the paragraph titled "**Disclaimer clause of the IPO Grading Agencies**" on page 266 in the chapter titled "**Other Regulatory and Statutory Disclosures**" beginning on page 266.

Expert

Except for the report (i) of [●] in respect of the IPO Grading of this Offer (a copy of which will be annexed to the Red Herring Prospectus as Annexure I), furnishing the rationale for its grading which will be provided to the Designated Stock Exchange, (ii) the Auditor's Report of the Auditor of the Company on the Restated financial information and Statement of Tax Benefits, included in this Draft Red Herring Prospectus and (iii) the Architect certificate from Mr Pravesh Ghai, our Company has obtained no other expert opinion.

[●]

Statement of inter-se allocation of responsibility among the Book Running Lead Managers

The following table sets forth the inter se allocation of responsibilities for various activities among the Book Running Lead Managers:

Sr. No	Activities	Responsibility	Co-ordination
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, *etc.*	IDBI Caps, Enam	IDBI Caps
2.	Due diligence of the Company's operations/ management/ business plans/ legal *etc.* Drafting and design of Draft Red Herring Prospectus, Red Herring Prospectus including memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with Stock Exchanges, RoC and SEBI.	IDBI Caps, Enam	IDBI Caps
3.	Drafting and approval of statutory advertisements	IDBI Caps, Enam	IDBI Caps
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in 3 above including corporate advertisement, brochures, *etc.*	IDBI Caps, Enam	Enam
5.	Appointment of Intermediaries viz., advertising agency, Registrar to the Offer, Bankers to the Offer /Escrow Collection Banks and printer(s). Ensure availability of adequate number of forms at all the centres. Follow-up on distribution of publicity and issue material including forms, Prospectus and deciding on the quantum of the issue material.	IDBI Caps, Enam	Enam
6.	Domestic Institutional Marketing - Finalize the list and division of investors for one to one meetings and finalizing domestic QIB road show schedule	IDBI Caps, Enam	Enam
7.	International Institutional Marketing - Finalize the list and division of investors for one to one meetings and finalizing international QIB road show schedule	IDBI Caps, Enam	Enam
8.	Domestic Retail marketing along with HNI - Formulating marketing strategies, preparation of publicity budget; Finalize Media & PR strategy;	IDBI Caps, Enam	Enam

Sr. No	Activities	Responsibility	Co-ordination
	Finalizing centres for holding conferences for brokers, *etc.*; and Finalize collection centres		
9.	Preparation of road show presentation and preparation of FAQs	IDBI Caps, Enam	Enam
10.	Co-ordination with stock exchanges for Book Building software	IDBI Caps, Enam	IDBI Caps
11.	Finalizing of pricing	IDBI Caps, Enam	IDBI Caps
12.	Post Bidding activities including management of Escrow Accounts, co-ordination with Registrar to the Offer and Escrow Collection Banks, refund to Bidders, *etc.*BRLMs shall be responsible for ensuring that these agencies fulfil their functions and enable them to discharge this responsibility through suitable agreements with Selling Shareholder/Company, co-ordinating for three year track record of BRLMs.	IDBI Caps, Enam	IDBI Caps

Book Building Process

"**Book building**", in the context of the Offer, refers to the process of collection of Bids from the investors on the basis of the Red Herring Prospectus, the Application-Cum-Bidding Forms, within the Price Band, which shall be determined by the Selling Shareholder and our Company in consultation with the BRLMs, and advertised at least two Working Days prior to the Bid/Offer Opening Date. The Offer Price is finalized after the Bid / Offer Closing Date. The principal parties involved in the Book Building Process are:

1) Our Company;
2) The Selling Shareholder;
3) The BRLMs;
4) Syndicate Members who are intermediaries registered with SEBI or registered as brokers with the BSE or the NSE and eligible to act as underwriters, and are appointed by the BRLMs;
5) Registrar to the Offer;
6) Escrow Collection Banks; and
7) SCSBs.

The Offer is being made through the Book Building Process where not more than 50% of the Net Offer will be allocated to QIBs on a proportionate basis. Further, 5% of the QIB Portion will be available for allocation on a proportionate basis to Mutual Funds only. Further, not less than 15% and 35% of the Net Offer will be available for allocation on a proportionate basis to Non-Institutional Bidders and Retail Bidders, respectively, subject to valid Bids being received at or above the Offer Price. Further, 120,000 Equity Shares will be made available for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received at or above the Offer Price. Any Bidder may participate in the Offer through the ASBA process by providing details of teabag Accounts in which the corresponding Bid Amounts will be blocked by the SCSBs. Any unsubscribed portion in the Employee Reservation Portion will be added to the Net Offer. Under subscription, if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of the Company and the Selling Shareholder, in consultation with the BRLMs and the Designated Stock Exchange. For more information, see the section titled "Offer Procedure" on page 290.

In accordance with the SEBI ICDR Regulations, QIBs Bidding in the QIB Portion are not allowed to withdraw their Bids after the Bid/ Offer Closing Date. For further details, please see sections titled "***Terms of the Offer***", "***Offer Structure***" and "***Offer Procedure***" on pages 278,283 and 290, of this Draft Red Herring Prospectus, respectively.

Our Company and the Selling Shareholder will comply with the SEBI ICDR Regulations and any other ancillary directions issued by SEBI for this Offer. In this regard, our Company and the Selling Shareholder have appointed the BRLMs to manage this Offer and procure subscriptions to this Offer.

The Book Building Process under the SEBI ICDR Regulations is subject to change. Investors are advised to make their own judgment about an investment through this process prior to submitting a Bid in the Offer.

Illustration of Book Building Process and the Price Discovery Process
(Investors should note that the following is solely for the purpose of illustration and is not specific to this Offer.)

Bidders can Bid at any price within the Price Band. For instance, assuming a price band of ₹ 20 to ₹ 24 per equity share, an offer size of 3,000 equity shares and receipt of 5 Bids from Bidders, details of which are shown in the table below, the illustrative book would be as given below. A graphical representation of the consolidated demand and price would be made available at the Bidding centres during the Bidding period. The illustrative book shown below indicates the demand for the shares of the company at various prices and is collated from Bids from various Bidders.

Bid Quantity	Bid Price (₹)	Cumulative Quantity	Subscription (%)
500	24	500	16.67
1,000	23	1,500	50.00
1,500	22	3,000	100.00
2,000	21	5,000	166.67
2,500	20	7,500	250.00

The price discovery is a function of demand at various prices. The highest price at which the offer or is able to offer the desired number of shares is the price at which the book cuts off, *i.e.*₹22 in the above example. The offer or, in consultation with the BRLMs, will finalize the offer price at or below such cut off, *i.e.*, at or below ₹22. All Bids at or above this offer price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for Bidding:

Check eligibility for making a Bid. For further details, please see the section titled "Offer Procedure" beginning on page 290 of this Draft Red Herring Prospectus;

Ensure that you have a PAN number and a demat account and that the demat account details are correctly mentioned in the Application-Cum-Bidding Form;

Except for Bids on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, for Bids of all values ensure that you have mentioned your PAN allotted under the IT Act in the Application-Cum-Bidding Form, as the case may be (see the section titled "Offer Procedure" on page 290). The exemption for Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims of the investors that by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Bids the Registrar will check under the Depository records for appropriate description under the PAN Field and whether PAN flag has been enabled.

Ensure that the Application-Cum-Bidding Form is duly completed as per the instructions given in the Red Herring Prospectus and in the respective forms;

Bids by QIBs and Non Institutional Bidders shall be submitted only through the ASBA process;

Ensure the correctness of your PAN, DPID and Client ID given in the Application-Cum-Bidding Form. Based on these three parameters, the Registrar to the Offer will obtain details of the Bidders from the Depositories including Bidder's name, bank account, number *etc.*; and

Bids by ASBA Bidders will only have to be submitted to the SCSBs at the Designated Branches, except ASBA Bids in the Syndicate ASBA Bidding Centres. In case of the Syndicate ASBA Bidding Centres, the ASBA Bids may either be submitted with the Designated Branches or with the Syndicate. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that their Application-Cum-Bidding Form is not rejected.

Withdrawal of the Offer

In accordance with the SEBI ICDR Regulations, the Selling Shareholder and our Company in consultation with the BRLMs, reserve the right not to proceed with the Offer at anytime including after the Bid/ Offer Opening Date but before the Allotment of Equity Shares, without assigning the reasons thereof. Provided, if the Selling Shareholder and our Company withdraw the Offer after the Bid/ Offer Closing Date, the Selling Shareholder will give the reason thereof within two days of the Bid/ Offer Closing Date by way of a public notice in the same newspapers where the pre-Offer advertisement had appeared. The Stock Exchanges shall also be informed promptly and the BRLMs, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification.

In the event the Selling Shareholder and our Company in consultation with the BRLMs, withdraw the Offer after the Bid/ Offer Closing Date, a fresh draft red herring prospectus will be filed with the RoC/ SEBI in the event we subsequently decide to proceed with the public offering.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and (ii) the final RoC approval of the Prospectus.

In terms of the SEBI ICDR Regulations, QIBs Bidding in the QIB Portion are not allowed to withdraw their Bids after the Bid/ Offer Closing Date. Since, the Bidding Period for QIBs may close one Working Day prior to the Bid/ Offer Closing Date, QIBs will not be able to withdraw their Bids after [●] *i.e.*, one Working Day prior to the Bid/ Offer Closing Date.

In the event of withdrawal of the Offer any time after the Bid/Offer Opening Date, our Company will forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within 8 days after our Company become liable to repay it, *i.e.* from the date of withdrawal, then our Company, on and from such expiry of 8 days, be liable to repay the money, with such interest as prescribed under Section 73 of the Companies Act.

Bid / Offer Programme

Offer Programme	
BID OPENS ON	[●]
BID CLOSES ON	[●]
QIB BID CLOSES ON	[●]

Bids and any revision in Bids **shall be accepted only between 10 a.m. and 5.00 p.m.** (Indian Standard Time) during the Bid/ Offer Period as mentioned above at the Bidding Centres mentioned on the Application-Cum-Bidding Form or in case of Bids submitted through Application-Cum-Bidding Form, the Designated Branches except that on the Bid/ Offer Closing Date the Bids **shall be accepted only between 10 a.m. and 3.00 p.m.** (Indian Standard Time) and uploaded till (i) 4.00 p.m. in case of Bids by QIBs in the QIB Portion. On the Bid/ Offer Closing Date for Retail Individual Bidders, Eligible Employees, and Non-Institutional Bidders **shall be accepted only between 10:00 a.m. and 3:00 p.m.** (Indian Standard Time) and uploaded until (i) 4:00 p.m. in case of Bids by Non-Institutional Bidders and (ii) until 5.00 p.m. in case of Bids by Retail Individual Bidders and Eligible Employees, which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by BRLMs to the Stock Exchanges within half an hour of such closure. Due to limitation of time available for uploading the Bids on the Bid/ Offer Closing Date, non QIB Bidders are advised to **submit their Bids one Working Day prior to the Bid/ Offer Closing Date and, no later than 3.00 p.m.** (Indian Standard Time) on the Bid/ Offer Closing Date. Non QIB Bidders are cautioned that in the event a large number of Bids are received on the Bid/ Offer Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will only be accepted on Working Days.

In order that the data captured by the brokers in the electronic book is accurate, the members of the Syndicate, the SCSBs may be permitted one additional day, post the Bid/ Offer Closing Date, to amend some of the data fields entered by them in the electronic Bidding system.

On the Bid/ Offer Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received from Retail Individual Bidders after taking into account the total number of Bids received up to the closure of timings for acceptance of Common Bid cum Application Forms as stated herein and reported by the BRLMs to the Stock Exchange within half an hour of such closure.

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the Application-Cum-Bidding Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronicApplication-Cum-Bidding Form, for a particular ASBA Bidder, the Registrar to the Offer shall ask the relevant SCSB or the member of the Syndicate for rectified data.

The Selling Shareholder and our Company, in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/ Offer Period in accordance with the SEBI ICDR Regulations. In such an event, the Cap Price should not be more than 120% of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the Floor Price as disclosed and advertised at least two Working Days before the Bid/ Offer Opening Date.

In case of revision in the Price Band, the Bid/ Offer Period will be extended for at least three additional Working Days after revision of Price Band subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, will be published in a widely read English and Hindi newspaper, (*i.e.*,[•] edition of [•] and [•] edition of [•]), each with wide circulation and also by indicating the change on the websites of the BRLMs and at the terminals of the other members of the Syndicate.

Underwriting Agreement

After the determination of the Offer Price but prior to filing of the Prospectus with the RoC, each of our Company and the Selling Shareholder will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered for sale through the Offer. It is expected that pursuant to the terms of the Underwriting Agreement, the BRLMs shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will also be subject to certain conditions to closing, as specified therein. The Underwriting Agreement is dated [●].

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

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

Name, Address, telephone, fax and email of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (₹ in millions)
IDBI Capital Market Services Limited 3rd Floor, Mafatlal Centre,NarimanPoint, Mumbai 400 021 Maharashtra, India **Telephone:** +91 22 4322 1212 **Facsimile:** +91 22 2285 0785 **E-mail:** nbcc.ipo@idbicapital.com	[●]	[●]

Name, Address, telephone, fax and email of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (₹ in millions)
Enam Securities Private Limited 801 Dalamal Tower, Nariman Point Mumbai 400 021 **Telephone:** +91 22 66381800 **Facsimile:** +91 22 2284 6824 **E-mail:** nbcc.ipo@enam.com	[●]	[●]
[●]	[●]	[●]
Total	[●]	**[●]**

The information will be finalised after determination of the Offer Price and finalisation of the 'Basis of Allotment'.

In the opinion of our Board of Directors (based on certificates given to them by the Underwriters), the resources of each of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. Each of the abovementioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. Our Board of Directors, at its meeting held on [●] has accepted and entered into the Underwriting Agreement with the Underwriters.

Allocation among Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to Bidders procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations mentioned in the underwriting agreement, will also be required to procure/subscribe for Equity Shares to the extent of the defaulted amount in accordance with the underwriting agreement.

CAPITAL STRUCTURE

The share capital of our Company before the Offer and after giving effect to the Offer, as at the date of filing of this Draft Red Herring Prospectus with SEBI, is set forth below:

(All amounts in ₹ except share data)

	Aggregate Value at nominal value	Aggregate Value at Offer Price
A **Authorised share capital**[(a)]		
120,000,000 equity shares	1,200,000,000	-
B Issued, subscribed and paid-up share capital before the Offer[(b)]		
120,000,000 fully paid up equity shares	1,200,000,000	-
C Present Offer in terms of this Draft Red Herring Prospectus[(c)]		
Offer for Sale of 12,000,000 Equity Shares	120,000,000	[●]
D Employee Reservation Portion[(d)]		
Upto 120,000 Equity Shares	1,200,000	[●]
E Net Offer to the Public		
11,880,000 Equity Shares	118,800,000	[●]
Of which:		
QIB Portion of not more than5,940,000 Equity Shares	59,400,000	[●]
Non-Institutional Portion of not less than 1,782,000 Equity Shares:	17,820,000	[●]
Retail Portion of not less than 4,158,000Equity Shares:	41,580,000	[●]
D Issued, Subscribed and Paid Up Equity share capital after the Offer		
120,000,000 fully paid up equity shares	1,200,000,000	[●]
F Share Premium Account		
Before the Offer	Nil	-
After the Offer	Nil	-

(a) *For details on the changes in the Authorised Share Capital of our Company, please refer to the section titled 'Amendments to the Memorandum of Association' on page 117 of this Draft Red Herring Prospectus.*

The Shareholders of the Company on May 24, 2011, have approved the sub-division of shares of face value of ₹1,000 each into 100 equity shares of face value of ₹10 each w.e.f. the record date i.e. May 24, 2011.

(b) *The Promoter presently holds 100% of the issued and paid up Equity Share capital of the Company. After the Offer, the shareholding of the Promoter will be 90%* of the fully diluted post Offer paid-up Equity Share capital of the Company (*assuming full subscription in the Offer).*

(c) *The MoUD, through its letter No. O-17034/8/2009-PS dated August 24, 2011 has conveyed the approval granted by the Cabinet Committee on Economic Affairs for the Offer. The Offer has been authorized by the Board of Directors pursuant to a board resolution passed by circulation dated August 23, 2011 and noted at the Board meeting held on September 26, 2011.The Offer is an Offer for sale of 12,000,000 Equity Shares by the President of India, acting through the MoUD. The Equity Shares constituting the Offer for Sale portion have been held by the Selling Shareholder for a period of at least one year prior to the filing of the Draft Red Herring Prospectus with the SEBI. RBI has granted an approval dated September 6, 2011 for the proposed transfer of 9,000,000 Equity Shares, pursuant to the offer for sale in compliance with the applicable foreign exchange rules and regulations and other related matters. Further, in furtherance to the aforesaid RBI letter, RBI has vide letter dated*

February 1, 2012 taken on record the increase in the size of IPO (to 12,000,000 equity shares) pursuant to bonus issue.

[d] *The MoUD, through its letter No. 0-17034/8/2009-PS dated November 9, 2011 has conveyed the approval of the competent authority for reserving 1% of shares for employees of NBCC in accordance with SEBI ICDR Regulations.*

Notes to Capital Structure

Share Capital History of the Company

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

Date of allotment of the equity shares	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Consideration	Nature of allotment	Cumulative number of equity shares	Cumulative Issued Capital (₹)	Cumulative Share Premium (₹)
December 19, 1960[(1)]	300	1,000	1,000	Cash	First allotment#	300	300,000	Nil
June 21, 1961[(1)]	400	1,000	1,000	Cash	Further issue*	700	700,000	Nil
August 3, 1961[(1)]	300	1,000	1,000	Cash	Further issue*	1,000	1,000,000	Nil
October 28, 1961[(1)]	300	1,000	1,000	Cash	Further issue*	1,300	1,300,000	Nil
November 30, 1961[(1)]	800	1,000	1,000	Cash	Further issue*	2,100	2,100,000	Nil
January 23, 1962[(1)]	1,300	1,000	1,000	Cash	Further issue*	3,400	3,400,000	Nil
July 24, 1962[(1)]	2,200	1,000	1,000	Cash	Further issue*	5,600	5,600,000	Nil
November 30, 1962[(1)]	1,600	1,000	1,000	Cash	Further issue*	7,200	7,200,000	Nil
July 25, 1963[(1)]	1,200	1,000	1,000	Cash	Further issue*	8,400	8,400,000	Nil
February 26, 1964[(1)]	1,050	1,000	1,000	Cash	Further issue*	9,450	9,450,000	Nil
June 29, 1964[(1)]	450	1,000	1,000	Cash	Further issue*	9,900	9,900,000	Nil
January 31, 1965[(1)]	1,800	1,000	1,000	Cash	Further issue*	11,700	11,700,000	Nil
May 21, 1966[(1)]	1,800	1,000	1,000	Cash	Further issue*	13,500	13,500,000	Nil
July 15, 1968[(1)]	1,000	1,000	1,000	Cash	Further issue*	14,500	14,500,000	Nil
May 4, 1970[(1)]	750	1,000	1,000	Cash	Further issue*	15,250	15,250,000	Nil
December 31, 1970[(1)]	4,750	1,000	1,000	Cash	Further issue*	20,000	20,000,000	Nil
September 11, 1972[(1)]	3,600	1,000	1,000	Cash	Further issue*	23,600	23,600,000	Nil
February 5, 1973[(1)]	1,400	1,000	1,000	Cash	Further issue*	25,000	25,000,000	Nil
January 21, 1974[(1)]	3,000	1,000	1,000	Cash	Further issue*	28,000	28,000,000	Nil
February 27, 1974[(1)]	1,500	1,000	1,000	Cash	Further issue*	29,500	29,500,000	Nil
December 16, 1974[(1)]	2,500	1,000	1,000	Cash	Further issue*	32,000	32,000,000	Nil
February 21, 1975[(1)]	2,500	1,000	1,000	Cash	Further issue*	34,500	34,500,000	Nil
September 8, 1975[(1)]	5,000	1,000	1,000	Cash	Further issue*	39,500	39,500,000	Nil
February 21, 1977[(1)]	5,000	1,000	1,000	Cash	Further issue*	44,500	44,500,000	Nil
June 10, 1977[(1)]	10,000	1,000	1,000	Cash	Further issue*	54,500	54,500,000	Nil
August 7, 1978[(1)]	10,000	1,000	1,000	Cash	Further issue*	64,500	64,500,000	Nil
September 5, 1979[(1)]	5,000	1,000	1,000	Cash	Further issue*	69,500	69,500,000	Nil
November 19, 1979[(1)]	5,000	1,000	1,000	Cash	Further issue*	74,500	74,500,000	Nil
November 28, 1980[(1)]	1,800	1,000	1,000	Cash	Further issue*	76,300	76,300,000	Nil
April 18, 1981[(1)]	3,700	1,000	1,000	Cash	Further issue*	80,000	80,000,000	Nil
November 24, 1981[(1)]	5,000	1,000	1,000	Cash	Further issue*	85,000	85,000,000	Nil
December 21, 1981[(1)]	5,000	1,000	1,000	Cash	Further issue*	90,000	90,000,000	Nil
June 7, 1982[(1)]	10,000	1,000	1,000	Cash	Further issue*	100,000	100,000,000	Nil

Date of allotment of the equity shares	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Consideration	Nature of allotment	Cumulative number of equity shares	Cumulative Issued Capital (₹)	Cumulative Share Premium (₹)
August 17, 1983[(1)]	10,000	1,000	1,000	Cash	Further issue*	110,000	110,000,000	Nil
June 6, 1984	1,500	1,000	1,000	Cash	Further issue*	111,500	111,500,000	Nil
July 28, 1984	8,500	1,000	1,000	Cash	Further issue*	120,000	120,000,000	Nil
July 30, 1985	10,000	1,000	1,000	Cash	Further issue*	130,000	130,000,000	Nil
November 4, 1986[(1)]	10,000	1,000	1, 000	Cash	Further issue*	140,000	140,000,000	Nil
September 8, 1987[(1)]	10,000	1,000	1,000	Cash	Further issue*	150,000	150,000,000	Nil
September 14, 1988[(1)]	10,000	1,000	1 ,000	Cash	Further issue*	160,000	160,000,000	Nil
July 22, 1989	9,500	1,000	1,000	Cash	Further issue*	169,500	169,500,000	Nil
September 5, 1990	10,000	1,000	1,000	Cash	Further issue*	179,500	179,500,000	Nil
June 28, 1991	6,700	1,000	1,000	Cash	Further issue*	186,200	186,200,000	Nil
December 23, 1991	13,300	1,000	1,000	Cash	Further issue*	199,500	199,500,000	Nil
March 22, 1999	617,000	1,000	1,000	Other than cash[(2)]	Further issue *	816,500	816,500,000	Nil
August 23, 2001	83,500	1,000	1,000	Cash	Further issue *	900,000	900,000,000	Nil

On May 24, 2011, the face value of the equity shares of our Company was split into ₹ 10 each and consequently, the issued share capital was split from ₹ 900,000,000 divided into 900,000 equity shares of ₹ 1,000 each to ₹ 900,000,000 divided into 90,000,000 equity shares of ₹ 10 each. Pursuant to the reclassification of the equity share capital of our Company, the old share certificates were cancelled and fresh equity shares were issued by the Company aggregating to ₹ 900,000,000.

September 30, 2011	30,000,000	10	10	Bonus	Bonus issue in the ratio of one Equity Share for three Equity Shares	120,000,000	1,200,000,000	Nil
Total	**120,000,000**					**120,000,000**	**1,200,000,000**	Nil

 # First allotment of 1Equity Share each to T Sivasankar, K.J Krishna, N.P. Dube, C.P Malik (as nominees of the President of India) and 296 Equity Shares to the President of India.

** Allotment of equity shares to the Promoter against funds released by the GoI.*

(1) Note: RoC filings pertaining to some of the allotments as per the table above are not traceable. Please refer to section titled "Risk Factor – Some of our records relating to forms filed with the Registrar of Companies are not traceable".

(2) Equity shares issued to the President of India on account of the conversion of a loan amount of ₹ 617,000,000 into 617,000 equity shares through letter No. O-17031/38/94-PS dated November 20, 1998 issued by the MoUD conveying the approval of the Cabinet Committee on Economic Affairs for the financial restructuring of the loan.

2. ***Issue of equity shares in the last one year***

Our Company hasissued 30,000,000equity shares on September 30, 2011 pursuant to a bonus issue of Equity Shares. For more information please see "**Share Capital History of our Company**" on page 28 of this Draft Red Herring Prospectus.

3. ***Issue of equity shares for consideration other than Cash***

Except as detailed below, no equity shares of our Company have been issued for consideration other than cash.

Date of allotment	Name of the Allottee	Number of equity shares allotted	Face value of shares	Reasons for allotment
March 22, 1999	The President of India	617,000	1,000	Equity shares issued on account of conversion of loan amount of ₹ 617,000,000into 617,000 equity shares of face value of ₹ 1000 each, pursuant to the

Date of allotment	Name of the Allottee	Number of equity shares allotted	Face value of shares	Reasons for allotment
				letter No. O-17031/38/94-PS dated November 20, 1998 issued by the MoUD conveying the approval of the Cabinet Committee on Economic Affairs for the financial restructuring of the loan.
September 30, 2011	The President of India	30,000,000	10	Bonus issue out of free reserves in the ratio of one Equity Share for existing three Equity Shares, pursuant to the approval of the competent authority conveyed by the MoUD vide its letter no 0-17034/8/2009-PS dated September 23, 2011.

4. ***Promoters' contribution and Lock-in***

a) *Details of build-up of Promoter's shareholding in our Company:*

All allotments of Equity Shares were made to the Promoter. *For the allotments made to the Promoter, refer to the Equity Share capital history of the Company in the section titled "Capital Structure – Notes to the Capital Structure – Equity Share capital history of the Company" on page 28 of this DRHP.*

b) *Details of Promoter's contribution locked in for three years:*

Pursuant to Regulations 32 and 36 of the SEBI ICDR Regulations, an aggregate of 20% of the post-Offer equity share capital of our Company, *i.e.* 24,000,000 equity shares held by our Promoter shall be considered as promoter's contribution and locked-in for a period of three years from the date of Allotment ("**Promoter's Contribution**").

The MoUD pursuant to its undertakings dated January 27, 2011granted consent to include 24,000,000 equity shares held by them as Promoter's Contribution and have agreed not to sell or transfer or pledge or otherwise dispose off in any manner, the Promoter's Contribution from the date of filing of this Draft Red Herring Prospectus until the commencement of the lock-in period specified above. Details of Promoter's Contribution are as provided below:

Name of the Promoter	Number of equity shares	% of Pre-Offer Capital	% of Post-Offer Capital
The President of India	24,000,000	20.00	20.00

All equity shares, which are being considered for the purposes of the Promoter's Contribution, are eligible as per the SEBI ICDR Regulations.

The equity shares that are being locked-in are not ineligible for computation of Promoters' contribution under Regulation 33 of the SEBI ICDR Regulations. In this connection, we confirm the following:

i. The equity shares offered for minimum 20% Promoter's contribution are not acquired in the last three (3) years: (a) for consideration other than cash and revaluation of assets or capitalization of intangible assets or (b) arising from bonus issue by utilisation of revaluation reserves or unrealised profits of our Company or from a bonus issue against equity shares which are otherwise ineligible for computation of Promoters' contribution;

ii. The equity shares offered for minimum 20% Promoter's contribution does not include any equity shares acquired during the preceding one year at a price lower than the price at which equity shares are being offered to the public in the Offer;

iii. The equity shares offered for minimum 20% Promoter’s contribution have not been formed by the conversion of partnership firm into a company;

iv. The equity shares offered for minimum 20% Promoter’s contribution are not subject to any pledge;

v. The minimum Promoter’s Contribution does not consist of any private placement made by solicitation of subscriptions from unrelated persons either directly or through any intermediary; and

vi. The equity shares offered for minimum 20% Promoter’s contribution does not consist of equity shares for which specific written consent has not been obtained from the Promoter for inclusion of its subscription in the minimum Promoter’s Contribution subject to lock-in.

c) *Details of other equity share capital locked-in for one year:*

The MoUD through its letter dated January 27, 2011granted approval for the lock-in of 84,000,000 equity shares (*i.e.*, its entire post-Offer shareholding less the Promoter’s Contribution, and equity shares being offered in this Offer), for a period of one year from the date of transfer in the Offer.

d) *Other requirements in respect of lock-in:*

The equity shares held by the Promoter, which are locked in for a period of one year, as specified above, may be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions, provided that the pledge of the equity shares is one of the terms of the sanction of the loan.

In terms of Regulation 40 of the SEBI ICDR Regulations, the equity shares held by the Promoter may be transferred to any person of the promoter group or to new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code, as applicable.

5. *Our shareholding pattern*

a) Shareholding Pattern of our Company as on the date of this DRHP:

Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As percentage of(A+B)	percentage of (A+B+C)	Number of shares	As a percentage
(A)	**Shareholding of Promoter and Promoter Group**							
1	**Indian**							
(a)	Individuals/ Hindu Undivided Family	0	0	0	0.00	0.00	0	0.00
(b)	Central Government/ State Government(s)	7*	120000000	0	100.00	100.00	0	0.00
(c)	Bodies Corporate		0	0	0.00	0.00	0	0.00
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Others(Specify)	0	0	0	0.00	0.00	0	0.00
		0	0	0	0.00	0.00	0	0.00
	Sub Total(A)(1)	**7***	**120,000,000**	**0**	**100.00**	**100.00**	**0**	**0.00**
2	**Foreign**							

Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As percentage of(A+B)	percentage of (A+B+C)	Number of shares	As a percentage
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
b	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
c	Institutions	0	0	0	0.00	0.00	0	0.00
d	Any Others(Specify)	0	0	0	0.00	0.00	0	0.00
	Sub Total(A)(2)	**0**	**0**	**0**	**0.00**	**0.00**	**0**	**0.00**
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**7***	**120,000,000**	**0**	**100.00**	**100.00**	**0**	**0.00**
(B)	**Public shareholding**							
1	**Institutions**							
(a)	Mutual Funds/ UTI	0	0	0	0.00	0.00	0	0.00
(b)	Financial Institutions / Banks	0	0	0	0.00	0.00	0	0.00
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00	0	0.00
(e)	Insurance Companies	0	0	0	0.00	0.00	0	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00	0	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	0	0.00
(h)	Any Other (specify)	0	0	0	0.00	0.00	0	0.00
	Sub-Total (B)(1)	0	0	0	0.00	0.00	0	0.00
B 2	**Non-institutions**							
(a)	Bodies Corporate	0	0	0	0	0.00	0	0.00
(b)	Individuals	0	0	0	0.00	0.00	0	0.00
I	Individual shareholders holding nominal share capital up to ₹ 1 lakh	0	0	0	0.00	0.00	0	0.00
II	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	0	0	0	0.00	0.00	0	0.00
(c)	Any Other (specify)	0	0	0	0.00	0.00	0	0.00
(c-i)	NRIs/OCBs	0	0	0	0.00	0.00	0	0.00
(c-ii)	Clearing Members	0	0	0	0.00	0.00	0	0.00
	Sub-Total (B)(2)	**0**	**0**	**0**	**0**	**0.00**	**0**	**0.00**
(B)	**Total Public**	**0**	**0**	**0**	**0**	**0.00**	**0**	**0.00**

Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As percentage of(A+B)	percentage of (A+B+C)	Number of shares	As a percentage
	Shareholding (B)= (B)(1)+(B)(2)							
	TOTAL (A)+(B)	**7***	**120,000,000**	**0**	**100.00**	**100.00**	**0**	**0.00**
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0.00	0	0.00
	GRAND TOTAL (A)+(B)+(C)	**7***	**120,000,000**	**0**	**100.00**	**100.00**	**0**	**0.00**

**The President of India through the MoUD holds 100% out of which 119,999,994 equity shares are held by itself and 1 equity share each is held by Mr. Vishnu Pada Das, Mr. Ram Chandra Mishra, Ms. Sudha Krishnan, Mr. Arun Goel, Mr. Premjit Lal and Mr. Prem Narayan, as nominees of the President of India.*

b) Shareholding of Directors in the Company:

Following Directors of our Company hold equity shares of our Company:

S.No.	Name of the Shareholders	Number of equity shares	% of pre Offer Capital	% of pre Offer Capital
1.	Mr. Vishnu Pada Das #	1	Negligible	Negligible
2.	Ms. Sudha Krishnan#	1	Negligible	Negligible

#As a nominee of the President of India

Except as disclosed above, none of the BRLMs, Directors and Key Management Personnel hold any equity shares of the Company.

c) Top ten shareholders

The list of the top ten shareholders of our Company and the number of equity shares of our Company held by them is provided below:

i. Top ten shareholders as on the date of filing this Draft Red Herring Prospectus are as follows:

Sr. No.	Name of the Shareholders	Number of Equity Shares (of face value of ₹ 10 each)	% of pre Offer Capital
1.	The President of India, acting through the Ministry of Urban Development	119,999,994	99.99
2.	Mr. Vishnu Pada Das #	1	Negligible
3.	Mr. Ram Chandra Mishra#	1	Negligible
4.	Ms. Sudha Krishnan#	1	Negligible
5.	Mr. Arun Goel#	1	Negligible
6.	Mr. Premjit Lal#	1	Negligible
7.	Mr. Prem Narain#	1	Negligible

#As a nominee of the President of India

ii. Top ten shareholders ten days prior to the date of filing the Draft Red Herring Prospectus are as follows:

Sr. No.	Name of the Shareholders	Number of equity shares(of face value of ₹ 10 each)	% of pre Offer Capital
1.	The President of India, acting through the Ministry of Urban Development	119,999,994	99.99
2.	Mr. Vishnu Pada Das #	1	Negligible
3.	Mr. Ram Chandra Mishra#	1	Negligible
4.	Ms. Sudha Krishnan#	1	Negligible
5.	Mr. Arun Goel#	1	Negligible
6.	Mr. Premjit Lal#	1	Negligible
7.	Mr. Prem Narayan#	1	Negligible

#As a nominee of the President of India

iii. *Top ten shareholders two years prior to the date of filing the Draft Red Herring Prospectus are as follows:*

Sr. No.	Name of the Shareholders	Number of equity shares (of face value of ₹ 1000 each)	% of pre Offer Capital
1.	The President of India, acting through the Ministry of Urban Development	899,998	99.99
2.	Mr. Arup Roy Choudhury#	1	Negligible
3.	Mr. Ram Chandra Mishra#	1	Negligible
	TOTAL	**900,000**	100

#As a nominee of the President of India

6. We have not allotted any equity shares in terms of any scheme approved under Section 391-394 of the Companies Act.

7. Our Company, our Promoter, our Directors, and the BRLMs have not entered into any buy-back and/or standby arrangements for the purchase of Equity Shares of our Company through this Offer from any person.

8. None of our Promoter, our Directors or their immediate relatives have purchased or sold or financed the purchase or sale of equity shares by any other person, of any equity shares during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus with the SEBI.

9. An over-subscription to the extent of 10% of the Offer can be retained for the purpose of rounding off to the nearest multiple of minimum Bid Lot while finalizing the basis of Allotment.

10. Only Eligible Employees will be eligible to apply in this Offer under the Employee Reservation Portion on a competitive basis. Bids by Eligible Employees can also be made in the Offer and such Bids shall not be treated as multiple Bids. Bidders under the Employee Reservation Portion can apply for a maximum of [●] Equity Shares. The Allotment in the Employee Reservation Portion will be on a proportionate basis. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category would be met with spill over from other categories or combination of categories at the sole discretion of the Selling Shareholder and our Company in consultation with the BRLMs and the Designated Stock Exchange. Such inter-se spill-over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines. Under-subscription in the Employee Reservation Portion would be added back to the Retail Portion and the Non-Institutional Bidders Category.

11. None of the BRLMs or their respective associates has any shareholding in the Company.

12. A Bidder cannot Bid for more than the number of Equity Shares offered through the Offer, subject to the

maximum limit of investment prescribed under relevant laws applicable to each category of Bidders. For further details see the section titled "***Offer Procedure***" beginning on page 290 of this Draft Red Herring Prospectus.

13. We presently do not intend or propose any further issue of equity shares whether by way of issue of bonus issue, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Draft Red Herring Prospectus to SEBI until the Equity Shares offered pursuant to the Offer have been listed.

14. Our Company presently does not intend to alter its capital structure for a period of six months from the Bid / Offer Opening Date, by way of split or consolidation of the denomination of equity shares or further issue of equity shares (including issue of securities convertible into or exchangeable, directly or indirectly into equity shares) on a preferential basis or issue of bonus or rights or further public issue of equity shares or qualified institutions placement or otherwise, except if we enter into acquisitions, joint ventures or other arrangements, we may, subject to necessary approvals, consider raising additional capital to fund such activity or use equity shares as currency for acquisition or participation in such joint ventures.

15. There shall be only one denomination of the equity shares, unless otherwise permitted by law. We will comply with such disclosure and accounting norms as may be specified by the SEBI from time to time.

16. There has been no financing arrangement whereby the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus with SEBI.

17. As on the date of this Draft Red Herring Prospectus, the total number of holders of equity shares is seven which includes six nominee shareholders holding equity shares on behalf of the President of India.

18. We have not issued any equity shares out of revaluation reserves.

19. There are no partly paid-up equity shares in our Company. The Equity Shares transferred pursuant to the Offer shall be fully paid-up at the time of Allotment, failing which no Allotment shall be made.

20. As on the date of this Draft Red Herring Prospectus, the equity shares held by the Promoter are not subject to any pledge.

21. Except as disclosed in this Draft Red Herring Prospectus, we have not issued any equity shares in the last one year at a price lower than the Offer Price.

22. Our Promoter will not participate in the Offer. The Directors, Key Managerial Personnel and our Company's employees involved in the decision making process for price determination for the Offer cannot participate in the Offer(as per Model Conduct Discipline and Appeal Rules of CPSEs and Office memorandum of DPE dated June 16, 2009 and July 28, 2009).

23. Our Company does not currently have any employee stock option scheme / employee stock purchase scheme for its employees.

24. All the transactions in equity shares by the Promoter between the date of filing of the Red Herring Prospectus and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of the transaction.

25. Our Company, our Directors and our Promoter shall not make any payments, direct or indirect, discount, commission, allowance or dividend under the Offer.

OBJECTS OF THE OFFER

The objects of the Offer are to carry out the disinvestment of 12,000,000 Equity Shares by the Selling Shareholder and to achieve the benefits of listing the Equity Shares on the Stock Exchanges. Our Company will not receive any proceeds from the Offer and all proceeds shall go to the Selling Shareholder.

Offer Related Expenses

Activity	Total Expense*	As a % of Total Estimated Offer Expenses	As a % of Offer
Lead management, underwriting and selling commissions Commission/processing fee for SCSBs and Syndicate for ASBA**	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Printing and stationery	[●]	[●]	[●]
Registrar's fees	[●]	[●]	[●]
Other (legal fees, grading expenses, *etc.*)	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

*** To be completed after finalization of Offer Price**

****SCSBs would be entitled to a processing fee of ₹[●] for processing the Application-Cum-Bidding Forms procured by members of the syndicate and submitted to the SCSBs under the Syndicate ASBA process.**

All expenses with respect to the fees payable to the BRLMs, Registrar to the Offer, legal advisors, brokerage and selling commission and expenses towards the publication of offer related advertisements in connection with the Offer would be paid by the Selling Shareholder, through the Department of Disinvestment, Ministry of Finance, Government of India.

BASIS FOR THE OFFER PRICE

The Offer Price will be determined by our Company in consultation with the Selling Shareholder and the BRLMs on the basis of assessment of market demand for the Equity Shares through the Book Building Process. The face value of the Equity Shares is ₹ 10 each. The financial data presented in this section are based on our Company's restated financial statements. Investors should also refer to the sections "*Risk Factors*" and "*Financial Information*" on pages xv and 150 respectively, to get a more informed view before making the investment decision.

Qualitative Factors

Some of the qualitative factors which form the basis for computing the price are:

- Established brand name and reputation
- Operations in diverse sectors with strong Order Book position
- Financial strength
- Qualified and experienced management
- Significant experience and track record
- Vast Industry knowledge and technical expertise

For further details, see "Our Business – Our Competitive Strengths" on page 80 of this DRHP.

Quantitative Factors

The information presented below relating to our Company is based on the restated financial statements for fiscal year 2011, 2010 and 2009 prepared in accordance with the Indian GAAP and restated in accordance with SEBI ICDR Regulations. For details, see "Financial Information" on page 150 The Company has issued 30,000,000 equity shares on September 30, 2011 pursuant to a bonus issue of Equity Shares. All financial ratios are calculated based on the outstanding equity shares after considering such bonus issue.

1. ***Basic & Diluted Earnings Per Share (EPS):***

As per restated financial statements:

Period	Basic and Diluted EPS (₹)	Weightage
Year ended March 31, 2011	11.71	3
Year ended March 31, 2010	9.90	2
Year ended March 31, 2009	13.52	1
Weighted Average	**11.41**	

The basic and diluted EPS for the period ended on September 30, 2011 is ₹ 6.22 (not annualized)

Note:

1) *The face value of Equity shares is ₹10.*
2) *The earning per share has been computed by dividing net profit, as restated, after tax attributable to equity shareholders by weighted average number of diluted Equity Shares outstanding during the year. Weighted average number of Equity Shares has been computed as per Accounting Standard -20 "Earning per Share" issued by Institute of Chartered Accountants of India.*

2. Price to Earnings (P/E) ratio in relation to Issue Price of ₹[●] per Equity Share of ₹ 10 each:

a. Based on the basic and diluted EPS of ₹ as per financial statements for the year ended March 31, 2011, the P/E ratio is [●] *
b. Based on the weighted average basic and diluted EPS of ₹, as per restated financial statements the P/E ratio is [●]*

*P/E Ratio will be determined on conclusion of book building process.

c. Industry P/E

There are no listed companies in India that engage in a business similar to that of our Company. Hence, it is not possible to provide an industry comparison in relation to our Company

3. *Return on Net Worth*

As per restated financial statements

Period	Return on Net Worth (%)	Weightage
Year ended March 31, 2011	21.47	3
Year ended March 31, 2010	21.64	2
Year ended March 31, 2009	35.24	1
Weighted Average	**23.82**	

Return on Net worth for the period ended September 30, 2011 is 10.25% (not annualized)

4. *Minimum Return on increased Net Worth required for maintaining pre-Issue EPS.*

The minimum return on increased net worth required maintaining pre-Issue EPS for the Fiscal 2010:

A) Based on Basic and Diluted EPS

a. At the Floor Price – [●] % and [●] % based on restated financial Statements respectively.
b. At the Cap Price – [●] % and [●] % based on restated financial statements respectively.

5. *Net Asset Value per Equity Share*

Based on restated financial statements:

- As of March 31, 2011, ₹54.52
- As of September 30, 2011, ₹60.74
- NAV per Equity Share after the Issue is ₹ [●]
- Offer Price per Equity Share is ₹ [●]*

*Offer Price per Equity Share will be determined on conclusion of book building process.

6. *Comparison of Accounting Ratios*

There are no listed companies in India that engage in a business similar to that of our Company. Hence, it is not possible to provide an industry comparison in relation to our Company.

The face value of Equity Shares of our Company is ₹ 10 per Equity Share and the Offer Price is [●] times the face value at the Floor Price and [●] times the face value at the Cap Price. The Offer Price of ₹ [●] is determined by our Company, in consultation with the Selling Shareholder and the BRLMs, on the basis of assessment of market demand for the Equity Shares through the Book Building Process and is justified based on the above accounting ratios. See the sections titled "*Risk Factors*", "*Business*" and "*Financial Information*" on pages 151, and for further information.

STATEMENT OF TAX BENEFITS

To
The Board of Directors
National Buildings Construction Corporation Limited
NBCC Bhavan
Lodhi Road, New Delhi - 110003

Dear Sirs,

Statement of Possible Direct Tax Benefits

We hereby confirm that the enclosed Annexure, prepared by National Buildings Construction Corporation Limited ("**NBCC**" or the "**Company**"), states the possible tax benefits available to the Company and the shareholders of the Company under the Income-tax Act, 1961 ('**IT Act'**) and the Wealth Tax Act, 1957, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not fulfil.

The benefits discussed in the Annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her or its own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the current tax laws in force in India.

We do not express any opinion or provide any assurance whether: the Company or its shareholders will continue to obtain these benefits in future; or

- the Conditions prescribed for availing the benefits have been or would be met with; or,
- the company is currently availing any of these benefits or will avail these benefits in future.

The contents of the 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.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. The views are exclusively for the use of NBCC. We shall not be liable to NBCC for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

Thanking you,

Yours faithfully,

For Amit Ray & Company
Chartered Accountants

(CA Amitava Ray), Partner

Membership Number: 6947
Place: New Delhi
Date: January 30, 2012

STATEMENT OF POSSIBLE KEY DIRECT TAX BENEFITS AVAILABLE TO NATIONAL BUILDINGS CONSTRUCTION CORPORATION LIMITED AND TO ITS PROSPECTIVE SHAREHOLDERS

UNDER THE INCOME TAX ACT, 1961 ("THE ACT")

A. TO COMPANY

I. SPECIAL TAX BENEFITS

There are no special benefits accruing to the Company.

II. GENERAL TAX BENEFITS

1. As per section 10(34) of the Act, income earned by the Company by way of dividend referred to in section 115-O of the Act is exempt from tax.

2. As per section 10(35) of the Act, the following income will be exempt from tax in the hands of the Company:

   a. Income received in respect of the units of a Mutual Fund specified under clause 10(23D); or
   b. Income received in respect of units from the Administrator of the specified undertaking; or
   c. Income received in respect of units from the specified company

3. As per section 10(38) of the Act, long term capital gains arising to the Company from the transfer of a long term capital asset being an equity shares in a company or a unit of an equity oriented fund, where such transaction is chargeable to securities transaction tax, will be exempt in the hands of the Company.

4. Under section 32 of the Act, the Company is entitled to claim depreciation subject to the conditions specified therein, at the prescribed rates on its specified assets used for its business.

5. As per Section 14A, no deduction shall be allowed in respect of expenditure incurred by the Company in relation to income which does not form part of the total income under the Act.

6. As per Section 54EC of the ITA and subject to the conditions and to the extent specified therein, long term capital gains (in case not covered under Section 10(38) of the ITA) arising on the transfer of a long term capital asset will be exempt from capital gains to the extent that such capital is invested in a "long term specified asset" within a period of 6 months after the date of such transfer. It may be noted that any investment made on or after April 1, 2007 in the long term specified asset by an assess during the financial year cannot exceed ₹50 lacs.

   However if the Company transfer or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the long term specified asset it transferred or converted into money.

A "long term specified asset" for making investment under this section on or after April1, 2007 means any bond redeemable after three years and issued on or after April 1, 2007 by:

a) NHAI constituted under Section 3 of the NHAI Act 1988 or;
b) REC Limited, a Company formed and registered under the Companies Act, 1956

7. As per section 111A of the Act, short term capital gains arising to the Company from the sale of Equity Shares in a Company or units of an equity oriented fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (in addition a surcharge of 5% (ICSC) of the tax will be payable if the net income of the assesse exceed ₹ 1 crore and an education cess (EC) of 2% of the tax along with a secondary and higher secondary education cess(SHEC)_ of 1% will be applicable).

8. As per section 112 of the Act, the tax on capital gains on transfer of listed securities or units where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of:-
   a. 20% (+ICSC + EC+ SHEC) of the capital gains as computed after indexation of the cost of acquisition/improvement and expenses on transfer; or
   b. 10% (+ ICSC + EC+ SHEC) of the capital gains as computed without indexation of cost of acquisition/improvement and expenses on transfer.

   However, the levy of surcharge (ICSC) in case of individual has been removed vide Finance (2) Act, 2009.

9. As per Section 80G of the Act, the Company is entitled to claim deduction of an specified amount in respect of eligible donations subject to the fulfilment of the conditions specified in that section as per the provisions of Chapter XVII-B of the Income-Tax Act.

10. The amount of tax paid under section 115JB by the Company will be available as credit to the extent specified in section 115JAA for ten years succeeding the assessment year in which MAT credit becomes allowable in accordance with the provisions of Section 115JAA.

11. As per Section 35DDA, the Company is eligible for deduction in respect of payment made to its employees in connection with their **voluntary retirement in accordance with any scheme or schemes of an amount equal to 1/5th of such payments over 5 successive assessment years subject to condition and limits specified that sections.**

B. TO MEMBERS

I. Special Benefits

There are no special benefits accruing to the members.

II. General Benefits

(A) Resident Members

1. As per section 10(34) of the Act, income earned by the resident members by way of dividend from the domestic company referred to in section 115-O of the Act is exempt from tax.

However, it is pertinent to note that as per Section 14A of the I.T.Act, no deduction shall be allowed in respect of any expenditure incurred in relation to such exempt income.

2. As per section 10(38) of the Act, long term capital gains arising to the resident members from the transfer of a long term capital asset being an equity share in a company or a unit of an equity oriented fund, where such transaction is chargeable to securities transaction tax, will be exempt in the hands of such members.

3. As per section 111A of the Act, short term capital gains arising to the resident members from the sale of equity shares in a Company or units of an equity oriented fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (in addition a surcharge of 5% (ICSC) of the tax will be payable if the net income of the assesse exceed ₹ 1 crore and an education cess (EC) of 2% of the tax along with a secondary and higher secondary education cess(SHEC)_ of 1% will be applicable).

4. As per section 112 of the Act, the tax on capital gains on transfer of listed securities or units where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of:-
   a. 20% (+ ICSC + EC+ SHEC) of the capital gains as computed after indexation of the cost of acquisition/improvement and expenses on transfer; or
   b. 10% (+ ICSC + EC+ SHEC) of the capital gains as computed without indexation of cost of acquisition/improvement and expenses on transfer.

5. As per Section 54EC of the ITA and subject to the conditions and to the extent specified therein, long term capital gains (in case not covered under Section 10(38) of the ITA) arising on the transfer of a long term capital asset will be exempt from capital gains to the extent that such capital is invested in a “long term specified asset” within a period of 6 months after the date of such transfer. It may be noted that nay investment made on or after April 1, 2007 in the long term specified asset by an assessee during the financial year cannot exceed ₹50 lacs.

   However if the Company transfer or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the long term specified asset it transferred or converted into money.

   A “long term specified asset” for making investment under this section on or after April1, 2007 means any bond redeemable after three years and issued on or after April 1, 2007 by:

   a) NHAI constituted under Section 3 of the NHAI Act 1988 or;
   b) REC Limited, a Company formed and registered under the Companies Act, 1956

6. As per the provisions of section 54F of the Act, long term capital gains (in cases not covered under section 10(38)) arising on the transfer of any long term capital assets not being a residential household by an individual or Hindu Undivided Family will be exempt from tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a residential house, or for construction of a residential house within three years.

(B) Non-Resident Indian Members

1. As per section 10(34) of the Act, income earned by way of dividend referred to in section 115-O of the Act is exempt from tax.

2. As per section 10(38) of the Act, long term capital gains arising from the transfer of a long term capital asset being an equity share in a company or a unit of an equity oriented fund, where such transaction is chargeable to securities transaction tax, will be exempt.

3. As per section 111A of the Act, short term capital gains arising from the sale of equity shares in a Company or units of an equity oriented fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (in addition a surcharge of 5% (ICSC) of the tax will be payable if the net income of the assesse exceed ₹ 1 crore and an education cess (EC) of 2% of the tax along with a secondary and higher secondary education cess(SHEC)_ of 1% will be applicable).

4. As per section 112 of the Act, the tax on capital gains on transfer of listed securities or units where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of:-

   a. 20% (+ ICSC + EC+ SHEC) of the capital gains as computed after indexation of the cost of acquisition/improvement and expenses on transfer; or
   b. 10% (+ ICSC + EC+ SHEC) of the capital gains as computed without indexation of the cost of acquisition/improvement and expenses on transfer.

5. As per the first proviso to section 48 of the Act, in case of a non-resident shareholder, the capital gain arising from transfer of a capital asset being shares in a or debentures of an Indian Company, acquired in convertible foreign exchange, will be computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively incurred in connection with such transfer received or accruing as a result of the transfer, into the same foreign currency which was initially utilized in the purchase of such shares or debentures in an Indian Company. Cost indexation benefit will not be available in such a case.

6. As per Section 54EC of the ITA and subject to the conditions and to the extent specified therein, long term capital gains (in case not covered under Section 10(38) of the ITA) arising on the transfer of a long term capital asset will be exempt from capital gains to the extent that such capital is invested in a "long term specified asset" within a period of 6 months after the date of such transfer. It may be noted that nay investment made on or after April 1, 2007 in the long term specified asset by an assesse during the financial year cannot exceed ₹50 lacs.

   However if the Company transfer or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the long term specified asset it transferred or converted into money.

A "long term specified asset" for making investment under this section on or after April1, 2007 means any bond redeemable after three years and issued on or after April 1, 2007 by:

a) NHAI constituted under Section 3 of the NHAI Act 1988 or;
b) REC Limited, a Company formed and registered under the Companies Act, 1956

7. As per the provisions of section 54F of the Act, long term capital gains (in cases not covered under section 10(38)) arising on the transfer of the any long term capital assets not being a residential house held by an individual or Hindu Undivided Family will be exempt from tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a residential house, or for construction of a residential house within three years.

8. As per section 115E of the Act, income from investment or income from long term capital gains on transfer of assets other than specified asset shall be taxable at the rate of 20%. Income by way of long term capital gains in respect of a specified asset (as defined in section 115(C)(f) of the ITA shall be chargeable at 10%. Income by way of long term capital gains in respect of a specified asset (as defined in section 115C (f) of the Act) shall be chargeable at 10%.

9. In accordance with section 115F of the Act, subject to the conditions and to the extent specified therein, long term capital gains arising from transfer of a foreign exchange asset (as defined in section 115C (b) of the Act) shall be exempt from capital gains tax, if the net consideration is invested within six months of the date of transfer in any specified asset or in any savings certificate referred to in Clause 4 (b) of Section 10 of the Act.

10. In accordance with section 115G of the Act, It is not necessary for a non-resident Indian to file a return of income under section 139 (1) of the Act, if his total income consist only of investment income (as defined under Section 115 C (c) of the Act)or Income by way of long term capital gains (as defined under Section 115 C (d) of the Act) or both, if the tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Income-Tax Act.

11. As per section 115H of the Act, where a non-resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under section 139 of the Act to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets(as defined under Section 115 C (f) of the Act, other than shares in an Indian Company) for that year and subsequent assessment years until such assets are transferred or converted into money of assets.

12. In accordance with section 115-I of the Act, Where a non-resident Indian opts not to be governed by the provisions of Chapter XII-A for any assessment year, his total Income for that assessment year (Including Income arising from Investment in the Company) will be computed and tax will be charged according to the other provisions of the Income-Tax Act.

13. The tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident has Fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident.

(C) Foreign Institutional Investors (FIIs)

1. As per section 10(34) of the Act, any income earned by way of dividend income from the domestic Company referred to in section 115-O of the Act is exempt from tax.

2. As per section 10(38) of the Act, long term capital gains arising from the transfer of a long term capital asset being an equity share in the Company, or unit of equity oriented fund, where such transaction is chargeable to securities transaction tax, will be exempt.

3. As per section 115AD read with section 111A of the Act, short term capital gains arising from the sale of Equity Shares in the Company or unit of an equity oriented fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15%(in addition a surcharge of 5% (ICSC) of the tax will be payable if the net income of the assese exceed ₹ 1 crore and an education cess (EC) of 2% of the tax along with a secondary and higher secondary education cess(SHEC)_ of 1% will be applicable)..

4. As per section 115AD of the Act, FIIs will be taxed on the capital gains that are not exempt under the provisions of section 10(38) of the Act at the following rates:

Nature of income	**Rate of tax (%)**
Long term capital gains	10*
Short term capital gains (other than referred to in section 111A)	30*
Short term capital gains U/s 111A	15%*

*(in addition a surcharge of 5% (ICSC) of the tax will be payable if the net income of the assese exceed ₹ 1 crore and an education cess (EC) of 2% of the tax along with a secondary and higher secondary education cess(SHEC)_ of 1% will be applicable).

In case of long term capital gains, (in cases not covered under section 10(38) and section 115 AD of the Act), the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation.

5. The tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any between India and the country in which the FII has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the FII.

6. As per Section 54EC of the ITA and subject to the conditions and to the extent specified therein, long term capital gains (in case not covered under Section 10(38) of the ITA) arising on the transfer of a long term capital asset will be exempt from capital gains to the extent that such capital is invested in a “long term specified asset” within a period of 6 months after the date of such transfer. It may be noted that nay investment made on or after April 1, 2007 in the long term specified asset by an assesse during the financial year cannot exceed ₹50 lacs.

(D) Mutual Funds

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

(E) Venture Capital Companies / Funds

As per section 10(23FB) of the Act, all Venture Capital Companies/Funds registered with the Securities and Exchange Board of India, subject to the conditions specified, are eligible for exemption from income tax on their entire income, including income from sale of shares of the company. However, under section 115U of the Act, income received by a person out of investment made in a venture capital company or in a venture capital fund will be chargeable to tax in the hands of such person.

UNDER THE WEALTH TAX ACT, 1957

"Asset" as defined under section 2(EA) of the Wealth tax Act, 1957 does not include shares in companies and hence, shares are not liable to wealth tax.

UNDER THE GIFT TAX ACT, 1957

Gift of shares of the company made on or after October, 1998 are not liable to gift tax since abolished.

NOTES

(i) In the above statement only basic tax rates have been enumerated and the same is subject to surcharge and education cess, wherever applicable.

(ii) The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.

(iii) All the above benefits are as per the current tax laws, legislation, its judicial interpretation and the policies of the regulatory authorities are subject to change from time to time, and these may have a bearing on the benefits listed above. Accordingly, any change or amendments in the law or relevant regulations would necessitate a review of the above.

(iv) Several of these benefits are dependent on the company and its shareholders fulfilling the conditions prescribed under the provisions of the relevant sections under the relevant tax laws.

(v) This statement is only extended to provide general information to the investors and is neither designed nor intended to be a substitute for Professional Tax Advice. In view of the individual nature of tax consequences, being based on all the facts, in totality, of the investors, each investor is advised to consult his/her/its own tax advisor with respect to specific tax consequences of his/her/its investments in the shares of the Company.

SECTION IV – ABOUT OUR COMPANY

INDUSTRY

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources, including reports that have been prepared by Credit Analysis and Research Limited ("CARE"). Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Our Company accepts responsibility for accurately reproducing such information, data and statistics. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that 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.

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Overview of the Indian Economy

India, with a Gross Domestic Product (GDP) of ₹48,778 bn at the end of FY11, is the fourth-largest economy in the world after USA, China and Japan. During the pre-liberalisation period, India was considered to be an agrarian economy with more than 70% of the GDP being contributed by the agricultural sector. In 1991, the Government of India (GoI) initiated a series of economic reforms to promote industrial growth to bring in economic stability and growth. New liberal policies included opening of international trade and investment, privatisation, tax reforms *etc.* to transform the economy from socialism to capitalism. With these reforms, the economic growth which was hovering at the lower levels increased to above 8% territory in the past few years. Barring FY09, the economy has registered a growth of 8% and above during the period FY 06-11.

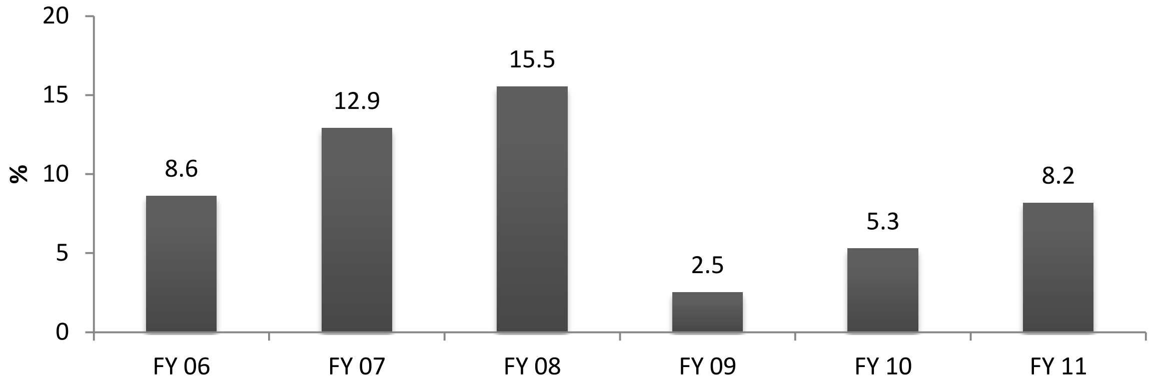
YoY (%)	FY06	FY07	FY08	FY09	FY10	FY11
GDP	9.5	9.6	9.3	6.8	8.0	8.5
Agriculture	5.1	4.2	5.8	-0.1	0.4	6.6
Industry	9.7	12.2	9.7	4.4	8.0	7.9
Services	11.0	10.1	10.3	10.1	10.1	9.4

Source: Reserve Bank of India (RBI) and CARE Research *at Factor cost (2004-05 prices)*

The global financial crisis also hit the Indian economy and economic growth slashed to 6.8% in FY09. However, with buoyant domestic demand, accommodative policies and stimulus packages announced by the government, macroeconomic environment improved in the later year and the economy registered a growth of 8% in FY10.

The economy grew at a higher rate in FY11 and registered an impressive growth of 8.5%. The high growth in GDP came from all the sectors: agricultural sector expanded by 6.6%, manufacturing sector grew at 8.3%, construction sector expanded by 8.1% while the mining sector grew at 5.8%. The service sector was also buoyant and clocked a growth of 9.4%.

Trend of Index of Industrial Production (IIP) growth



Source: Central Statistical Organisation (CSO) *2004-05 series*

IIP, the barometer of the manufacturing activity in the country, clocked a growth of 5.3% in FY10, recovering from the slowdown in growth at 2.5% registered in FY09. In FY11, IIP growth continued the rising trend and registered a level of 8.2%.

The strong performance of IIP and the improving business sentiment underscores that the Indian economy is on the recovery path. The recuperating demand conditions on the back of the government initiatives, improving employment situation, resumption in foreign capital inflows, recovering financial markets and stabilising exports have provided the growth momentum to the Indian economy.

Economic scenario in the first half of FY 12

During the current fiscal, quarterly GDP for the Q2FY12 grew by 6.9% over the corresponding quarter of the previous year while the half yearly GDP growth stood at 7.3%. During the first half of the current fiscal, agriculture & allied activities grew by 3.6% compared to growth of 3.7% in the corresponding period last year. Sectors such as mining, manufacturing and construction have taken a beating in the first half this year, consequent on lower production and investments in the backdrop of rising interest rate regime. Mining & quarrying registered a negative growth of -0.5% during the first half of FY 12 while the construction registered the sluggish growth of mere 2.7% compared to 7.2% registered in the last year. Manufacturing sector registered a growth of 4.9% during the same period.

Overview of the Construction Industry

Broadly, construction can be classified into three segments – infrastructure, industrial and real estate. The infrastructure segment involves construction projects in different sectors like roads, rails, ports, irrigation, power, telecom *etc.* Investment in the infrastructure sector plays a crucial role in the growth of the economy of the country. Development of infrastructure in the country mainly depends upon the spending by GoI in various sub-segments of infrastructure.

Characteristics of construction industry

- Highly fragmented
- Labour intensive
- Working capital intensive
- Close linkage with economic growth
- Rising trend of Joint ventures
- Low mechanisation levels compared to global standards
- Varied gestation period and profitability across different construction projects

Construction Industry and GDP

GDP and Construction at the factor cost (at constant prices)

	GDP (₹ Cr)	GDP growth (%)	Construction (₹ Cr)	Construction as % of GDP
FY06	32,54,216	**9.5**	2,58,124	**7.9**
FY07	35,66,011	**9.6**	2,84,798	**8.0**
FY08	38,98,958	**9.3**	3,15,389	**8.1**
FY09	41,62,509	**6.8**	3,32,557	**8.0**
FY10	44,93,743	**8.0**	3,55,918	**7.9**
FY11	48,77,842	**8.5**	3,84,629	**7.9**

Source: Central Statistical Organisation (CSO) and CARE Research

Construction as a percentage of GDP has been in the narrow range of 7.9-8.1% in the past six years. With a slowdown in the economic growth in FY09, growth in construction GDP had also declined to 5.4% compared to the growth of 10.7% registered in FY08. In FY09, many manufacturing companies had deferred their expansion plans. Investment in the infrastructure projects had decelerated owing to the liquidity constraints. Also, many corporates were finding it difficult to achieve the financial closure of the projects. Imminent elections had put a halt on the awarding of new projects.

To revive economic growth, GoI announced its first stimulus package in the month of December 2008 which was followed by two more stimulus packages in the last quarter of FY09. The emphasis was given mainly to ease liquidity and liberalize the lending policies. Focus was given to increase the expenditure on infrastructure and provide funding to the long-term infrastructure projects in order to speed up the completion. GoI had authorized India Infrastructure Finance Co. Ltd. (IIFCL) to raise ₹400 bn through tax-free bonds to refinance bank lending for infrastructure projects in the Public Private Partnership (PPP) mode. Apart from this, IIFCL was allowed to provide takeout financing to banks so that they can lend to the long-term infrastructure projects.

Post-election in early FY10, the government had been focusing on awarding projects under different infrastructure segments. Also, the quantum of projects being shelved/deferred in the industrial sector slowed down. Due to these measures, construction registered a growth of 7% in FY10. In FY11, construction grew at 8.1% and the proportion of construction to GDP also remained at about 7.9%.

Current snapshot

In Q2FY12, construction grew by 4.3% on yoy basis compared to growth of 6.7% registered in the same quarter last year. Contribution of construction to the GDP also slightly declined to 7.8% in Q2FY12 as compared 8% in Q2FY11. The construction sector has been affected on account of delay in the project awarding process due to environmental clearance hurdles, rising interest rates and political issues in some states.

GDP and Construction at the factor cost (at constant prices)

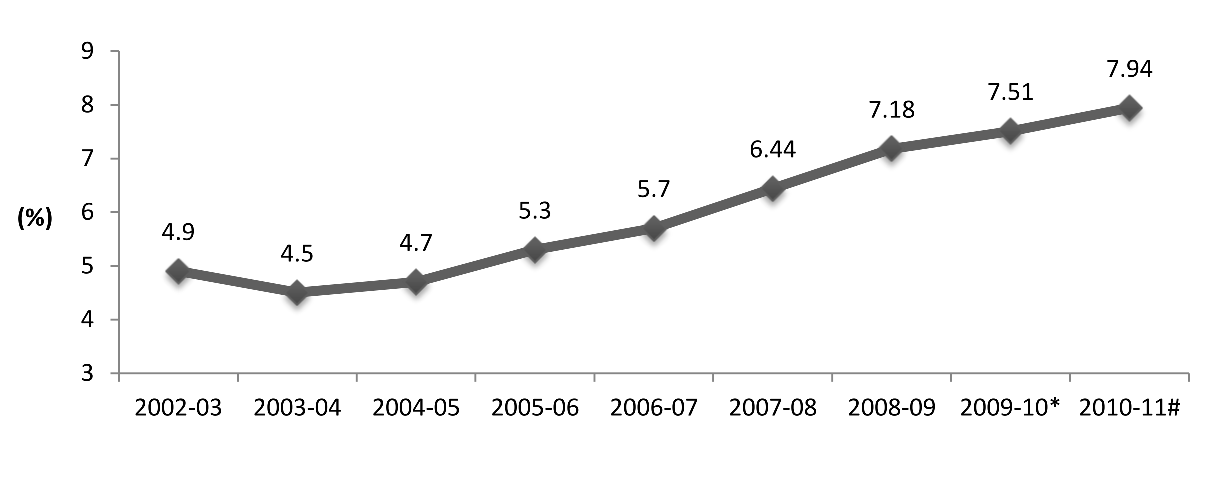
	GDP (₹ Cr)	GDP growth (%)	Construction(₹ Cr)	Construction Growth (%)
Q2 FY12	12,27,254	**6.9**	95,489	**4.3**

Source: CSO

Brief on investment in infrastructure

In the past few years, GoI has been focusing on improving the infrastructure in the country. This is reflected in the rising trend of the infrastructure investment as a percentage of GDP as shown in the following chart:

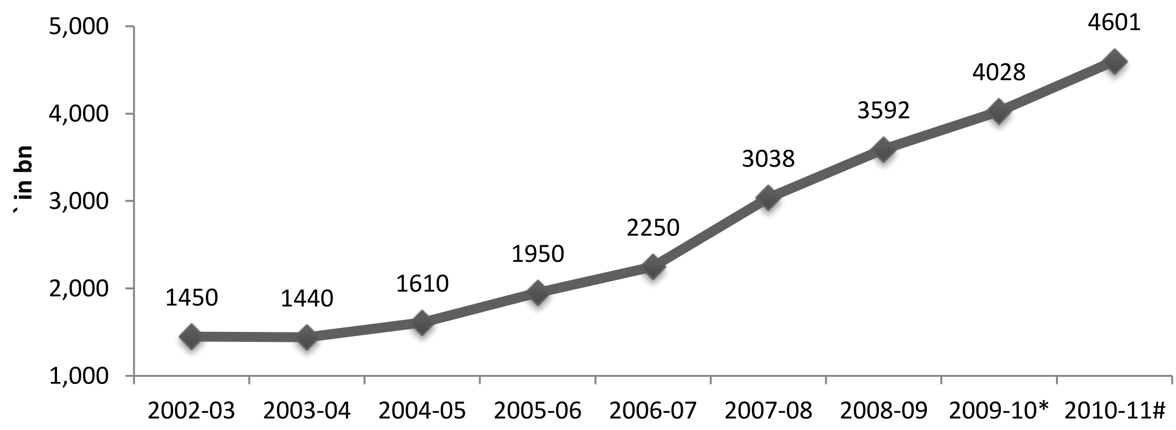
Trend of infrastructure investment as a percentage of GDP



Source: Planning Commission ** revised estimates* *# budget estimates*

As per the planning commission, investment in infrastructure as a percentage of GDP has increased from 4.5% in FY04 to 7.9% in FY11. The following chart shows the trend of absolute investment in the infrastructure sector in the past few years:

Trend of absolute investment in the infrastructure sector



Source: Planning Commission **revised estimates* *# budget estimates*

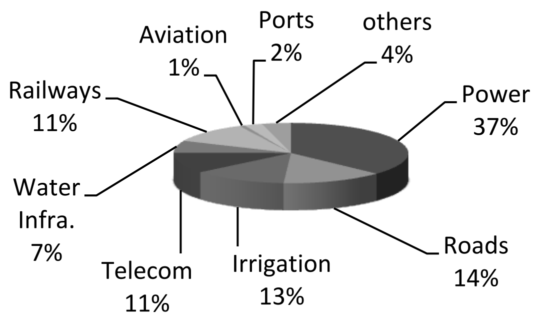
Five Year Plans – Comparison

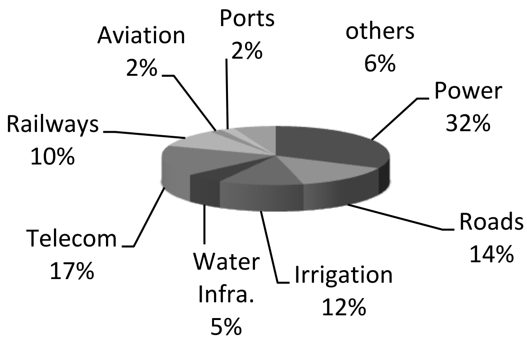
Investment in the infrastructure sector rose almost 3.2 times in the year 2010-11 as compared to that in 2002-03. Infrastructure investment picked up pace in the Tenth Five Year Plan. During the Tenth Plan period of FY 03-07, investment in the infrastructure grew at a CAGR of 12%. Total investment in the infrastructure sector during the Tenth Five Year Plan was estimated to about ₹9,192 bn.

The projected investment in the Eleventh Five Year Plan is estimated at about 2.2 times that in the Tenth Five Year Plan. The proportions of investment planned in different sub-sectors of the infrastructure sector in the Eleventh Five Year Plan are more or less the same as that in the Tenth Five Year Plan as shown in the following chart:

Bifurcation of Investment across different sub-sectors of infrastructure

Xth Five Year Plan	XIth Five Year Plan





Source: Planning Commission

In the Eleventh Five Year Plan, GoI has put emphasis on removing bottlenecks in the transport sector to improve the trade. Investment proportions of port and airport sectors have increased in the Eleventh Five Year Plan. Even though, the proportions of road and railway sectors show a slight decline, the quantum of projected investment in these sectors is more than double compared to the anticipated expenditure in the Tenth Five Year Plan. Although, the share of the power sector has declined, it continues to be the priority area in the current Five Year Plan and will witness the maximum chunk of the investment. Investment in the telecom sector is expected to increase by almost 3.4 times and is mainly expected to come from the private sector. Under water supply and sanitation, the thrust would be given on improving infrastructure in the urban areas. To keep the pace of agricultural growth in the Eleventh Five Year Plan, investment in the irrigation sector is also envisaged at about 2.1 times the investment in the previous plan.

REAL ESTATE CONSTRUCTION

OVERVIEW OF THE REAL ESTATE SECTOR

The real estate sector in India has evolved over the years, accompanied by various regulatory reforms. In the past, factors such as the absence of a centralized title registry providing title guarantee, lack of uniformity in local laws affecting real estate and their application, the unavailability of bank financing, high interest rates and transfer taxes and the lack of transparency in transaction values led to inefficiencies in the sector. However, in recent years, the real estate sector in India has exhibited a trend towards greater efficiency and transparency due to the various laws and regulations that have been implemented to govern the sector.

The real estate sector in India is highly fragmented with many regional players, who have a significant presence in their respective local markets. The sector is one of the largest employers providing employment across various skill sets thereby significantly contributing to the overall economic development. Highly correlated with the economy, the growth of the sector is supported by favorable demographics, increasing urbanization, availability of finance and rising income levels. This sector is directly affected by changes in government policies like Floor Space Index (FSI), related regulations and any changes in the approvals required for the projects from various government bodies, usually at the state level.

The key risks associated with the real estate sector are mainly the cyclical nature of the business, interest rate fluctuations and changes in government policies. Any reversal in the economic cycle, fall in demand as a result of excessive increase in prices and/or increased supply affects the cash flow of the developers. Besides, the adverse movement in interest rate affects the real estate players in both ways by hampering the demand as well as increasing the cost of construction.

The demand for the real estate sector can be categorized mainly into three segments viz residential, commercial and retail. While demand for residential space is determined by a combination of factors such as property price trend, individuals' income levels, interest rates and the employment market scenario, the demand for the retail and commercial segments is directly correlated to the state of the economy.

The prices of residential, office and commercial properties had shot up considerably during the period FY06-FY08, led by increase in demand, overall economic development as well as substantial funds available from foreign investments. During this period, prices in the residential segment in prominent cities like Mumbai, Bangalore, Kolkata and NCR region grew (CAGR) in the range of about 25%-40%.In the same period, capital value of commercial properties in NCR registered the highest CAGR of 43% followed by Mumbai (26%), Bangalore (22%), and Kolkata (11%).

Thereafter, events like the global slowdown drop in demand - especially in the commercial and retail segments and tight liquidity conditions led to a severe downturn in the real estate industry in FY09. Consequently, the developers were holding large inventories and the overall liquidity crunch further led to the debt trap.

Characteristics of the real estate industry

- Highly fragmented market by regional players
- Local knowledge is critical to successful development
- High transaction costs
- Enhanced role of mortgage financing
- Lack of clarity in land title
- Sector governance issues

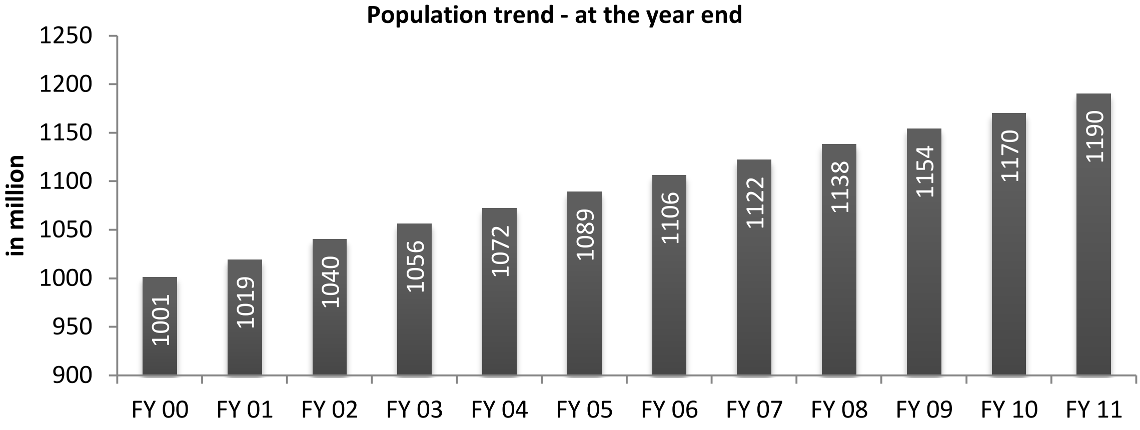
The real estate industry historically has been among the most regulated sectors in India. Incomplete and inaccurate land records, high transaction taxes and extensive real estate regulations have kept a large portion of property transactions out of the formal market. The Urban Land Ceiling Act and the Rent Control Act, limit the supply of land in India, which has resulted in Mumbai and New Delhi becoming among the most expensive real estate markets in the world. The Government has introduced progressive reform measures intended to unlock the potential of the sector and meet increasing levels of demand. In recent years, various reforms have been initiated by the central government as well as by individual state governments, which has led to improved organization and transparency in the sector.

Brief on key segments – Residential, Retail and Commercial

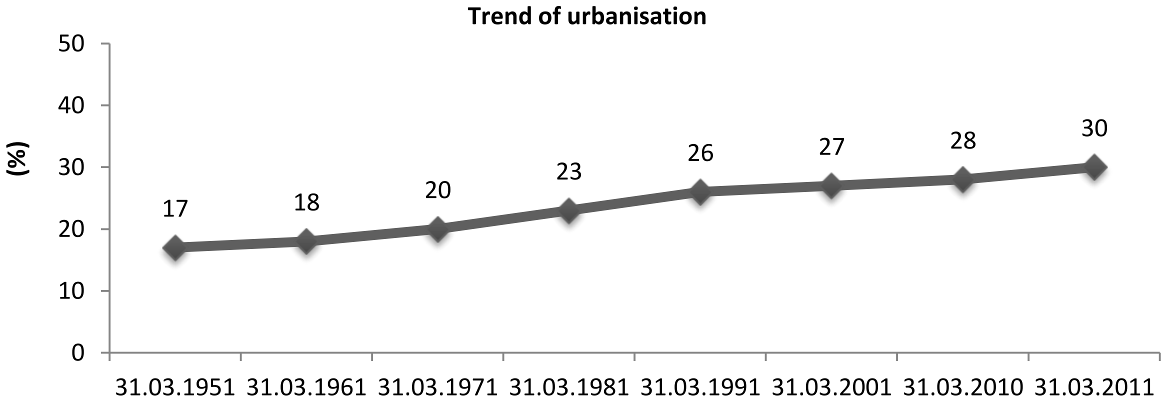
Residential Segment

Demand in the residential segment was mainly driven by rising population and increasing trend of urbanisation, in the past few decades. Since FY1951, the country's population living in urban region has been estimated to increase from about 17% in FY1951 to almost 30% in FY11.

Moreover rising disposable income levels of a growing middle class and young adult population, nuclearisation of families, fiscal incentives and increased urbanisation led to the increase in residential real estate market in India. Residential mortgage rates have declined over the last five years, making it easier for the expanding middle-class to purchase homes. This decrease in residential mortgage rates, coupled with aggressive marketing and innovative financing plans, has generated greater consumer demand for mortgage financing.



Source: Centre for Monitoring Indian Economy (CMIE)



Source: Centre for Monitoring Indian Economy (CMIE)

During the period FY 06-08, the booming economy and increased income levels kept the demand in the residential segment buoyant. This was the time when most developers embarked on high-margin premium housing projects. However, increased interest rates, fear of job loss and anticipation of fall in property prices, reduced the demand during the slowdown in FY09. During the period January 2008 till the mid of 2009, the residential real estate prices across the country declined on an average by over 25-30% from their peak levels.

Demand in the Indian residential segment has consistently outpaced supply as a result of India's favourable demographics which has led to shortage.

Post the economic downturn, the sector showed signs of recovery in both volumes as well as property prices, with prices of residential units registering a sharp rise. In case of the residential segment, the demand revived after June 2009. Buyers showed renewed interest in the housing market, on the back of decline in prices, lower interest rates and a gradual improvement in the economic scenario. After the second half of FY10, the real estate sector witnessed revival of demand in the premium segment as well. With improved demand, developers resorted to increase in prices. In some areas, the prices almost retreated to the previous peak levels observed during FY08. However, in FY11, the prices have shown stagnation and volumes have dropped. In some regions, real estate prices have also witnessed some softening. Buyers have been deferring plans to purchase a residential property as current prices are perceived to be very high in the scenario of rising interest rates.

Commercial Segment

Demand for commercial real estate was primarily driven by the flourishing service industry in the country. The growth of the commercial real estate sector in India has been fuelled considerably by the increased revenues of companies in the service sector, particularly in the IT and ITeS sectors. Such companies require large office spaces and therefore, the development of office space has spread beyond the customary central business districts. Along with IT-ITeS, banking & financial sector, consultancy, telecom, shipping/logistics *etc.* provided momentum for the growth of commercial real estate space.

However, with the beginning of the global meltdown in CY2008, the scenario changed dramatically. Demand plummeted due to the economic slowdown; companies either shelved or deferred their expansion plans. Due to increased vacancy and fall in lease rentals by about 30-40%, developers were forced to either suspend their projects or convert them into residential projects.

The commercial real estate market, mainly in Tier I cities, showed signs of revival late in CY2009 on the back of demand from the financial services sector and recovery in the IT sector. There was a pick-up in leasing activity with the economy regaining momentum and an improvement in liquidity. Although the demand has revived, many micro-markets still face a situation of oversupply.

Retail segment

The growth of an organised retail segment is expected to be driven by demographic factors, increasing disposable incomes, the increased purchasing power of the growing middle class and consumerist aspirations, in addition to macro policy decisions, such as allowing FDI in single brand retailing and cash-and-carry formats. Although real estate development in the retail sector is relatively new in India, both domestic and foreign investors have aggressively invested in this sector in recent years. India's retail boom primarily originated in the Tier I cities and has subsequently expanded to Tier II cities, with leading retailers and developers continuing to plan shopping malls and hypermarkets in these locations.

Retail was one of the sectors hit during the downturn. As the consumer spending reduced, the revenue as well as profitability of the retail players was hit. They in turn deferred their expansion plans forcing the developers to either delay their projects or scrap them entirely. During CY2009, the vacancy rate increased to about 20% in Mumbai as well as the National Capital Region (NCR). During this period, lease rentals witnessed a fall by around 30-40%. To improve the occupancy levels, many developers opted for revenue-sharing models (along with a provision of minimum guaranteed rental) as against the fixed rental models.

Infrastructure Construction

Road sector

Overview of the road sector

India has an extensive road network of 3.3 million kms – the second largest in the world. The country's roads carry about 65% of the total freight and 80% of the passenger traffic. The following table shows the bifurcation of the types of roads in the country:

Bifurcation of the types of roads in the country

Type	Kms	% of total
National highways	70,934	2.1
State highways	1,31,899	4.0
District roads	467,763	14.1
Rural & other roads*	2,650,200	79.8
Total	**3,320,796**	**100.0**

Source: National Highway Authority of India (NHAI) ** includes Expressways*

National highways serve as the arterial network across the country. Even though they constitute only 2% of all roads, they carry 40% of the road traffic. Moreover, only 20% of them have four or more lanes. In fact, the total length of expressways is just about 1,000 kms in the country. India's road density is 2.75 km per 1,000 people which is abysmally low as compared to the global average of 6.7 km per 1,000 people.

The Ministry of Road Transport and Highways (MoRTH) is responsible for formulating policies and overseeing the road sector in the country. MoRTH and National Highway Authority of India (NHAI) manage the national highways. At the state/district level, state governments, Public Works Departments (PWDs) and infrastructure boards have the responsibility of road development. Rural roads are under the purview of the Ministry of Rural Development (MoRD) and local authorities like Panchayat/Zila Parishad, whereas the urban roads come under Municipal Corporations. Road development programmes such as National Highways Development Programme (NHDP) - implemented by NHAI, Pradhan Mantri Gram Sadak Yojna (PMGSY) – implemented by MoRD and other state-level projects are currently underway in the country.

Pradhan Mantri Gram Sadak Yojana (PMGSY)

PMGSY was launched in December 2000 as a fully-funded Centrally Sponsored Scheme (CSS) with the prime objective of providing connectivity, through good all-weather roads to all unconnected habitations, with a population of more than 1,000 persons, by 2003 and all villages with population of more than 500 by the end of 2007. It planned to connect around 1,68,000 habitations involving construction of about 370,000 km of roads in addition to upgrading 375,000 km of the existing rural roads that were in poor condition. Subsequently, this programme was re-phased to achieve time-bound targets of rural connectivity under the overall umbrella of Bharat Nirman initiated in 2005–06.

Status of PMGSY (including Bharat Nirman) (as at the end of May 2011)

	Target	Achieved
Habitations (nos.)	1,36,451	78,951
New Connectivity (kms)	3,65,094	1,94,454
Upgradation (kms)	3,74,844	1,31,234

Source: MoRD

As of May 31, 2011, out of total new road connectivity planned under PMGSY, work on about 1,94,454 kms of road length is complete while about 1,31,234 kms of road length has been upgraded. Till now, under PMGSY, about ₹827 bn have been spent and there is a requirement of about ₹311 bn to complete the ongoing projects. Additionally, an amount of ₹800 bn is required for completing the balance work which is yet to be sanctioned (including both new and upgradation). A total outlay for the current fiscal year has been set at ₹200 bn for construction of Rural Roads.

Even though, PMGSY has made a substantial progress, it is way behind the schedule. According to the Rural Development Ministry, the delay can be attributed to various issues like shortage of funds, delay in getting environmental clearance, lack of co-ordination with local Zila/Gram Panchayats, delay in land acquisition, non-availability of sufficient qualified technical personnel, adverse weather conditions in some states *etc.*

Power sector

The Indian power sector has undergone a variety of reforms intended to encourage private sector participation since the early 1990s. The reforms make state electricity boards viable by unbundling them into generation, transmission and distribution utilities, privatising distribution and providing choice to some categories of consumers. Despite these reforms, however, the ability of the power sector to attract private sector investment remains low. High transmission and distribution losses, poor capacity utilisation, irrational tariff structure, grid disturbance and low creditworthiness of purchasers of electricity have discouraged active private sector participation. The Tenth Five-Year Plan's (fiscal 2002-2007) targets for the power sector have not been met, and reforms have been underway for several years now.

Overview

India is one of the largest power generating hubs in the world. The power generation capacity of the country has increased from 1,362 MW in 1947 to 173,626 MW by the end of FY11. As at the end of November 30, 2011, the country has a power generation capacity of almost 186 GW. The following table gives the bifurcation of the power generation capacity through different routes as at the end of November 30, 2011:

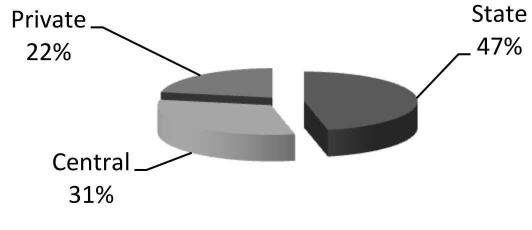
Bifurcation of power generation capacity as on November 30, 2011

Power generation route	Capacity (MW)	(%)
Hydro	38,748	**20.9**
Thermal	1,21,806	**65.7**
Coal-based	102,863	55.5
Gas-based	17,743	9.6
Diesel-based	1,200	0.6
Nuclear	4,780	**2.6**
Renewable	20,162	**10.9**
Total	**185,497**	**100.0**

Source: Central Electricity Authority (CEA)

Out of total the power generation capacity, the states account for the largest share of installed capacity followed by central & private sectors. State-owned utilities contribute the highest at about 47% of the total capacity, central utilities contribute 31% and the rest is contributed by the private sector.

Sector-wise bifurcation of the installed power generation capacity

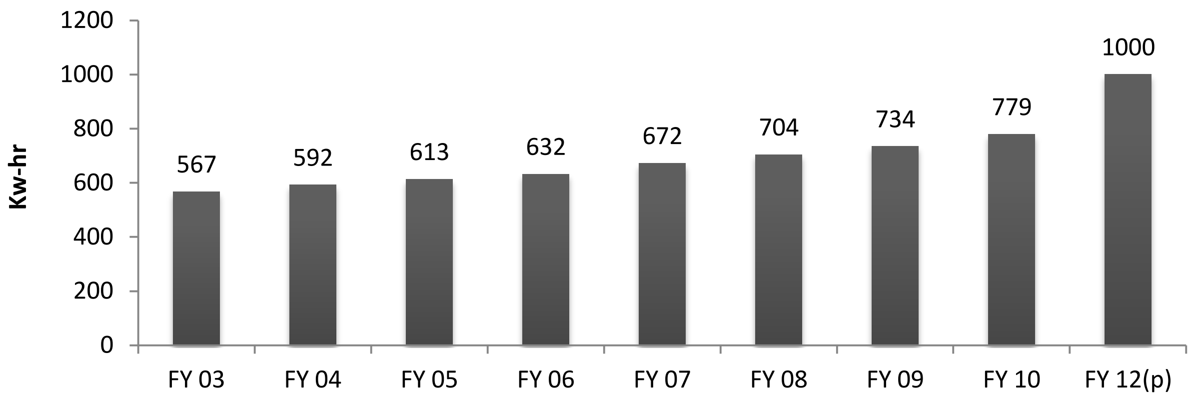


Source: CEA

Demand and Supply situation of power in the country & Plant Load Factor (PLF)

India's per capita power consumption is on a rising trend. During the period FY03-10, the per capita power consumption in the country has risen from 567 Kw-hr to 779 Kw-hr, registering a CAGR of 4.6%.

Per capita power consumption



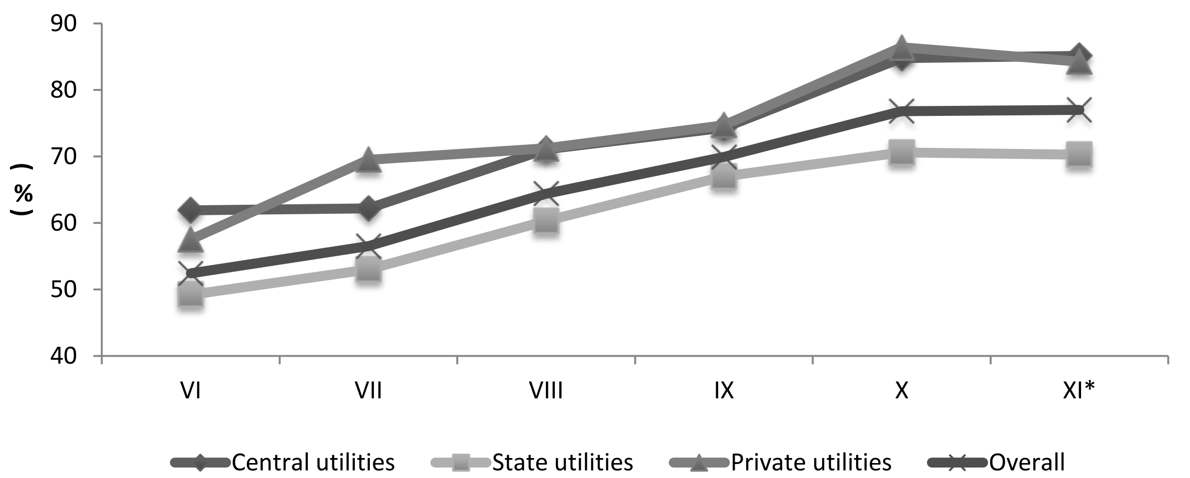
Source: CEA

The targeted per capita consumption by the end of the current Five Year Plan (2011-12) is as high as 1,000 Kw-hr.

Plant Load Factor (PLF)

The PLF which is a measure of average capacity utilisation of thermal power plants increased from 64.6% in 1998-1999 to about 77% in 2010-2011. PLF of a power generating plant has been consistently improving in the last few Five Year Plan periods. However, the PLF of Indian plants is lower than that of their international counterparts on account of old plants, inadequate maintenance, poor quality and unsatisfactory transmission infrastructure as well as the lack of assured fuel supply.

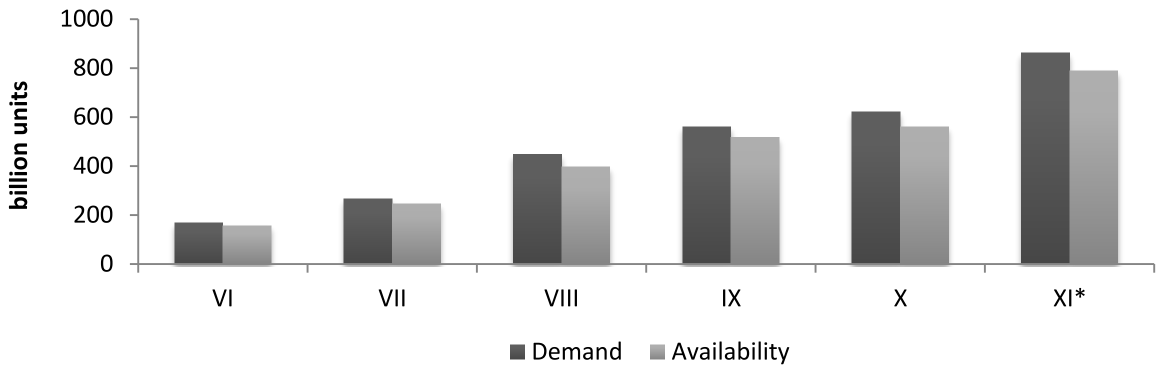
Trend of Plant Load Factor (PLF) in Five Year Plans



Source: CEA ** till June 2011*

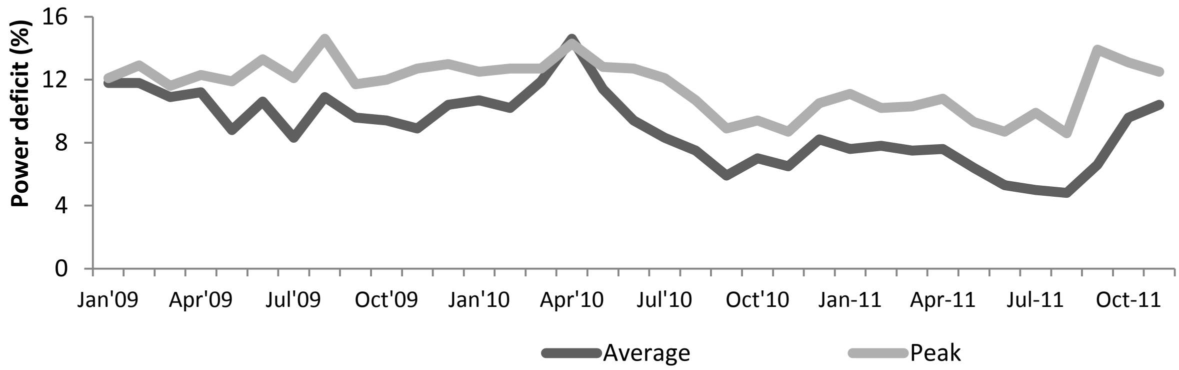
India is still facing a huge power deficit. The demand-supply gap in the energy requirement has increased from 6.7% in the Sixth Five Year Plan to 9.9% by the Tenth Five Year Plan. In the current Five Year Plan, the average power deficit has slightly declined to a level of about 8.5% in FY11. In FY11, the average peak power deficit in the country was about 11%. The following chart shows the trend of the demand-supply gap in the energy requirement in the last few Five Year Plans:

Trend of demand-supply gap in the energy requirement



Source: CEA ** at the end of FY11*

Monthly trend of power deficit



Source: CEA

Power generation capacity addition

India has continuously experienced shortages in energy and peak power requirements. According to the CEA, the total energy deficit for November 2011 was approximately 10.4% and the peak power deficit was 12.5%. The total capacity addition during the past 25 years, between the 6th Five Year Plan and the 10th Five Year Plan, was approximately 92,200 MW. The target capacity addition under the 11th Five Year Plan is 78,700 MW, out of which about 44,770 MW of capacity has been added till the end of November 30, 2011. A tentative capacity addition of approximately 100,000 MW has been envisaged under the 12th Five Year Plan as per CEA. The following table sets forth a summary of India's energy generation capacity as of November 30, 2011 in terms of fuel source and ownership:

Sector(MW)	Hydro	Thermal				Nuclear	Renewable	Total
		Coal	Gas	Diesel	Total			
State	27,338	48,112	4,327	603	53,042	-	3,226	83,606
Private	2,525	18,046	6,714	597	25,357	-	16,936	44,818
Central	8,885	36,705	6,702	-	43,407	4,780	-	57,072
Total	**38,748**	**102,863**	**17,743**	**1,200**	**121,8066**	**4,780**	**20,162**	**185,496**

Source: CEA

Together, the Central and State governments own and operate approximately 76% of the installed power capacity in India. The private sector has historically been reluctant to enter the market for power because of onerous governmental regulations on the construction and operation of power plants, and the sourcing of fuel for such plants. However, private sector participation has been increasing over time owing to power sector reforms.

Demand-Supply Imbalance in India

India has continuously experienced shortages in energy and peak power requirements. The deficits in electric energy and peak power requirements vary across different regions in India. The peak deficit was at 14.4% in the western region of the country, followed by 7.8% in the northern region of the country considering the period of April-November 2011. In contrast, the eastern region had the lowest deficit of 3.7%. The higher deficit in these regions is a result of the slow development progress of additional power generation capacity. The following table sets forth the shortage of power in the peak demand and normative energy requirement in India from FY 03 to FY 12:

Period	Peak Demand				Energy Requirement			
	Demand (MW)	Availability (MW)	Deficit (MW)	Deficit (%)	Demand (MU*)	Availability (MU*)	Deficit (MU*)	Deficit (%)
FY 03	81,492	71,547	9,945	12.2	545,983	497,890	48,093	8.8
FY 04	84,574	75,066	9,508	11.2	559,264	519,398	39,866	7.1
FY 05	87,906	77,652	10,254	11.7	591,373	548,115	43,258	7.3
FY 06	93,255	81,792	11,463	12.3	631,554	578,819	52,735	8.4
FY 07	100,715	86,818	13,897	13.8	690,587	624,495	66,092	9.6
FY 08	108,866	90,793	18,073	16.6	739,343	666,007	73,336	9.9
FY 09	109,809	96,785	13,024	11.9	777,039	691,038	86,001	11.1
FY 10	119,166	104,009	15,157	12.7	830,594	746,644	83,950	10.1
FY 11	125,077	112,167	12,910	10.3	862,125	789,013	73,112	8.5
FY 12#	127,724	114,233	13,491	10.6	613,869	569,081	44,788	7.3

Source: "Power Scenario at A Glance", CEA Report and CEA Monthly Review ** Million Units*
 # FY12 figures considering period April 2011- November 2011

The following table outlines the peak and normative power shortages across various regions in India considering the period April to November 2011:

Region	Peak Demand				Energy Requirement			
	Demand (MW)	Availability (MW)	Deficit (MW)	Deficit (%)	Demand (MU*)	Availability (MU*)	Deficit (MU*)	Deficit (%)
North	40,248	37,117	3,131	7.8	185,960	174,927	11,033	5.9
West	41,987	35,952	6,035	14.4	186,548	167,239	19,309	10.4
South	33,937	31,489	2,448	7.2	167,770	156,818	10,952	6.5
East	14,505	13,971	534	3.7	66,026	63,229	2,797	4.2
North-East	1,920	1,782	138	7.2	7,565	6,868	697	9.2

Source: CEA **Million Units*

The deficits in electric energy and peak power requirements vary across different regions in India. The peak deficit was the highest at 14.4% in the western region of the country, followed by 7.8% in the north region considering the period of April-November 2011. The larger peak deficit in these regions is a result of the slow development progress of additional power generation capacity.

Ultra Mega Power Project (UMPP)

For meeting the growing needs of the economy, power generation capacity in India must rise significantly and sustainably over the coming decades. There is, therefore, a need to develop large capacity projects at the national level to meet the requirements of different States. Development of UMPPs is one of the steps the

Ministry of Power (MoP) has taken to meet this objective. Each project has a capacity of minimum 4,000 MW and involves an estimated investment of approximately US$ 4 billion. The projects are expected to reduce the power shortages in India. The UMPPs will be awarded to developers on a build-own-operate basis.

GoI has identified development of nine UMPPs of 4,000 MW each. The major chunk of the private sector investment in the power sector is expected to come in UMPP. Power Finance Corporation (PFC) is the nodal agency for setting up the Special Purpose Vehicles (SPVs) for these projects. PFC is responsible for facilitating the land acquisition, securing coal blocks, Bidding process, clearances and approvals *etc.* Through tariff-based competitive Bidding, a successful Bidder is finalised who then takes over SPV from PFC.

Five coastal sites have been identified for these projects. Out of total nine UMPPs, four projects have been awarded to private players. Out of two coastal sites, Mundra in Gujarat is awarded to Tata Power and Krishnapatnam in Andhra Pradesh is awarded to Reliance Power belonging to the ADAG group. Reliance Power has bagged three UMPPs. Out of four pithead sites identified; Sasan in Madhya Pradesh and Tilaiya in Jharkhand have been awarded to Reliance Power. First UMPP in Mudra is expected to be commissioned in 2012.

Power-associated construction

Construction companies get orders for civil/structural work and Balance of Plant (BoP) work for a particular power plant project. Construction component accounts for about 30% to 65%of the total project cost depending on the type of the power project.

- Construction activity in thermal power project mainly involves erection of equipment like boiler, steam turbine, condenser etc which are made to design from respective suppliers and so it has comparatively lower level of construction component. Thermal power project has a construction component of about 30% of the project cost.

- Hydel power project involves construction of water lines (penstock), dams *etc.* which requires a lot of civil construction to be done and so it has comparatively higher construction component. Hydel power project has a construction component of about 65% of the project cost.

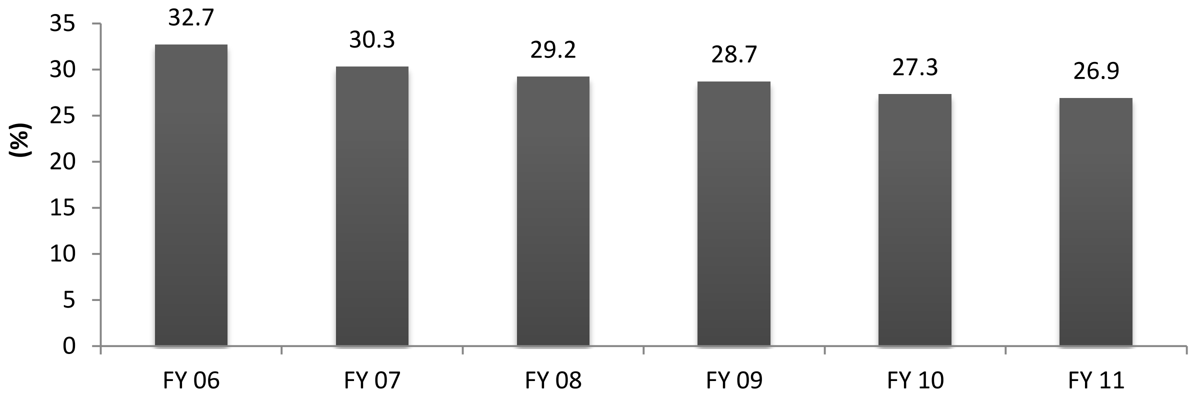
Power Transmission & Distribution (T & D)

The transmission of electricity is typically defined as the bulk transfer of power over a long distance at a high voltage, generally at 132 KV and above. The distribution of electricity is the delivery of power from the transmission system to the customer. A reliable T&D system is important for the proper and efficient transfer of power from generating stations to load centers and beyond. A typical T&D system comprises transmission lines, sub-stations, switching stations, transformers and distribution lines. Inter-regional transmission networks are also required because power generation sources are unevenly distributed and power needs to be carried over long distances where load centers and demand exist.

In India, the T&D system is a three-tier structure comprising distribution networks, State grids, and regional grids. The distribution networks and State grids are principally owned and operated by SEBs or other State utilities, or State governments (through state electricity departments). Most of the interstate and inter-regional transmission lines are owned and operated by the Power Grid Corporation (PGC) or its joint ventures. At present, there are five regional grids operating in India, in the Northern, Eastern, Western, Southern and Northeastern regions. Regional or interstate grids facilitate the transfer of power from a region with a surplus to one with a deficit. These regional grids also facilitate the scheduling of maintenance outages and coordination between power plants. Presently the Northern, Eastern, Western and North- Eastern regions are operating in one synchronous mode and the Southern region is interconnected with Western Region and Eastern Region through HVDC links.

India's power transmission lines have grown from 3,708 circuit kilometers (ckm) in 1950 to about 254,536 ckm till March 2011. During FY12 (till November), the country has added about 11,295 ckm of transmission lines. PGC is the government agency responsible for planning and developing the inter-regional power transmission network across the country. The investment in the transmission and distribution sector has been lagging compared to that in power generation. On account of deficiencies, power losses in the T & D system are at substantially higher levels. The following chart shows the trend of T & D losses over the past few years:

Trend of T&D losses



Source: CEA

GoI is focusing on developing a transmission network to facilitate inter-regional transfer of power and also trading of merchant power. During the Eleventh Five Year Plan, GoI has set a target of enhancing the inter-regional power transmission capacity to 37,000 MW. GoI had also targeted to increase the network of transmission lines to about 293,000 ckm by the end of CY2012. The work to create a country-wide power transmission grid is catching pace. GoI is also focusing on PPP in the power transmission sector.

Airport sector

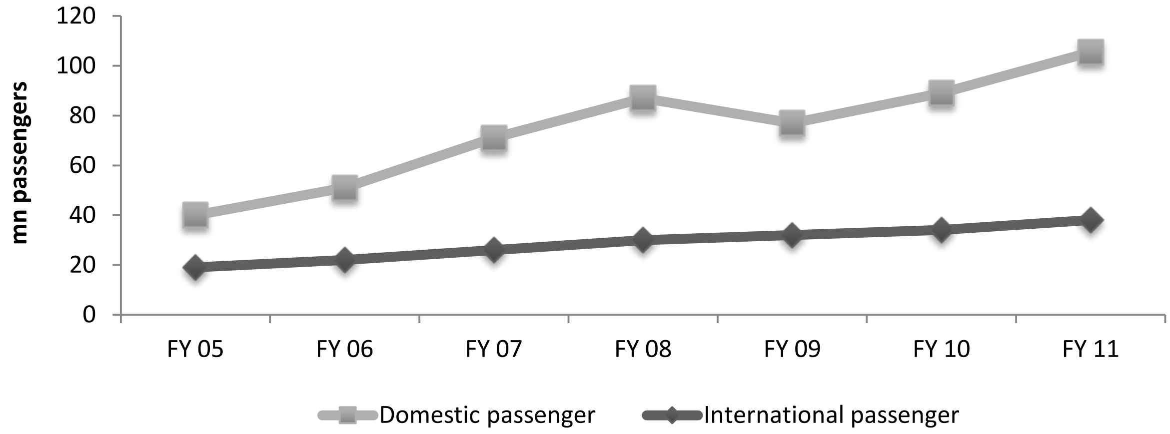
The Indian aviation industry has witnessed a decent growth in the past few years. The country's emergence as a tourist and business hub has led to robust air passenger & cargo traffic growth. This growth is mainly driven by entry of low-cost airlines, increased affordability of the growing middle class in the country and also the Open Sky Policy which enabled the domestic airlines to fly in the international market.

India has about 125 airports out of which 17 are designated as international airports. The Airports Authority of India (AAI) is the apex body which governs the development, expansion and modernisation of the airports in the country.

Passenger & cargo traffic and drivers for airport development

With rising affordability, the aviation sector has seen exceptional growth in passenger traffic over the past few years. The following chart shows the trend of air passenger traffic:

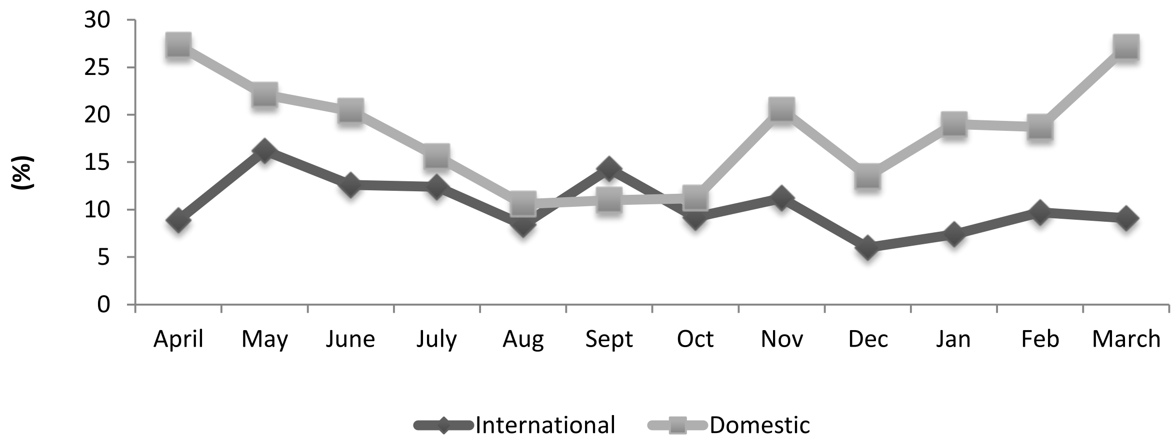
Trend of air passenger traffic



Source: AAI

The country's domestic air passenger traffic has almost more than doubled in the period FY 05-11. During this period, domestic air passenger traffic has grown at a CAGR of 17.6% while the international air passenger traffic has grown at a CAGR of 11.8%. Contribution of the domestic passenger category in the total passengers handled has seen a rising trend in the past few years. The proportion of the domestic category has increased from 67% in FY05 to 74% in FY11.

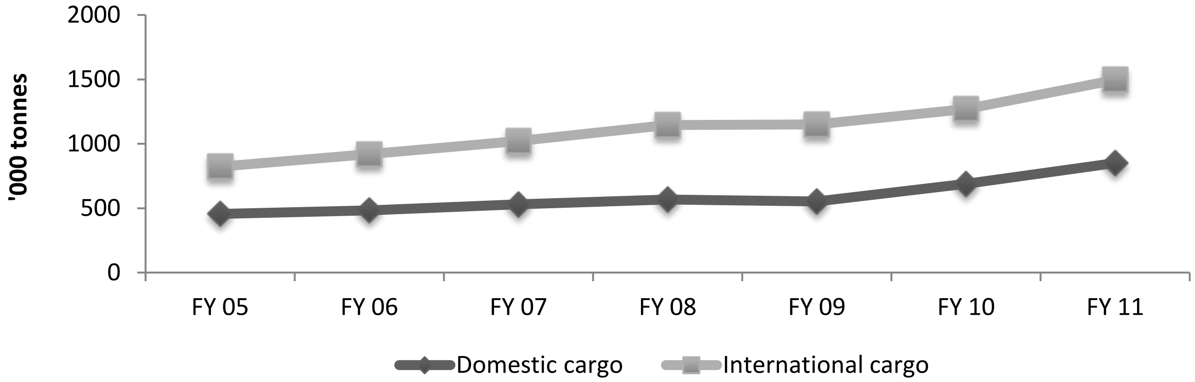
Trend of growth in air passenger traffic in FY11



Source: AAI

During FY11, the domestic passenger traffic posted healthy growth of 18.5% on yoy basis. The growth in the domestic passenger traffic has shown a rising trend in the second half of the fiscal, after witnessing a downward trend till October 2010. The festive season from November onwards led to a spurt in domestic passenger traffic which lasted till March 2011. During this period international passenger traffic has also shown a rising trend. In FY11, the international passenger traffic grew by 11.8% on yoy basis.

Trend of air cargo traffic

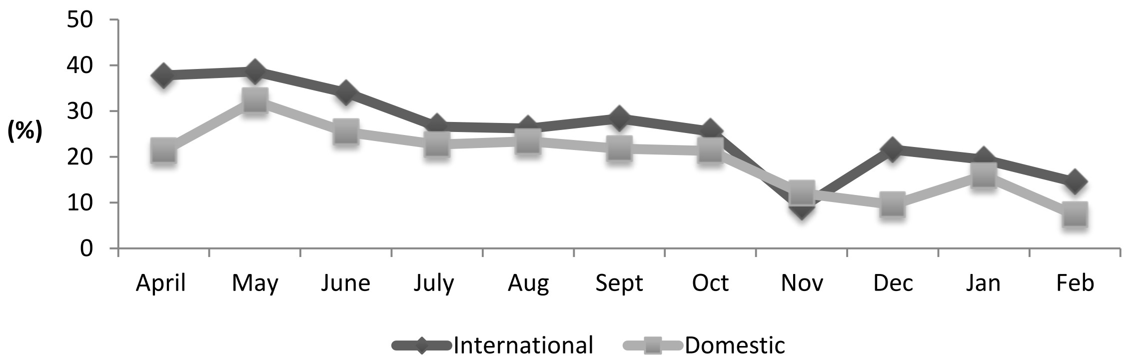


Source: AAI

During the period FY 05-11, the domestic cargo traffic has grown at a CAGR of 10.9% while the international cargo traffic grew at a CAGR of 10.5%. In FY11, the domestic cargo grew by 23.7% on yoy basis while the international cargo grew by 17.7% on yoy basis.

The monthly domestic cargo movement showed a marked improvement in the last two fiscals. During this period, the monthly domestic cargo movement had registered a double-digit growth on yoy basis. In FY11, the total air cargo traffic grew by about 19.8% on yoy basis. The following chart shows monthly growth trend of air cargo traffic in FY11:

Trend of growth in air cargo traffic in FY11



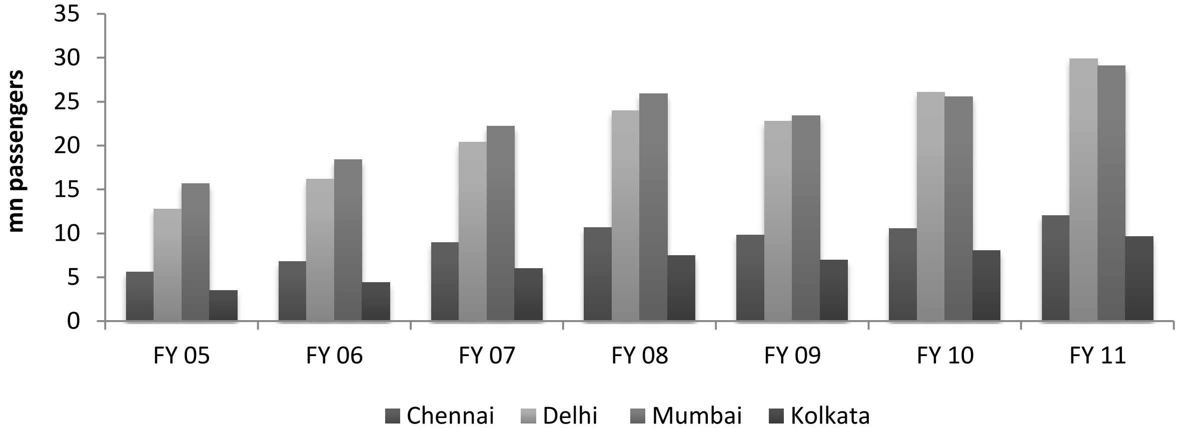
Source: AAI

Status of Metro Airports

Two busiest airports in the country, Mumbai and Delhi, account for nearly 40% of the domestic passenger traffic and 50% of the international passenger traffic. The country's airport infrastructure is underdeveloped in some regions and not utilised to its potential. As a result, airports at the major cities face huge pressure. Traffic congestion, waiting for landing permission and long queue for take-off are some common problems encountered at metro airports.

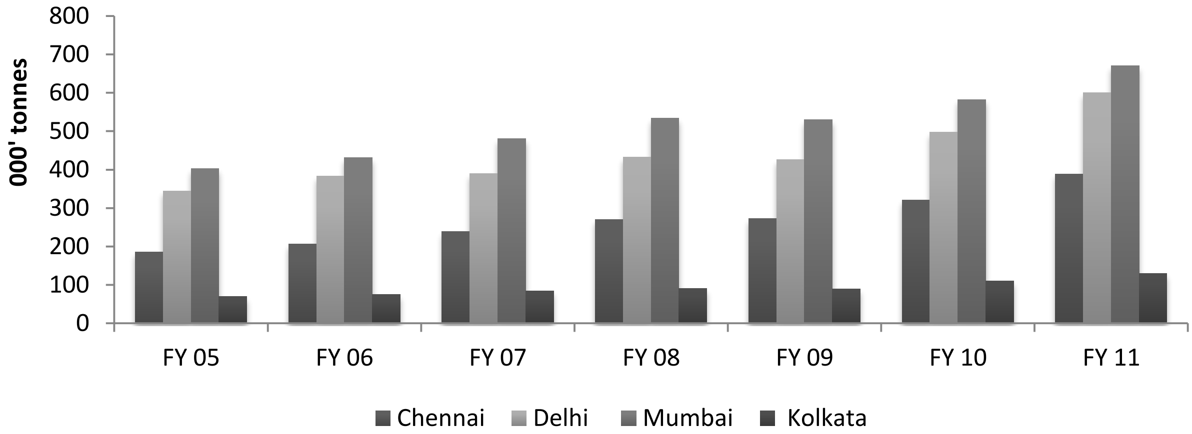
Considering the period of FY05-11, passenger traffic at Delhi airport has grown at a CAGR of 15% as compared to Mumbai's passenger traffic which grew at a CAGR of 11%. The following chart shows the trend of passenger traffic handled by two airports:

Trend of air passenger traffic at metro airports



Source: AAI

Trend of air cargo traffic at metro airports



Source: AAI

During the period of FY05-11, cargo traffic at Delhi airport has grown at a CAGR of 9.7% while at Mumbai airport, cargo traffic grew at a CAGR of 8.9% during the same period.

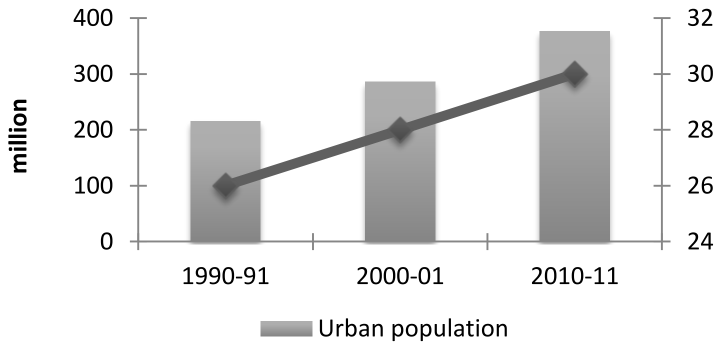
Water infrastructure sector

Overview

Water infrastructure projects mainly include construction of water sewerage treatment systems, pumping stations, water supply channels, water drainage projects *etc.* This sector in the past was dormant due to the influence of poor infrastructure, inefficiency, inadequate investments. With the creation of new employment opportunities and urbanisation in the past few years, these projects have gained importance. However, compared to the growing urbanisation in India, the sector is lagging behind and needs improvement.

Growth in the urban population in the country has been leading the overall population growth. As per the last census, out of the total population of 1,027 million, about 742 million people live in rural areas and 285 million in urban areas. The proportion of urban population to the total population of the country stood at about 28%. As per government estimates, the level of urbanisation is expected to increase to a level of 35% by 2020. The following chart shows the rate of growth of urbanisation in the country:

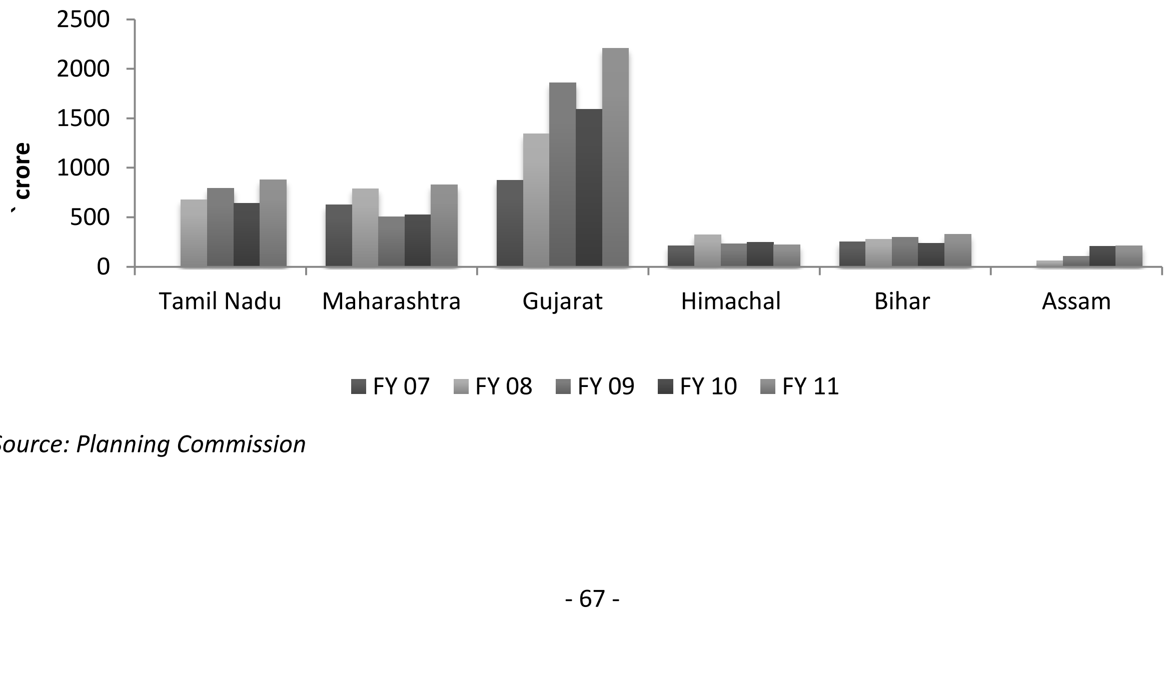
Trend of growth in urbanisation in the country



Source: CMIE

In the past decade, the urbanisation levels in different states have been increasing. As per latest census 2011, among the major states, Tamil Nadu is the most urbanised state with 46% (rise from 44% in 2001) of the population living in urban area followed by Maharashtra at 45.2% (rise from 42.4% in 2001) and Gujarat at 42.6% (rise from 37.4% in 2001). The proportion of urban population is the lowest in Himachal Pradesh with 10.1% followed by Bihar (11.3%), Assam (14.1%) and Orissa (16.7%). In terms of absolute number (people living in urban areas), Maharashtra leads with 51 million which is about 4% of the total population of the country. To cater to the rising urbanisation in these states, the respective state governments have been focusing on augmenting investments in the water infrastructure segment. Following chart shows the trend of investment in the water infrastructure segment made by different states:

Trend of investment in the water infrastructure segment



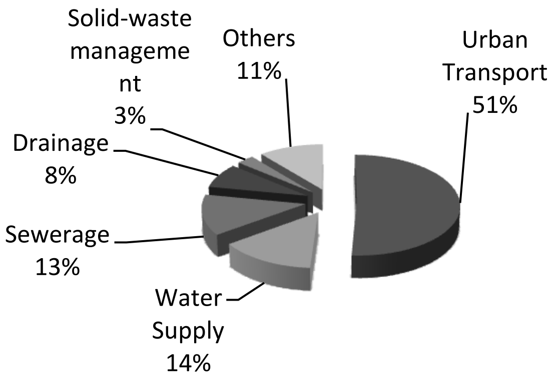
Source: Planning Commission

JNNURM

GoI had launched Jawaharlal Nehru National Urban Renewal Mission (JNNURM) in December 2005, one of the largest initiatives taken in the area of urban development. The duration of the mission was decided at about seven years starting from 2005-06. Consequently, the deadline for the mission was set at 2012. Under JNNURM, the government has embarked upon a number of time-bound programmes. For the first phase, the government had identified more than 60 cities having different mix of population, state capitals and some cities of tourist and religious importance.

Out of total envisaged investment in the mission, the share of urban transport is estimated highest at 51% followed by water supply at 14%.

Segment-wise bifurcation of the investment planned in JNNURM



Source: JNNURM document

City-wise bifurcation of the investment planned under JNNURM

Category	No. of cities	Investment ₹ bn
Cities with over 4 million population	7	572
Cities with 1-4 million population	28	571
Selected cities with less than 1 million population	28	62
Total	**63**	**1,205**

Source: JNNURM document

It was estimated that over a seven-year period, the Urban Local Bodies (ULBs) would require a total investment of ₹1,205 bn in the urban infrastructure. Till June 2011, total 533 projects were approved under JNNURM. The approved project cost for these 533 projects was about ₹605 bn.

Apart from JNNURM, the government has also announced some special programmes like Accelerated Urban Water Supply Programme (AUWSP), Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT) *etc.* AUWSP is aimed at extending water supply & sanitation services in class IV-VI cities. Funds for this scheme are provided equally by Centre and State governments. Under this programme, schemes for about 796 towns have been sanctioned.

Industrial Construction

Overview of the industrial sector

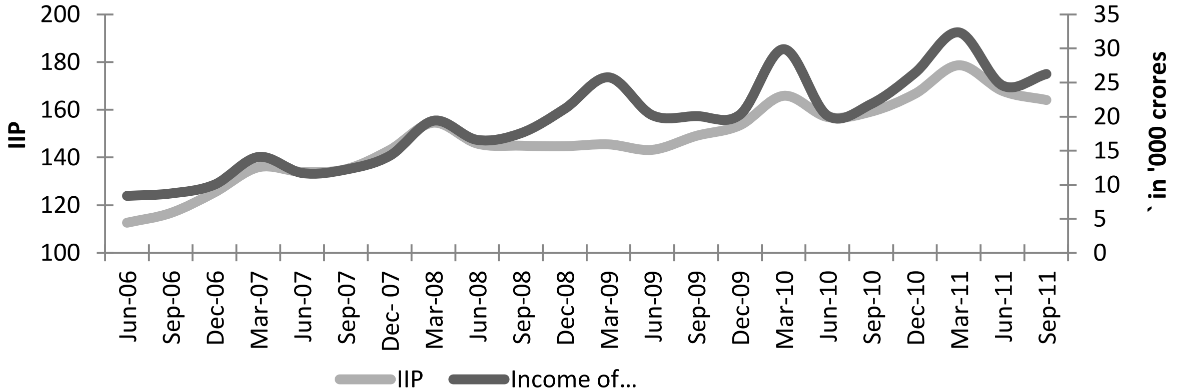
Apart from infrastructure projects, the construction industry also receives orders from different manufacturing industries to execute construction work like, building plants, installation & erection of equipment & machinery and other related civil construction such as laying roads or rail lines, canals, power transmission towers *etc.*

The construction industry had been benefiting from the rise in industrial production in the past few years. During FY09the deceleration in the economic activity had adversely affected the expansion plans of the industrial sector. The collapse of global financial markets and economic slowdown prompted many corporate houses to revisit the expansion projects. This slowdown not only led the corporates to put the capex plans on hold but also to completely abandon some projects which in turn adversely affected the order inflow of the construction companies from the industrial sector in FY09. The incentives announced by the GoI to bring back the economic growth on track and easing liquidity scenario gave some respite to the construction industry in the past two fiscals.

IIP & Construction

Following chart shows the trend of Index of Industrial Production (IIP) numbers and quarterly income of construction companies in the last five years.

Trend of IIP & Income of construction companies



Source: CMIE and CARE Research *Base 2004-05 = 100*

Income of the construction industry - aggregate income of about 14 major construction companies

Considering the period of the past five years, IIP has shown a rising trend. The trend of income of construction companies has almost mirrored the trend of IIP in the last five years. This trend reiterates the correlation between the industrial activity and income of construction companies.

Hospitals

The size of the healthcare industry in India was estimated to be about US$55-60 bn in FY11. India’s spending on healthcare as a percentage of GDP (4.2% in 2009) is lower than the global average of 8.5% due to lower government expenditure on the sector. The private segment contributes approximately 70% of total healthcare expenditure compared to global average of 40%. The healthcare industry in India can be broadly classified into hospitals, pharmaceuticals, diagnostic centers and others (medical equipment, insurance, etc).

Hospitals (50%) and pharmaceuticals (25%) together account for approximately 75% of the total healthcare industry. Hospitals serve an important function in India's healthcare system. Hospitals can be segmented into three segments - primary, secondary and tertiary, based on the nature of services rendered. Construction industry gets opportunity from the healthcare sector in the form of construction of hospitals and other related civil construction.

The hospitals infrastructure in India is inadequate as compared to the global standards. It lags behind the global average, both in terms of healthcare infrastructure and manpower. Hospital is a highly capital intensive business. The initial capital cost of setting up a secondary or tertiary hospital per bed is in the range of ₹ 5 million-10 million in larger cities. Land and building account for roughly 40-65% of the total project cost.

Going forward, the growth in the hospitals industry is expected to outpace the GDP growth rate. The growth can be attributed to the rising propensity to seek treatments for ailments, changing disease profile leading to specialized treatments, growing medical tourism and people preferring private hospitals due to low standard services provided by the public hospitals and long waiting time for surgeries in these hospitals. Tertiary and quaternary care hospitals in the country are likely to grow at a faster rate due to the increasing incidence of the lifestyle-related diseases. Government has announced 5 year tax holiday for new hospitals to be set up in between FY08-FY13 to attract new investments in the hospital industry. Also, the growing penetration of medical insurance is likely to result in a higher demand for premium healthcare services in India and consequently drive demand for hospitals. This will augur well for the construction industry by focusing on the construction opportunities emanating from the hospital segment.

Special Economic Zones

A Special Economic Zone ("SEZ") is a geographical region where economic laws are more liberal than the country's typical economic laws, with the objective of enhancing the economic growth and activity through increased foreign investment. SEZ can be defined as a duty-free region that is deemed to be a foreign territory for the purpose of trade operations.

India was the first country in Asia to recognize the importance of Export Processing Zone (EPZ) model, with Asia's first EPZ set up in Kandla in 1965. In April 2000, SEZ Policy was announced in the country with a view to attract larger foreign investments in India. This was followed by the SEZ Act in 2005 and SEZ rules in 2006. Consequently, all the 8 EPZ set ups in India were converted into SEZs. The main objective of the SEZ Act was to provide internationally competitive environment for exports, to generate employment opportunities, generate additional economic activity, promotion of investment from foreign and domestic sources and development of infrastructural facilities.

As of December 31, 2010, there were about 580 Government approved SEZs in India, of which 374 have been notified. Since implementation of the SEZ Act in February, 2006, the notified SEZs have witnessed an investment of about ₹1.95 lakh crore. The exports from SEZs increased from ₹666 bn in FY08 to ₹2,207 bn in FY10. As of December 31, 2010, SEZs in India provided direct employment to over 6.44 lakh persons.

Education Sector

Education is the process by which the society consciously transmits its accumulated skills, knowledge and values from one generation to another. Education is inevitable for the development of any economy. Indian education system can be classified into several segments like Pre-school, K-12, Information & Technology (ICT) in schools and Higher education.

In terms of demographic profile, India remains one of the youngest nations in the world with 38.2% of its population in the 5-24 years age bracket. The Indian Education system is one of the largest educational systems globally with a network of more than 1.2 mn schools and around 31,000 higher education institutes. Education, being one of the important determinants of human welfare of any nation, the GoI has accorded priority for the promotion of education especially primary & secondary education in India. Correspondingly, the government's spend on education as a percentage of GDP stood at 3% in FY11, accounting for 11.3% as a proportion of total public expenditure. The spending by the GoI on the education sector has resulted in the improvement in the literacy rate from 52.21% in 1991 to 74% 2011 as per Census. However, the GoI still lags behind the target of achieving targeted 80% literacy rate by 2011-12 as set in the Eleventh Plan. Construction industry receives orders to build institutes both from the private players in the education sector and government establishments.

The Indian Education sector is expected to grow from about US$67 bn during FY11 to US$102 bn by FY15 registering a CAGR of 11%. On the backdrop of growth in personal disposable income, growing contribution of the service sector to India's GDP thereby requiring greater number of qualified youths, increasing thrust of the GoI to improve the country's educational system and rising literacy rate is expected to provide a fillip to the growth of the education sector in India. This is expected to provide good opportunities for the construction industry from the education sector as well.

Types of Contracts Used in the Construction Industry

The construction industry operates on the basis of contractual agreements. Over the years, different types of contracts have been developed. The type of contract mainly depends on the magnitude and nature of work, special design needs, annual requirements of funds and complexities of job. Some of the common types of contracts are discussed below.

Cash contract

In this type of contract, the owners (generally government bodies) award projects to qualified contractors through Bidding process. The contractor is required to quote a fixed sum and he is responsible right from design & engineering to the execution of the project. The provision of initial advance in an agreement helps the contractor to mobilise resources. This advance is then adjusted against payments made on monthly basis. After the project gets completed, it is handed over to the owner.

Item Rate contract

In such contracts, unit rates or prices for various kinds of work or materials are agreed upon without reference to the quantity of work to be done or to the material to be supplied. Payment to the contractor is done on the basis of quantity of work actually executed and measured, materials supplied and used by the contractor. In such type of contracts, the contractors are protected against variations in quantity of work as they get the payments for actual work at rates specified in the contract. Owners of projects of such contracts have to face uncertainty of total cost of the project till its completion.

BOT (Build Operate Transfer)

Contractor (or consortium) builds a public infrastructure project (road or power) by sharing his finances with the government. Contractor operates, manages and maintains the facility for a period as mentioned in the concession agreement. Contractor raises the finance for the project and can retain the revenue generated by the facility but is not the owner of that facility. After concessionary period is over, contractor transfers the facility to the relevant authority.

Primarily, BOT projects are of two types: Annuity-based and Toll-based as discussed below:

Annuity-based

In this model, Bidding takes place on the basis of the annual payment which the Bidder seeks from the owner of the project. Contractor who quotes the lowest annuity wins the contract. In annuity type of project, contractor is not the owner of the project. The project is constructed and maintained by the contractor through his finances. The contractor receives the agreed upon charges from the owner (semi-annually or annually) throughout the concession period.

Toll-based

In toll-based project, the contractor constructs and maintains the project. He earns revenue by collecting charges from the user of the project throughout the concession period. After the concession period gets over, the project is transferred back to the owner. In such type of project the risk is completely borne by the contractor.

BOOT (Build Own Operate Transfer)

This type of structure is different from BOT in a way that the contractor owns and operates the facility during the concession period.

BOO (Build Own Operate)

In this approach, the contractor builds, owns and operates the infrastructure facility for the entire life of the facility.

Project management & consultancy

Construction projects involve substantial capital and carry high level of risks. Each project involves its own specifications and circumstances to work on, which hinders development of a standardised working model. This makes the working of the construction industry more susceptible to human errors which can lead to huge cost overruns and schedule delays. Thus, it becomes critical that each stage of project is managed carefully. In order to tackle such issues, construction companies generally opt for the services of project management consultants. Project Management Consultants provide a complete range of project services needed to conceptualize, plan, design, engineer and construct projects to meet the specific requirements. Sometimes, they scrutinise the project activities even after the completion of the project till the project starts performing successfully.

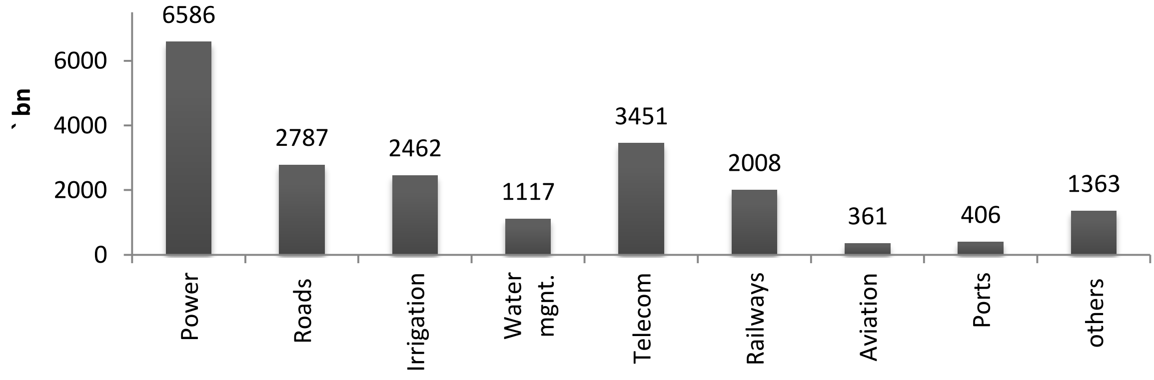
On an average, project management and consultancy cost for the construction industry accounts for upto 2-3% of the total project cost depending on the criticality of the project. This cost generally varies for construction projects across different segments. The proportion of the project management and consultancy cost can be higher in case of critical projects like hydel power, nuclear power *etc.* while it can be low in case of low risk and low technology oriented projects like road stretches.

Outlook on the construction industry

Outlay in the Infrastructure sector

Investment in the infrastructure sector plays a crucial role in the growth of the economy of the country and in turn the construction industry. GoI has set an ambitious target of increasing the proportion of infrastructure investment to about 9% of GDP by the terminal year of the Eleventh Five Year Plan. Also, the total investment planned in the Twelfth Five Year Plan is estimated to double that in the current plan. The construction industry has the opportunity to capitalise on the massive order flow expected to come from the infrastructure projects. Bifurcation of the investment planned in the Eleventh Five Year Plan across different sub-segments of the infrastructure sector is as follows:

Infrastructure Outlay - Eleventh Five Year Plan



Source: Planning Commission

A peep into the Twelfth Five Year Plan

The Planning Commission has estimated that for the GDP to continue to grow at 9%, the proportion of investment in infrastructure is required to increase from targeted 8.4% in FY12 to 10.7 % by the terminal year of Twelfth Five Year Plan in FY17. The following table shows the corresponding infrastructure investment in each year:

Trend of anticipated infrastructure investment in the Twelfth Five Year Plan

₹ Bn	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17
GDP	63,143	68,825	75,020	81,772	89,131	97,153
Infra. as % of GDP	8.37	9.0	9.50	9.90	10.30	10.70
Infrastructure invst.	5,283	6,194	7,127	8,095	9,180	10,395
Anticipated infrastructure investment in the Twelfth Five Year Plan – ₹40,992 bn						

Source: Planning Commission

Using the top-down approach, the investment in the infrastructure sector is estimated at a massive ₹41,000 bn during the Twelfth Five Year Plan.

Brief outlook & expected construction investment for infra sub-sectors:

Road sector

GoI has launched NHDP to develop and upgrade the national highways in the country. NHDP involves the construction & upgradation of more than 48,600 kms of the road length. Out of this, work on about 14,845 kms has been completed. Across various phases of NHDP, more than 23,000 km of roadways are yet to be developed. The following table shows the phase-wise projects to be awarded and the corresponding investment:

Phase-wise expected investment in the road sector

Phase	Balance length to be awarded (kms)	Cost per Km (₹ crore)	Expected investment (₹ bn)
I & II	420	10	42
III	3,380	10	338
IV	13,577	5	679
V	3,863	10	386
VI	1,000	15	150
VII	659	20	132
SARDP-NE	276	10	28
Total	**23,175**	**-**	**1,755**

Source: NHAI and CARE Research

NHAI is likely to award the projects to the tune of more than ₹1,750 bn in the period of the next 3-4 years. Considering the construction component, potential orders worth about ₹1,106 bn are expected to flow to the construction sector.

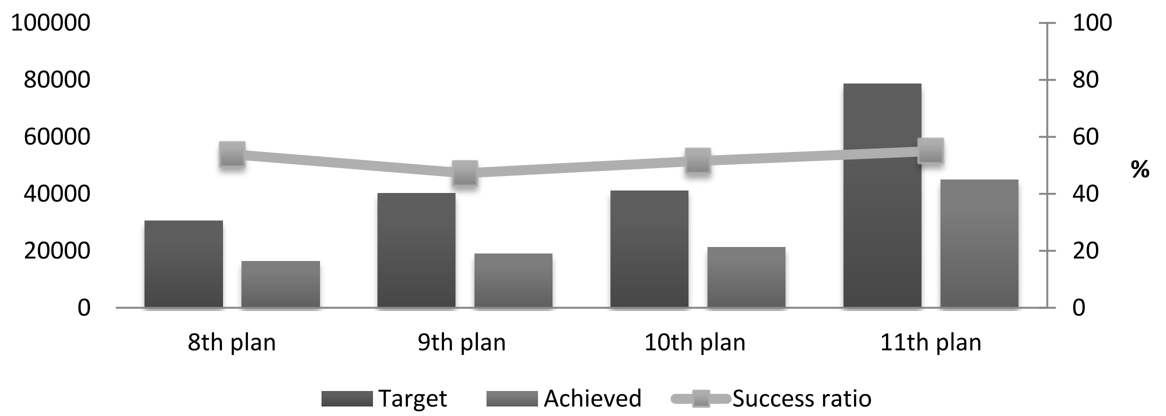
To develop the express highways, the MoRTH has proposed to set up a National Expressway Authority of India on the lines of the NHAI. This authority will be responsible only for the development of express highways across the country. The building of expressways is expected to involve a much higher level of investment of about ₹20-25 crore per km. Apart from this, the development of rural roads and the upgradation of old roads will also throw large opportunities to the construction industry.

GoI intends to involve private players in the road development and furnish ownership of road projects to them in contrast to their mere involvement through construction contracts. Accordingly, most of the contracts in Phase II - NHDP onwards are awarded on a BOT basis. A shift from the traditional cash contracts to the BOT toll and annuity projects has thrown an opportunity for the construction companies to participate in the rally of road development in the country. To encourage the private participation in the road sector, the Ministry of Road has taken various steps in the past few years. Relaxation of land acquisition norms, providing cost overruns and increase in concession period are some of the initiatives taken by the Ministry in the recent times. NHAI has decided to provide almost 80% of the land acquisition before awarding the project. This will not lead to any time overrun and ensure optimum utilisation of equipment/manpower and guarantee no revenue loss for the construction companies in case of PPP projects.

Power sector

India is facing huge power deficit. The peak power deficit has reached the level of almost 11% in FY11. GoI will have to focus on spending a major portion of the infrastructure expenditure towards the power sector in the coming years. GoI has set an ambitious plan to add 1,00,000 MW of power-generation capacity in the Twelfth Five Year Plan. Power generation capacity addition in the last three Five Year Plans has not been very encouraging. The country has failed to achieve the targets by significant differences in the past few plans.

Plan-wise power generation capacity addition: Target vs Achieved



Source: CEA and CARE Research

Private sector to play a crucial role in power capacity addition

The share of the private sector in the total installed capacity has grown from 4% in 1990 to 13% till the end of Tenth Five Year Plan. Out of 174 GW of generation capacity as on March 31, 2011, the proportion of the private sector has risen to about 21%. Considering the yearly capacity addition, the share of the private sector has increased from 8% in FY08 to 42% in FY11. The government has estimated that almost 50% of the capacity addition in the Twelfth Five Year Plan will be contributed by the private sector.

The government has taken various reforms to encourage private sector participation like trading of power, allocation of captive coal blocks *etc.* The private sector, through UMPPs and other independent power projects, is expected to participate in a big way to achieve the mammoth target set by GoI. Private sector companies have announced a plethora of new projects in the power sector. Currently, the capacity addition announced by the private sector companies has aggregated to more than 100 GW. Out of total capacity addition planned, about 60,000 MW of capacity is expected to come by the end of Twelfth Five Year plan, assuming the success ratio of 60%. CARE Research has estimated the construction investment corresponding to the capacity addition of about 42,000 MW of thermal power and 18,000 MW of hydro power.

Construction companies get orders for civil/structural work and Balance of Plant (BoP) work for a power plant project. The construction component accounts for about 30% to 65% of the total project cost depending on the type of the power project. The following table shows the respective project cost, the construction component and the corresponding investment:

Thermal Power project	
Cost per MW	₹5 crore
Civil/Structural/BoP work	30%
Construction component per MW	₹1. 5 crore
Total construction component for 42,000 MW	**₹ 630 bn**
Hydro Power project	
Cost per MW	₹7 crore
Civil/Structural/BoP work	65%
Construction component per MW	₹4.55 crore
Total construction component for 18,000 MW	**₹819 bn**

Source: CARE Research

From the power generation segment alone, construction orders worth almost ₹1,450 bn are expected to flow to the construction sector. Even the power transmission capacity is projected to increase from the current level of 22,350 MW to about 37,000 MW which will further enhance the level of investment in the T&D segment. This massive investment in the power sector is expected to keep the momentum of the order inflow to the construction sector.

Ports sector

As per the Ministry of Shipping, the total cargo traffic handled by the major ports is expected to reach a level of about 800 mn tonnes by the end of FY16 from current 570 mn tonnes. In order to meet the accelerating trade growth, ministry of shipping has embarked upon a massive investment programme to develop port infrastructure in the country. Under Maritime Agenda 2010-2020, the Ministry of Shipping has identified a number of port development projects like deepening of channels, construction and re-construction of berths, procurement / modernization of equipments, rail and road connectivity from ports to hinterland *etc.*

Under Maritime Agenda 2010-2020, the Ministry of Shipping has proposed an investment of ₹1,094 bn on various projects identified for major ports. Following table shows the details of these projects and the respective investments:

Details of projects under Maritime agenda 2010-2020

Project Heads	**No. of projects**	**Total investment (₹ in bn)**
Deepening of channels/berths *etc.*	40	86
Construction/reconstruction of berths/jetties *etc.*	115	547
Procurement of Equipment *etc.*	72	49
Rail and Road connectivity works	26	50
Others	99	362
Total	**352**	**1,094**

Source: Ministry of Shipping

This programme was proposed to be implemented through PPP. Out of the total investment outlay, almost ₹729 bn is envisaged from the private sector and the balance ₹366 bn would be funded through internal resources, Government Budgetary support *etc.* The effective construction investment based on the construction component from the port sector is estimated to be about ₹ 596 bn.

Airport sector

The aviation industry witnessed a decent pace of growth over the past several years led by demand from domestic passengers, growth in tourism in the country, increasing number of low-fare airlines, rising outbound travel from the country *etc.*

According to the AAI, the passenger traffic growth is estimated to touch the level of 20-22% by the end of FY12. To cater to the growing passenger and cargo traffic in the long term, airport development & modernization has become a critical part of the infrastructure agenda.

Airport development offers a lucrative opportunity for the construction companies. Based on construction intensity of the airport projects, CARE Research has estimated that construction industry has potential of obtaining orders worth about ₹310 bn in the next 7-8 years. The following table depicts the investment expected to flow into the airport sector and corresponding construction opportunity:

(₹ bn)	Proposed investment	Construction component (%)	Effective construction investment
Aviation	775	40	310

Source: Construction Industry Development Council (CIDC) and CARE Research

Water Infrastructure

Urbanisation plays a critical role in the structural transformation of the economy and sustaining the growth momentum of the country. With rapid urbanisation in the country, development of water infrastructure in urban regions has also caught pace. As per census 2001, about 28% of the population lives in the urban areas and it is expected to increase to 35% by the end FY21. With growth in urbanisation, necessity of water-related infrastructure development in the urban regions will catch momentum. As per the mid-term appraisal of the Eleventh Five Year Plan, the urban regions contributed almost 62-63% to the GDP in FY10. It is estimated that the contribution will increase to 75% by the year 2030. However, this proportion would largely depend on the availability of quality infrastructure in the urban area.

Government has announced some special programmes like JNNURM, Accelerated Urban Water Supply Programme (AUWSP), Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT) *etc.* AUWSP is aimed at extending water supply & sanitation services in class IV-VI cities.

The total investment in the water infrastructure during the next five years is expected to be more than ₹2,200 bn. The effective construction investment from the water infrastructure based on the construction component is as follows:

(₹ bn)	Proposed investment	Construction component (%)	Effective construction investment
Water Infra	2,230	66	1,472

Source: CIDC and CARE Research

Opportunity from the Industrial Sector

Outstanding investments in the Industrial sector

As on June 30, 2011, the total expected investment in the industrial sector stood at about ₹35,000 bn. Of the total expected investment in the industrial sector, about 40% of the projects are under implementation for which contracts have already been awarded to the construction companies. To arrive at the outstanding investment, investment corresponding to the projects which are already under implementation has been omitted.

The following table shows the outstanding investment across different manufacturing sectors as at the end of June 2011 and the corresponding effective construction investment which can flow to the construction industry.

Construction opportunities from the Industrial sector

₹ bn

Sectors	Outstanding investments	Effective Construction investment
Iron & Steel	9,047	1,809
Non-ferrous Metals	464	93
Oil & Gas (including Petroleum products)	3,268	654
Chemicals	2,521	504
Fertilisers	638	128
Drugs & Pharmaceuticals	168	34
Machinery	1,194	239
Mining	1,114	223
Non-metallic Mineral Products	186	37
Cement	1,436	287
Automobile	666	133
CV	*92*	*19*
Passenger Cars & MUVs	*141*	*28*
Two & Three-wheelers	*53*	*11*
Other Transport Equipment	*379*	*76*
Automobile Ancillaries	89	18
Food & Beverages	294	59
Textiles	168	34
Miscellaneous Manufacturing.	34	7
Paper & Paper Products	144	29
Total	**21,429**	**4,286**

Source: CMIE and CARE Research

The effective construction investment is estimated by considering the construction intensity of 20% on an average across all the industrial projects. Correspondingly, industrial investment could potentially translate into the effective construction investment of more than ₹4,200 bn.

Brief outlook on the Real Estate sector

After emerging from the slowdown, recovery in the economy provided some relief to the real estate sector in FY10. But, due to rising interest rates scenario, the real estate sector has witnessed some slowdown in FY11. However, the long-term prospects of the real estate segment remain vibrant driven by the huge demand from the housing sector which is the major driver of the real estate sector in India. Apart from good growth prospects, transparency is also bound to improve with the participation of foreign investors as well as entry of some of the big corporate houses.

Residential

The residential segment is expected to dominate the growth of the real estate sector. Going forward, the demand from the residential segment is expected to remain buoyant driven by the concept of the nuclear family gaining popularity, rising income of middle class, tax incentives, modern attitude towards home ownership (average age of new home owner has declined to 32 yrs from 45 yrs a decade ago) and growing youth & working women population in the country. The huge unmet demand in the case of low-cost as well as affordable housing segment driven by the rapid urbanisation coupled with the slum rehabilitation is also expected to provide immense opportunity to the developers in the country. The demand in this segment is sustainable as witnessed during the downturn with affordable housing being the sole product in real estate which led the recovery.

The measures announced in the recent budget also indicate continued support to the affordable housing segment which will help the real sector to continue its growth momentum. In the Union Budget 2011-12, the (GoI) has increased 1% interest subvention on housing loans up to ₹15 lakh (from ₹10 lakh) and has also increased the home loan limit under priority lending from ₹20 lakh to ₹25 lakh which is expected to boost the demand for affordable housing.

Commercial

The demand for commercial space is largely dependent on the economic growth and the hiring plans of the companies. This was reflected in the slowdown in FY09 when the demand for commercial space was very low across the country and vacancy levels had increased to a level of 30%. However with the recovery in the economic environment, scenario in commercial segment has improved with fall in vacancy level and improvement in the lease rentals. With the economy back on the decent growth track and ambitious hiring plans of the companies particularly in IT/ITES sector and banking/financial services, the demand for office space is poised to increase in the long term.

Retail

The demand in the retail segment is expected to improve driven by a growing consumerism led by the improved economic scenario, rapid urbanization levels and favourable demographics. Further, increasing brand consciousness among the people and increasing penetration of the organised retail will boost the real estate demand related to the retail segment.

In India, the growth of organised retail has largely remained concentrated in tier-I cities, approximately 60-70% of the total mall space is concentrated in these cities. The mall culture is catching-up pace even in tier-II & tier-III cities across the country. The organised retailers are striving to capture a greater share of the growing organised retail pie through increased store presence which will inturn enhance the demand for retail space in the coming years.

As per the present Foreign Direct Investment (FDI) guidelines, upto 51% FDI is allowed in the country through single-brand retailing. The retail segment real estate will witness significant growth when 100% FDI will be allowed in the organised multi-brand retail space.

Construction industry in some foreign countries

Maldives

In 2010, GDP of Maldives totaled to about $1.48 billion. During the period 2000-2010, real GDP growth averaged around 6% per year except in 2005, when GDP declined following the Indian Ocean tsunami, and in 2009 when GDP shrank by 2% as tourist arrivals declined and capital flows plunged in the wake of the global financial crisis. The Maldives Monetary Authority (Central Bank of Maldives) expects GDP growth at around 4% in 2011. Construction sector accounts for about 7.4% to the GDP of Maldives. Other major economic sectors of Maldives are tourism (contributing 29% to GDP), fishing (4% of GDP) and manufacturing (7% of GDP).

The construction sector’s contribution to GDP has been increasing, especially since 2005, fuelled by the recovery and reconstruction efforts following the tsunami disaster and the construction of new tourist resorts leased out from 2004 onwards. Construction sector growth was exceptional during the period 2004-2008, with an average growth rate of about 22 percent per annum. However, the sector was hit hard during the economic crisis in 2009. The construction industry entirely depends on imports for its raw material requirements and also for expatriate staff. All materials imported are levied import duty ranging from 5% to 25%. The construction industry has seen a significant growth in GDP contribution in 2010, as compared to previous years. In 2010, imported construction materials increased by almost 20% and the expatriate workforce increased by almost 38%.

In 2011, MRF devaluation coupled with the increase in prices of construction materials *i.e.* steel, cement in the neighboring countries from which Maldives regularly imports and global increase in fuel prices, resulted in an increased cost of construction and pressure on margins for construction players.

The Government of Maldives (GoM) has plans to introduce various land reclamation projects and interconnecting projects between the islands in and around the capital city Male’. Also, new opportunities for public private partnerships or foreign direct investments include development of an inter island transportation network and real estate developments which would focus on mixed residential projects, with the plan to create 10,000 housing units and 1,000 luxury villas across the country. These projects are expected to drive the growth in the construction industry as well as the other sectors of the economy.

OUR BUSINESS

In this section, unless the context requires otherwise, any reference to the terms "we", "us" and "our" refers to our Company.

OVERVIEW

We are one of the few public sector companies engaged in the business of (i) project management consultancy services for civil construction projects ("**PMC**") (ii) civil infrastructure for power sector and (iii) real estate development. We are headquartered in New Delhi and in addition have 10 regional / zonal offices across India. The projects undertaken by our Company are spread across 23 states and 1 union territory in India. In addition, we have also undertaken projects overseas.

Our Company was incorporated in November 1960 as a wholly owned Government of India undertakingunder the erstwhile Ministry of Works, Housing & Supply ("**MoWHS**"), which is now known as the Ministry of Urban Development ("**MoUD**"). As of the date of this DRHP, the President of India acting through the MoUD, GoI holds 100% of our equity share capital.

On October 14, 2008, the Government granted us Schedule 'A' PSU status. We have also been awarded ISO 9001:2008 from the Bureau of Indian Standards in respect of our consultancy and project management division. We have also received "Excellent" rating from MoUD for each of the Fiscal years from 2004 to 2010 and Ministry of Heavy Industries & Public Enterprises has awarded us with an "Excellence Award". MoUD grants us "Excellent" rating if we achieve all the targets set out in the MoU with MoUD for the respective Fiscal year. Further, in 2011, for one of our PMC projects, we were awarded an 'Appreciation Shield' for quality and timely completion of NSEZ Noida Project by the Ministry of Commerce & Industry and the Development Commissioner, NSEZ. For details on our awards and recognitions, please refer to the section titled "History and Certain Corporate Matters" beginning on page 117 of this DRHP.

We operate primarily in the following three business segments:

1. Project Management Consultancyfor civil construction projects ("PMC")

Our PMC business segment includes providing management and consultancy services for a range of civil construction projects including residential and commercial complexes, redevelopment of buildings and colonies, hospitals, educational institutions; infrastructure works for security personnel, border fencing as well as infrastructure projects such as roads, water supply systems, storm water systems and water storage solutions. Some of our clients in this segment are or have been, ESIC, Ministry of Defence, Ministry of Home Affairs (including Security forces like CRPF, CISF, NSG, BSF), Ministry of External Affairs, MoUD, Ministry of Commerce and Industry, Ministry of Corporate Affairs, Ministry of Finance, Haryana Urban Infrastructure Development Board, IIT Roorkee, IIT Kharagpur, IIT Patna, SVNIT, amongst others.

Our key completed projects during the period April 01, 2006 till September 30, 2011, based on the total contract value, include road works at Agartala, construction of defence campus at Jaipur, Jodhpur, Ahemdabad, Ambala, Sulur, CBI headquarters at New Delhi, Extension of campus of MDU university and IIT Roorkee. Our key domestic PMC Ongoing Projects based on the total outstanding contract value, include Indo Bangladesh Border Fencing Works at Meghalaya, Tripura, Mizoram & Assam, ESIC Mandi, ESIC, K.K. Nagar, Chennai, ESIC Medical College & Hospital Works, Bihta, ESIC Hospital, Parel (Mumbai). We presently have one overseas PMC Ongoing Project at Male, Maldives for construction of India – Maldives Friendship Faculty of Hospitality & Tourism Studies.

As of September 30, 2011	PMC Projects	
	Ongoing Projects	Forthcoming Projects
Number of projects	130	59
Contract Value (₹ in million)	162,764.24	23,786.40 *

As of September 30, 2011	PMC Projects	
	Ongoing Projects	Forthcoming Projects
Outstanding Contract Value / Order Book (₹ in million)	79,240.52	23,786.40 *

* There are 3projects for which the contract value is yet to be determined.

2. Civil Infrastructure for power sector

Our civil Infrastructure for power sector segment includes providing engineering and construction services for power projects, including design and execution of (i) civil and structural works for power projects (ii) Cooling towers (iii) Chimneys. Some of our clients in this segment include NTPC Limited, BHEL, APGENCO Limited, Uttar Pradesh RajyaVidyutUtpadan Nigam Limited, MAHAGENCO Limited and Karnataka Power Corporation Limited.

Our completed key projects, during the period April 01, 2006 till September 30, 2011based on the total contract value, include construction of civil, structural and architectural works for 2x250 MW at Korba, Chattisgarh; Rihand Main Plant – Civil Works in Uttar Pradesh; Site levelling work at Barh, Patna, Bihar and 220M/275M Twin Steel Flue with RCC Chimney Elevator at (i) Dadri, Uttar Pradesh, (ii) Mejia, West Bengal, (iii) Kadappa, Andhra Pradesh. Further, our key On-going PMC Projects, based on the total outstanding contract value, include cooling tower, chimney at Farakka Super Thermal Power Project, West Bengal, ,Koderma Thermal Power Project at Jharkhand, Durgapur, Thermal Power Project at West Bengal, Rihand Super Thermal Power Project, Uttar Pradesh, Barh Super Thermal Power Project, Patna, Mauda and Vindhyachal Super Thermal Projectat Maharashtra &Madhya Pradesh respectively.

As of September 30, 2011	Civil Infrastructure for power projects
	Ongoing Projects
Number of projects	14
Contract Value(₹ in million)	7,875.43
Outstanding Contract Value / Order Book(₹ in million)	3,199.49

3. Real Estate Development

Our real estate development segment focuses on principally two types of projects, namely, (i) residential projects, such as apartments and townships and (ii) commercial projects, such as corporate office buildings and shopping malls. Our Company has undertaken real estate projects which are spread across 10 states in India. As ofJanuary 15, 2012, our Land Reserves aggregate approximately 127.918 Acre. Our Land Reserves are located in Delhi, Uttar Pradesh, Patna, Gurgaon, Kolkata, Kochi, Alwar and Lucknow.

As on January 15, 2012, our completed commercial projects include commercial complex at Vadodara, Cuttack, Agartala, Ghaziabad (Uttar Pradesh) and at BhikajiCama Place, PragatiVihar and Pushp Vihar in New Delhi. Further, some of our key real estate development Ongoing Projects include residential complex at "NBCC Heights" at Sector-89, Gurgaon, Haryana; Khekra (Phase-I), Baghpat, Uttar Pradesh; residential-cum-commercial complex at Bahadurpur, Phase-I, Patna; NBCC Vibgyor Towers at Rajarhat, Kolkata; and commercial complex at "NBCC Centre" at Okhla- Phase-I, New Delhi,Sukias Lane at Kolkata and Hemanta Basu Sarani Complex at Kolkata. The following table represents details for types of real estate projects, as of January 15, 2012:

(Area in Sqft)

Type of real estate development	Completed projects	Ongoing Projects	Forthcoming Projects

	No. of Projects	Developable Area	No. of Projects	Developable Area	Saleable Area	Leasable Area	No. of Projects	Developable Area	Saleable Area	Leasable Area
Residential	Nil	-	4	3,732,053	3,410,403	0	6	5,555,821	4,878,882	147,585
Commercial	8	1,076,65	3	407,633	239,560	66,624	6	2,323,908	1,724,101	290,768
TOTAL	8	1,076.65	7	4,139,686	3,649,963	66,624	12	7,879,729	6,602,983	438,353

Our Income from operations was ₹ 12,765.65 million and profit after tax, as restated was ₹ 746.90 million for the six months ended September 30, 2011.Our Income from operations increased from ₹ 14,424.48 million for the financial year 2007 to ₹ 31,267.72 million for the financial year 2011 at a CAGR of 21.3% during such period. Our profit after tax, as restated has increased from ₹ 778.01 million for the financial year 2007 to ₹ 1,404.73 million for the financial year 2011 at a CAGR of 15.9% during such period. Our profit after tax margin was 7.9%, 3.9% and 4.3% for the financial years 2009, 2010 and 2011, respectively.

OUR COMPETITIVE STRENGTHS

We believe the following are our principal strengths:

Established brand name and reputation

We started our operations in 1960 and the Government granted us Schedule 'A' PSU status. We have established client relationships with different State and Central Government ministries, department and agencies and various public sector undertakings. Over the past five decades, our ability to successfully manage projects as well as maintain quality standards has helped us in developing our brand as a trusted service provider. This provides us with access to business opportunities especially in our PMC segment.

We have received several awards and accreditations from time to time. We have been awarded ISO 9001:2008 from the Bureau of Indian Standards in respect of our PMC business. We have also received for each of the Fiscal years 2004 to 2010, "Excellent" rating from MoUD and in this connection, the Ministry of Heavy Industries & Public Enterprises has awarded us with an "Excellence Award". Further in 2011, we received an '*AppreciationShield'* on quality and timely completion of NSEZ Noida Project from the Ministry of Commerce and Industry and the Development Commissioner, NSEZ. For details of awards and accreditations, please see the section titled "History and Certain Corporate Matters" on page 117 of this DRHP.

We believe that our brand commands respect and credibility. We intend to continue to leverage the goodwill of our brand to enhance relationships with existing clients, seek new clients as well as diversify our business in allied sectors to help us grow our operations.

Operations in diverse sectors with strong Order Book position

We have, over the years, leveraged our PMC expertise in diverse segments of the civil construction such as residential and commercial complexes, institutions, hospitals and other buildings, sewage treatment plants, roads; and civil infrastructure for power sector such as cooling towers, chimneys and other civil and structural works. Each of these segments / sub-segments require specific skill sets and experience which have been developed by our Company for the timely execution of the projects in these sectors. As of September 30, 2011, our Order Book for the PMC and Civil Infrastructure for power sector was ₹106,226.41 million. As of September 30, 2011,the total Order Book comprised of 29.97% in the hospitals segment, 28.21% in the infrastructure segment, 31.81% in the institutional construction segment, 3.01% for cooling towers, chimneys and balance of plants for power plants, 5.32% for commercial construction and 1.67% for residential construction. We continue to add new orders to our Order Book. Furthermore, we believe that a large Order Book will increase our operational efficiency by allowing us economies of scale.

We believe that the size and diversification of our Order Book may enable us to sustain our financial condition and results of operations through difficult economic conditionand reduce our dependence on any particular segment and negate cyclical risks associated with a particular industry or sector.

Financial strength

Currently, we are a debt free Company. We believe that our track record of prudent financial management over the past five years and steady cash flows from our existing operations provide us with sufficient resources to fund our real estate development projects, support our working capital requirements and maintain a healthy level of cash and bank balance on our balance sheet. Our income from operations was ₹ 19,503.23 million, ₹ 29,328.40 million, ₹ 31,267.72 million and ₹ 12,765.65 million in Fiscal 2009, 2010 and 2011, and half year period ended September 30, 2011 respectively. Our Net Working Capital (Current Assets – Cash & Bank Balances – Current Liabilities) was ₹(7,962.59) million as of September 30, 2011. Supported by a well-managed working capital cycle, we have managed to limit our requirement of accessing borrowed funds for meeting our working capital requirements. With cash resources of ₹ 13,681.92 million as at September 30, 2011 and no debt, we benefit from a liquidity position that we believe provides us with significant flexibility.

Qualified and experienced management

Our senior management team and Key management personnel possess extensive management skills, operational experience and knowledge. We believe that our management teams have contributed to our growth and development. Our management teams have an average experience of about 20 years in the industry in which we operate, through which we believe that we are able to take advantage of new market opportunities. The strength and quality of our management has been instrumental in implementing our business strategies. For more details of our Directors and Key management personnel, please refer to section titled "Our Management" on page 127 of this DRHP.

Significant experience and track record

We have significant experience in the three business segments we operate in and have established a track record of managing a diverse range of projects. With over 50 years of experience, we have undertaken diverse construction related projects and have constructed residential and commercial complexes, institutions, hospitals and other buildings, sewage treatment plants, roads; cooling towers, chimneys and balance of plants for power plants. In the PMC and civil infrastructure for power sector segments together, we have completed 54 projects in theduring the period April 01, 2006 – September 30, 2011and have 144 Ongoing Projects. In addition, we have significant experience in real estate development sector.We believe our experience in PMC has enabled us to leverage relationships across lines of businesses and capitalise on our industry and product knowledge, especially for real estate development projects.

Vast Industry knowledge and technical expertise

Our experienced engineers adapt to the technical requirements of the diverse projects that we undertake. Experience gathered over the years by our engineering team ensures that we meet the set standards of quality and workmanship in a cost effective manner. We are dedicated to the development of expertise and know-how of our employees and continue to ensure that they have the necessary training and tools needed to be successful in a challenging environment. We periodically organise training programmes for our engineers, which are conducted by experts in management, engineering, design, quality and human resource development. As of January 15, 2012, our work force comprised of 494 employees in our engineering cadre and 96 employees in our technical cadre.

OUR STRATEGY

We intend to continue to provide high quality services to our clients and grow our business by leveraging ourstrengths, reaping out existing customer relationships and implementing the following strategies:

Focus on high value projects in the PMC and civil infrastructurefor power sectorsegments to benefit from economies of scale

In our PMC segment and civil infrastructure for power projects segment, we intend to focus on undertaking projects having a high order value, which we consider to be projects above ₹ 1,000 million in value. As at September 30, 2011, we had 35 Ongoing Projects in PMC segment and 1 Ongoing Project in civil infrastructure for power sector with a contract value higher than ₹ 1,000 million. In the PMC segment, we intend to focus on, inter alia, redevelopment projects whereby old buildings, complexes and colonies are redeveloped. Such projects are typically high value projects. Projects having a high order value typically have a smaller percentage of overhead cost as a percentage of total cost and therefore provide a higher profit margin. The pre-qualification and financial entry barriers for pursuing high value projects, if any, would provide us an edge over our competitors who Bid for such projects. We believe that these entry barriers make high value projects an attractive segment in which to operate. We aim to focus on establishing ourselves as a leading player in the large order size projects so that we can take advantage of these barriers to entry leading to lower levels of competition and higher profit margins.

Expand our real estate development business

As of January 15, 2012, we have successfully completed 8 real estate development projects. We have in hand 4 residential Ongoing Projects and 6 residential Forthcoming Projects and3 commercial Ongoing Projects and 6 Forthcoming Projects. While real estate development requires significant amounts of capital, since it provides better profit margins and as we believe that the opportunities in both the commercial and residential segments are significant, we intend to expand our presence through a diverse range of projects in these segments. We recognise that owning land reserve is critical for this strategy. We intend to secure lands available with Central and State Government agencies for our real estate development projects. We also intend to continue to selectively enter into joint ventures agreements to increase the amount of land or land development rights available to us for development. This model helps us to spread the risk of our real estate projects' portfolio in addition to reducing our capital investment and beneficially utilising our PMC, sales and marketing capabilities.

Continue to focus on quality and timely project delivery

We believe that we have acquired a reputation for undertaking quality projectsin our PMC, civil infrastructure for power sector and real estate development segments and completing them on time.We intend to continue to focus on quality and timely project execution thereby maximising customer satisfaction in all our business segments. We intend to continue building our in-house design capabilities, including, building our on-the-job expertise through participation in design projects, recruiting qualified personnel, expanding our equipment base and selectively acquiring specialized businesses with design capabilities. We believe that this strategy can help strengthen our ability to engage in complex projects.

Capturing the high growth opportunities in the Infrastructure segment

We intend to take advantage of opportunities in the infrastructure space by Bidding for BOT / BOLT / BOOM projects under PPP mode. An additional advantage of BOT / BOLT / BOOM projects is that they offer long-term revenue streams. We intend to leverage on our PMC and real estate development businesses to procure large infrastructure projects. In order to meet the pre-qualification requirements for certain BOT/BOLT/BOOM infrastructure projects, which require higher capital adequacy or technical expertise and execution experience, our Company may have to enter into joint ventures or strategic alliances with third parties. We intend to pursue strategic alliances with established domestic as well as international players which we believe will augment our prospects of securing such projects. For related risk factors, please see the section titled "Risk Factors" beginning on page xv of this DRHP.

Expansion of PMC business overseas

We have significant experience in executing PMC projects across India. In addition, we have also executed a few projects outside India. We currently have one On-going overseas PMC project at Maldives. In the last five fiscal years, our PMC segment has significantly contributed to our total income, most of which has been from projects undertaken in India. We believe that the opportunities to grow in overseas PMC market are immense. We, further, believe that if we undertake projects overseas, we could implement the best practices developed outside on such projects to other PMC projects in India as well as abroad. As part of our strategy for future growth and expansion, we intend to take advantage of the significant growth opportunities by diversifying into new locations outside India.

OUR BUSINESS OPERATIONS

1. Project Management Consultancy Services

We provide PMC services for the following kinds of projects: residential and commercial complexes, redevelopment of buildings and colonies, hospitals, educational institutions; infrastructure works for security personnel, border fencing as well as infrastructure projects such as roads, water supply systems, storm water systems and water storage solutions. Due to our extensive range of services, we provide complete solutions from concept to commissioning to meet client requirements.

In this segment, we have provided PMC services to, *inter alia*, ESIC, Ministry of Defence, Ministry of Home Affairs (including Security forces like CRPF, CISF, NSG, BSF), Ministry of External Affairs, MoUD, Ministry of Commerce and Industry, Ministry of Corporate Affairs, Ministry of Finance, Haryana Urban Infrastructure Development Board, IIT Roorkee, IIT Kharagpur, IIT Patna, SVNIT, amongst others. We have developed long-term relationships with our clients and a significant portion of our work has been additional or repeat business from such clients. We have been awarded an ISO 9001:2008 certification by the Bureau of Indian Standards which is valid up to March 29, 2014 with regards to our PMC services. We have been engaged in PMC projects in 20 states across India which includes Delhi, Haryana, Maharashtra, Rajasthan, West Bengal, Orissa, Tripura, Meghalaya, Mizoram, Assam, Uttar Pradesh, Uttarakhand, Jharkhand, Bihar, Madhya Pradesh, Gujarat, Andhra Pradesh, Himachal Pradesh and Tamil Nadu.

Beginning from April 1, 2006 till September 30, 2011, we have completed 43 PMC projects and are in the process of developing 130Ongoing Projects and have in hand 59Forthcoming Projects in the PMC segment. The following table represents, as of September 30, 2011, the number of completed, on-going and forthcoming PMC projects across sectors:

S.No.	**Type of projects**	**Number of projects completed during the period April 01, 2006 – September 30, 2011**	**Number of Ongoing Projects**	**Number of Forthcoming Projects**
1	Residential	10	4	3
2	Commercial	13	13	4
3	Hospital	1	20	4
4	Institution	13	46	33
5	Infrastructure projects including Road and Bridges, Sewage Treatment Plants	5	47	26
6	Others	1	-	-
	TOTAL	43	130	59

Our PMC Completed Projects

We have successfully completed 43 PMC projects in India from during the period April 01, 2006 – September 30, 2011. The table below represents the top 10 completed PMC projects based on contract value completed during the said period:

Project	Location	Client	Contract Value (in million)	Completion date
Construction of Defence campus	Jaipur, Jodhpur, Ahemdabad, Ambala, Sulur	Ministry of Defence	5,957	Jan, 2011
Expansion of university campus	MDU Campus, Rohtak	Maharishi DayanandUniversity (MDU)	2,134	Dec, 2011
Road Works	Agartala	Government of Tripura	2,000	March, 2008

Project	Location	Client	Contract Value (in million)	Completion date
CBI Head Quarter	New Delhi	CBI	1,860	April, 2011
Expansion of campus	IIT, Roorkee	IIT, Roorkee	1,654	July, 2011
P.G. Girls Hostel	Surat	SVNIT	690	October 2011
Construction of SantLongowal Institute of Engg& Technology	Longowal	SLIET Sangrur, Punjab	650	June 2006
Construction of 100 bedded hospital and staff quarters	Gurgaon	ESIC	634	May,2010
Construction of 45 MLD capacity Super Thermal Plant	Faridabad	Municipal Corp. of Faridabad	450	March, 2010
Construction of SubjiMandi cum Parking Complex	Sikkim	Govt. of Sikkim	197	Jan,2008

Our PMC Ongoing Projects

We are engaged in 130 PMC Ongoing Projects aggregating to a total contract value of ₹ 162,764.24 million.

The following table represents the top 10 PMC Ongoing Projects based on outstanding order value as on September 30, 2011:

(All figures in ₹ million)

Project	Location	Client	Estimated year of completion*	Contract Value	Outstanding Order value
Indo Bangladesh Border Fencing Works	Meghalaya, Tripura, Mizoram & Assam	Ministry of Home Affairs	March, 2012	19,979.20	7,823.19
ESIC Mandi	Mandi	ESIC	October, 2012	7,300.00	5,062.22
ESIC, K.K. Nagar, Chennai	K.K. Nagar, Chennai	ESIC	June, 2012	4,705.75	4,515.61
ESIC Medical College & Hospital Works, Bihta	Patna	ESIC	December, 2012	6,359.20	3,946.15
ESIC Hospital, Parel (Mumbai)	Parel (Mumbai)	ESIC	December, 2013	4,212.20	3,828.62
JNNURM Works at Faridabad	Faridabad	Haryana Urban Infrastructure Development Board	December, 2013	6,738.20	3,586.66
SJVN - Corporate Office	Shimla	SJVN at Shimla	March, 2014	3,574.50	3,574.50
PMGSY Works Bihar	Bihar	Government of Bihar	March, 2013	18,016.81	3,418.20
ESIC Medical College, Ayanavaram, Chennai	Chennai (TN)	ESIC	March, 2012	3,168.04	2,977.91

Project	Location	Client	Estimated year of completion*	Contract Value	Outstanding Order value
ESIC Medical College, Coimbatore (TN)	Coimbatore (TN)	ESIC	June, 2012	4,335.68	2,553.86

** The completion dates are based on management representation. Further, in certain cases management is pursuing extension of time from clients owing to a myriad of reasons / circumstances.*

Our PMC Forthcoming Projects

As on January 15, 2012, we are engaged in 59 PMC Forthcoming Projects aggregating to a total contract value of ₹23,786.40 million.

The following table represents the top 10 PMC Forthcoming Projects, as of September 30, 2011, based on contract value:

Project	Location	Client	Estimated year of completion*	Contract Value
NCDC, Delhi	Delhi	Ministry of Health	FY '13	3,261.90
Setting up of IIT-Patna	Patna	IIT-Patna	FY '13	3,000.00
Centre for Rural Development and Livelihood Studies at Jaipur	Jaipur	MoRD	FY '14	2,443.00
Const of various buildings & external development works in campus of Rajiv Gandhi National Institute of Youth Dev.at Sriperumbudur(TN)	Sriperumbudur (TN)	Rajiv Gandhi National Institute of Youth Development	FY '14	1,800.00
Police Academy work at Male	Maldives	MEA	FY '14	1,390.00
Const of 500 Bedded Sadar Hospital at DUMKA(JH)	Dumka	Govt of Jharkhand	FY '14	1,360.00
Const of 100 bedded ESI Hospital,Ankleswar	Ankleswar	ESIC	FY '14	920.00
National Institute of Land Administration and Management at Alwar	Alwar	MoRD	FY '13	898.00
Const of National Training Academy at V.V.Giri National Labour Institute,Noida	Noida	ESIC	FY '13	830.00
Setting of Nation Intelligence Academy Cum -regional Training Centre (RTC) at DWARKA	Dwarka, Delhi	Ministry of Information & Broadcasting	FY '14	761.00

** The completion years are based on management representation.*

Our Overseas PMC Operations

We presently have one on-going overseas PMC project at Male, Maldives for construction of India – Maldives Friendship Faculty of Hospitality & Tourism Studies.

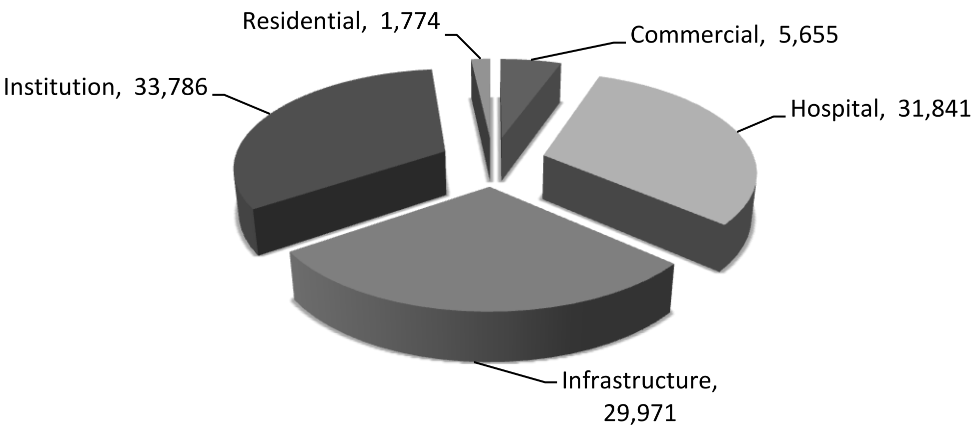
PMC Order Book

Our PMC order book is calculated as the total contract value (as per the terms of the contract / attendant documents / addendums) of all existing contracts as of such date, minus any revenue already recognised by the Company in relation to such existing contracts up to and including such date ("PMC **Order Book**"). In our industry, the order book is considered to be one of the indicators of future performance as it represents a significant portion of anticipated future revenue. For details on how our order book may not be representative of our future results, please see the risk factor – "***The projects included in our Order Book may be delayed, modified, cancelled or not fully paid for by our clients and, therefore, our Order Book may not be an accurate or reliable indicator of our future business or earnings***" in the section titled "Risk Factors" beginning on page xv of this DRHP.

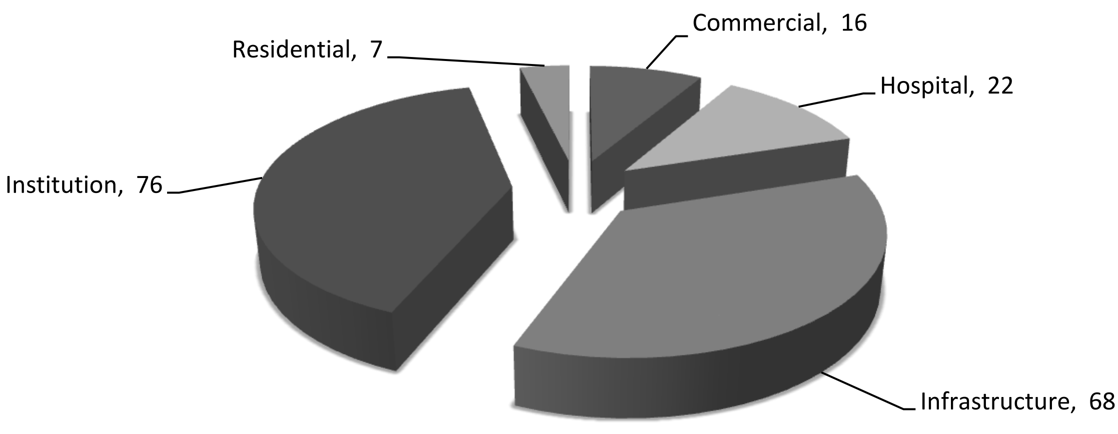
The PMC Order Book as at September 30, 2011 was ₹79,240.52 million related to Ongoing Projects and ₹23,786.40 million related to the Forthcoming Projects.

The Company continues to add new projects, and have been awarded 11 orders during the period from October 1, 2011 to January 15, 2012 of which the value of three are yet to be determined, and the value of 8 projects is worth ₹ 5,250 million. Our Company expects to complete majority of the projects that constitute its existing PMC OrderBook in the next 24 to 36 months. However, these projects are subject to cancellation and modification under the terms of their contracts and other relevant documentation.

Composition of our PMC Order Book as on September 30, 2011 (in terms of outstanding contract value in million)

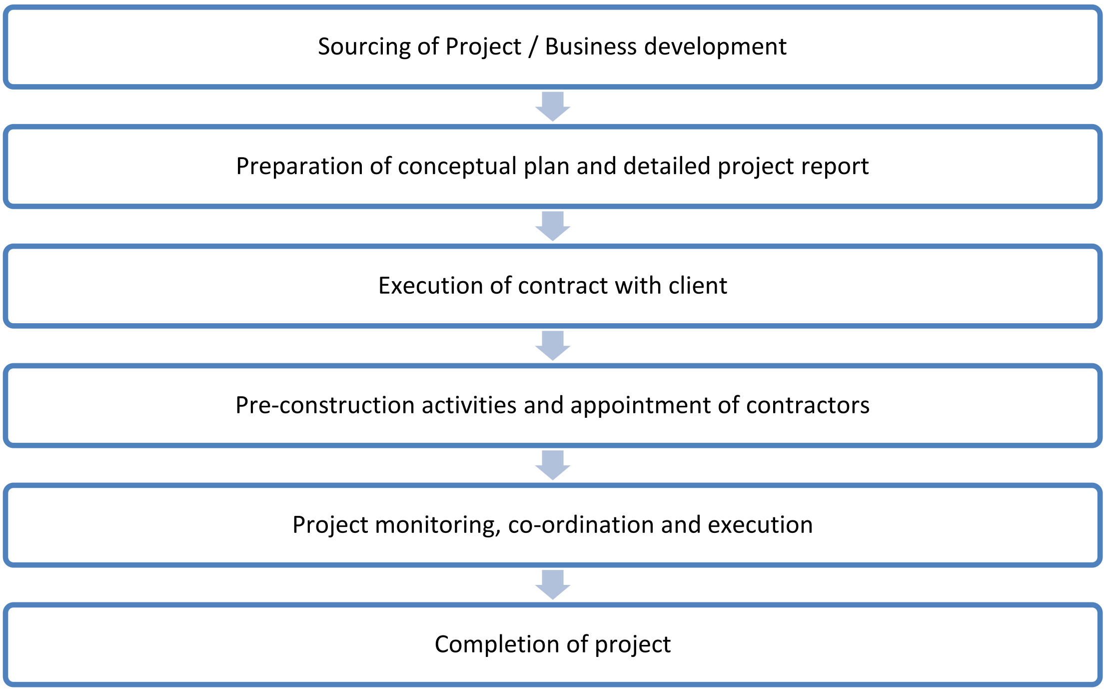


Composition of our PMC Order Book as on September 30, 2011 (in terms of number of projects)



Our PMC Service Cycle

The Process chart on our PMC Projects:



Sourcing of Project / Business development - We source PMC projects (i) mostly through nomination, i.e, where our old clients / prospective clients approach us for their proposed project, or (ii) participation in tenders invited by the prospective client or (iii) through our own business development efforts. We evaluate opportunities based on various factors including the geographic location of the project, the degree of difficulty in executing the project in such location, our current and projected workload, the likelihood of additional work, the project's cost and profitability estimates. Once we have identified projects that meet our criteria, we meet the prospective client. Upon identification, we start with the survey and investigation.

Preparation of conceptual plan and detailed project report – Conceptual plans, detailed project report ("**DPR**") including a preliminary estimate, based on client requirement are prepared in-house or by engaging architects-consultants. Appointment of these consultants is done by inviting tenders, who are then selected based on fulfilment of technical and financial pre-requisites. The appointed consultant prepares the conceptual plan which is then submitted to the client. After confirmation from the client, the appointed consultant prepares a DPR which contains estimated project cost and details regarding construction of the project.

Execution of contract with client -We execute a letter of intent / agreement / MoU with our client setting out the principal terms of engagement and our fees. This agreement is prepared in some projects even before the preparation of conceptual plan and in some cases after the conceptual plan and / DPR have been approved by the client.

Pre-construction activities and appointment of contractors **–**The appointed consultant prepares Bill of Quantities ("BoQ"), in consultation with us and the same is submitted to the client for their approval. Further, we create packages for civil work, HVAC, lifts etc. based on the divisibility of the work at hand and float tenders for the appointment of contractor(s) for each package. The Bidding contractor should fulfil the technical and financial criteria set out in the tender. The contractor who has quoted the lowest Bid amongst the qualified contactors is awarded the work and agreements are executed with such contractors. Some of the contractors whom we have engaged in the past for various projects include Larsen &Tubro Limited, Ramky Infrastructure Limited, amongst others.

Project monitoring, co-ordination and execution **-** After appointment of contractors, the requisite pre-construction Governmental licences and approvals for the project are obtained by the contractor so appointed by us. The work on the site commences after obtaining the requisite pre-construction approvals and licenses. We monitor and supervise the work done by each of the contractors so appointed through a team which includes unit inchargealongwith his site team and the concerned regional / strategic business group. Our team ensures that the project meets the specifications set out by the clients and all our obligations under our contract with the client are met. Contactors submit periodical bills to us in terms of the contract, based on which we raise bills on the client ("**runningaccountbills**").

Completion of project -Upon completion of construction on project, the project is handed over to the client. We raise final bill on the client and payment is accordingly received. At this stage the client generally issues to us a completion certificate in connection with the project.

Defect liability period -Our contracts with clients often stipulate a defect liability period of 12 months from the date of completion of the project. In some projects viz projects undertaken for PMGSY, the defect liability period is 5 years. During the said period we rectify any defects that may arise in the project as a consequence of the construction services. Further, in our contracts with the contractors for projects, we stipulate a similar defect liability period and the contractors are required to rectify any defects that arise in the project as a consequence of the construction.

Civil Infrastructure for Power Sector

Civil infrastructure for power sectorinvolves implementation of power plant related civil construction projects such as chimneys, cooling towers and civil and structural work of power plant. We have provided these construction services to, *inter alia*,NTPC Limited, Bharat Heavy Electricals Limited, APGENCO Ltd., Uttar Pradesh RajyaVidyutUtpadan Nigam Limited, MAHAGENCO Ltd. and Karnataka Power Corporation Limited ("KPCL").

We have undertaken civil infrastructure for power sector projects in 9 states across India including West Bengal, Jharkhand, Chattisgarh, Bihar, Madhya Pradesh, Uttar Pradesh, Karnataka, Andhra Pradesh and Maharashtra. Beginning from April 1, 2006 till January 15, 2012, we have completed an aggregate of 9 civil infrastructure for power sector projects and are in the process of developing 14Ongoing Projects under this segment.

Our civil infrastructure for power sector Completed Projects

We have successfully completed 11 of civil infrastructure for power sector projects for the power sector during the period April 01, 2006 – September 30, 2011.Some of ourcompleted projects for the said period (completed from April 1, 2006 till September 30, 2011):

Project	Location	Client	Contract Value (in million)	Completion date
Earthwork in filling involving mechanical compaction	Barh, Patna	NTPC Limited.	1,180.00	March 2007
Main Plant Civil Works	Rihand	NTPC Limited	611.30	February 2007
Design, construction of NDCT in RCC at Stage-II (2x210 MW)	Kadappa, Andhra Pradesh	APGENCO Ltd.	194.00	September 2009
220M Twin Steel Flue with RCC Chimney Elevator *	Dadri, Uttar Pradesh	NTPC Limited	125.20	March 2011
220 M Twin Steel Flue with Chimney Elevator	Parli, Maharashtra	MAHAGENCO Ltd.	106.40	August 2007
220 M Twin Steel Flue with RCC Chimney Elevator	Barh, Patna	NTPC Ltd	285.00	August 11

Project	Location	Client	Contract Value (in million)	Completion date
Design, construction of NDCT for unit-8(1x250 MW)	Raichur, Karnataka	KPCL	267.50	June 2010

Our Ongoing Projects

As of September 30, 2011, we are engaged in 14 on-going civil infrastructure for power sector projects for the power sector with an aggregatecontract value of ₹7,875.43 million.

The following table represents, as of September 30, 2011, some of our Ongoing Projects based on contract value:

Project	Location	Client	Estimated year of completion*	Contract Value	Outstanding Order value receivable
Vindhyachal IDCT Distt. Sidhi (MP)	Vindhyanagar	NTPC Ltd.	July 12	937.70	779.40
Rihand IDCT -Sonebhadra (UP)	Rihandnagar	NTPC Ltd.	July 12	862.60	738.58
Mauda IDCT Distt- Nagpur (Maharashtra)	Mauda	NTPC Ltd.	Apr 13	762.20	546.94

** The completion years are based on management representation.*

Civil Infrastructure for power sector projects Order Book

We define our Civil infrastructure for power sectorOrder Book as the amount of Order Book calculated as the total contract value (as per the terms of the contract / attendant documents / addendums) of all existing contracts in the Civil infrastructure for power sector segment as of such date, minus any revenue already recognised by the Company in relation to such existing contracts up to and including such date ("**Civil InfrastructureOrder Book**"). In our industry, the order book is considered to be one of the indicators of future performance as it represents a significant portion of anticipated future revenue. For details on how our order book may not be representative of our future results, please see the risk factor – **"*The projects included in our Order Book may be delayed, modified, cancelled or not fully paid for by our clients and, therefore, our Order Book may not be an accurate or reliable indicator reliable indicator of our future business or earnings*"** in the section titled "Risk Factors" beginning on page xv of this DRHP.

Our Civil Infrastructure Order Book as at September 30, 2011 was ₹3,199.49 million. The Company expects to complete such projects in the next 24 to 36 months. However, these projects are subject to cancellation and modification under the terms of their contracts and other relevant documentation.

Civil Infrastructure for power sector projects development cycle

Given below is a process chart enunciating Civil Infrastructure for power sector projects cycle:

Bidding Process

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Award of Contract

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Appointment of sub-contractors

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Project monitoring

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Completion of Project

Bidding Process –Our prospective clientstypically advertise potential projects in national newspapers or on their websites. We evaluate Bid opportunities based on factors like, the geographic location, the degree of complexity in executing the project, current and projected workload, the project's cost, profitability estimates and current market assessment, based on which we submit our Bids/tenders.

Award of Contract -Client evaluates the tenders submitted by various Bidders and issues a Letter of Intent (LoI) to the successful Bidder. If the project is awarded to us by the client, we execute an agreement with our client in respect of the project.

Appointment of sub-contractors **-**We decide the components of the project and the various kinds of sub-contractors required by us for civil work, HVAC, elevators, etc. Accordingly we invite tenders from sub-contractors and based on the technical and financial criteria met by them, they are selected and the said work is granted.

Project monitoring, co-ordination and execution-The work on the site commences. We monitor and supervise the work done by each of the sub-contractors so appointed. Our team ensures that the project meets the specifications and requirements of our client and all our obligations under the contract with the client are met. Contactors submit periodical bills to us in terms of the contract, based on which we raise bills on the client ("**runningaccountbills**")

Completion of project -Upon completion of the project, the project is handed over to the client. We raise the final bill, which is accordingly settled. Client issues us a completion certificate in connection with the project.

Defect liability period -Our contracts with clients often stipulate a defect liability period of one year from the date of completion of the project. During the said period we rectify any defects that may arise in the project as a consequence of the construction services. Further, in our contracts with the contractors for projects, we generally stipulate a defect liability period of twelve (12) months from completion of project where the contractors are supposed to rectify any defects that arise in the project as a consequence of the construction.

OUR REAL ESTATE DEVELOPMENT BUSINESS

Our real estate development activities focus on two principal types of projects under the brand name, NBCC, namely –

- *Residential Projects: such as apartments and townships; and*
- *Commercial Projects: such as corporate office buildings and shopping malls*

As ofJanuary 15, 2012, our Land Reserves aggregate approximately127.918 Acre. Our Land Reserves are located in Delhi, Uttar Pradesh, Patna, Gurgaon, Kolkata, Kochi, Alwar, Ahmedabad and Lucknow. Our Land Reserves include lands to which we have title and / or lands that have been allotted by various Government authorities (for which execution of sale/lease deed is in process) and / or lands from which we have entered into joint venture agreements and / or land for which development rights have been granted to our Company.

As of January 15, 2012, we have completed 8 real estate development projects and are in the process of developing 7On-going Projects and have in hand 12 Forthcoming Projects. The following table represents the aggregate Developable Area, Saleable Area and Leasable Area of our completed projects, Ongoing Projects and Forthcoming Projects in each of our two types of real estate projects, as of January 15, 2012:

Area in Sqft

Type of real estate development	Completed projects		Ongoing Projects				Forthcoming Projects			
	No. of Projects	Developable Area	No. of Projects	Developable Area	Saleable Area	Leasable Area	No. of Projects	Developable Area	Saleable Area	Leasable Area
Residential	Nil	-	4	3,732,053	3,410,403	0	6	5,555,821	4,878,882	147,585
Commercial	8	1076,645	3	407,633	239,560	66624	6	2,323,908	1,724,101	290,768
TOTAL	8	1076,645	7	4,139,686	3,649,963	66624	12	7,879,729	6,602,983	438,353

As at September 30, 2011 and In Fiscal 2011 and, our income, as restated, from real estate development segment, was ₹7,802.90 million and ₹14,422.72 million, respectively, and our profit after tax, as restated, was ₹ 1,780.28 million and ₹ (74.86) million respectively.

Our Residential Projects

We develop a wide range of residential projects, from apartments to townships. We believe we make efforts to ensure that our residential projects reflect innovative designs and modern architecture. We develop apartments and townships with facilities such as gated security, swimming pools, community halls, post construction maintenance services etc. We generate revenue from our residential projects through sale of residential units. We have 4 Ongoing Projects and 6 Forthcoming Projects for our residential development.

The following table details our Ongoing Projects of our residential projects as at January 15, 2012:

Area in Sqft

No	Name of Project and Location	Project Area in acres / (Sq Ft)	Developable Area (in Sq ft)	Share of Joint Development	Saleable Area (in Sq ft)	Total Number of Units	Construction commencement date	Expected Completion Date
1.	**"NBCC Vibgyor Tower", Rajarhat, Kolkata**	10.00 (435,604)	1,148,586	Not applicable	1,148,586 (including shopping area)	797	November, 2006 (Superstructure and August, 2006 Piling)	March, 2012
2.	**Khekra (Phase-I), Baghpat, Uttar Pradesh**	16.264 (708,472)	1,167,651	50:50	1,167,651	1316	November, 2010	April, 2013
3.	**Residential-cum-Commercial Complex (Phase-I) at Bahadurpur, Patna**	1.30 (56,629)	141,524	Not applicable	141,524	98 plus commercial to the extent of 22,000 Sq Ft	April, 2011	April, 2014
4.	**"NBCC Heights" at Sector-89, Gurgaon**	10.9475 (476,877)	1,274,292	Not applicable	952,642	480 plus 90 EWS units	August, 2011	February , 2014

No	Name of Project and Location	Project Area in acres / (Sq Ft)	Developable Area (in Sq ft)	Share of Joint Development	Saleable Area (in Sq ft)	Total Number of Units	Construction commencement date	Expected Completion Date
	TOTAL	37.2115 (1,677,582)	3,732,053		3,410,403			

Our ResidentialForthcoming Projects

The following table details our Forthcoming Projects of our residential business as at January 15, 2012:

Area in Sqft

S. No.	Name of Project and Location	Project Area in acres	Developable Area	Share of Joint Development	Saleable Area	Total Number of Units	Expected Construction commencement date	Expected Completion Date
1	Khekra (Phase-II), Baghpat, Uttar Pradesh (12.30-Res. plus 2.322-Comm.	24.60 (1,071,586)	2,189,040 (total)	50:50	2,189,040	2392	September, 2012	April, 2015
2	Khekra (Phase-III), Baghpat, Uttar Pradesh (3.60 acre regd.)	7.689 (334,946)	731,567	50:50	678,035	612	October, 2012	April, 2015
3	Phase-II at Bahadurpur, Patna	2.631 (114,649)	309,124	Not applicable	287,558	172	May, 2012	December, 2014
4	"NBCC Green View" at Sec-37D, Gurgaon	17.2985 (753,530)	1,682,803	Not applicable	1,327,045	916	April, 2012	April, 2015
5	"Vally View", Kochi, Kerala	3.18 (138,522)	435,702	Not applicable	397,204	308	April, 2012	April, 2015
6	Group Housing Project at Alwar.	1.506 (65,596)	207,585	Not applicable	147,585	130	December 2012	June, 2014
	TOTAL	**56.9045 (2,478,879)**	**5,555,821**		**5,026,467**			

Our Commercial Real Estate Projects

We develop a number of commercial projects such as corporate office buildings and shopping malls. We generate revenue from our commercial developments through the sale and lease of our commercial projects. We have 8 completed projects in the commercial sector in India in the last five years, and have 3 Ongoing Projects and 6 Forthcoming Projects for our commercial real estate business.

Our Completed Commercial Real Estate Projects

The following table details our completed commercial projects:

Area in Sqft

S. No.	Name of Project and Location	Project Area in acres	Developable Area	Share of Joint Development	Saleable Area	Leasable Area	Area sold	Total Number of Units	Completion Date
1	NBCC Tower, BhikajiCama, New Delhi	0.49 (21,344)	163,424	Not applicable	0	133,424	133,424	Not applicable	June, 1994
2	NBCC Place, PragatiVihar, New Delhi	4.005 (174,459)	340,550	Not applicable	0	167,722	167,722	Not applicable	May, 1997
3	NBCC Plaza, Pushp Vihar, New Delhi	6.00 (261,362)	409,350	Not applicable	0	324,824	324,824	Not applicable	March, 2008
4	Commercial Complex at Old Jail Road, Cuttack	2.00 (block-A) (87,121)	172,510 (total) & 14822 (NBCC's share)	8.59% (NBCC's share)	0	14,822	1686	Not applicable	December, 2006
5	Commercial Complex at Vadodara	0.62 (27,007)	42,336	Not applicable	42,336	0	35,458	Not applicable	September 2005
6	NBCC Tower, Kaushambi (Ghaziabad)	0.12 (5,227)	35,790	Not applicable	0	35,790	35,790	Not applicable	Sold as structure complete*
7	Jackson Gate, Agartala	0.66 (28,750)	57,566	76.98:% of NBCC	0	57566	0	Not applicable	November, 2009
8	NBCC House, Ahmedabad	0.19 (8,299)	12,807	Not applicable	12,807	0	11,264	Not applicable	May, 1992
	TOTAL	14.085 (613,568)	1,076,645		55,143	734,148	710,168		

***The building was sold on "as is where is" basis with only structure complete.**

Our Commercial Ongoing Projects

The following table details our on-going commercial projects as at January 15, 2012:

Area in Sq ft

S. No.	Name of Project and Location	Project Area in acres	Developable Area	Share of Joint Development	Saleable Area	Leasable Area	Total Number of Units	Construction commencement date	Expected Completion Date
1	"NBCC Centre" at Okhla (Ph-I)	2.124 (92,538)	382,320	Not applicable	225,000	0	Commercial	August, 2010	August, 2012
2	Commercial Complex at 21, Sukias Lane, Kolkata	0.256 (11,141)	36,400 (total) 14,560 (NBCC's share @ 40%)	40%	36,400 (total) 14,560 (NBCC's share @ 40%)	0	Commercial	September, 2010	August, 2012
3	38, Hemanata Basu Sarani Complex at Kolkata	0.628 (27,378)	76,326 (total) NBCC's share is of 10,753 only	14% (Aprrox.)	0	66,624	Commercial	May, 2009	June, 2012
	TOTAL	3.008 (131,057)	407,633		239,560	66,624			

Our Commercial Forthcoming Projects

The following table details our forthcoming commercial projects as at January 15, 2012:

Area in Sqft

No.	Name of Project and Location	Project Area in acres	Developable Area	Share of Joint Development	Saleable Area	Leasable Area	Total Number of Units	Expected Construction commencement date	Expected Completion Date
1	Commercial Complex at Khekra, Baghpat, Uttar Pradesh	4.87 (212,139)	371,243	50:50	371,243	0	Not applicable(Comm)	April, 2013	March , 2015
2	Commercial Complex on 5 Acre land parcel at Action area - III, Rajarhat,	5.00 217,802)	773,260	Not applicable	582,630	0	Not applicable (Comm)	June, 2012	April, 2015

No.	Name of Project and Location	Project Area in acres	Developable Area	Share of Joint Development	Saleable Area	Leasable Area	Total Number of Units	Expected Construction commencement date	Expected Completion Date
	Kolkata								
3	Commercial Project at Lucknow	1.795 (78,190)	136,832	Not applicable	0	136,832	Not applicable (Comm)	Dec , 2012	June, 2014
4	Indian Textile Plaza, Ahmedabad	13.156 (573,075)	825,228	NBCC's share is in the shape of (i) Fixed profit from the project to the extent of Rs. 188,00 million and (ii) PMC fee @7% of project cost (Rs 1600 million)	770,228	0	Not applicable(Comm)	Jan, 2013	Dce., 2015
5	Muti-media Community center, Kolkata	2.00 (87,120)	115,900	27% of NBCC	0	115,900	Not applicable (Comm)	July, 2013	June, 2015
6	Additional Shopping-cum-Commercial Block, PushpVihar	NA (By virtue of enhanced FSI in the old plot)	101,445	Not applicable	0	38,036	Not applicable (Comm)	January, 2013	June, 2014
	TOTAL	26.821 (1,168,326)	2,323,908		1,724,101	290,768			

*****_The completion dates are based on management representation_

REAL ESTATE DEVELOPMENT CYCLE

Given below is a process chart enunciating the real estate development cycle:

Identification of Potential Land

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Acquisition of Land

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Pre-Construction Licenses and Approvals

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Sub-contracting

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Project Execution

↓

Post-Construction Licenses and Approvals

↓

Sale

↓

Maintenance

Identification of potential land and projects -Land is identified, evaluated and acquired either from the government or private owners or through joint venture arrangements. Our existing land bank is a mix of land acquired (either owned or through long leases from the government on a nomination basis or through competitive Bidding process or auction or private owners or through joint venture arrangements). Land from private owners or through joint venture arrangements is identified and evaluated based on criteria's like, location, size and shape of plot, surrounding development, approach and accessibility, terrain, topography, demographic trend, availability of infrastructure. Upon identification of suitable land, independent consultants like are engaged to prepare a valuation report and the company prepares a feasibility report. Our senior management then analysis and takes a decision on the acquisition of land at the recommended price. Prior to acquisition, we obtain title verification report for the land that is proposed to be acquired by our Company, from private owners or joint venture arrangements.

Acquiring land **-** In order to acquire land, weenter into a sale deeds or a perpetual lease deeds and get the property registered in our name. For the projects to be undertaken through joint ventures, we enter into a joint venture agreement with the land owner.

Project Planning, Design and Regulatory Approvals **-** We engage the services of architects and structural consultants for the architectural and structural design of the project. Our in-house real estate project department conducts the estimates of the requirements for manpower, materials and machinery. Upon acquisition of land, we analyse and evaluate various laws and approvals applicable to us. The approvals which are typically required for a real estate development project include approvals for building plans, the conversion of agricultural lands to non-agricultural lands (where applicable), the approval of lay-outs and approvals relating to certain infrastructure facilities such as power and water. Similarly, approvals from various government authorities, including from the relevant environmental authorities and fire authorities, airport authorities for buildings above a certain stipulated height are also required, as the case may be.

*Appointment of Contractors -*We outsource the construction of our projects to a number of contractors for different aspects of the project, while retaining a project management role. Our Company selects contractors through an open tender process and enters into contracts with its contractors.

Project Execution - The project execution commences once the detailed specifications and drawings have been prepared, the project structure is finalised, necessary approvals have been obtained and the contractors have been appointed.

Post-Construction Licenses and Approvals **-** After the project has been completed; our Company obtains post construction licences including completion certificates/occupation certificates from the appropriate authorities.

Sales and Marketing- We have a dedicated real estate marketing team which focuses on the sale of residential and commercial projects. We advertise our projects, through newspapers, websites and also hoardings. We sell projects both on a pre-sale basis as well as during and after construction. We formulate general terms and conditions for sale containing, *inter alia*, pricing details, payment terms, completion schedule, before we launch the project. Our marketing activities typically begin immediately following the finalization of the pricing of a real estate project.

Sale -Our Company transfers the title or leasehold rights, as the case may be, to the customer.

Maintenance - We provide maintenance services including lifts, housekeeping, security services, in respect of the completed projects. At times, we may hand-over the maintenance to the society of building owners.

Our Land Reserves

Our Land Reserves include lands to which we have title, and / or lands that have been allotted by various Government authorities (for which execution of sale/lease deed is in process) and / or lands from which we have entered into joint venture agreements and / or land for which development rights have been granted to our Company.

As ofJanuary 15, 2012, our Land Reserves aggregate approximately 125.245 Acre. Our Land Reserves are located in Delhi, Uttar Pradesh, Patna, Gurgaon, Kolkata, Kochi, Alwar and Lucknow. The following is the summary of our Land Reserves as on January 15, 2012:

S. No.	Land Bank/ Land Reserves (Category wise)	Area in acres / (Sq Ft)	% of Total Acreage *	Estimated Developable Area (Sq ft)	% of Developable Area*	Estimated Saleable Area (sq ft)	% of Saleable Area*
(i)	Land Owned by the company						
	1. By itself	58.706 (2,557,266)	46.87	5,864,831	48.44	4,936,605	45.80
	2. Through its subsidiaries	0	0	0	0	0	0
	3. Through entities other than (1) and (2) above	0	0	0	0	0	0
(ii)	Land over which the company has sole development rights:						
	1. Directly by the company (Annexure-II)	0	0	0	0	0	0
	2. Through its subsidiaries	0	0	0	0	0	0
	3. Through entities other than (1) and (2) above	0	0	0	0	0	0

S. No.	Land Bank/ Land Reserves (Category wise)	Area in acres / (Sq Ft)	% of Total Acreage *	Estimated Developable Area (Sq ft)	% of Developable Area*	Estimated Saleable Area (sq ft)	% of Saleable Area*
(iii)	Memorandum of Understanding/ Agreements to acquire/letters of acceptance to which company and/or its subsidiaries and/or its group companies are parties, of which:						
	1. Land subject to government allocation	12.86 (560,244)	10.27	1,746,096	14.42	1,400,789	12.99
	2. Land subject to private acquisition	0	0	0	0	0	0
(A)	***Sub-total (i)+(ii)+(iii):***	71.566 (3,117,510)	57.14	7,610,927	62.86	6,337,394	58.79
Joint developments with partners							
(iv)	Land for which Joint development agreements have been entered into by:						
	1. By the company directly (Annexure-IV)	53.679 (2,338,284)	42.86	4,495,901	37.14	4,442,369	41.21
	2. Through the subsidiaries	0	0	0	0	0	0
	3. Through entities other than (1) and (2) above	0	0	0	0	0	0
(v)	Proportionate interest in lands owned indirectly by the company through joint ventures	0	0	0	0	0	0
(B)	***Sub-total (iv)+(v):***	53.679 (2,338,284)	42.86	4,495,901	37.14	4,442,369	41.21
(C)	***Sub-total (i)+(ii)+(iii) +(iv)+(v):***	125.245 (5,455,794)	100%	12,106,828	100%	10,779,763	100%

**Based on architect certificate dated January 20, 2012 by Mr PraveshGhai. The Developable Area is in relation to Ongoing Projects and Forthcoming Projects.*

(i) Land Owned by us

The land we own consists of land for which conveyance deed has been executed and registered in our favour. As of January 15, 2012, the total land owned by us (directly) was approximately 58.706 acres representing 46.87% of our total land reserves. It comprises of land for the following projects:

Real Estate Development Project	Type	Area in acres (Sq Ft)

Ongoing Projects		
"NBCC Heights" at Sector-89, Gurgaon	Residential	10.9475 (476,877)
"NBCC Centre" at Okhla (Phase-I)	Commercial	2.124 (92,538)
"NBCC Vibgyor Towers", Rajarhat Kolkata	Residential	10.00 (435,604)
Forthcoming Projects		
"NBCC Green View" at Sec-37D, Gurgaon	Residential	**17.2985 (753,530)**
"Valley View", Kochi, Kerala	Residential	**3.18 (138,522)**
"Indian Textiles Plaza", Ahmedabad	Commercial	**13.156 * (573,075)**
"MouzaKalikapur, Kolkata	Commercial	**2.00 (87,120)**
	Total	**58.706 (2,557,266)**

* The land at Indian Textile Plaza Ahmedabad is currently owned by us. However the title of the land shall subsequently be transferred to our associate wherein we shall be paid only some additional consideration by the associate. We shall not get any portion of Developable Area / built-up space.

On the aforesaid land, NBCC proposes to/ is in the process to develop 5.865 million square feet 48.44 constituting 49.97% of the total Developable Area. For details on risks associated with unavailability of title insurance in India, see the risk factor, "***Our title and development rights or other interests over land may be subject to legal uncertainties and defects which may have an adverse impact on our ability to develop and market projects developed on such lands. Further, Title insurance is not commercially available in India and we may face uncertainty of title to our lands and inadequate or doubtful title may expose us to the risks of litigation"***, on page xv of this Draft Red Herring Prospectus.

(ii) Sole Development Rights

We do not hold any land in this category.

(iii) MoUs/ Agreements to Sell and Purchase/ Letters of Acceptance

The land in this category consists of such land that has been allotted by the government authorities and for which a lease agreement or a sale deed is yet to be executed with such government authorities. As of January 15, 2012, the total land in this category was approximately 12.86 acres representing 10.27% of our total land reserves. It comprises of land for the following projects:

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Real Estate Development Project	**Type**	**Area in acres / (Sq Ft)**
Ongoing Projects		
Commercial Complex at 38, Hemanta Basu Sarani, Kolkata	Commercial	0.628 (27,378)
Forthcoming Projects		
Residential-cum-Commercial Complex (Phase-I) at Bahadurpur, Patna	Residential-cum-Commercial complex	1.30 (56,629)
Phase-II at Bahadurpur, Patna	Residential	2.631 (114,649)

Commercial Complex on 5 Acre land parcel at Action area –III, Rajarhat, Kolkata	Commercial	5.00 (217,802)
Group Housing Project, Alwar (6094 Sqm)	Residential	1.506 (65,596)
Commercial Complex , Lucknow (7264 Sqm)	Commercial	1.795 (78,190)
Construction of Additional Shopping-cum-Parking Block (due to increase in FSI) in the existing "NBCC Plaza" Complex at Pushp Vihar, New Delhi	Commercial	0* (0)
	Total	**12.86** (560,244)

* We had completed project at Pushp Vihar, however, now an additional building block at Pushp Vihar land is being developed on the existing 6 acre (24,280.568 Sqm) of land parcel.

(iv) Land for which Joint development agreements have been entered into by our Company

We set out below the details of such projects which are joint development projects with partners:

S No.	Name of the project	Total project area in Acres (Sq Ft)	Nature of the agreement executed	Brief details of the agreement
Ongoing Projects				
1.	Khekra (Phase-I), Baghpat, Uttar Pradesh	16.264 (708,472)	Joint venture agreement with Mahavir Hanuman Group (**MHG**) dated June 10, 2009	An unincorporated (Association of Partners) AOP, "NBCC-MHG-JV", with our Company and MHG's interest in 50:50 ratio, has been formed. Pursuant to the joint venture agreement, 7.7013 acres of the project land has been transferred in the name of our Company and the remaining is owned by MHG. 50% cost of the difference of land between 16.264 & 15.4026 acres is yet to be paid.
2.	Commercial Complex at 21, Sukias Lane, Kolkata	0.256 i.e.1,035 Sqm (11,141)	NA This project was awarded to NBCC pursuant to a Bid floated by Kolkata Metro Rail Corporation Limited "**KMRCL**".	As per the Bid proposal submitted by our Company and accepted by KMRCL, our Companywilll develop the land of KMRCL and pursuant to this, our Company shall have rights to 40% of the built-up area (i.e. admeasuring about 14560 Sq Ft on total area of 36400 Sq Ft) of the project.
Forthcoming Projects				
3.	Khekra (Phase-II), Baghpat, Uttar Pradesh	24.60 (1,071,586)	Joint venture agreement with Mahavir Hanuman Group "**MHG**"	An unincorporated AOP, "NBCC-MHG-JV", with our and MHG's interest in 50:50 ratio, has been formed. Pursuant to the joint venture agreement, 14.621 acres of the project land has been transferred in our name and the remaining is owned by Mahavir Hanuman Group. The transferred land also includes pocket of land isolated for Commercial (Refer Sl. No. 5 Below)
4.	Khekra (Phase-III), Baghpat, Uttar Pradesh	7.689 (334,946)	Joint Venture Agreement with BCC Builders Private Limited and Ahinsha	An unincorporated AOP, "NBCC-AB-JV", with our and AB's interest in 50:50 ratio, has been formed. Pursuant to the joint venture agreement, 3.50 acres of the project land has

S No.	Name of the project	Total project area in Acres (Sq Ft)	Nature of the agreement executed	Brief details of the agreement
			Builders Private Limited (together referred to as "***AB***") dated March 11, 2010	been transferred in our name.
5.	Commercial Complex at Khekra, Baghpat, Uttar Pradesh	4.87 (212,139)	Joint venture agreement with Mahavir Hanuman Group "**MHG**	An unincorporated (Association of Partners) AOP, "NBCC-MHG-JV", with our and MHG interest in 50:50 ratio, has been formed. Pursuant to the joint venture agreement, 14.621 acres of the project land has been transferred in our name and the remaining is owned by MHG (this transferred land also includes project for the joint venture referred at Sl No. 3 of this table above).

(v) Proportionate interest in lands owned indirectly by the company through joint ventures

We do not hold any land in this category.

HEALTH AND SAFETY

Our Company is committed to ensure safe working conditions for workmen at all work sites. A dedicated 'Safety Management Cell' is operational at the Registered and Corporate Office to spread the awareness of 'safety' in all spheres of activity. The statutory requirement for ensuring working conditions at the construction sites, is propagated at all Our zonal and other offices. We believe that accidents and occupational health hazards can be significantly reduced through the systematic analysis and control of risks and by providing appropriate training to management, employees and sub-contractors.

PERFORMANCE GUARANTEES

Our Company is generally required to provide performance guarantees for 5% of the contract value at the time of commencement of the contract, pursuant to the award of the contract for PMC projects as well as civil infrastructure for power sector projects. In some cases, we have issued performance guarantees at the rate of 10% of the total contract value. These performance guarantees are typically valid up to twelve months post the completion of the contract. The amount of guarantee facilities available to us depends upon our financial condition and availability of adequate security and sanctioned limits from banks and financial institutions that provide us with such facilities. For details of the bank guarantee facilities sanctioned by the banks, please see the section titled "Financial Indebtedness" on page 207of this DRHP.

COMPETITION

We operate in a competitive environment. The nature of the project, that is, whether it is in the PMC segment or the civil infrastructure for power sector segment or real estate development segment, is also a determining factor for the level, degree and impact of competition that we face. Other contributory factors to the competitive environment are contract value and potential margins, the size, complexity and location of the project and the risks relating to revenue generation.

While key factors for deciding on an executing agency are generally service quality, technical ability, performance record, experience, and the availability of skilled personnel, more often than not, price is the deciding factor in most tender awards.

We mainly compete with domestic Indian entities in the different segments in which we operate. However, there are no listed companies in India that engage in a business similar to that of our Company.

INSURANCE

We maintain various types of insurance policies such as, all risk insurance policies, fire and special perils insurance, group mediclaim policy, contractor all risk policy, contractor plant and machinery insurance and marine cargo policy. Our operations are subject to hazards inherent to the real estate and infrastructure industry, such as work accidents, equipment failure, fire, earthquake, flood and other forcemajeure events. This includes hazards that may cause injury and loss of life, damage and destruction of property, equipment and environmental damage. We rely upon insurance coverage obtained by our contractors to insure damage and loss to our projects during the construction phase as well as the defect liability period. Our contractors take contractors all risk policy, workmen's compensation policy and third-party insurance in respect of risks associated with our assets and infrastructure that are ancillary to our stations during the construction phase. We also have workmen's compensation policy and group personnel accident and mediclaim policies for our employees.

However, our insurance does not cover other potential risks associated with some aspects of our operations. In particular, we are not currently insured against business interruptions, product liability or certain types of environmental hazards, etc.

We generally maintain insurance covering our assets and operations at levels that we believe to be appropriate. We believe that the amount of insurance presently maintained by us represents an appropriate level of coverage required to insure our business and operations, and is in accordance with industry standards in India. The occurrence of a significant adverse event, the risks of which are not fully covered by insurance, could have a material adverse effect on our financial condition or results of operations. Please see "***Risk Factors – "Our insurance does not cover all of the risks we face, and the occurrence of events that are not covered by our insurance could cause losses, which if significant, could adversely affect our financial condition"***on page xv of the DRHP***.***

INFORMATION TECHNOLOGY

We make extensive use of information and communication technologies for the execution and management of our projects. We have implemented ERP system in some business processes related to accounting, salaries, HRM system and e-Bidding system. In addition, our team has access to domain controller and additional domain controller, cluster servers, IT security management, network management etc. IT security management is also utilized for the continuous upkeep of security products – solutions, products, tools. The online computer maintenance services ensures accurate management of the organizations hardware and software complaints electronically, including hardware management, complaint tracking, minimum problem rectification time, better reports management and optimal performance. We have also centralised our database and begun digitising our records and have business continuity servers to protect our electronic data and ensure maximum uptime. Please see "***Risk Factors – Any disruptions to our Enterprise Resource Planning (ERP) and disaster recovery platforms or to our business systems could adversely affect our ability to carry on our business efficiently"***on page xv of the DRHP***.***

HUMAN RESOURCES

As of January 15, 2012, we have 2264 permanent employees and 202 contractual employees. Of the permanent employees, 494 are from engineers' cadre, 96 are from technical cadre, 207 are in the finance cadre, 229 from the HRM cadre, 29 from material management cadre and 1209 in the operative department cadre.

In addition to salary and allowances, we provide our employees with medical, leave and retirement benefits, which include provident fund and gratuity. We also have policies on promotion and transfer guidelines for our employees. We engage services of subcontractors, especially for our construction activities. We have comprehensive staff welfare schemes in place, including employee health and social security schemes

Unions

Most of our non-executive employees are unionized and we have a Joint Bargaining Council comprising of All India NBCC Employees (LalJhanda) Union, All India NBCC Employees Association and All India NBCC Shramik

Union. We follow the policy guidelines for conducting wage negotiations with the unionized employees, notified by the Department of Public Enterprises. Negotiations are held with the Joint Bargaining Council from time to time keeping in view the overall financial health of the Company and settlement is arrived on the components of the wage structure, allowances and allied matters. We have also entered into a memorandum of settlement with our unionized employees on fixation of pay in the revised pay scale / wage structure, profit linked incentives, perquisites, pension etc. For details, please see the section "History and Certain Corporate Matters" on page 117.

Employee Training and Development

We encourage our employees to develop management skills through internal and external professional development programs. We sponsor our officers and staff at different levels to attend external training programmes, workshops/seminars. In connection with our commitment to build business management competency in middle management level executives, we encourage our officers and staff to acquire professional qualifications.

CORPORATE SOCIAL RESPONSIBILITY

We have established and participated in several initiatives aimed at contributing to society at large. Our CSR initiatives are aimed at integrating our business values and operations with our social responsibilities. We have adopted a comprehensive CSR policy and established a trust called 'NBCC Foundation' for undertaking CSR activities/programs not only to meet the benchmarks set out in our MoU with the MoUD, but also as an integral business principle. We are committed to a CSR budget of 15.9 million in respect of the financial year 2011-2012, for various socially relevant initiatives. In the period ended September 30, 2011, we incurred ₹20.36 million, on our CSR initiatives.

PROPERTIES

We have 11 offices across India out of which three office premises including our Registered and Corporate Office is owned by us and all our other eightoffices are in hired premises (*for one office the lease deed is pending renewal*). Though we own the Registered and Corporate Office, the title of the said premises is not registered and mutated in our name. Also, in respect of another office premise that we own in Mumbai, the title documentation is improper. For related risk, please see "Risk Factors" section on page xv of this DRHP.

INTELLECTUAL PROPERTY

We do not currently hold a trademark registration for our logo appearing on the cover page of this Draft Red Herring Prospectus. For details of associated risk, please see ***"Risk Factors"- We have not obtained registration for our logo appearing on the cover page of this Draft Red Herring Prospectus*** *on page xv of this DRHP*.

REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the GoI and other regulatory bodies that are applicable to business of the Company. The information detailed below has been obtained from the various legislations, including rules and regulations promulgated by regulatory bodies, and the bye laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and merely intended to provide general information to the Bidders and are neither designed nor intended to substitute for professional legal advice. For details of government approvals obtained by us, see the section titled "Government and Other Approvals" on page 246.

Central Laws

Real Estate Laws

Urban Land (Ceiling & Regulation) Act, 1976

The Urban Land (Ceiling & Regulation) Act, 1976 (the "**ULCA**") prescribes the maximum limit up to which an individual can hold land in an urban area. The ULCA also provides for the imposition of a ceiling on vacant land in urban areas, acquisition of excess land by the government and the regulation of construction of buildings on such land to prevent the concentration of land in the hands of a few individuals and regulates construction of buildings to bring about equitable distribution of urban land. Even though the aforesaid legislation has been repealed by the Urban Land (Ceiling & Regulation) Repeal Act, 1999, ULCA remains in force in certain States.

Land Acquisition Act, 1894

As per the Land Acquisition Act, 1894(the "**Land Acquisition Act**"),land holdings are subject to the Land Acquisition Act which provides for the compulsory acquisition of land by the Central Government or appropriate State Government for public purposes, including planned development and town and rural planning. A person having an interest in such land has the right to object to such compulsory acquisition and has the right to compensation. Some States have their own land acquisition statutes and the Company has to abide by State legislations in those States in which it conducts its business.

Transfer of Property Act, 1882

The Transfer of Property Act,1882 (the "**TP Act**") establishes the general principles relating to the transfer of property in India. It forms a basis for identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. It also provides for the rights and liabilities of the vendor and purchaser in a transaction for the sale of land.

Registration Act, 1908

The Registration Act, 1908 ("**Registration Act**") has been enacted with the object of providing public notice of the execution of documents affecting, *inter alia*, the transfer of interest in immovable property. The purpose of the Registration Act is the conservation of evidence, assurances, title, and publication of documents and prevention of fraud. It details the formalities for registering an instrument. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes, among other things, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, in immovable property of the value of one hundred rupees or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent. A document will not affect the property comprised in it, nor be treated as evidence of any transaction affecting such property (except as evidence of a contract in a suit for specific performance or as evidence of part performance under the T.P. Act or as collateral), unless it has been registered.

Indian Stamp Act 1899

Under the Stamp Act, 1899 (the "**Stamp Act**") stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state. Instruments chargeable to duty under the Stamp Act, which are not duly stamped, are incapable of being admitted in court as evidence of the transaction contained therein and it also provides for impounding of instruments that are not sufficiently stamped or not stamped at all. However, the instruments which have not been properly stamped can, in certain cases, be validated by paying a penalty of up to 10 times of the proper duty or deficient portion thereof payable on such instruments.

Indian Easements Act 1882

An easement is a right which the owner or occupier of land possesses for the beneficial enjoyment of that land and which permits him to do or to prevent something from being done, in or upon, land not his own. Under the Indian Easements Act, 1882, a license is defined as a right to use property without any interest in favour of the licensee. The period and incident may be revoked and grounds for the same may be provided in the license agreement entered into between the licensee and the licensor.

State Laws

Urban Development Laws

State legislations provide for the planned development of urban areas and the establishment of regional and local development authorities charged with the responsibility of planning and development of urban areas within their jurisdiction. Real estate projects have to be planned and developed in conformity with the norms established in these laws and regulations made thereunder and require sanctions from the government departments and developmental authorities at various stages. For instance, in certain states such as Haryana, for developing a residential colony, a license is required from the relevant local authority. Where projects are undertaken on lands which form part of the approved layout plans and/or fall within municipal limits of a town, generally the building plans of the projects have to be approved by the concerned municipal or developmental authority. Building plans are required to be approved for each building within the project area. Clearances with respect to other aspects of development such as fire, civil aviation and pollution control are required from appropriate authorities depending on the nature, size and height of the projects. The approvals granted by the authorities generally prescribe a time limit for completion of the projects. These time limits are renewable upon payment of a prescribed fee. The regulations provide for obtaining a completion/occupancy certificate upon completion of the project.

Agricultural development laws

The acquisition of land is regulated by state land reform laws which prescribe limits up to which an entity may acquire agricultural land. Any transfer of land which results in the aggregate land holdings of the acquirer in the state exceeding this ceiling is void, and the surplus land is deemed, from the date of the transfer, to have been vested in the State Government free of all encumbrances. When local authorities declare certain agricultural areas as earmarked for townships, lands are acquired by different entities. After obtaining a conversion certificate from the appropriate authority with respect to a change in the use of the land from agricultural to non-agricultural for development into townships, commercial complexes *etc.*, such ceilings are not applicable. While granting licenses for development of townships, the authorities generally levy development/external development charges for provision of peripheral services. Such licenses require approvals of layout plans for development and building plans for construction activities. The licenses are transferable on permission of the appropriate authority. Similar to urban development laws, approvals of the layout plans and building plans, if applicable, need to be obtained.

In addition to the applicability of the above-mentioned legislations, we would additionally be subject to the applicable laws of the states where we intend to develop projects in the future and we would have to ensure compliance with the same.

Environment Laws

The Environment (Protection) Act, 1986

The Environment (Protection) Act, 1986 (the "**Environment Act**"), as amended is umbrella legislation in respect of the various environmental protection laws in India. The Environment Act vests powers in the Government of India to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution. This includes rules for *inter alia*, laying down the quality of environment, standards for emission of discharge of environment pollutants from various sources, inspection of any premises, plant, equipment, machinery, examination of manufacturing processes and materials likely to cause pollution. Penalties for violation of provisions of the EPA include fines up to ₹ 100,000 or imprisonment of up to five years or both.

The Forest (Conservation) Act, 1980

The Forest (Conservation) Act, 1980(the "**FCA**") came into force on October 25, 1980, prohibits use of any forest for non-forest purposes, except with the prior consent of the Government of India. 'Non-forest purposes' do not include uses (including construction of dams) ancillary to the conservation, development or management of forests or wildlife. Therefore, FCA has been enacted for the conservation of forests, and *inter alia*, stipulates that no State Government shall make, except with the approval of the Central Government, any order directing that any forest land may be assigned by way of lease or otherwise to any private person or corporation not owned or controlled by the government. Contravention of this provision may attract a penalty of imprisonment of up to 15 days. A Forest Advisory Committee has been constituted under the FCA to advise the Government of India on the grant of approvals and other matters relating to forest conservation. The Government of India reserves the rights to make rules under the FCA.

The Forest (Conservation) Rules, notified on January 10, 2003 which superseded the Forest (Conservation) Rules, 1981, prescribe the forms in which approvals or renewals of approvals under the FCA are required to be sought.

The Water (Prevention and Control of Pollution) Act, 1974

The Water (Prevention and Control of Pollution) Act, 1974(the "**Water Act**") aims to prevent and control water pollution as well as restore water quality by establishing and empowering the Central Pollution Control Board and the State Pollution Control Boards. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant State Pollution Control Boards, which is empowered to establish standards and conditions that are required to be complied with. In certain cases the State Pollution Control Boards may cause the local Magistrates to restrain the activities of such person who is likely to cause pollution. Penalty for the contravention of the provisions of the Water Act include imposition of fines or imprisonment or both.

The Central Pollution Control Board has powers, *inter alia,* to specify and modify standards for streams and wells, while the State Pollution Control Boards have powers, *inter alia,* to inspect any sewage or trade effluents, and to review plans, specifications or other data relating to plants set up for treatment of water, to evolve efficient methods of disposal of sewage and trade effluents on land, to advise the State Government with respect to the suitability of any premises or location for carrying on any industry likely to pollute a stream or a well, to specify standards for treatment of sewage and trade effluents, to specify effluent standards to be complied with by persons while causing discharge of sewage, to obtain information from any industry and to take emergency measures in case of pollution of any stream or well.

A central water laboratory and a State Water Laboratory have been established under the Water Act.

The Air (Prevention and Control of Pollution) Act, 1981

The Air (Prevention and Control of Pollution) Act, 1981, as amended (the "**Air Act**")was enacted to provide for the prevention, control and abatement of air pollution, and to confer on and assign on Boards established for such purposes the powers and functions relating thereto and for matters connected therewith.

Pursuant to the provisions of the Air Act, any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant State Pollution Control Board prior to establishing or operating such industrial plant. The State Pollution Control Board is required to grant consent within a period of four months of receipt of an application, but may impose conditions relating to pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the State Pollution Control Board. The penalties for the failure to comply with the provisions of the Air Act include imprisonment of up to six years and the payment of a fine as may be deemed appropriate. If an area is declared by the State Government to be an air pollution control area, then, no industrial plant may be operated in that area without the prior consent of the State Pollution Control Board.

Under the Air Act, the Central Pollution Control Board has powers, *inter alia,* to specify standards for quality of air, while the State Pollution Control Boards have powers, *inter alia,* to inspect any control equipment, industrial plant or manufacturing process, to advise the State Government with respect to the suitability of any premises or location for carrying on any industry and to obtain information from any industry.

The Hazardous Wastes (Management and Handling) Rules, 1989

The Hazardous Wastes (Management and Handling) Rules, 1989 (the "**Hazardous Wastes Rules**") aim to regulate the proper collection, reception, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose such waste without adverse effect on the environment, including through the proper collection, treatment, storage and disposal of such waste. Every occupier and operator of a facility generating hazardous waste must obtain an approval from the Pollution Control Board. The occupier, the transporter and the operator are liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste. The operator and the occupier of a facility are liable for any fine that may be levied by the respective State Pollution Control Boards. Penalty for the contravention of the provisions of the Hazardous Waste Rules includes imprisonment up to five years and imposition of fines as may be specified in the EPA or both.

Labour Laws and Regulations

Depending upon the nature of the activity undertaken by the Company, applicable labour laws and regulations include the following:

- The Contract Labour (Regulation and Abolition) Act, 1970;
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- The Industrial Disputes Act, 1947;
- The Payment of Wages Act, 1936;
- The Workmen's Compensation Act, 1923;
- The Minimum Wages Act, 1948;
- The Payment of Bonus Act, 1965; and
- The Payment of Gratuity Act, 1972

The Contract Labour (Regulation and Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970 (the "**Contract Labour Act**") require registration of every establishment, including establishments of the Government of India and local authorities, in which 20 or more workmen are or were employed on any day in the preceding 12 months as contract labour, and of every contractor who employs or employed 20 or more workmen on any day of the preceding 12 months. The Contract Labour Act does not apply to establishments where work performed is of intermittent or casual nature. The Government of India and State Governments are required to set up Central and State advisory boards, which perform advisory functions in relation to matters arising out of the administration of the Contract Labour Act.

Under the Contract Labour Act, a registered contractor is required to pay wages and ensure disbursement of wages in the presence of an authorised representative of the principal employer. In case of a contractor's failure to pay wages in part or in full, the principal employer is liable to pay the same. In case the contract labour performs same or similar work as regular workmen, they are entitled to the same wages and service conditions as regular workmen as per the Contract Labour (Regulation and Abolition) Central Rules, 1971.

Employees' Provident Funds & Miscellaneous Provisions Act, 1952

The Employees Provident Fund and Miscellaneous Provisions Act, 1952 provides for the institution of compulsory provident fund, pension fund and deposit linked insurance funds for the benefit of employees in factories and other establishments. The act aims to ensure a retirement benefit to secure the future of the employee after retirement. The Act applies to industries employing 20 or more persons and any other class of establishments employing 20 or more persons notified by the government.

A liability is placed both on the employer and the employee to make certain contributions to the funds mentioned above.

Industrial Disputes Act, 1947

The Industrial Disputes Act, 1947 ("**IDA**") provides the machinery and procedure for the investigation settlement of industrial disputes and for providing certain safeguards to the workers. The IDA aims to improve the service conditions of industrial labour.

When a dispute exists or is apprehended, the appropriate government is empowered to refer the dispute to an authority mentioned under the IDA in order to prevent the occurrence or continuance of the dispute. Reference may be made to a board of conciliation constituted under the IDA, labour court, tribunal, arbitrator, or any other applicable authority, to prevent a strike or lock out while a proceeding is pending. Wide powers have been given to the labour courts and tribunals under the IDA while adjudicating a dispute to grant appropriate relief.

Employees' Compensation Act, 1923

The legislature approved certain amendments to the Workmen's Compensation Act, 1923, as amended, to substitute, *inter alia*, references to "workmen" with "employees" including in the name of the statute. The amendment came into force on January 18, 2010.

Under the Employees' Compensation Act, 1923 if personal injury is caused to an employee by accident arising out of and in the course of employment, the employer would be liable to pay such employee compensation in accordance with the provisions of the Employees' Compensation Act, 1923. However, no compensation is required to be paid (i) if the injury does not disable the employee for a period exceeding three days, (ii) where the employee, at the time of injury, was under the influence of drugs or alcohol, or (iii) where the employee wilfully disobeyed safety rules or wilfully removed or disregarded safety devices.

Minimum Wages Act, 1948

The Minimum Wages Act, 1948, as amended provides that the State Governments may stipulate the minimum wages applicable to a particular industry. The minimum wages may consist of a basic rate of wage and a special allowance; or a basic rate of wage and the cash value of the concessions in respect of supplies of essential commodities; or an all-inclusive rate allowing for the basic rate, the cost of living allowance and the cash value of the concessions, if any. Workmen are to be paid for overtime at overtime rates stipulated by the appropriate government. Contravention of the provisions of this legislation may result in imprisonment for a term up to six months or a fine up to ₹ 500 or both.

The Payment of Wages Act, 1936

The Payment of Wages Act, 1936 requires every employer is required to pay wages to persons employed by him within wage periods not exceeding one month. The Payment of Wages Act, 1936 also provides for certain authorized deductions that may be made from the wages payable to such employed persons, including fines imposed for acts or omissions specified by notice with the previous approval of the appropriate government or prescribed authority, deductions for absence from duty, deductions for house-accommodation amenities and services rendered by the employer and accepted as terms of employment by the employed person, deductions for recovery of advances and loans and deductions for payments to co-operative societies and insurance schemes.

The appropriate government has the power, under the Payment of Wages Act, 1936 to appoint authorities to hear and decide claims arising out of deductions from wages or delay in payment of wages, including all matters incidental to such claims.

Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 (the "**Bonus Act**"), provides that an employee in a factory or in any establishment where 20 or more persons, who are employed on any day during an accounting year, who has worked for at least 30 working days in a year is eligible to be paid a bonus. Contravention of the provisions of the Bonus Act by a company is punishable with imprisonment for a term of up to six months or a fine of up to ₹ 1,000 or both, against persons in charge of, and responsible to the company for the conduct of the business of the company at the time of contravention.

Payment of Gratuity Act, 1972

Payment of Gratuity Act, 1972, provides that an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement or resignation, superannuation or death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed ₹ 350,000.

Buildings and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996

The Buildings and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 (the "**Construction Workers Act**"), provides for regulation of employment and conditions of service of building and other construction workers including safety, health and welfare measures in every establishment which employs or employed during the preceding year, 10 or more workers. However, it does not apply in respect of residential houses constructed for one's own purpose at a cost of less than ₹ 1.0 million and in respect of other activities to which the provisions of the Factories Act, 1948 and the Mines Act, 1952 apply. Each establishment to which the Construction Workers Act applies must be registered within a period of 60 days from the commencement of work.

Further, every employer must give notice of commencement of building or other construction work 30 days in advance. Comprehensive health and safety measures for construction workers have been provided through the Building and Other Construction Workers (Regulation of Service and Conditions of Service) Central Rules, 1998.

This Construction Workers Act provides for constitution of safety committees in every establishment employing 500 or more workers with equal representation from workers and employers in addition to appointment of safety officers qualified in the field. Any violation of the provisions for safety measures is punishable with imprisonment for three months or a fine of a maximum of ₹ 2,000 or both. Continuing contraventions attract an additional fine of ₹ 100 per day. It also provides for penalties for failure to give notice of commencement of building or other construction work and obstruction of inspection, enquiry, *etc.*

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

The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979(the "**Migrant Workmen Act**") is applicable to an establishment, which employs five or more inter-State migrant workmen through an intermediary (who has recruited workmen from one State for employment in an establishment situated in another State). The inter-State migrant workmen, in an establishment to which the Migrant Workmen Act becomes applicable, are required to be provided certain facilities such as housing, medical aid, travel expenses *etc.*

Child Labour (Prohibition and Abolition) Act, 1986

The Child Labour (Prohibition and Abolition) Act, 1986 (the "**Child Labour Act**") prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Under the Child Labour Act the employment of child labour in the building and construction industry is prohibited.

Industrial Employment (Standing Orders) Act, 1946

The Industrial Employment (Standing Orders) Act, 1946(the "**Standing Orders Act**") requires employers in industrial establishments, which employ 100 or more workmen to define with sufficient precision the conditions of employment of workmen employed and to make them known to such workmen. The Standing Orders Act requires every employer to which the Standing Orders Act applies to certify and register the draft standing order proposed by such employer in the prescribed manner. However until the draft standing orders are certified, the prescribed standing orders given in the Standing Orders Act must be followed.

Employer's Liability Act, 1938

The Employer's Liability Act, 1938 declares that certain defences shall not be raised in suits for damages in respect of injuries sustained by workmen and applies to any organisation wherein workmen are involved.

Shops and Establishment Acts

Under the provisions of local shops and establishments legislations applicable in the States in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. Our premises have to be registered under the Shops and Establishments legislations of the State where they are located.

Miscellaneous Laws

Competition Act, 2002, as amended (the "Competition Act")

The Competition Act prohibits anti-competitive agreements, abuse of dominant positions by enterprises and regulates "combinations" in India. The Competition Act also established the Competition Commission of India (the "CCI") as the authority mandated to implement the Competition Act. The provisions of the Competition Act relating to combinations, were notified recently on March 4, 2011 and has come into effect on June 1, 2011. Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act. A combination is defined under Section 5 of the Competition Act as an acquisition, merger or amalgamation of enterprise(s) that meets certain asset or turnover thresholds. There are also different thresholds for those categorized as 'Individuals' and 'Group'. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is likely to have an appreciable adverse effect on competition in India. Effective June 1, 2011, all combinations have to be notified to the CCI within 30 days of the execution of any agreement or other document for any acquisition of assets, shares, voting rights or control of an enterprise under Section 5(a) and (b) of the Competition Act (including any binding document conveying an agreement or decision to acquire control, shares, voting rights or assets of an enterprise); or the Board of Directors of a company (or an equivalent authority in case of other entities) approving a proposal for a merger or amalgamation under Section 5(c) of the Competition Act. The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the combination jointly in case of a merger or amalgamation.

Right to Information Act, 2005

Applications for information from any public authority in India can be submitted under the Right to Information Act, 2005 ("**RTI Act**"), to the Public Information Officer ("**PIO**") of such public authority with a nominal application fee. The PIO is expected to reply within 30 days, else the application is deemed refused. The applicant can ordinarily submit an appeal within 30 days from the receipt of the public authority's response, before a designated officer senior in rank to the PIO in such public authority (the First Appellate Authority). In certain exceptional cases, the PIO is given additional time to furnish the requested information. An appeal may be filed on grounds including non-receipt of sufficient information or rejection of the application. A further appeal against the directions of the First Appellate Authority may be submitted before the Central Information Commission and State Information Commission.

Regulations Regarding Foreign Investment in India

Foreign investment in Indian securities is governed by the provisions of the FEMA read with the applicable FEMA Regulations. The DIPP has issued 'Circular 2 of 2011' ("**FDI Circular**") which consolidates the policy framework on FDI, with effect from October 1, 2011. The FDI Circular consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP as on March 31, 2010. All the press notes, press releases, clarifications on FDI issued by DIPP as on March 31, 2010 stand rescinded as on March 31, 2010.

Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, where approval from the Government of India or RBI is required, depending upon the sector in which foreign investment is sought to be made.

FDI investment in our Company is permitted under the automatic route subject to compliance with the conditions prescribed under the erstwhile Press Note 2 of (2005 series) dated March 2, 2005 now subsumed under paragraph 5.2.13 of the FDI Circular, which pertains to FDI in townships, housing, built-up infrastructure and construction-development projects (which would include, but not be restricted to, housing, commercial premises, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional level infrastructure) on account of our activities in the real estate sector. A short summary of the conditions is as follows:

- a minimum area to be developed on land measuring 10.00 hectares in the case of serviced housing plots and 50,000.00 sq mts in the case of construction development projects. Where the development is a combination of the two, the minimum area can be either 10.00 hectares or 50,000.00 sq m

- a minimum capitalization of US$10.00 million for wholly owned subsidiaries and US$5.00 million for a joint venture has been specified such capitalization to be effected within six months of commencement of business of the company;

- the investment is not permitted to be repatriated before three years from completion of the minimum capitalization except with prior approval from the Foreign Investmet and Promotion Board , Ministry of Finance, Government of India;

- at least 50.00% of the project is required to be developed within five years of obtaining all statutory clearances and the responsibility for obtaining such clearances rests with the foreign investor;

- further, the sale of undeveloped plots is prohibited. "Undeveloped plots" is defined as those plots where roads, water supply, street lighting, drainage, sewerage, and other conveniences, as applicable under prescribed regulations, have not been made available. It is necessary that the investor provides this infrastructure and obtains the completion certificate from the concerned local body or service agency before he is allowed to dispose of serviced housing plots; and

- compliance with the rules, regulations and by-laws of State Government, municipal and local body has been mandated.

Under the approval route, prior approval of the Government of India through FIPB is required. FDI for the items or activities that cannot be brought in under the automatic route may be brought in through the approval route.

Where FDI is allowed on an automatic basis without the approval of the FIPB, the RBI would continue to be the primary agency for the purposes of monitoring and regulating foreign investment. In cases where FIPB approval is obtained, no approval of the RBI is required except with respect to fixing the issuance price, although a declaration in the prescribed form, detailing the foreign investment, must be filed with the RBI once the foreign Investment is made in the Indian company.

Investment by FIIs

FIIs including institutions such as pension funds, mutual funds, investment trusts, insurance and reinsurance companies, international or multilateral organizations or their agencies, foreign governmental agencies, sovereign wealth funds, foreign central banks, asset management companies, investment managers or advisors, banks, trustees, endowment funds, university funds, foundation or charitable trusts or societies and institutional portfolio managers can invest in all the securities traded on the primary and secondary markets in India. FIIs are required to obtain an initial registration from the SEBI and a general permission from the RBI to engage in transactions regulated under the FEMA. FIIs must also comply with the provisions of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time ("**FII Regulations**"). The initial registration and the RBI's general permission together enable the registered FII to buy (subject to the ownership restrictions discussed below) and sell freely, securities issued by Indian companies, to realize capital gains or investments made through the initial amount invested in India, to subscribe or renounce rights issues for shares, to appoint a domestic custodian for custody of investments held and to repatriate the capital, capital gains, dividends, income received by way of interest and any compensation received towards sale or renunciation of rights issues of shares.

FIIs are permitted to purchase shares of an Indian company through public/private placement under:

- Regulation 5 (1) of the FEMA Regulations, subject to terms and conditions specified under Schedule 1 of the FEMA Regulations ("**FDI Route**").

- Regulation 5 (2) of the FEMA Regulations subject to terms and conditions specified under Schedule 2 of the FEMA Regulations ("**PIS Route**").

In case of investments under FDI Route, investments are made either directly to the company account, or through a foreign currency denominated account maintained by the FII with an authorised dealer, wherein Form FC-GPR is required to be filed by the company. Form FC-GPR is a filing requirement essentially for investments made by non-residents under the 'automatic route' or 'approval route' falling under Schedule 1 of the FEMA Regulations.

In case of investments under the PIS Route, investments are made through special non-resident rupee account, wherein Form LEC (FII) is required to be filed by the designated bank of the FII concerned. Form LEC (FII) is essentially a filing requirement for FII investment (both in the primary as well as the secondary market) made through the PIS Route.

Foreign investment under the FDI Route is restricted/ prohibited in sectors provided in part A and part B of Annexure A to Schedule 1 of the FEMA Regulations.

Ownership Restrictions of FIIs

The issue of securities to a single FII under the PIS Route should not exceed 10% of the issued and paid-up capital of the company. In respect of an FII investing in securities on behalf of its Sub-Accounts, the investment on behalf of each Sub-Account shall not exceed 10% of the total issued and paid-up capital. The aggregate FII holding in a company cannot exceed 24% of its total paid-up capital.

The said 24% limit can be increased up to 100% by passing a resolution by the Board of Directors followed by passing a special resolution to that effect by the shareholders of the company and subject to approval from the RBI. As on the date of filing of this Red Herring Prospectus, no such resolutions have been passed either by our Board or the shareholders of our Company.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the FII Regulations, an FII may issue, deal or hold, offshore derivative instruments such as "Participatory Notes", equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed on any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "know your client" requirements. An FII or their Sub-Account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity. FIIs and their Sub-Accounts are not allowed to issue offshore derivative instruments with underlying as derivatives.

RBI by its letter dated September 6, 2011 has clarified that FIIs may invest in the Offer under portfolio investment scheme in terms of the Foreign Exchange Management(Transfer and Issue of Securities by a Resident outside India) Regulations, 2000. For further details on the clarification/approval received, see the section titled "***Material Contracts and Documents for Inspection***" on page 378.

Investment by Qualified Foreign Investors ("QFIs")

RBI has vide its circular number A.P.(DIR Series) circular No. 66 dated January 13, 2012 allowed QFIs to purchase on repatriation basis equity shares of Indian companies subject to the following conditions:

- ***Eligible instruments and transactions***: QFIs shall be allowed to invest through SEBI registered Qualified Depository Participant (DP) in equity shares of listed companies as well such companies whose shares are offered to public.
- ***Mode of payment***: The DP will maintain a separate single rupee pool account with an AD Category –I bank in India, in which the sale proceeds of equity shares will be received. Dividend payments to QFIs could either be received in this single rupee pool account or directly in the designated overseas bank account.
- ***Demat accounts***: QFIs would be allowed to open a dedicated demat account with a DP in India. However, opening a bank account in India is not allowed.
- ***Limits***: The individual and aggregate investment limit for QFIs are 5% and 10%respectively of the paid up capital of Indian company. These limits are over and above the FII and NRI investment ceilings prescribed under the PIS route for foreign investment in India.
- ***Eligibility***: Only QFIs from jurisdiction which is compliant with Financial Action Task Force (FATF) standards and that is a signatory to International Organization of Securities Commission's (IOSCO's) Multilateral Memorandum of Understanding (MMOU).
- ***KYC***: DP will ensure the KYC of QFI as per SEBI KYC norms.
- ***Permissible currencies***: QFIs shall remit money through normal banking channel in any permitted currency (freely convertible) directly to the single rupee pool bank account of the DP maintained with a designated AD category - I bank. Upon receipt of instructions from QFI, DP shall carry out the transactions (purchase/sale of equity).
- ***Pricing***: As per SEBI guidelines.
- ***Reporting***: DP will ensure reporting to RBI, in the prescribed manner.

SEBI has issued the circular bearing reference number CIR / IMD/FII&C/3/2012 dated 13 January 2012 allowing QFIs to invest in equity shares of listed Indian companies and in equity shares offered to public. The circular sets out the eligible transactions for QFIs, the requirements for becoming a qualified depository participant, provisions relating to account opening and manner of operation by QFI, investment restrictions and monitoring of investment limits, process flow – purchase, sale, dividend *etc.*

Note:

As per existing regulations promulgated under the FEMA, only Eligible NRIs on a repatriation basis or a non repatriation basis subject to applicable laws are allowed to participate in the Offer. NRIs, other than Eligible NRIs are not permitted to participate in this Offer), FVCIs, multilateral and bilateral development financial institutions are not permitted to participate in the Offer. Further, as per existing regulations, OCBs cannot participate in the Offer.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as "**National Buildings Construction Corporation Limited**" on November 15, 1960 as a private limited company under the Companies Act with Registration Number 3355 of 1960 and Corporate Identification Number as U74899DL1960GOI003335, registered with the RoC. Our status was subsequently changed to a public limited company by a special resolution of the members of our Company passed at the Extra Ordinary General Meeting held on May 24, 2011.

Our Company is engaged in project management consultancy, civil infrastructure for power sector and real estate development. For details relating to our Company's business and operations, see the section titled "***Our Business***" on page 80. For details relating to the management of our Company, see the section titled "***Our Management***" on page 127.

Major Events

Financial Year	Event
2008	The Department of Public Enterprises, Ministry of Heavy Industry and Public Enterprises, Government of India, though its office memorandum No. 9(8)/2008-GM dated October 3, 2008 approved the approval of the Ministry of Urban Development to upgrade our Company from a Schedule 'B' public sector enterprise to a Schedule 'A' public sector enterprise
2008	Our Company became a debt free company
2007	Our Company paid dividend for the first time to the GoI
2005	Our Company achieved positive net worth
1999	Restructuring of loan availed by our Company from GoI*
1999	Certified ISO 9001:2008 from the Bureau of Indian Standards in respect of the Project Management and Consultancy Division
1989	Strike by All India NBCC Employees' Association claiming regularisation of employment of nominal muster roll/casual workmen, which was settled in December 1989

** The MoUD, by its letter No. O-17031/38/94-PS dated November 20, 1998, conveyed the approval of the Cabinet Committee of Economic Affairs to restructure the loan granted by the GoI and to convert the sum of ₹617,000,000 into 617,000 equity shares (of face value of ₹ 1000) and to convert the balance of the GoI loan of ₹300,000,000 into 7% non-cumulative preference shares redeemable within 10 years. The restructuring proposal was made effective from April 1, 1997.*

Awards and Accreditations

Calendar Year	Details
2011	• Our Company was awarded an 'Appreciation Shield' by the Noida Special Economic Zone for timely completion of the projects by our Company and excellence in work for the year 2010-11 • Our Company obtained 'Excellent' MoU rating for 2009-10from the Ministry of Heavy Industries & Public Enterprises
2010	• Our Company was awarded certificate of merit by Indian Concrete Institute, Uttrakhand Roorkee Centre as the Implementation Agency of the Lecture Theatre Complex at IIT Roorkee, which was conferred with outstanding Concrete Structure of Uttrakhand for year 2010 • Our Company was awarded the SCOPE Meritorious Award in Specialised Fields for 2007-08 in the category of corporate social responsibility and responsiveness • Our Company obtained 'Excellent' MoU rating for 2008-09 from the Ministry of Heavy Industries & Public Enterprises
2009	• Our Company was awarded the SCOPE award for excellence and outstanding contribution to the public sector management for 2006-07 in the medium public sector enterprise category • Our Company obtained 'Excellent' MoU rating for 2007-08

	• Our Company was awarded the SCOPE award for excellence and outstanding contribution to the Public Sector Management* in medium PSE category for 2006-07 • Our Company was awarded the MoU Excellence Certificate from the Ministry of Heavy Industries & Public Enterprises for 2006-07 for 'consultancy sector'
2007	• Our Company was awarded the SCOPE award for excellence and outstanding contribution to the public sector management in the Special Institutional Category for 2005-06 • Our Company was awarded the Top Ten PSUs award and Scope Turnaround Award for the year 2004-05, 2005-06 • Our Company was awarded the MoU Excellence Award / 'Excellent' MoU rating from the Ministry of Heavy Industries & Public Enterprises for 2004-05, 2005-06 and 2006-07
2006	Our Company obtained the 'Excellent' MoU rating for 2003-04 from the Ministry of Heavy Industries & Public Enterprises

Members

**SCOPE (Standing Conference of Public Enterprises – an apex body of Government owned Public Enterprises) Excellence Awards has been conceptualized and instituted to recognize the contribution of public enterprises.*

As on the date of the Draft Red Herring Prospectus, the total number of holders of equity shares is seven (7). For further details in relation to our current shareholding pattern, see the section titled "***Capital Structure***" on page 28 of this Draft Red Herring Prospectus.

Our Main Objects

The main objects of our Company as stated in our Memorandum of Association are as follows:

Clause	Particulars
III (A) (1)	To construct, execute, carryout, improve, work, develop, administer, manage or control in India or abroad, works and conveniences of all kinds, which expression in this Memorandum includes residential buildings, townships, commercial complexes, factories, manufacturing units, malls, resorts, airports, all type of buildings, railways, tram ways, rope-ways, runways, roads, aerodromes, docks, harbours, piers wharves, dams, barrages, weirs, reservoirs, embankments, canals, irrigation, power houses, transmission lines, reclamations, improvement, sewage, drainage, sanitary, water, gas, electric light, telephonic and electric power supply works and hotels, houses, markets and buildings, private or public and all other works or conveniences whatsoever, and generally to carry on the business of builders and construction, engineers, architects, surveyors, estimators and designers in all their respective branches and to acquire, establish, construct; provide, maintain and administer, factories, townships, estates, railway sidings, building yards, walls, water reservoirs, channels, pumping installations, purification plants, pipelines, landing grounds, hangers, garages, storage sheds and accommodation of all description connected with the business of the Company.
III (A) (2)	To carry on the business to generate, supply and sell electric power to the Central Agency/State Electricity Boards and to build power plants; to provide Power Project Management Consultancy Services; and to do all activities incidental to such business.
III (A) (3)	To carry on the business of civil engineers, mechanical engineers, electrical engineers, sanitary and water engineer, and plumbers, brass founders, metal workers, machinist, smiths and tool makers; and to manufacture, buy sell, exchange, install, work, alter, improve manipulate, otherwise deal, prepare for market, import or export, let on hire, all kinds of substances, material and things necessary or convenient for carrying on any of the business which the Company is authorized to carry on or which is usually dealt in by persons engaged in such business.
III (A) (4)	To carry on the business of a water-works company in all its branches, to sink wells and

Clause	Particulars
	shafts, and to acquire, build, provide and maintain dams, barrages, reservoirs, infiltration, galleries, water-works cisterns, culverts, filter beds, mains and other pipes and other appliances, and to execute and do all other acts and things necessary or convenient for obtaining, storing, selling, delivering, measuring, distributing and dealing in water.
III (A) (5)	To purchase, take on lease or in exchange or under amalgamation, license or concession or otherwise, absolutely or conditionally, solely or jointly with others, lands, buildings, works, mines, mineral deposits, mining rights, plantations, forests and any rights and privileges or interest there in and to explore, work, exercise, develop, make, construct, maintain, work, hire, hold, improve, alter, manage, let, sell, dispose or exchange, roads, canals, watercourses, ferries, piers, aerodromes, lands, buildings, water houses, works, factories, mills, workshops, railways sidings, tramways, machinery and apparatus, water rights, way leaves, trade marks, patents and designs, privileges or rights of any description or kind., and to turn into accounts the same.
III (A) (6)	To purchase for investment or re-sale and to deal in land, houses or other properties of any tenure and any interest therein, and to create, sell and deal in freehold and lease hold and generally to deal in traffic by way of sale, lease, exchange or otherwise with land and house property and any other property, whether immovable or movable.

For details relating to our business and operations, see the sections titled "***Our Business***" and "***Financial Statements***" on pages 80 and **Error! Bookmark not defined.**, respectively.

Amendments to the Memorandum of Association

Since our incorporation, our Memorandum of Association has undergone the following changes:

Date of Amendment	Amendment
January 23, 1962	Amendment to Clause II of the Memorandum of Association pursuant to change in the registered office of our Company from Block No. 8, Room No. 291, Shahjahan Road Hutments, New Delhi to No. 44, Ring Road, Lajpat Nagar III, New Delhi 110024.
July 19, 1971	Amendment to Clause V of the Memorandum of Association pursuant to an increase in the authorized share capital of our Company from ₹ 20,000,000 divided into 20,000 equity shares of ₹ 1,000 each to ₹ 30,000,000 divided into 30,000 equity shares of ₹ 1,000 each.
May 28, 1974	Amendment to Clause V of the Memorandum of Association pursuant to an increase in the authorized share capital of our Company from ₹ 30,000,000 divided into 30,000 equity shares of ₹ 1,000 each to ₹ 40,000,000 divided into 40,000 equity shares of ₹ 1,000 each.
April 2, 1976	Amendment to Clause II of the Memorandum of Association pursuant to change in the registered office of our Company from No. 44, Ring Road, Lajpat Nagar III, New Delhi 110024 to 95 Nehru Place, New Delhi 110019.
November 18, 1976	Amendment to Clause V of the Memorandum of Association pursuant to an increase in the authorized share capital of our Company from ₹ 40,000,000 divided into 40,000 equity shares of ₹ 1,000 each to ₹ 80,000,000 divided into 80,000 equity shares of ₹ 1,000 each.
December 15, 1980	Amendment to Clause II of the Memorandum of Association pursuant to change in the registered office of our Company from 95 Nehru Place, New Delhi 110019 to Integrated Office Complex, Lodhi Road, New Delhi 110003.
June 15, 1981	Amendment to Clause V of the Memorandum of Association pursuant to an increase in the authorized share capital of our Company from ₹ 80,000,000 divided into 80,000 equity shares of ₹ 1,000 each to ₹ 100,000,000 divided into 100,000 equity shares of ₹ 1,000 each.
June 17, 1983	Amendment to Clause V of the Memorandum of Association pursuant to an increase in the authorized share capital of our Company from ₹ 100,000,000 divided into 100,000 equity shares of ₹ 1,000 each to ₹150,000,000 divided into

Date of Amendment	Amendment
	150,000 equity shares of ₹ 1,000 each.
July 10, 1984	Amendment to Clause V of the Memorandum of Association pursuant to an increase in the authorized share capital of our Company from ₹ 150,000,000 divided into 150,000 equity shares of ₹ 1,000 each to ₹ 200,000,000 divided into 200,000 equity shares of ₹ 1,000 each.
December 21, 1998	Amendment to Clause V of the Memorandum of Association pursuant to an increase in the authorised share capital of our Company from ₹ 200,000,000 divided into 200,000 equity shares of ₹ 1,000 each to ₹ 1,200,000,000 divided into 900,000 equity shares of ₹ 1,000 each and 300,000 7% non-cumulative redeemable preference shares of ₹ 1,000 each.
August 10, 2006	Amendment to Clause III of the Memorandum of Association pursuant to substitution of Object Clause No. 12 as follows: "*to carry on the business to generate, supply and sell electric power to the Central Agency/State Electricity Boards, to build captive power plants, provide Power Project Management Consultancy Services, and to do all activities incidental to such business.*"
May 24, 2011	• Cancellation of 300,000 unissued 7% non-cumulative redeemable preference shares of ₹ 1,000 each aggregating to ₹ 300,000,000 and reclassification of same into equity shares of equivalent value in the authorised share capital. • Sub-division of existing 900,000 equity shares of ₹ 1,000 each aggregating to ₹ 900,000,000 into 90,000,000 equity shares of ₹ 10 each aggregating to ₹ 900,000,000 • Upon cancellation of unissued 7% non-cumulative redeemable preference shares and reclassification ofsame into equity shares and sub-division of face value of equity shares as aforesaid, Clause V of the Memorandum of Association has been substituted with the following: "*theAuthorized Share Capital of the Company is ₹ 120,00,00,000 (One Hundred Twenty Crores Only) divided into 120,000,000 (Twelve crore only) equity shares of ₹10 each.*"

Changes in the Registered Office

At the time of incorporation of our Company, the registered office of our Company was located at Room No. 291, Block No 8, Shahjahan Road Hutments, New Delhi 110011. Pursuant to a resolution passed by our Board of Directors on January 23, 1962, the registered office of our Company was shifted to No. 44, Ring Road, Lajpat Nagar III, New Delhi 110024, for as the earlier office space was to be demolished. Further, pursuant to a resolution passed by our Board of Directors on April 2, 1976 the registered office of our Company was again shifted to 95, Vishal Bhawan, Nehru Place, New Delhi 110019, for administrative reasons. Thereafter, pursuant to a resolution passed by our Board of Directors on December 15, 1980, the registered office of our Company was shifted to NBCC Bhawan, Lodhi Road, New Delhi 110003, the present Registered Office, for administrative reasons.

Time and Cost Overruns

Considering the nature of business activities undertaken by our Company (which currently range from providing project management consultancy services to undertaking civil infrastructure for power projects and real estate development) our Company is not in a position to provide details of time and cost overruns that may have occurred since its incorporation in November 1960.

Strikes or Labour Unrest

Our non-executive employees are represented by several labour unions under collective wage settlement agreements. The majority of our non-executive employees are members of several unions including certain registered trade unions such as All India NBCC Employees (*Lal Jhanda*) Union, All India NBCC Employees Association and All India NBCC Shramik Union.

Our Company has lost time on account of strikes or labour unrest, including industrial strikes and Bandhs, in the past. Further, threats of strikes, work stoppages or other labour actions often have occurred in the past with government companies that were proposing public offerings or other significant transactions in order to disrupt these transactions. Our Company has in 1989lost time on account of strikes or labour unrest. The strike was in relation to demands of the All India NBCC Employees' Association *inter alia* to regularise the employment of nominal muster roll/ casual workmen after 240 days of continuous service with our Company. However, following detailed discussions and negotiation between our Company and the All India NBCC Employees' Association, the matter was resolved and the employment of the nominal muster role/ casual workmen was regularised. Since 1989, our Company has not experienced any strike or labour unrest till date. For details of related risk, see the section titled "Risk Factors - We are subject to trade union activity, and labour disputes could lead to lost production and/or increased costs" at page xv of this Draft Red Herring Prospectus.

Recent Acquisitions

Our Company has neither acquired any entity, business or undertakings nor undertaken any mergers or amalgamation.

Injunction or restraining order

For details in relation to injunctions or restraining order under which our Company may be operating, see the section titled "***Outstanding Litigation and Material Developments***" on page 210**Error! Bookmark not defined.**.

Defaults or Rescheduling of Borrowings with Financial Institutions/ Banks

There have been no defaults or rescheduling of the borrowings availed by us from financial institutions/banks.

Conversion of loans into equity

Our Company had availed loans from the MoUD, GoI amountingto₹917,000,000. Thereafter based on the MoUD's recommendation to the Cabinet Committee on Economic Affairs, the aforementionedloanwas restructured. In this regard, the Cabinet Committee on Economic Affairs granted its approval, which was conveyed to our Company by the MoUDby its letter No. O-17031/38/94-PS dated November 20, 1998 to convert the sum of ₹617,000,000 into equity shares and to convert the balance amount of ₹ 300,000,000 into 7% non-cumulative preference shares redeemable within 10 years. The restructuring proposal was made effective from April 1, 1997. The preference shares were redeemed on August 22, 2007.

Revaluation of Assets

Our Company has not revalued its assets since its incorporation.

Changes in the activities of our Company during the last five years

Except expansions in the activities of our Company which were permitted under the object clause of the Memorandum of Association, there have been no changes in the activities of our Company, including discontinuance of lines of business, loss of agencies or markets, during the last five years preceding the date of this Draft Red Herring Prospectus, which may have had a material effect on our profits or loss.

Capital raising through equity and debt

For details in relation to our capital raising activities through equity and debt, see the sections titled "***Financial Indebtedness***" and "***Capital Structure***" on pages 207 and 28, respectively.

Strategic Partners

As on the date of this Draft Red Herring Prospectus, our Company does not have any strategic partners.

Financial Partners

As on the date of this Draft Red Herring Prospectus, our Company does not have any other financial partners.

Our Holding Company

As on the date of this Draft Red Herring Prospectus, we do not have a holding company.

Our Subsidiaries

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiaries.

Summary of key agreements

Memorandum of understanding with MoUD, Government of India

Our Company enters into an annual memorandum of understanding with Ministry of Urban Development, GOI. The memorandum for 2011-12 sets out certain performance targets based on static financials, dynamic parameters, sector specific and enterprise specific parameters such as customer satisfaction, research and development *etc.* The performance of our Company is compared with the Target set on a quarterly or half-yearly basis.

In order to achieve the objective growth, the Ministry of Urban Development, GoI will assist our Company in the following areas: (i) to induct independent directors in the Board of Directors of our Company so that the case of granting Mini Ratna status to our Company may be pursued further (ii) to pursue with GNCTD to comply with the orders of High Court relating to land at Ghitorni (iii) to assist our Company to procure land from State Governments/Development authorities for construction of affordable housing and (iv) to assist our Company in procuring business from other Government Departments/agencies.

Joint Venture Agreements

Our Company has entered into the following joint venture agreements:

1. ***Joint Venture Agreement dated February 27, 2001 with M/s Jamal Trading Company Private Limited***

   Our Company had entered into a joint venture agreement dated February 27, 2001 with M/s Jamal Trading Company Private Limited ("**JTC**") for the purposes of establishing a joint venture company under the Botswana Companies Act for taking up works in the Republic of Botswana after participation in tenders or through direct negotiations completing the same as per terms of contract and provide services and assume responsibilities as are reasonably related thereto. The joint venture company was incorporated as Jamal-NBCC International Pty. Limited having its registered office at Gaborne, Botswana.

   The parties to this joint venture agreement were required to bring in funds for investment to the tune of Pula 100,000 divided into 10,000 equity shares of Pula 10 each. The equity participation of the parties was as follows:

   a) JTC - 51%
   b) NBCC - 49%

   The initial subscription of NBCC was to be paid/subscribed by JTC.The liability of the parties is limited to the amount of their shares. The joint venture agreement does not require the Directors to hold any qualification shares and the Directors need not be citizens or residents of the Republic of Botswana.

After any work is secured by the joint venture company, the expenses incurred at the initial stage on staff salaries *etc.* shall be paid back to JTC from the proceeds of works undertaken by the joint venture company. As and when works are secured by the joint venture company at Botswana, employees in different categories will be sent from India and the Ministry of Labour will be approached for grant of approval for immigration clearance as well as wage pattern and other terms and conditions for the employees/workers to be posted by our Company to Botswana.

The joint venture agreement also provides that after the joint venture company has been awarded one or more contracts, the parties shall adopt a financial plan and budget and shall develop a capitalization structure for the joint venture company. This plan and structure shall also have the provision of return of subscription by the parties, which has been paid by JTC on behalf of our Company.

2. ***Joint Venture Agreement dated June 10, 2009 with Mahavir Hanuman Group***

Our Company had entered into a joint venture agreement dated June 10, 2009 with Mahavir Hanuman Realtors Private Limited (formerly known as Maruti Realtors Private Limited) ("**MHRPL**"), Mr. Shushant Pawar, Mr. Mahesh Kumar Pawar, Jainex Height Promoters Private Limited ("**Jainex**"), BIPS Projects Private Limited ("**BIPS**"), Mr. Kamal Kant Jain, Vimla Agency Private Limited ("**Vimla**") and BMR Buildcon Projects Private Limited ("**BMR**"). Mr. Shushant Pawar, Mr. Mahesh Kumar Pawar, Jainex, BIPS, Mr. Kamal Kant Jain, Vimla, BMR and the associates are collectively referred to as Mahavir Hanuman Group ("**MHG**") ***("MHG JVA")*** for the purposes of jointly developing and constructing residential-cum-commercial complex initially on an area of about 16.3655 acres of land at Delhi-Baghpat Road, Village Khekra Town-I, Tehsil Khekra, District Baghpat, Uttar Pradesh ("**Project Land**") and subject to the terms and conditions of MHG JVA on the land to be procured and to provide affordable housing on the land on which the project was to be developed. The MHG JVA is to subsist till the completion of the project to be developed at Delhi-Baghpat Road, Village Khekra Town-I, Tehsil Khekra, District Baghpat, Uttar Pradesh (the "**Project**"). The joint venture entity was established as an "Association of Persons" by the name of 'NBCC-MHG JV', having its office at NBCC Bhawan, Lodhi Road, New Delhi.The MHG JVA was to be effective from the date of transfer of 50% of all interest in the Project Land by MHG in favour of our Company and on payment of a consideration amount of ₹ 14,900,000 per acre.

The parties have agreed to share the profits or losses of NBCC-MHG JV between our Company and MHG in equal proportion.As per the terms of the MHG JVA, NBCC-MHG JV is liable to pay a fixed fee not exceeding 8% plus service tax (as applicable) to our Company as fee for the project management services rendered by our Company in connection with the Project.As per the terms of the MHG JVA, MHG has agreed to transfer 50% of all interest in 16.3655 acres of land located at Village Khekra town-I, Tehsil Khekra, District Baghpat, Uttar Pradesh to our Company and our Company agreed to pay ₹ 14,900,000 per acre to MHG, for transfer to such land. 90% of the total consideration for the transfer of such 50% of 16.3655 acres of land to MHG shall be paid to MHRPL and S. Pawar and the remaining 10% amount due shall be deposited by our Company directly in management account of NBCC-MHG JV on transfer of 50% of all interest in Project Land to our Company, which was the contribution of MHG to NBCC-MHG JV for meeting part of the Project related expenses in terms of the MHG JVA. Simultaneous with deposit of 10% consideration amount in the management account, our Company agreed to deposit an additional matching amount in management account of NBCC-MHG JV as its own contribution to NBCC-MHG JV for meeting the Project related expenses. As per the terms of the MHG JVA, pursuant to the transfer of Project Land, MHG and our Company are to be the sole legal and beneficial owners of the said land.

Any additional funds required for completing the Project and not available with NBCC-MHG JV are to be arranged by our Company and MHG in equal proportion.

3. ***Memorandum of Understanding dated January 11, 2005 with Agartala Municipal Council***

Our Company had entered into a memorandum of understanding dated January 11, 2005 with the Agartala Municipal ("**AMC**) for the purposes of development of AMC's land/properties at Jackson Gate, Agartala ("**Project**") ("**AMC JVA**") subject to the terms and conditions of AMC JVA on the land to be provided AMC.

The key terms of this memorandum of understanding are:

Role of the parties: Our Company has agreed to execute the Project and also act as the project manager. Our Company would charge 10%as project management fee, which shall be charged to the project cost. AMC is responsible to associate and provide necessary support in obtaining the statutory approvals from the concerned authorities.

Project cost: As per the terms of the AMC JVA, the initial cost of evaluation/agency fee would be shared between our Company and AMC equally.

Contribution: The land cost agreed and ascertained mutually between the parties would be the equity holding in the AMC and the land shall be handed over to our Company free of encumbrances for development. The cost incurred by our Company for all activities, which may become necessary to complete the Project shall be our Company's contribution to the Project.

Profit sharing: The profit element shall be computed after deducting the contribution of the parties from the total sale proceeds. The profits generated from the Project or the built up space, after working out the weighted percentage would be shared between the parties in ratio of their contribution.

Jurisdiction: The courts at Agartala will have jurisdiction over matters arising out of the AMC JVA.

4. ***Joint Venture Agreement dated March 11, 2010 with BCC Builders Private Limited and Ahinsha Builders Private Limited***

Our Company has entered into a joint venture agreement dated March 11, 2010 with BCC Builders Private Limited ("**BCC**") and Ahinsha Builders Private Limited ("**AB**") for the purposes of forming an unincorporated joint venture in the form of an "*Association of Persons*" under the Income Tax Act, 1961 in the name of NBCC-AB-JV for development of residential and commercial complex on the land situated at Village Mansoori, Tehsil Khekra, District Baghpat, Uttar Pradesh ("**Project Land**") and for providing affordable housing on the Project Land ("**Project**") ("**AB JVA**"), subject to the terms and conditions of AB JVA.

All costs and charges for obtaining approvals (other than those which are to be obtained by AB at its own cost) and all other expenditures which are necessary for completion and disposal of the Project shall constitute and form part of the Project Cost and shall be borne by NBCC-AB-JV on actual basis.

The parties have agreed to share the profits or losses equally, such that both the parties become equal owners of the entire Project Land, subject to and after AB obtaining all approvals solely at its own cost and expenses for layout plans. Our Company shall pay a consideration of ₹ 14,900,000 per acre for the land owned by BCC and AB. In this regard, our Company is required to pay 90% of consideration to BCC and AB in the ratio of their land holding (*i.e.* 66:34) and the remaining 10% shall be deposited to the management account of NBCC-AB-JV on transfer of 50% of all interest in the Project Land by AB in favour of our Company.

Our Joint Ventures

As of the date of this DRHP, we have interest in 4 joint ventures – one company in Botswana, 2 associations of persons and one partnership firm. The details of these entities are set out below:

Company

JAMAL NBCC INTERNATIONAL (PROPRIETORY) LIMITED

Jamal NBCC International (Proprietory) Limited ("**J-NBCC**") was incorporated on May 3, 2001 at Gaborone under Chapter 42:01 of the Companies Act of Republic of Botswana, pursuant to the joint venture agreement dated February 27, 2001 ("**JVA**"). It has its registered office located at Plot 50371, Fairground Office Park, Gaborne. As per the purpose in the JVA, J-NBCC is authorised to take up works in Botswana after participation in tenders or through direct negotiation and take up and complete the same as per terms of contract and provide services.

As on the date of this Draft Red Herring Prospectus, the shareholding pattern of J-NBCC is mentioned below:

S. No.	Name of the Shareholder	No. of shares	Percentage of shareholding
1.	National Buildings Construction Corporation Limited	49,000	49%
2.	Jamal Trading Company Private Limited ("JTC")	51,000	51%
Total		**100,000**	**100.00**

For details of our joint venture agreement with Jamal, please see the details of the joint venture agreement in this section on page 117 of this DRHP.

Our Board of Directors, vide their resolution pursuant to Item 399/20 of the 399th meeting of the Board of Directors held on September 26, 2011 have decided that the manner in which JTC has been conducting itself including, *inter-alia*, non-compliance with requirements of the JV agreement, a termination notice in this regard should be served on JTC. We are in the process of finalisation of the termination notice.

For risk factors relating to this joint venture in Botswana, please see the section titled "Risk Factors" on page xv of this DRHP.

Association of Persons

1. NBCC-Mahavir Hanuman Group Joint Venture

Background

NBCC-Mahavir Hanuman Group Joint Venture ("**NBCC-MHG JV**") is an unincorporated joint venture pursuant to an agreement of our Company with Mahavir Hanuman Realtors Private Limited (formerly known as Maruti Realtors Private Limited) ("**MHRPL**"), Mr. Shushant Pawar, Mr. Mahesh Kumar Pawar, Jainex Height Promoters Private Limited ("**Jainex**"), BIPS Projects Private Limited ("**BIPS**"), Mr. Kamal Kant Jain, Vimla Agency Private Limited ("**Vimla**") and BMR Buildcon Projects Private Limited ("**BMR**") (collectively, "**Mahavir Hanuman Group**") on June 10, 2009 for the purposes of jointly developing and constructing residential-cum-commercial complex initially on an area of about 16.3655 acres of land at Delhi-Baghpat Road, Village Khekra Town-I, Tehsil Khekra, District Baghpat, Uttar Pradesh.

For details of the joint venture agreement, please see the details of the joint venture agreement in this section on page 117 of this DRHP.

For details of the projects undertaken by NBCC-MHG JV, please see the section titled "Our Business" on page 80.

Profit/ Loss sharing ratio

The profit/ loss sharing ratio of NBCC-MHG JV is as detailed below:

Name of Party	Ownership and Income Sharing Ratio
Our Company	50
Mahavir Hanuman Group	50

2. NBCC-Ahinsha Builders Joint Venture

Background

NBCC-Ahinsha Builders Joint Venture ("**NBCC-AB JV**") is an unincorporated joint venture arrangement of our Company with BCC Builders Private Limited ("**BCC**") and Ahinsha Builders Private Limited ("**AB**") on March 11, 2010 for the purposes of development of residential and commercial complex on the land situated at Village Mansoori, Tehsil Khekra, District Baghpat, Uttar Pradesh ("**Project Land**") and for providing affordable housing on the Project Land ("**Project**").

For details of the joint venture agreement, please see the the details of the joint venture agreement in this section on page 117 of this DRHP.

For details of the projects undertaken by NBCC-AB JV, please see the section titled "Our Business" on page 80.

Profit/ Loss sharing ratio

The profit/ loss sharing ratio of NBCC-AB JV is as detailed below:

Name of Party	Ownership and Income Sharing Ratio
Our Company	50
BCC and AB (together)	50

Registered Partnerships

NBCC-RK Millen

Our Company executed a memorandum of understanding with RK Millen & Co. (India) Private Limited and R. Chakraborty & Sons Limited (together "RKM") on October 5, 2007 ("MoU"). Pursuant to the MoU a partnership deed was executed between the Company and RKM on October 9, 2007 ("Partnership Deed"). This partnership was formed w.e.f. October 9, 2007 in the name of 'NBCC-RK Millen' and was registered vide registration number 1918 with the Sub-Registrar III, Delhi on October 11, 2007. Subsequently, RKM and our Company entered into a Supplemental Deed of Partnership on December 4, 2007 (together the "NBCC-RKM Partnership Deed"). The office of NBCC-RK Millen is situated at NBCC Bhawan, Lodhi Road, New Delhi. This partnership was formed for carrying on the object of carrying on the business of real estate development, construction, marketing, sale and lease of real estate product, as may be permissible and as the partners may decide from time to time. Pursuant to the NBCC-RKM Partnership Deed, 34.83 acres of land owned by RKM at NH-6, Mouza Kulai, Howrah, Kolkata (the "Land") was transferred to NBCC-RK Millen partnership firm upon the payment of an amount of ₹ 100,000,000 by our Company to RKM.

As per the NBCC-RKM Partnership Deed, profits and losses arising to the partnership firm shall be shared between the partners *i.e.*, (i) our Company; and (ii) RK Millen & Co. (India) Private Limited and R Chakraborty & Sons Limited; on a 50:50 basis. In addition, our Company shall also be entitled to a project management fee at the rate of 6% on the cost of construction, excluding the fee payable to the architect.

The Land and Land Reforms Department, Government of West Bengal by a notice dated February 7, 2008 issued under Section 4 of the Land Acquisition Act, 1894 has initiated proceedings to acquire the Land. In light of the proceedings for the acquisition of Land and upon disputes arising between the partners, NBCC-RK Millen, has not been able to undertake any business for which it was created.

Partners of NBCC-RK Millen:

Partners	Profit / loss sharing ratio (%)
National Buildings Construction Corporation Limited	50.00
RK Millen & Co. (India) Private Limited and R Chakraborty & Sons Limited	50.00

For details of the Ongoing litigations with RK Millen, please see the section titled "Outstanding Litigations and Material Development" on page 210 of this DRHP.

OUR MANAGEMENT

Board of Directors

As per our Articles of Association we are required to have not less than three Directors and not more than 20 Directors. We currently have nine Directors on our Board, of which three are functional Directors, one are Government nominee Directors and five are independent Directors.

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

Name, Father's/Husband's Name, Address, Designation, Occupation and Term, DIN	Age (in years)	DIN	Other Directorships
Mr. Vishnu Pada Das *Father's Name:* Mr. Radhey Shyam Das *Designation:* CMD*,* Functional Director *Address:* F-101, Saket Dham Sahkari, Awas Samiti Limited, Plot No.- E-61, Sector 61, Noida- 201301 *Occupation:* Service *Nationality:* Indian *Term*: Five years with effect from April 8, 2011, or till the date of his superannuation, or until further orders, whichever is earlier.	58	00785377	*Other Directorships*: Nil
Mr. Ajay Kumar Garg *Father's Name:* Mr. Jai Kishan Garg *Designation:* Director (Finance), functional Director *Address:* 180, SFS Gulmohar Enclave New Delhi-110049 *Occupation:* Service *Nationality:* Indian	56	01472291	*Other Directorships*: Nil

Name, Father's/Husband's Name, Address, Designation, Occupation and Term, DIN	Age (in years)	DIN	Other Directorships
Term: Five years with effect from April 9, 2007, or till the date of his superannuation, or until further orders, whichever is earlier.			
Mr. Anoop Kumar Mittal *Father's Name:* Mr. Uttam Chand Mittal *Designation:* Director (Projects), functional Director *Address:* III-A/117, Nehru Nagar, Ghaziabad (UP) *Occupation:* Service *Nationality:* Indian *Term:* Five years with effect from December 3, 2011, or till the date of his superannuation, or until further orders, whichever is earlier	52	05177010	*Other Directorships*: Nil
Ms. Sudha Krishnan *Father's Name:* Mr. Ramani Narayanaswamy *Designation:* Government nominee Director *Address:* D-1/87, Satya Marg, Chanakya Puri New Delhi- 110021 *Occupation:* Service *Nationality:* Indian *Term*: From November 30, 2009 till further orders	51	02885630	*Other Directorships*: 1. Housing & Urban Development Corporation; 2. Hindustan Prefab Limited; 3. Kolkata Metro Rail Corporation Limited; and 4. Chennai Metro Rail Limited.
Mr. K.L. Mehrotraa *Father's Name:* Late Mr. M.L. Mehrotraa *Designation:* Part Time Non-Official (Independent) Director *Address:*	63	00062172	*Other Directorships*: 1. MSTC Ltd. 2. Bharat Dynamics Ltd. 3. Facor Alloys Ltd. 4. SRK Promoters Pvt. Ltd.

Name, Father's/Husband's Name, Address, Designation, Occupation and Term, DIN	Age (in years)	DIN	Other Directorships
B-8, IInd floor, Geetanjali Enclave, Panchsheel Geetanjai Road, New Delhi- 110017 *Occupation:* Service *Nationality:* Indian *Term*: Three years with effect from December 5, 2011.			
Mr. V.K. Gupta *Father's Name:* Shanti Sarup Gupta *Designation:* Part Time Non-Official (Independent) Director *Address:* S-238(GF), Uppal Southend, Sohna Road, Gurgaon-122018 *Occupation:* Service *Nationality:* Indian *Term*: Three years with effect from December 5, 2011.	65	03491240	*Other Directorships*: 1. IFCI Factors Ltd
Dr. K. Chandrashekar Iyer *Father's Name:* Late Mr. K. Kalyana Sundaram *Designation:* Part Time Non-Official (Independent) Director *Address:* House No. 2, Street H, IIT Campus, Hauz Khas, New Delhi – 110016 *Occupation:* Service *Nationality:* Indian	51	05192426	*Other Directorships*: Nil

Name, Father's/Husband's Name, Address, Designation, Occupation and Term, DIN	Age (in years)	DIN	Other Directorships
Term: Three years with effect from December 5, 2011.			
Mr. Brijeshwar Singh *Father's Name:* Late Shri Mohan Mukand Singh *Designation:* Part Time Non-Official (Independent) Director *Address:* S-345, Greater Kailash Part II, New Delhi-110048 *Occupation:* Professional *Nationality:* Indian *Term*: Three years with effect from December 5, 2011.	61	01729968	*Other Directorships*: Nil
Mr. Subhash Chandra Saraf *Father's Name:* Sri Radheshyam Saraf *Designation:* Part Time Non-Official (Independent) Director *Address:* 10, Mayfair Road, Flat No. 501, 5th floor, Kolkata - 700019 *Occupation:* Charted accountant *Nationality:* Indian *Term*: Three years with effect from December 5, 2011.	50	00268769	*Other Directorships*: 1. Resurgent India Ltd.

Further, the MoUD has vide its letter number O-17031/35/2008-PS dated December 29, 2011 approved the appointment of Mr D. Diptivilasa, Additional Secretary (UD) in the MoUD as a Director on the board of the company. Pending allotment of Directors Identification Number ("DIN) under the Companies (Director

Identification Number)Rules, 2006 to Mr D. Diptivilasa, he has not been appointed on the Board of the Company as yet and upon DIN being allotted, Mr Diptivilasa shall be appointed as the director of our Company.

None of the Directors are related to each other. There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors were selected as a Director or member of the senior management.

Details of service contracts

There are no service contracts entered into with any Directors for provision of benefits or payments of any amount upon termination of employment.

Brief Biographies of our Directors

Mr. Vishnu Pada Das

Mr. Vishnu Pada Das joined our Company on] August 30, 2006 as Director (Projects) and subsequently took over as the CMD on April 8, 2011 pursuant to MoUD letter (No. O-17034/8/2010-PS) dated April 8, 2011. Mr. Das holds a bachelor's degree in science from the University of Allahabad and an honours degree in Bachelor of Engineering from the University of Roorkee. Prior to joining our Company, Mr. Das served with National Thermal Power Corporation Limited from 1976 to 2006. At the National Thermal Power Corporation Limited, Mr. Das held the position of Additional General Manager (Projects) and oversaw large civil construction works for power plants, chimneys, cooling towers, coal handling plants, water treatment plants *etc.* As CMD, Mr. Das oversees policy and strategic decision making.

Mr. Ajay Kumar Garg

Mr. Ajay Kumar Garg joined our Company on April19, 2007 as Director (Finance) pursuant to the MoUD letter (No. O-17031/13/2002-PS) dated April 9, 2007. Mr. Garg holds a bachelor's degree in science with honours in chemistry and a master's degree in business administration), both from the University of Delhi. in September 2006 was promoted to GM (Fin & Accounts) in the Corporate Office of GAIL. At GAIL (India) Limited, Mr. Garg was involved with accounting of major projects, project appraisals, corporate financial planning, corporate financing, gas pipeline and liquefied petroleum gas pipeline tariff. As Director (Finance) of our Company, Mr. Garg is responsible *inter alia* for formulating financial strategy and for overseeing marketing of our real estate projects.

Mr. Anoop Kumar Mittal

Mr AK Mittal, aged 51 years, is the Director (Projects) and heads the business development group of our Company. Mr. Mittal joined our Company on March 1, 1985 and holds a bachelor's degree in Civil Engineering from Punjabi University. Mr. Mittal joined Sarat Das & Design Consortium in June 1982 as a civil engineer and was responsible for supervising the construction work at Indraprastha indoor stadium. He subsequently joined Shapoorji Pallonji & Company Private Limited in October 1982 as a civil engineer and was responsible for supervising construction works at the Life Insurance Corporation building, New Delhi. Mr. Mittal currently oversees, *inter alia* various works undertaken by our Company for CISF, BSF, CRPF, Indo-Tibet Border Police, NSG, various defence housing projects, solid waste management projects, ESIC, JNNURM and UIDSSMT all over India. Mr. Mittal is also responsible for overseeing our Company's project in the Republic of Maldives. He also heads the business development group of our Company.

Ms. Sudha Krishnan

Ms. Sudha Krishnan is a Director on our Board and was appointed by the MoUD letter (No. O-17031/20/2009-PS) dated November 30, 2009. Ms. Krishnan holds a B.A and M.A in English Literature from Delhi University and Masters in Public Administration from George Mason University, USA. Ms. Krishnan joined the Indian Audit and Accounts Services in the year 1983. Ms. Krishnan is currently the Joint Secretary and Financial Advisor at the MoUD, Housing & Urban Poverty Alleviation & Development of North-Eastern Region, Government of India

Mr. Brijeshwar Singh

Mr. Brijeshwar Singh, aged 61 years, joined our Company as an independent Director. He holds an honours degree in Bachelor of Arts in Economics and Master's degree in Arts (Economics) both from Delhi University and Master's degree in Science (Economics) from Oxford University(UK). He has approximately 36 years of experience in public administration, finance & management, law, highway engineering and has worked at various important positions in Central and State Governments. As Special Secretary (Finance), Government of Tamil Nadu in 1993 and Member (Accounts) Tamil Nadu Electricity Board from 1993 to 1996, he participated in state budgeting and financing function of PSUs and dealt with the issues of national economic security and international economic issues. He also worked as Managing Director, Tamil Nadu Agro Industries Corporation in 1986, and Arasu Cable TV Corporation in 2007-2008 which gave him extensive exposure to capital markets, banking and corporate governance issues. He also served the United Nations as National Officer FAO where he was associated in bilateral donor funded projects. During the period from 2000 to 2004 he was Joint Secretary, National Security Council and was associated with the issues of national economic security and international economic issues of trade, development, smuggling, terrorist financing, narcotics and fake currency etc He also served as Chairman of NHAI from October 2008 to December 2010 and implemented a number of highway projects in the country and have gained thorough understanding of highway engineering. He was executive committee member, Asian Institute of Broadcasting Development, Kuala Lumpur in 2005-2007 and Vice President, Commonwealth Broadcasting Association, London during 2006-2007.

Dr. K. Chandrashekhar Iyer

Dr. K. Chandrashekhar Iyer, aged 51 years, joined our Company as an independent Director. He is a B. Tech. (Civil engineering) from Banaras Hindu University, M. Tech. (Civil engineering) from Indian Institute of Technology, Kanpur and holds a Ph.d degree from Indian Institute of Technology, Madras. He is also an associated member of Institution of Surveyors. He has approximately 14 years of industry experience in construction industry and 12 years academic experience in IIT, Delhi. As a Project Manager in DRDO from 1988 to 1998, he handled a number of time bound project of India's missile development programme where he was awarded commendation certificate by Ministry of Defence for his valuable contribution. He served the Military Engineer Services from 1986 to 1988 and in Mazagon Dock Limited from 1984 to 1986, where he was associated in number of civil engineering projects. He joined IIT, Delhi in 1999 as Assistant Professor in the Department of Civil Engineering and then served the Department of Management Studies as Associate Professor from 2005 to 2008. Presently, he is Professor in the Department of Civil Engineering and associated in teaching, research and consultancy. He is also involved in teaching Ethiopian students of Addis Ababa University online through video conferencing.

Mr. K. L. Mehrotraa

Mr. K. L. Mehrotraa, aged 63 years, joined our Company as an independent Director. He holds a degree of Bachelor of Science from the Institute of Technology, Banaras Hindu University. He has approximately 39 years of experience in various positions in private, state and central sector organisations in power & co-generation projects, chemical & fertilizer industry, project Construction and turn key projects, mineral exploration & development & mining, sugar industry / bio-gas projects, export marketing, general administration & senior management. He served as Chairman cum Managing Director of Manganese Ore (India) Limited, Bird Group of Companies under the Ministry of Steel, Government of India and Managing Director, Praga Tools Limited. He also served Engineering Projects (India) Limited in various capacities for about 14 years. He has got expertise in project management- power, mineral exploration, mining both underground and opencast, Machine Tools, Sugar & Chemicals. Widely travelled across the globe for business development and technology tie-up, he is also a recipient of Indira Gandhi and Rajiv Gandhi Best CEO Award in 2007 & 2008. He presented a number of papers in national and international conferences and also authorised a number of books.

Prof. Vinod Kumar Gupta

Prof. Vinod Kumar Gupta, aged 65 years, joined our Company as an independent Director. He holds degree of Bachelor of Science Engg.(Aero) from Punjab University, Master in Engg.(Aero) from Indian Institute of Science, Bangalore and Master of Personnel Management & Industrial Relation from Punjab University. He has approximately 43 years of experience of working in various important positions in Government of India. As

Scientist in DRDO, Ministry of Defence, Government of India from February, 1968 to September, 1991, he was associated on design and development of systems & sub-systems for aircraft, project planning & implementation, project appraisal & monitoring, design a management control system for large projects such as MBT (Arjun Tank) and performance evaluation of the project during execution, imparting management training to Armed forces officers and senior officers from Ministry of Defence and involved on recruitment, training & promotion of personnel at the laboratory level. He also worked as technical staff officer and as a faculty member, Defence institute of work study, Mussouri & rose to the position of chief instructor & chief consultant. He joined as Associate Professor at MDI, Gurgaon in October, 1991. He was also Director of the MDI, Gurgaon from October,2010 to November 30,2011. Presently he is Professor at MDI, Gurgaon.

Mr. Subhash Chandra Saraf

Mr. Subhash Chandra Saraf, aged 49 years, was appointed as an independent Director on the Board of National Buildings Construction Corporation Limited. He is a Chartered Accountant and holds a degree of Masters in Commerce and Bachelors in Law from Calcutta University. He is a Practising Chartered Accountant since July 1984 as Partner with the firm M/s Saraf and Chandra, Chartered Accountants registered with the Institute of Chartered Accountants of India (ICAI).He was appointed Arbitrator by Bombay Stock Exchange & Central Depository Services Ltd and also served as a committee member on GST Committee of the Central council of the ICAI. Presently, he is also the elected Council Member of Eastern India Regional Council (EIRC) of the ICAI for the term 2010-13 and is serving as Treasurer for the year 2011-12. He is also Chairman of the committee on Corporate Law & Corporate Governance, committee on GMCS coordination and Professional Development committee of the EIRC of ICAI. He is also associated as Director of M/s Resurgent India Ltd.

Borrowing powers of the Board

In accordance with the Articles of Association, the Board may, from time to time, at its discretion, by a resolution passed at a meeting of the Board, accept or renew deposits from Directors, their relatives, members or the public, accept deposits from the members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purpose of our Company. Provided however, where the money to be borrowed together with the money already borrowed (apart from temporary loan obtained from our Company's bankers in the ordinary course of business) exceeds the aggregate of the paid up capital of our Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such moneys without the consent of our shareholders in a general meeting.

Pursuant to a resolution passed at the EGM dated September 5, 1983, in accordance with the provisions of the Companies Act, our Board was granted *ex post facto* approval by our shareholders to borrow from time to time, all such sums of money for the purposes of the business of our Company, as the Board may in its discretion think fit, notwithstanding that the money or monies to be so borrowed together with the sums already borrowed by our Company may not exceed the aggregate of the paid-up capital of our Company and its free reserves by ₹ 750 million. The borrowing limit of our Board was increased to ₹ 1,000 million pursuant to a resolution passed at the EGM dated August 7, 1985 and was further increased to ₹ 1,200 million pursuant to a resolution dated November 28, 1986. The borrowing limit of our Board was further increased to ₹ 1,500 million pursuant to a resolution passed at the EGM dated February 26, 1988. Pursuant to a resolution passed at the EGM dated September 30, 1994, our borrowing limit has been increased to and currently stands at ₹ 3,250 million.

Remuneration Details of our Directors

The following table sets forth the details of the gross remuneration of our functional Directors for the Fiscal 2010-11. Our functional Directors are also entitled to benefits/facilities such as official vehicle, residential accommodation, rent reimbursements, and city compensatory allowance.

Our Government nominee Directors derive their salary, benefits and facilities from the GoI and are therefore not paid by our Company.

Mentioned below are the remuneration details of our Directors for the Fiscal 2010-11:

Sr. No.	Name	Basic Salary (₹)	Allowances and Perquisites (₹)	Sitting Fees (₹ in million)	Total (₹)
1.	Mr. Vishnu Pada Das*	1,276,932	1,216,607	-	2,493,539*
2.	Mr. Ajay Kumar Garg	947,454	1,443,533	-	2,390,987

*as Director (Projects)

Remuneration to Non-Official Part-time Directors:

The Board in its meeting held on May 24, 2011, fixed the sitting fee payable to non-official part-time Directors, at ₹ 10,000 for attending each meeting of the Board. Further, the Board also fixed the fee for attending each meeting of the committee and sub-committee of the Board and Audit Committee by the non- official part-time Directors at ₹ 7,500 along with travel allowance/dearness allowance for out station non- official part-time Directors.

Details of terms and conditions of appointment of our Functional Directors:

The terms and conditions governing the appointment of Mr. Vishnu Pada Das, Mr. Ajay Kumar Garg and Mr Anoop Kumar Mittal are set forth below:

1. **Mr. Vishnu Pada Das** was appointed as the Director (Projects) of our Company with effect from August 30, 2006 for a period of 5 years or until the age of superannuation or until further orders, whichever is earlier. Mr. Das was re-appointed as CMD of our Company for a period of five years with effect from April 8, 2011, or till the date of his superannuation, or until further orders, whichever is earlier by the MoUD letter (No. O-17034/8/2010-PS) dated April 8, 2011. The terms of employment of Mr. Vishnu Pada Das as the CMD of our Company have not been approved by the MoUD till date. In terms of the standard terms of employment applicable to board level executives of public sector enterprises notified by the Department of Public Enterprises vide their letter 2(30)09-DPE(WC) dated December 30, 2009, the terms of employment subject to MoUD approval of Mr. Vishnu Pada Das are as under:

Basic Salary	₹ 81, 890 per month in the existing scale of ₹ 80,000- 125,000 (Schedule- A) from the date of his assumption of office as CMD *i.e.* April 8, 2011.
Dearness Allowance	In accordance with the new 'Industrial Dearness Allowance Scheme' mentioned in the DPE's OM dated November 26, 2008 and April 2, 2009.
Housing and Furnishing	Entitled to suitable residential accommodation from our Company, wherever our Company has built residential flats in the industrial township or purchased residential flats in the cities or company leased accommodation. Accommodation can also be taken on self lease basis provided that a lease deed in favour of our Company is executed or on the basis of existing lease deeds. If the accommodation allotted either from the Company's pool of residential accommodation or arranged by way of lease in town and cities at the expense of our Company is to be furnished, then such furnishing should be done at most economical basis.
Annual Increments	Mr. Das will be eligible to draw his annual increment at the rate of 3% of basic pay on the anniversary date of his appointment in the scale and further increment on the same date in subsequent years until the maximum of pay scale is reached. After reaching the maximum of the scale, on stagnation increment equal to the rate of last increment drawn will be granted after completion of every two-year period from the date he reaches the maximum of his pay scale provided he gets a performance rating of "Good" or above. He will be granted a maximum of three such stagnation increments.
Other benefits and perquisites	The Board of Directors will decide on the allowances and perks subject to a maximum ceiling of 50% of Mr. Pada's basic pay as indicated in DPE's OM dated November 26, 2008 and April 2, 2009.

	Mr. Das will be governed by Contributory Provident Fund and gratuity as per rules of our Company. Mr. Das will be entitled to become a member of two clubs at the expense of our Company as approved by the Board, but his membership of these clubs will be coterminous with his tenure as CMD. He shall be entitled to superannuation benefit based on approved schemes as per DPE's OM dated November 26, 2008 and April 2, 2009.
Leave benefits	Mr. Das's leave entitlement is as per the leave rules of our Company.
Conduct, Discipline and Appeal Rules	The conduct, discipline and appeal rules framed by our Company in respect of their non-workmen category of staff would also *mutatis mutandis* apply to Mr. Das with the modification that the disciplinary authority in his case would be the President of India.
Restriction on joining private commercial undertaking after retirement	Mr. Das after retirement or resignation from the service of our Company, shall not accept any appointment or post, whether, advisory or administrative, in any firm or company, whether Indian or foreign, with which our Company has or had business relations within one year from the date of his retirement or resignation, without prior approval of the GoI.
Termination	The period of appointment of Mr. Das will be five years w.e.f. April 8, 2011 in the first instance or till the date of superannuation or until further orders, whichever event occurs earlier and in accordance with the provision of the Companies Act. The appointment may, however be terminated even during this period by either side on three months' notice or on payment of three months' salary in lieu thereof.

2. **Mr Ajay Kumar Garg** was appointed as the Director (Finance) of our Company with effect from April 19, 2007 for a period of 5 years or until the age of superannuation or until further orders, whichever is earlier, pursuant to letter (No. O-17031/13/2002-PS) dated April 9, 2007 issued by MoUD. The terms of employment of Mr Ajay Kumar Garg were set out in letter dated July 30, 2007, issued by the MoUD. The significant terms and conditions of employment of Mr Ajay Kumar Garg are as under:

Basic Salary	₹ 76,760 per month in the pay scale of ₹ 75,000-100,000 approved w.e.f. June 19, 2009.
Dearness Allowance	Dearness allowance shall be payable to Mr. Garg in accordance with the new 'Industrial Dearness Allowance Scheme' mentioned in the DPE's OM dated June 25, 1999. DPE's OM dated June 25, 1999 provides for adoption of 100% dearness allowance neutralization for all employees w.e.f. January 1, 1997. The periodicity of adjustment should be once in three months as per existing practice for these categories.
Housing and Furnishing	Mr. Garg is entitled to suitable residential accommodation from our Company including company leased accommodation. Accommodation can also be taken on self lease basis provided that a lease deed in favour of our Company is executed or on the basis of existing lease deeds. Rent recoverable by our Company is at the rate of 10 % of the revised basic pay and personal pay from the date of joining viz., July 30, 2007 or the standard rent fixed by our Company. Further, if our Company is not in a position to arrange residential accommodation at its residential quarters or even on lease basis or if Mr. Garg prefers to stay in a rented house, house rent allowance would be payable.
City Compensatory Allowance	Mr. Garg was eligible for payment of city compensatory allowance as per the existing rates approved for its executives subject to an overall ceiling of ₹ 300 in A-1, ₹ 240 in 'A' class cities,₹ 180 and ₹ 120 in B-1 and B-2 class cities respectively upto 31.12.2006.
Annual Increments	Consequent upon the revision of IDA scales of pay w.e.f. 1.1.2007, Mr Garg is eligible to draw his annual increment at the rate of 3% of basic pay on the

	anniversary date of his appointment in the scale and further increment on the same date in subsequent years until the maximum of pay scale is reached. After reaching the maximum on the scale, on stagnation increment equal to the rate of last increment drawn will be granted after completion of every two-year period from the date he reaches the maximum of his pay scale provided he gets a performance rating of "Good" or above. He will be granted a maximum of three such stagnation increments.
Other benefits and perquisites	Provident fund and gratuity would be paid to Mr. Garg as per rules of our Company; Mr. Garg is entitled to medical facilities, travelling allowance, leave travel concession, disability leave, *etc.* in accordance with applicable rules of our Company; Mr. Garg will be entitled to become a member of two clubs at the expense of our Company as approved by the Board, but his membership of these clubs will be coterminous with his tenure as Director (Finance). Mr. Garg is entitled to the facility of a staff car for private use and recovery of monthly rate for non-duty journeys. Perquisites and allowances may be paid to Mr. Garg up to a maximum of 50% of the basic pay.
Leave benefits	Mr. Garg's leave entitlement is as per the leave rules of our Company.
Conduct, Discipline and Appeal Rules	The conduct, discipline and appeal rules framed by our Company in respect of their non-workmen category of staff would also *mutatis mutandis* apply to Mr. Garg.
Restriction on joining private commercial undertaking after retirement	Mr. Garg shall not accept any appointment or post, whether advisory or administrative, in any firm or Company whether Indian or foreign, with which our Company has or had business relations, within one year from the date of his retirement, without prior approval of the Government.
Termination	Appointment of Mr. Garg may be terminated even during the period of employment by either party by giving a notice of three months or on payment of three months salary in lieu thereof.

3. **Mr Anoop Kumar Mittal**was appointed as the Director (Projects) of our Company with effect from December 3, 2011 for a period of 5 years or until the age of superannuation or until further orders, whichever is earlier, pursuant to letter (No. 17034/3/2011 PS) dated December 3, 2011 issued by MoUD. The terms of employment of Mr. Mittal as the Director (Projects) of our Company have not been conveyed by the MoUD till date. In terms of the standard terms of employment applicable to board level executives of public sector enterprises notified by the Department of Public Enterprises vide their letter their letter 2(30)09-DPE(WC) dated December 30, 2009, the terms of employment subject to MoUD approval of Mr. Mittal are as under:

Basic Salary	₹ 75000 per month in the existing scale of ₹ 75000 -100,000 (Schedule-A) from the date of his assumption of office as Director (Projects) *i.e.* 5.12.2011.
Dearness Allowance	In accordance with the new 'Industrial Dearness Allowance Scheme' mentioned in the DPE's OM dated November 26, 2008 and April 2, 2009.
Housing and Furnishing	Entitled to suitable residential accommodation from our Company, wherever our Company has built residential flats in the industrial township or purchased residential flats in the cities or company leased accommodation. Accommodation can also be taken on self-lease basis provided that a lease deed in favour of our Company is executed or on the basis of existing lease deeds. If the accommodation allotted either from the Company's pool of residential accommodation or arranged by way of lease in town and cities at the expense of our Company is to be furnished, then such furnishing should be done at most economical basis.
Annual Increments	Mr. Mittal will be eligible to draw his annual increment at the rate of 3% of

	basic pay on the anniversary date of his appointment in the scale and further increment on the same date in subsequent years until the maximum of pay scale is reached. After reaching the maximum on the scale, on stagnation increment equal to the rate of last increment drawn will be granted after completion of every two-year period from the date he reaches the maximum of his pay scale provided he gets a performance rating of "Good" or above. He will be granted a maximum of three such stagnation increments.
Other benefits and perquisites	The Board of Directors will decide on the allowances and perks subject to a maximum ceiling of 50% of Mr. Mittal's basic pay as indicated in DPE's OM dated November 26, 2008 and April 2, 2009. Mr. Mittal will be governed by Contributory Provident Fund and gratuity as per rules of our Company. Mr. Mittal will be entitled to become a member of two clubs at the expense of our Company as approved by the Board, but his membership of these clubs will be coterminous with his tenure as CMD. He shall be superannuation benefit based on approved schemes as per DPE's OM dated November 26, 2008 and April 2, 2009.
Leave benefits	Mr. Mittal's leave entitlement is as per the leave rules of our Company.
Conduct, Discipline and Appeal Rules	The conduct, discipline and appeal rules framed by our Company in respect of their non-workmen category of staff would also *mutatis mutandis* apply to Mr. Mittal with the modification that the disciplinary authority in his case would be the President of India.
Restriction on joining private commercial undertaking after retirement	Mr. Mittal after retirement or resignation from the service of our Company, shall not accept any appointment or post, whether, advisory or administrative, in any firm or company, whether Indian or foreign, with which our Company has or had business relations within one year from the date of his retirement or resignation, without prior approval of GoI.
Termination	The period of appointment of Mr. Mittal will be five years w.e.f. 5.12.2011 in the first instance or till the date of superannuation or until further orders, whichever event occurs earlier and in accordance with the provision of the Companies Act. The appointment may, however be terminated even during this period by either side on three months' notice or on payment of three months' salary in lieu thereof.

Shareholding of our Directors in our Company

The Articles of Association of our Company do not require our Directors to hold any qualification equity shares in our Company. Other than Mr. Vishnu Pada Das and Ms. Sudha Krishnan, who hold one equity share each as nominees of the President of India, none of our other Directors hold any equity shares in our Company. For further details, see the section titled "***Capital Structure***" beginning on page 28 of this Draft Red Herring Prospectus.

Interests of Directors

All our Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them for services rendered as an officer or employee of our Company, wherever applicable. Mr. Vishnu Pada Das, Mr. Ajay Kumar Garg and Mr. Anoop Kumar Mittal, our functional Directors, are entitled to receive remuneration from us.

Except for our functional Directors who are entitled to statutory benefits upon termination of their tenure in the Board, or upon their resignation or retirement, along with certain post-retirement benefits, no other Director is entitled to any benefit upon termination of their tenure in the Board, or upon their resignation or retirement, as the case may be.

Our Directors may also be regarded as interested to the extent of equity shares, if any, held by them or their relatives or that may be subscribed by or allotted to the companies, firms, trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Offer.

Our Directors may be deemed to be interested to the extent of any dividend payable to them, other distributions in respect of the said equity shares and other benefits arising out of the ownership of the said equity shares.

None of the Directors were interested in any transaction by our Company involving acquisition of land, construction of building or supply of any machinery, except that Ms Sudha Krishnan is a government nominee director in our Compoany and also in KMRCl, with whom we are executing a real estate project – namely Commercial Complex at Sukias Lane, Kolkata. For details of the project, please see section titled "Our Business" on page 80 of the DRHP.

Except as stated in this section, respectively, no amount or benefits were paid or were intended to be paid to our Directors during the last two years from the date of filing of this Draft Red Herring Prospectus.

Except as disclosed in the section titled "***Related Party Transactions***" on page 148 of this Draft Red Herring Prospectus and to the extent of shareholding in our Company, our Directors do not have any other interest in our business.

Changes in our Board of Directors during the last 3 years:

S. No.	Name	Date of Appointment	Date of Cessation	Reason
1.	Mr. Arup Roy Choudhary	-	September 1, 2010	Resignation
2.	Ms. Sudha Krishnan[1]	November 30, 2009	-	Appointment
3.	Dr. R.K. Vats[2]	-	November 30, 2009	Nomination withdrawn by the appointing authority
4.	Mr. Vishnu Pada Das[3]	April 8, 2011	-	Appointment as CMD
5.	Mr. Anoop Kumar Mittal[4]	December 3, 2011	-	Appointment as Director (Projects)
6.	Dr. K. Chandrashekar Iyer[5]	December 5, 2011	-	Appointment as Part Time Non-Official Director
7.	Mr. V.K. Gupta[6]	December 5, 2011	-	Appointment as Part Time Non-Official Director
8.	Mr. K.L. Mehrotraa[7]	December 5, 2011	-	Appointment as Part Time Non-Official Director
9.	Mr. Brijeshwar Singh[8]	December 5, 2011	-	Appointment as Part Time Non-Official Director

[1]*By letter dated November 30, 2009 from the MoUD*
[2]*By letter dated November 30, 2009 from the MoUD*
[3]*By letter dated April 8, 2011 from the MoUD.*
[4]*By letter dated December 3, 2011 from the MoUD*
[5]*By letter dated December 5, 2011 from the MoUD*
[6]*By letter dated December 5, 2011 from the MoUD*
[7]*By letter dated December 5, 2011 from the MoUD*
[8]*By letter dated December 5, 2011 from the MoUD*

S. No.	Name	Date of Appointment	Date of Cessation	Reason
10	Mr. Subhash Chandra Saraf[9]	December 5, 2011	-	Appointment as Part Time Non-Official Director
11	R.C.Mishra[10]	-	December 29, 2011	Nomination withdrawn by the appointing authority

Confirmation from Directors

None of the Directors is or was a director of any listed company during the last five years preceding the date of filing of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.

None of the Directors is or was a director of any listed company which has been or was delisted from any recognised stock exchange in India during the term of their directorship in such company.

Corporate Governance

The provisions of the Listing Agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to our Company immediately upon the listing of the Equity Shares with the Stock Exchanges. Our Company believes that it is in compliance with the requirements of the applicable regulations, including the Listing Agreement with the Stock Exchanges and the SEBI ICDR Regulations, in respect of corporate governance including constitution of the Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Company's Board of Directors has been constituted in compliance with the Companies Act and Listing Agreement with Stock Exchanges and in accordance with best practices relating to corporate governance. The Board of Directors functions either as a full board or through various committees constituted to oversee specific operational areas. Our Company's executive management provides the Board of Directors with detailed reports on its performance periodically.

Currently the Board has ten Directors, of which the Chairman of the Board is an Executive Director. In compliance with the requirements of Clause 49 of the Listing Agreement, half of our Board comprises of independent directors.

Committees of the Board of Directors

Our Company has constituted the following committees for compliance with corporate governance requirements:

1. ***Audit Committee***

Sl. No.	Name of Director	Designation	Executive/ Independent
1	Shri Brijeshwar Singh	Chairman	Independent
2	Shri K.L.Mehrotraa	Members	Independent
3	Shri S .C. Saraf	Members	Independent

The terms of reference of the Audit Committee are as follows:

[9] *By letter dated December 5, 2011 from the MoUD*
[10] *By letter dated December 29, 2011 from the MoUD*

1. Oversight of financial reporting process
2. Recommending the appointment and fixation of fees for auditors
3. Approval of payment to auditors for any other services rendered
4. Reviewing annual and quarterly statements
5. Reviewing performance of statutory/internal auditors and adequacy of internal control system
6. Reviewing adequacy of internal audit function
7. Discussion with internal audit function
8. Discussion with internal auditors
9. Discussion with statutory auditors to obtain outside legal or other professional advice.

2. ***Remuneration Committee***

The Remuneration Committee was constituted by our Directors at their Board meeting held on December 27, 2011. This Committee is responsible for the oversight of executive compensation. The Remuneration Committee consists of the following members:

Sl. No.	Name of Director	Designation	Executive/ Independent
1	Shri K.L.Mehrotraa	Chairman	Independent
2	Shri Ajay Garg	Member	Executive
3	Shri Anoop Kumar Mittal	Member	Executive
4	Dr. K.C.Iyer	Member	Independent
5	Prof. V.K.Gupta	Member	Independent

The terms of reference of the Remuneration Committee are as follows:

1. Decision on PRP Pool and Policy of distribution of Performance Related Pay to employees in IDA Pay Structure from 1.1.2007 in accordance with government guidelines.

3. ***Shareholders/Investors Redressal Committee***

The Shareholders/Investor Grievance Committee was constituted by our Directors at their Board meeting held on December 27, 2011. This Committee is responsible for the redressal of shareholder grievances. The Shareholders/Investor Redressal Committee consists of the following members:

Sl. No.	Name of Director	Designation	Executive/ Independent
1	Shri K.L.Mehrotraa	Chairman	Independent
2	Shri S.C.Saraf	Member	Independent
3	Prof. V.K. Gupta	Member	Independent

The terms of reference of the Shareholders/Investor Redressal Committee are as follows:

1. To look into investors' grievances
2. Complaints regarding transfer and transmission of shares *etc.*
3. Non receipt of declared dividends, Balance sheets
4. Carrying out functions as per Listing Agreement

4. ***Project Appraisal Committee***

Our Board has constituted an empowered sub-committee by a Board resolution dated December 27, 2011 so as to expedite the decision making process in relation to the IPO of our Company. The composition of the Empowered Sub-Committee is as follows:

Sl. No.	Name of Director	Designation	Executive/ Independent

1	Shri Ajay Garg	Chairman	Executive
2	Shri Anoop Kumar Mittal	Member	Independent
3	Dr K.C Iyer	Member	Independent
4	K.L.Mehrotraa	Member	Independent

The terms of reference of the Project Appraisal Committee are as follows:

To review projects identified for implementation of risk management policy and high value/critical projects.

5. ***IPO Committee***

Our Board has constituted an IPO committee ("**IPO Committee**") by a Board resolution passed by circulation on August 23, 2011so as to expedite the decision making process in relation to the IPO of our Company. The composition of the IPO Committee is as follows:

Sl. No.	Name of Director / employee	Designation	Executive/ Independent
1	Shri Vishnu Pada Das	Chairman	Executive
2	Shri Ajay K Garg	Member	Executive
3	Shri Anoop Kumar Mittal	Member	Executive
4	Smt. Meera Shankar	Member	*NA*
5	Shri A. K. Singh	Member	*NA*

The terms of reference of the IPO Committee are as follows:

1. to decide on the timing, pricing and all the terms and conditions of the Offer and to accept any amendments, modifications, variations or alterations thereto;

2. to finalise and settle and to execute and deliver or arrange the delivery of the Draft Red Herring Prospectus, the Red Herring Prospectus, Final Prospectus, memorandum of understanding with the book running lead managers, memorandum of understanding with the registrar, syndicate agreement, underwriting agreement, escrow agreement, stabilization agreement and all other documents, deeds, agreements and instruments as may be required or desirable in connection with the Offer;

3. to issue advertisements in such newspapers as it may deem fit and proper about the future prospects of the company and the proposed Offer conforming to the guidelines issued by SEBI;

4. 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, finalizing the basis of allocation and transfer of the shares as permissible in law, issue of share certificates in accordance with the relevant rules;

5. to make any applications to the FIPB, RBI and any other authorities, as may be required, for the purpose of offering of shares by the Selling Shareholder to non-resident investors, including NRIs and FIIs;

6. to make applications for listing of the equity shares of the Company in one or more stock exchange(s) and to execute and to deliver or arrange the delivery of the listing agreement(s) and any other documentation to the concerned stock exchange(s);

7. to finalise the basis of allocation and to transfer the shares to the successful Bidders;

8. to settle all questions, difficulties or doubts that may arise in regard to such issues or allocation and transfer of shares as it may, in its absolute discretion deem fit;

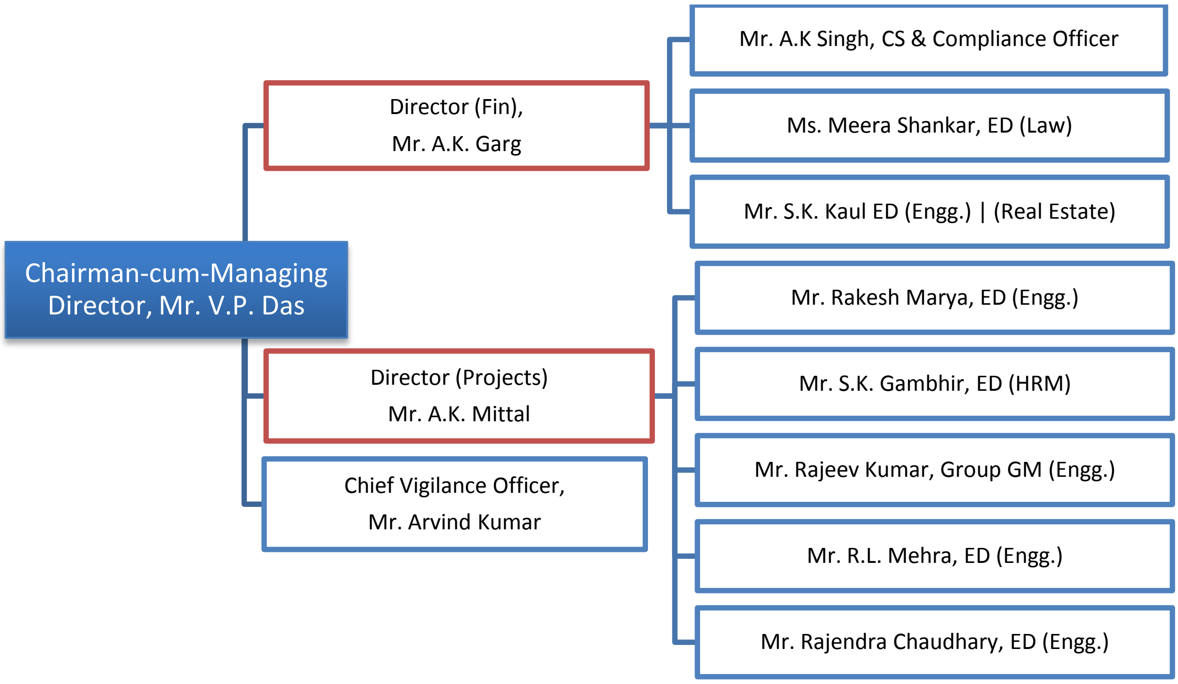
9. to do all acts and deeds, and execute all documents, agreements, forms, certificates, undertakings, letters and instruments as may be necessary for the purpose of or in connection with the Offer;

10. to authorize and approve the incurring of expenditure and payment of fees in connection with the Offer;

11. to approve and adopt the Draft Red Herring Prospectus and any other offering document for the public issue as required under Section 60 and other relevant provisions of the Companies Act, 1956 and to file the same with the Registrar of Companies ("ROC") and the Securities and Exchange Board of India ("SEBI"), as the case may be, and to make any corrections or alterations therein;

12. to do all such acts, deeds and things as may be required to dematerialize the equity shares of the Company and to sign agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) limited and such other agencies, authorities or bodies as may be required in this connection.

Management Organisation Structure



Key Management Personnel

In addition to our executive Directors, whose details have been provided above, the details of our other Key Management Personnel, as of the date of this Draft Red Herring Prospectus, are set forth below.

Mr. Arvind Kumar, IAS (UP Cadre-1988), aged 48 years, is the Chief Vigilance Officer of our Company with effect from October 1, 2011. Mr. Arvind Kumar holds a bachelor's degree in Electrical Engineering and Post Graduation degree in Communication and Radar Engineering. He has held various key positions in Central and state Governments. Prior to his joining our Company, Mr. Arvind Kumar was a Joint Secretary in the Ministry of Information & Broadcasting, Government of India. Since Mr Arvind Kumar joined our Company only in October 2011, no remuneration was payable in Fiscal 2010-11.

Mr. A.K.Singh, aged 58 years, is Company Secretary & Compliance Officer of our Company who joined our Company on October 23, 1989. Mr. Singh holds a bachelor's degree in Commerce, degree in Law from Delhi University and is an associate member of the Institute of Company Secretaries of India. Prior to his joining in the Company, Mr. Singh oversees, inter alia various statutory compliances under the Companies Act, 1956 Mr. Singh was paid a remuneration of ₹ 1,193,074 in Fiscal 2010-11.

Ms. Meera Shankar, aged 58 years, is the Executive Director (Law& CE) of our Company and joined our Company on April 30, 1990. Ms. Shankar holds a bachelor's degree in arts with honours and a bachelor's degree in law, both from the University of Delhi. Ms. Shankar joined Rajinder Narain & Co. in 1977 & as an associate advocate was responsible for court & arbitration cases as well as rendering legal advice to corporate clients like the World Bank, Intel development research centre, U.N.D.P. *etc.* Ms. Shankar currently oversees,*inter-alia* legal and contractual matters of our Company. Ms. Shankar was paid a remuneration of ₹1,855,404 in Fiscal 2010-11.

Mr. S.K. Kaul, aged 57 years, is the Executive Director (Engg.), Real Estate and the Executive Director (Engg.) of our Company. Mr. Kaul joined our Company on January 22, 1982 and holds a bachelor's degree in Science from the University of Kashmir and a bachelor's degree in Civil Engineering, FIECE/Thapar Institute of Engineering & Technology, Patiala. He also has a diploma in business management from SIES Institute of Management Studies, Mumbai. Mr. Kaul joined Ahluwalia Construction Company in June 1979 as a Site Engineer and was responsible for supervising construction work undertaken by the company at Srinagar, Jammu & Kashmir. He subsequently joined Indian Drugs & Pharmaceuticals Limited in January 1980 as a junior engineer and was responsible for supervising the construction of the factory building and allied works for Rajasthan Drugs and Pharmaceuticals Limited. Mr. Kaul currently oversees, *inter alia* all project works undertaken by our Company in the state of Jammu & Kashmir & also oversees the preparation of MoU, voted sanction to our Company for projects through MoUD & DPE. He also oversees the overall monitoring of various projects of our Company, the redevelopment works currently being carried out by our Company at Netaji Nagar, New Delhi and is instrumental in planning the real estate projects of our Company. Mr. Kaul was paid a remuneration of ₹ 1,775,000 in Fiscal 2010-11.

Mr. Rakesh Marya, aged 58 years, is the Executive Director (Engg.) of our Company and joined our Company on June 1, 1990.Mr. Marya holds a bachelor's degree in Civil Engineering from Punjabi University. Mr. Marya joined Engineering Projects (India) Limited and was subsequently promoted to Project Engineer (Civil) in October 1986. As Executive Director (Engg) Mr. Marya currently oversees No. of prestigious projects for various ministries/government organisation in NCR & other state, inter alia ministry of home affairs/ ministry of corporate affairs, ministry of food processing industries, ministries of overseas Indian affairs, govt of Haryana, emplotee state insurance corporation, besides heading maintenance of various buildings of CBI/ new moti bagh complex/ ministry of urban development/ESIC hospitals/NBCC real estate building under estate management group of our Company infrastructure projects, special projects and heads the estate management group of our Company. Mr. Marya was paid a remuneration of ₹ 1,757,010 in Fiscal 2010-11.

Mr. S.K. Gambhir, aged 58 years, is an Executive Director of our Company and the joined our Company on December 28, 1979. Mr. Gambhir holds a bachelor's degree with honours in Civil Engineering from the University of Bombay. Mr. Gambhir joined the Public Works Department at Solan, Himachal Pradesh from October, 1974 to December 1979 as a graduate junior engineer and was responsible for overseeing civil works like construction of residential quarters, rest houses, weir walls, retaining walls, water supply schemes and road construction works. Currently, Mr. Gambhir oversees, *inter alia* human resources of our Company as also construction projects under Infrastructure Zone in the country,PMGSY works in Haryana & IPBF Works in Gujarat. Mr. Gambhir was paid a remuneration of ₹ 1,860,697 in Fiscal 2010-11.

Mr. Rajeev Kumar, aged 57 years, is the Group General Manager (Engg.) and Head of the Regional Business Group of our Company. Mr. Kumar joined our Company on November 13, 1976 and holds a bachelor's degree in Civil Engineering from Thapar College of Engineering, Patiala affiliated to Punjab University. Currently, Mr. Kumar oversees the Indo-Bangla border fencing works in the states of Tripura and Sikkim and the PMGSY road works in Tripura. Mr. Kumar was paid a remuneration of ₹1,737,631 in Fiscal 2010-11.

Mr. R.L. Mehra, aged 55 years, is the Executive Director (Engg.) and Head of the Regional Business Group (East) of our Company. Mr. Mehra joined our Company on March 31, 1982 and holds a bachelor's degree of Science in Engineering (Civil) from Punjab University. Mr. Mehra joined Raja Ram & Sons, Srinagar in May 1978 as a site engineer and was responsible overseeing defence projects for the Central Public Works Department and Military Engineering Services. He subsequently joined Bawa Ram & Company, Amritsar in February 1980 as a project engineer and was responsible for overseeing works for Military Engineering Services. Mr. Mehra currently oversees the projects undertaken by our Company in West Bengal and the north eastern region of India, except Tripura and Sikkim. Mr. Mehra was paid a remuneration of ₹ 1,700,276/- in Fiscal 2010-11.

Mr. Rajendra Chaudhari, aged 47 years, is the Executive Director (Engg.) and heads the consultancy, administration and public relations/corporate communication divisions of our Company. Mr. Chaudhari joined our Company on September 12, 2005 and holds a bachelor's degree in Civil Engineering from Maharaja Sayajirao University, Baroda. Mr. Chaudhari joined Indian Rayons and Industries Limited in 1987 and was involved in the construction of a foundation of 11000KVA Skoda DG sets for a diesel generator set. He subsequently joined Western Coal Fields Limited in 1988 as Engineer in charge (Engineer, Executive Engineer) and was *inter alia* responsible for the construction of central workshop & central stores & construction of a water treatment plant and colonies consisting of all types of residential quarters. In 2004, Mr. Chaudhari was promoted to Head of Department (Environment) for the Nagpur area and was also nominated as Chairman *inter alia* for acquisition of land for the Gondegaon extension project. Mr. Chaudhari currently heading real estate, systems & execution of various real estate projects.Mr. Chaudhari currently *inter alia* oversees the preparation of MoU, voted sanction to our Company for projects through MoUD and DPE. He also oversees the overall monitoring of various projects of our Company. Mr. Chaudhari was paid a remuneration of ₹1,529,947 in Fiscal 2010-11.

All our Key Management Personnel are permanent employees of our Company and none of our Key Management Personnel are related to each other.

Service Contracts

No service contracts have been entered into with any Key Management Personnel for provision of benefits or payments of any amount upon termination of employment.

Changes in the Key Management Personnel

The changes in the Key management personnel during the past three years prior to the date of filing this Draft Red Herring Prospectus are as follows:

Name	Designation	Date of Appointment/Cessation/ Promotion as a Key Management Personnel	Reason
Mr. A. Basu	Executive Director (Engg.)	May 22, 2006	Re-designated as Executive Director from the post of Group General Manager

Name	Designation	Date of Appointment/Cessation/ Promotion as a Key Management Personnel	Reason
Mr. A. Basu	Executive Director (Engg.)	July 31, 2010	Cessation due to superannuation.
Mr. Rakesh Marya	Executive Director (Engg.)	May 22, 2006	Re-designated as Executive Director from the post of Group General Manager
Mr. S.K. Khurana	Group General Manager (Fin.) (Engg.)	April 1, 2007	Cessation due to voluntary retirement.
Mr. S.K. Kaul	Executive Director (Engg.)	April 16, 2009	Ad Hoc Promotion
Mr. S.K. Kaul	Executive Director (Engg.)	March 31, 2010	Promotion
Mr. R.L. Mehra	Group General Manager (Engg.)	March 31, 2010	Promotion
Mr. A.K. Mittal	Group General Manager (Engg.)	March 31, 2010	Promotion
Mr. Rajendra Chaudhari	Group General Manager (Engg.)	March 31, 2010	Promotion
Mr. S.K. Gambhir	Group General Manager (Engg.)	August 10, 2011	Promotion
Mr. Rajeev Kumar	Group General Manager (Engg.)	August 10, 2011	Promotion
Ms. Meera Shankar	Group General Manager	August 10, 2011	Promotion

Turnover of our Key Management Personnel

The changes in our Key Management Personnel in the last three years have been on account of promotions, superannuation, and on account of appointments or resignations.

Shareholding of the Key Management Personnel

None of the Key Management Personnel hold any equity shares in our Company as of the date of filing this Draft Red Herring Prospectus.

Bonus or profit sharing plan of the Directors/Key Management Personnel

There is no bonus or profit sharing plan for the Key Management Personnel and the Directors except the performance related pay scheme, as laid down in the DPE Guidelines OM No. 2(70)/08-DPE (WC) – GLXVI/08 dated November 26, 2008. The above mentioned guidelines seek to link the performance related pay to the profits of the Company. This remuneration is expressed as a percentage of the basic pay, based on the performance of the Company and is determined out of the profits of the Company

Interest of Key Management Personnel

The Key Management Personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Except as disclosed, none of the Key Management Personnel have been paid any consideration of any nature from our Company, other than their remuneration.

Payment or benefit to officers of our Company

Except as disclosed in this Draft Red Herring Prospectus and any statutory payments made by our Company, our Company has not paid any amounts to any of its officers in connection with super-annuation payments, awards or any non-salary amounts or benefits in the past two years.

Termination/ Retirement benefits paid to Key Management Personnel

Except statutory benefits and contractual payments like gratuity and leave encashment, upon termination of their employment in our Company or retirement, no officer of our Company, including the Directors and our Key Management Personnel, are entitled to any benefits upon termination of employment.

Relationships among Key Management Personnel

None of the Key Management Personnel are related to each other.

OUR PROMOTER AND GROUP COMPANIES

Our Promoter is the President of India acting through the Ministry of Urban Development. Our Promoter currently holds100% of the pre-Offer paid-up equity share capital of our Company directly and indirectly.Assuming the sale of all Equity Shares offered pursuant to this Offer, our Promoter shall hold 90% of the post-Offer paid-up equity share capital of our Company.

As our Promoter is the President of India acting through the MoUD, disclosure of our ‘group companies’ is not provided.

RELATED PARTY TRANSACTIONS

For details of our related party transactions, see the section titled "***Financial Statements-Related Party Transactions***" onpage 150 of this Draft Red Herring Prospectus.

DIVIDEND POLICY

The declaration and payment of dividends on our Equity Shares will be recommended by our Board and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements, contractual obligations, restrictive covenants under our loan and financing arrangements (if any) and the overall financial condition of our Company. As per the letter bearing reference No. DO No. 3(4)-B(S)/2007 dated October 5, 2007 issued by the Department of Economic Affairs, Ministry of Finance, GoI, all profit making public sector enterprises with a majority holding of the GoI are required to declare a minimum dividend on equity of 20% or a minimum dividend pay out of 20% of post tax profits, whichever is higher.

The dividend and dividend tax paid by our Company during the last three Fiscals is presented below.

	Fiscal 2011	Fiscal 2010	Fiscal 2009
Face value of equity shares (in ₹ per equity share)	1,000	1,000	1,000
Dividend (in ₹ Million)	280.68	232.99	318.31
Dividend per equity share(in ₹ per equity share)	311.87	302.89	413.78
Dividend Rate (%)	31	26	35
Dividend Tax (in ₹ Million)	46.62	39.61	54.11

The amounts paid as dividends in the past are not necessarily indicative of our dividend policy or dividend amounts payable, if any, in the future.

SECTION V – FINANCIAL INFORMATION

SECTION V – FINANCIAL STATEMENTS

Auditor's Report on the Restated Finanial Statement of NBCC Llimited

To

The Board of Directors
NBCC Limited
NBCC Bhawan
Lodhi Road
New Delhi – 110 003

Dear Sirs,

1. We have examined the attached financial information of NBCC Limited ('the **Company**') comprising of Statement of Assets and Liabilities, as restated (Annexure I) Restated Statement of Profits and Losses, as restated (Annexure II), and Statement of Cash Flows, as restated (Annexure III), as ofand for six months period ended September 30, 2011 and for the financial years ended March 31, 2011, 2010, 2009, 2008, and 2007 (collectively, the "**Restated Financial Statements**") as approved by the Board of Directors of the Companyand in terms of our engagement agreed with you vide letter dated August 30, 2011 in connection with the proposed equity offering by the selling shareholders.

2. These Restated Financial Statements have beenprepared in terms of the requirements of Paragraph B, Part II of Schedule II to the Companies Act, 1956 (the "**Act**") and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("**SEBIICDRRegulation**"), the Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India as amended upto May 2006, and in terms of engagement agreed upon by us with the Company, in connection with the proposed issue of Equity Shares by NBCC Limited. The Restated Financial Statements have been extracted/prepared by the management from the financial statements of the Company as at and for the six months period ended September 30, 2011 and for the financial years ended March 31, 2011, 2010, 2009, 2008 and 2007 and has been approved by its Board of Directors of the Company for the purpose of disclosure in the Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus ("**Offer Document**") being issued by the Company in connection with the proposed Initial Public Offering ("**IPO**").

3. The Financial Statements for the period ended September 30, 2011 and financial years ended March 31, 2011 March 31, 2010, March 31, 2009 were audited by us whilst the Financial Statements for financial years ended March 31, 2008 and 2007 have been extracted by the management from the financial statements for the ended March 31, 2008 and 2007. Audit for the financial years ended March 31, 2008 and 2007 was conducted by M/s Dinesh Mehta & Co. and adopted by the members of the Company in those respective years. Accordingly, reliance has been placed on the financial information audited by them for the said years after conducting such additional procedures as deemed appropriate by us for the purpose of expressing our opinion on the Restated Financial Statements.

4. We have performed such tests and procedures which in opinion were necessary for the examination of the attached financial information. These tests and procedures mainly involved comparison of the attached financial information with the Company's audited financial for the respective years / periods.

5. Based on above, we report that in our opinion and according to the information and explanations given to us, we have found the attached financial information to be true and fair and the same be used appropriately.

6. Based on our examination and the reliance placed on the Previous Auditors' Reports, as referred to in paragraph 3 above, we state that:

   a. The Restated Statement of Assets and Liabilities of the Company as at September 30, 2011, March 31, 2011, 2010, 2009, 2008 and 2007 are as set out in Annexure I to this report. This Statement has been arrived at after making such adjustments and regroupings as in our opinion are appropriate and more fully described in the Significant Accounting Policies and Notes to Restated Summary Statements as set out in Annexure IVto this report.

   b. The Restated Statement of Profits and Losses of the Company for the six month period ended September 30, 2011 and for the financial years ended March 31, 2011, 2010, 2009, 2008, and 2007are as set out in Annexure II to this report. This statement have been arrived at after making such adjustments and regrouping as in our opinion are appropriate and more fully described in the Significant Accounting Policies and Notes to Restated Summary Statements as set out in Annexure IV to this report.

   c. The Restated Statement of Cash Flows of the Company for the six month period ended September 30, 2011 and for the financial years ended March 31, 2011, 2010, 2009, 2008, and 2007 are as set out in Annexure III to this report. This statement have been arrived at after making such adjustments and regrouping as in our opinion are appropriate and more fully described in the Significant Accounting Policies and Notes to Restated Summary Statements as set out in Annexure IV to this report.

   d. Adjustments have been made for the changes in accounting policies retrospectively in respect of financial years to which they relate to reflect the same accounting treatment as per changed accounting policy for all the reporting periods

   e. The Restated Summary Statements are after making adjustments and regroupings as in our opinion were appropriate in the year/period to which they relate.

   f. There are no extra ordinary items that need to be disclosed separately in the Restated Summary Statements.

   g. There are no qualifications in the Auditors' report on the financial statements that require adjustments to the Restated Financial Statements.

7. We have also examined the following other financial information set-out in Annexures prepared by the management and approved by the Board of Directors relating to the Company as at and for the six month period ended September 30, 2011 and for the financial years ended March 31, 2011, 2010, 2009, 2008, and 2007:

   a. Statement of Investments, as restated, enclosed as Annexure V

   b. Statement of Sundry Debtors, as restated, enclosed as Annexure VI

   c. Statement of Loans and Advances, as restated, enclosed as Annexure VII

   d. Statement of Secured and Unsecured Loans, as restated, enclosed as Annexure VIII

   e. Statement of Income from Operations, as restated, enclosed as Annexure IX

f. Statement of Other Income, as restated, enclosed as Annexure X

g. Statement of Dividend, as restated, enclosed as Annexure XI

h. Statement of Accounting Ratios, as restated, enclosed as Annexure XII-A and Annexure XII-B

i. Statement of Capitalisation, enclosed as Annexure XIII

j. Statement of Related Party Transactions as Annexure XIV

k. Statement of Tax Shelters, enclosed as Annexure XV

Based on our examination and the reliance placed on the Previous Auditors' Reports, as referred to in paragraph 4 above, we state that, the Other financial information as disclosed in the Annexures to this report as referred to above, read with respective Significant Accounting Policies and Notes to Restated Summary Statements as set out in Annexure IV, and prepared after making the adjustments and regrouping as considered appropriate, have been prepared in accordance with Paragraph B (1) of Part II of Schedule II of the Act and the SEBI ICDR Regulations.

8. This report should not, in any way, be construed as a reissuance or re-dating of any of the previous audit reports nor should this be construed as a new opinion on any of the financial statements referred to herein.

9. The attached financial information does not reflect the events that occurred subsequent to the date of our report on these financial statements.

10. Our report is intended solely for use of the management and for inclusion in the offer document in connection with the proposed IPO and should not be used for any other purpose whatsoever except with our prior written consent.

For Amit Ray & Co.,
Chartered Accountants
F. R. No. 000483C

(Amitava Ray)
Partner
Membership Number: 006947

Place: New Delhi
Date: January 30, 2012

ANNEXURE 1 - Statement of Assets and Liabilities, As Restated

₹in millions

		Particulars	As at					
			30-Sep-11	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**	**31-Mar-07**
A	Fixed assets							
	(a)	Gross block	361.93	359.29	358.06	234.21	221.98	277.12
	(b)	Less : Depreciation	122.79	116.77	106.65	101.02	93.66	153.04
	(c)	Net block	239.14	242.52	251.41	133.19	128.32	124.08
	(d)	**Total fixed assets**	**239.14**	**242.52**	**251.41**	**133.19**	**128.32**	**124.08**
B	**Investments**		**1,276.90**	**1,725.82**	**2,501.44**	**1,432.45**	**535.76**	**2.23**
C	Current assets, loans and advances							
	(a)	Inventories	134.16	134.05	148.66	148.51	124.91	123.37
	(b)	Work-in-progress	3,978.76	3,960.79	2,517.73	1,811.70	2,564.94	1,432.57
	(c)	Sundry debtors	6,432.07	8,689.59	8,820.75	7,784.03	4,470.82	4,798.97
	(d)	Cash and bank balances	13,681.92	11,697.98	9,439.15	9,096.51	8,731.05	7,514.14
	(e)	Other current assets	314.00	233.10	82.00	89.07	130.27	103.37
	(f)	Loans and advances	8,663.34	8,085.87	6,512.59	5,811.00	4,686.22	2,900.16
	(g)	**Total current assets, loans and advances**	**33,204.25**	**32,801.38**	**27,520.88**	**24,740.82**	**20,708.21**	**16,872.58**
D		**Deferred Tax Assets**	**63.18**	**62.74**	**64.58**	**58.58**	**39.35**	**58.66**
E	**Total assets [A + B + C+ D]**		**34,783.47**	**34,832.46**	**30,338.31**	**26,365.04**	**21,411.64**	**17,057.55**
F	Liabilities and provisions							
		Loan Funds						
	(a)	Secured Loans	-	-	-	-	-	-
	(b)	Unsecured Loans	-	-	-	-	-	671.36
	(c)	**Total Borrowed Funds**	**-**	**-**	**-**	**-**	**-**	**671.36**
		Current Liabilities & Provisions						
	(d)	Current liabilities	24,120.99	25,304.50	22,592.16	18,716.88	15,251.65	13,891.33
	(e)	Provisions	3,363.93	2,974.64	2,247.27	3,036.69	2,818.79	1,006.89
	(f)	**Total current liabilities and provisions**	**27,484.92**	**28,279.14**	**24,839.43**	**21,753.57**	**18,070.44**	**14,898.22**
	(g)	**Total liabilities**	**27,484.92**	**28,279.14**	**24,839.43**	**21,753.57**	**18,070.44**	**15,569.58**
G	**Less: Deferred Tax Liabilities**		**10.23**	**10.55**	**11.01**	**8.53**	**8.54**	**9.37**
H	**Net worth [A + B + C + D -F]**		**7,288.32**	**6,542.77**	**5,487.87**	**4,602.94**	**3,332.66**	**1,478.60**
I	Represented by :							
	(a)	Share capital	1,200.00	900.00	900.00	900.00	900.00	1,200.00
		Reserves and surplus						
	(b)	Capital Redemption Reserve	-	-	-	-	300.00	300.00
	(c)	General Reserve	2,000.00	2,300.00	2,300.00	2,300.00	2,000.00	-
	(d)	Balance of P&L, as restated	4,088.32	3,342.77	2,287.87	1,403.26	133.31	(20.42)
	(e)	***Total Reserves & Surplus***	6,088.32	5,642.77	4,587.87	3,703.26	2,433.31	279.58
	(f)	**Total share capital *plus* reserves**	**7,288.32**	**6,542.77**	**5,487.87**	**4,603.26**	**3,333.31**	**1,479.58**
	(g)	Less : Miscellaneous expenditure not written off	-	-	-	0.32	0.65	0.98
	(h)	**Net worth**	**7,288.32**	**6,542.77**	**5,487.87**	**4,602.94**	**3,332.66**	**1,478.60**

Notes:

The above statement should be read with the notes to the restated summary statement of assets and liabilities, profits and losses and cash flows as appearing in Annexure – IV

ANNEXURE - II - Statement of Profits and Losses, as restated

₹in millions

		Particulars	For the period ended					
			30-Sep-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
A	**Income from Operations**							
	(a)	Value of Work Done	12,722.67	29,824.67	28,606.56	20,256.48	17,881.87	13,962.87
	(b)	Work-in-progress	328.85	1,443.05	1,213.25	155.55	1,818.07	636.47
	(d)	Accretion/(-)decretion to stocks	(285.87)	-	(491.41)	(908.80)	(685.70)	(174.86)
	(e)	**Total Income from Operations**	**12,765.65**	**31,267.72**	**29,328.40**	**19,503.23**	**19,014.24**	**14,424.48**
		Other Income	763.50	1,039.64	867.50	939.40	1,125.18	669.23
		Total Income	**13,529.15**	**32,307.36**	**30,195.90**	**20,442.63**	**20,139.42**	**15,093.71**
B	**Expenditure**							
	(a)	Land Cost / Material Consumed	277.86	1,399.27	1,155.35	344.04	1,531.12	150.56
	(b)	Expenditure on Piece Rate Work / Consultancy	11,182.70	27,002.24	25,527.61	16,099.97	12,684.71	12,312.71
	(c)	Salaries Wages & Benefits	604.31	1,138.09	1,062.04	930.82	771.49	462.84
	(d)	Other Expenses	148.36	342.09	363.49	325.26	313.40	664.36
	(e)	Provisions & Write Offs (Net)	123.83	256.17	261.17	270.90	621.10	209.81
		Total Expenditure	**12,337.06**	**30,137.86**	**28,369.66**	**17,970.99**	**15,921.82**	**13,800.28**
C	**Profit before depreciation, interest and taxation**		**1,192.09**	**2,169.50**	**1,826.24**	**2,471.64**	**4,217.60**	**1,293.43**
D	Less : Depreciation &Amotisation		10.40	32.10	31.18	30.69	30.94	29.38
	Less : Interest		72.68	43.22	48.70	32.19	35.64	21.29
E	Add/(Less) : Prior period items		(4.14)	(2.13)	0.43	9.25	2.18	(0.70)
F	**Profit before tax**		**1,113.15**	**2,096.29**	**1,745.92**	**2,399.52**	**4,148.83**	**1,243.46**
G	**Provisions for taxation**							
	(a)	Income tax for current year	364.22	691.51	582.81	818.33	1,328.68	429.61
	(b)	Income tax for earlier years	-	-	1.68	3.53	-	1.99
	(c)	Fringe benefits tax for current year	-	-	-	5.32	3.42	2.18
	(d)	**Total**	**364.22**	**691.51**	**584.49**	**827.18**	**1,332.10**	**433.78**
	(e)	Deferred tax adjustment for the period	(0.77)	1.39	(3.53)	(19.23)	18.48	0.90
	(f)	**Total provisions for taxation**	**363.45**	**692.90**	**580.96**	**807.95**	**1,350.57**	**434.68**
H	**Net profit after tax as per audited accounts**		**749.70**	**1,403.39**	**1,164.96**	**1,591.57**	**2,798.26**	**808.78**
I	**Extraordinary items (Net of tax)**		**-**	**-**	**-**	**-**	**-**	**-**
J	**Net profit after tax and extraordinary items**		**749.70**	**1,403.39**	**1,164.96**	**1,591.57**	**2,798.26**	**808.78**

	Particulars	For the period ended					
		30-Sep-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
K	**Adjustments on account of -**						
	(a) Changes in accounting policies	-	-	-	-	-	-
	(b) Prior period items	(4.14)	2.01	2.56	8.82	(7.07)	(2.88)
	(c) Other adjustments	-	-	30.42	37.08	(24.00)	(43.50)
	Tax impact						
	(a) Current year tax impact	1.34	(0.67)	(10.43)	(15.60)	10.56	15.61
	Total adjustments after tax impact	(2.80)	1.34	22.55	30.30	(20.51)	(30.77)
L	**Profit after tax, as restated**	**746.90**	**1,404.73**	**1,187.51**	**1,621.87**	**2,777.75**	**778.01**
	Balance Brought Forward, as restated	3,342.77	2,287.87	1,403.26	133.31	(20.42)	(463.33)
	Profit available for Appropriation	**4,088.32**	**3,670.07**	**2,560.47**	**1,775.68**	**2,788.10**	**290.08**
	Appropriations						
	Dividend & Dividend Distribution tax	-	327.30	272.60	372.42	654.79	10.50
	Transfer to Reserves					2,000.00	300.00
	Balance Carried Forward, As Restated	**4,088.32**	**3,342.77**	**2,287.87**	**1,403.26**	**133.31**	**(20.42)**

Notes:

The above statement should be read with the notes to the restated summary statement of assets and liabilities, profits and losses and cash flows as appearing in Annexure – IV

ANNEXURE - III - Statement of Cash Flows, as restated

₹in millions

		Particulars	For the period ended					
			30-Sep-11	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**	**31-Mar-07**
A	**Cash flow from operating activities :**							
	(a)	Profit before tax and extra-ordinary items	1,113.15	2,096.29	1,745.92	2,399.52	4,148.83	1,243.46
	(b)	Adjustments (see Annexure-IV)	(4.14)	2.01	32.98	45.90	(31.07)	(46.38)
	(c)	**Restated profit before tax**	**1,109.01**	**2,098.30**	**1,778.90**	**2,445.42**	**4,117.76**	**1,197.08**
	Adjustments for :							
	(d)	Depreciation	6.37	13.30	13.76	10.72	9.48	9.07
	(e)	(Profit) | Loss on Sale of Assets (Net)	0.03	(2.25)	(0.91)	(17.98)	(3.91)	(3.67)
	(f)	Interest received	(544.72)	(735.61)	(541.11)	(689.37)	(707.55)	(484.33)
	(g)	Rent	(0.16)	(0.16)	(0.14)	(0.15)	(0.34)	(0.15)
	(h)	Dividend Received	(47.15)	(68.09)	(127.71)	(50.42)	(25.05)	-
	(i)	Interest Expense				32.19	35.64	21.28
	(j)	Profit in Joint Venture	-	-	(3.27)	(3.90)	-	
	(k)	Total adjustments	(585.63)	(792.81)	(659.38)	(718.91)	(691.73)	(457.80)
		Operating profit before working capital	**523.38**	**1,305.49**	**1,119.52**	**1,726.51**	**3,426.03**	**739.28**
	Adjustments for changes in working capital :							
	(l)	Inventories	(0.12)	14.61	(0.15)	(23.60)	(1.54)	17.83
	(m)	Work in Progress	(17.97)	(1,443.05)	(706.04)	753.25	(1,132.37)	(359.62)
	(n)	Sundry Debtors	2,257.52	131.16	(1,036.72)	(3,313.21)	328.15	(47.63)
	(o)	Loans & Advances	(227.73)	(832.00)	112.18	(473.04)	(288.66)	70.75
	(p)	Other Current Assets	(80.89)	(151.10)	7.07	41.19	(26.90)	(38.67)
	(q)	Current Liabilities	(1,185.52)	2,712.34	3,875.28	3,465.22	1,360.33	991.45
	(r)	Provisions	20.48	(39.39)	(1,376.53)	(505.83)	(88.31)	(105.68)
	(s)	Miscellaneous Expenditure	-	-	0.33	0.33	0.33	2.50
	(t)	***Net changes in working capital***	***765.77***	***392.57***	***875.42***	***(55.69)***	***151.03***	***530.93***
	(u)	**Cash generated from operations**	**1,289.15**	**1,698.06**	**1,994.94**	**1,670.82**	**3,577.06**	**1,270.21**
	(v)	Direct Taxes paid	(349.74)	(741.29)	(813.77)	(651.74)	(1,497.39)	(424.38)
	(w)	Corporate Dividend Tax paid	-	(39.61)	(54.11)	(95.14)	-	-
	(x)	Gratuity and Leave Encashment	6.61	(2.66)	61.72	183.83	(115.36)	34.99
		Net cash flow from operating activities (A)	**946.02**	**914.50**	**1,188.78**	**1,107.77**	**1,964.31**	**880.82**
B	**Cash flow from investing activities :**							
	(a)	Purchase of fixed assets	(3.04)	(5.66)	(134.13)	(21.27)	(15.00)	(6.93)
	(b)	Sale of fixed assets	0.01	3.51	3.06	23.65	5.19	8.23
	(c)	Interest Received	544.72	735.61	541.11	689.37	707.55	484.33
	(d)	Rent	0.16	0.16	0.14	0.15	0.34	0.15
	(e)	Dividend Received	47.15	68.09	127.71	50.42	25.05	-

	Particulars	For the period ended					
		30-Sep-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
(g)	Investments	448.92	775.61	(1,068.99)	(896.69)	(533.53)	(0.73)
(h)	Profit in Joint Venture	-	-	3.27	3.90	-	
	Net cash flow from investing activities (B)	**1,037.92**	**1,577.32**	**(527.83)**	**(150.47)**	**189.60**	**485.05**
C	**Cash flow from financing activities :**						
(a)	Proceeds from Issue of Equity shares	-	-	-	-	-	-
(b)	Redemption of Preference Shares	-	-	-	-	(300.00)	-
(c)	Increase / (Repayment) of Loans	-	-	-	-	(601.36)	(120.00)
(d)	Dividend on Equity Shares paid	-	(232.99)	(318.31)	(559.65)	-	-
(e)	Interest Expense				(32.19)	(35.64)	(21.28)
	Net cash flow from financing activities (C)	**-**	**(232.99)**	**(318.31)**	**(591.84)**	**(937.00)**	**(141.28)**
	Net increase in cash and cash equivalents	**1,983.94**	**2,258.83**	**342.64**	**365.46**	**1,216.91**	**1,224.59**
	Cash and cash equivalents at the -						
	Beginning of the year	11,697.98	9,439.15	9,096.51	8,731.05	7,514.14	6,289.55
	End of the year	13,681.92	11,697.98	9,439.15	9,096.51	8,731.05	7,514.14
	Net increase in cash and cash equivalents	**1,983.94**	**2,258.83**	**342.64**	**365.46**	**1,216.91**	**1,224.59**

Notes:

3. Figures in bracket indicate cash outflow
4. The above statement should be read with the notes to the restated summary statement of assets and liabilities, profits and losses and cash flows as appearing in Annexure – IV

Annexure IV

Notes to the Restated Summary Statement of Assets and Liabilities, Profits and Losses and Cash Flows

A. Table highlighting Material Adjustment

The summary of results of material adjustments made in the audited financial statements for the respective periods/years and its impact on the profit/losses of the Company is as follows:

₹in millions

	Particulars		For the period ended					
			30-Sept-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
1	**Profit after tax as per audited statements**		749.70	1,403.39	1,164.96	1,591.57	2,798.26	808.78
2	**Adjustments on account of -**							
	(a)	**Prior period items**	(4.14)	2.01	2.56	8.82	(7.07)	(2.88)
	(b)	**Other adjustments due to shifting of income**	-	-	30.42	37.08	(24.00)	(43.50)
	Total adjustments		(4.14)	2.01	32.98	45.90	(31.07)	(46.38)
3	**Tax impact**							
	(a)	Tax impact of adjustments	1.34	(0.67)	(10.43)	(15.60)	10.56	15.61
	Total tax adjustments		1.34	(0.67)	(10.43)	(15.60)	10.56	15.61
	Total adjustments after tax impact		(2.80)	1.34	22.55	30.30	(20.51)	(30.77)
4	**Profit after tax, as restated**		**746.90**	**1,404.73**	**1,187.51**	**1,621.87**	**2,777.75**	**778.01**

B. Notes on Material Adjustments

1. In the audited financial statements, certain items have been identified as prior period items. Accordingly, in the Restated Financial Information, such prior period income has been appropriately adjusted in the respective years to which they relate.

2. The Audited Financial Statements for the six month period ended September 30, 2011 and for the financial years ended March 31, 2011, 2010, 2009, 2008, and 2007 includes income tax adjustment for earlier years on account of shortfall/excess income tax arising out of assessments, appeals etc. Accordingly, in Restated Financial Information, income tax adjustments for the six month period ended September 30, 2011 and for the financial years ended March 31, 2011, 2010, 2009, 2008, and 2007 aggregating ₹ (1.34) million, ₹0.67 million, ₹ (10.43) million, ₹(15.60) million, ₹(10.56) million, ₹(15.61) million respectively have been made.

3. Provision for Tax has been recomputed to give tax effect on adjustments made as detailed above and has been adjusted in Restated Financial Information.

4. The company has accounted for the deferred tax assets & liabilities for earlier years in terms of 'Accounting for Taxes on Income' (AS-22) issued by the Institute of Chartered Accountants of India (ICAI). Current tax and Deferred tax impact of adjustments made have been computed on the profit arrived after making the adjustment and on the basis of rates applicable to respective years.

5. The implementation of 6th Pay commission for employees under CDA pattern and 2nd Pay commission report on IDA pattern was effective from January 2006 and January 2007 respectively, the liability on account of revision of pay was made during the years 2007-08, 2008-09 & 2009.

6. An amount of ₹ 480 million and ₹ 1,355 million which was shown under bank and cash balance for the year ended March 31, 2008 and March 31, 2009 respectively in the Audited Financial statements has been regrouped under investment in the restated Financial information.

7. Appropriate adjustments have been made in the restated summary statements of Assets and Liabilities, Profits and Losses and Cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the classification as per the audited financials of the Company for the six month period ended September 30, 2011 and the requirements of the SEBI ICDR Regulations.

C. Notes on Material Adjustments not made for Restated Summary Statements

1. Revision of salary and Arrear liability on account of Gratuity and other Employee Benefits arising out of revision of salary and wages for executives and non-executives in 2007-08 & 2008-09 has been charged in the Accounts of 2007-08 & 2008-09 and the restatement of it to respective years has not been made, as the same cannot been ascertained. The actuarial valuation of the Gratuity and other Employee Benefits cannot be ascertained on account of lack of bifurcation made by the actuary while calculating the impact of revision in salary.

D. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention on the accrual basis of accounting and in accordance with the Companies (Accounting Standards) Rules 2006, as amendment, issued by the Central Government and relevant provisions of the Companies Act, 1956 to the extent applicable. The accounting policies have been consistently followed by the Company.

2. Use of Estimates

The financial statements are prepared in accordance with generally accepted accounting principles (GAAP) in India which requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent liabilities. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements which in management's opinion are prudent and reasonable. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revision to accounting estimates is recognized prospectively in current and future periods.

3. Revenue Recognition

- Value of work done is being shown in the accounts based on percentage completion method.Such an evaluation of work done is based on the previous experience of the Management.

- Value of work done and Sundry Debtors include:

a) Work done for the constituent for whom only letters of intent have been received however formal contracts / agreements are in the process of execution.

b) Work executed and measured by the Corporation pending certification by the constituent.

c) Work executed but not measured / partly executed / accounted for at engineering estimated cost.

d) Extra and substituted items to the extent considered realizable based on the previous experience of the Management.

e) Claims referred to arbitration or lodged against constituent to the extent considered realizable based on the previous experience of the Management.

f) Amount retained by the constituent is released after the commissioning of the project.

g) Value of work done for Real Estate Projects (Reality Project), taking into account the total expenditure incurred in the project, is accounted for in the year of receipts of sale consideration or on the basis of execution of sale documents with the buyers, wherever significant sale consideration has been received, whichever is earlier.Sales documents also include unregistered agreement to sell.

4. WORK-IN-PROGRESS

Work-in-progress includes the unsold portion of Real Estate pertaining to Reality Projects.The increase / decrease in Work-in-Progress are accounted for as income or expenditure of the year, as the case may be. Valuation of work-in-progress including unsold portion of reality project is being done on the basis of incurrence of expense directly attributable to the project.

5. FIXED ASSETS

Fixed Assets are stated at historical cost less accumulated depreciation. Costs thatare directly attributable to acquisition of fixed assets are capitalized.

6. DEPRECIATION & AMORTISATION

a) Depreciation on fixed assets is calculated on Straight Line Method in accordance with the provisions of schedule-XIV to the Companies Act, 1956.

b) Fixed Assets costing up to ₹5,000/- each are depreciated fully in the year of its acquisition.

c) Temporary hutments and installation are depreciated fully in the year of its creation.

d) Hostel / Staff Camps equipment are considered as Current Assets and the depreciation thereon is ascertained by deducting the realizable value as estimated by the Management from the book value.

e) Amortisation amounts in respect of Centering, Shuttering and Scaffolding, Loose Tools, Laboratory Equipment, empty containers & others is ascertained by deducting the realizable value, as estimated by the Management from the book value.

7. FOREIGN CURRENCY TRANSACTIONS

a) Foreign Projects

The basis adopted for conversion of foreign currency:-

1. Revenue items other than opening and closing inventories and depreciation are translated into Indian Currency at an average rate of the month of the transaction.

2. Assets (other than fixed assets), liabilities relating to foreign projects have been translated into Indian currency at the closing buying rates.Balance of Head Office account in the books of branch is reported at the amount of balance of branch account appearing in the books of Head Office.

3. The net exchange difference resulting from the translation of items in respect of foreign branches is charged or credited to Profit & Loss Account except to the extent adjusted in the carrying amount of the related fixed assets.

b) Inland Projects

Foreign currency in respect of revenue items are translated into Indian Rupees on the date of transaction and liabilities are translated in Indian Rupees at the closing buying rates. The difference, if any, is recognized as revenue / expenditure, as the case may be during the year.

8. VALUATION OF INVENTORIES

a) Valuation of Direct Material is done at lower of historical cost or net realizable value.

b) Stores and spare parts are valued at cost.

c) Steel Scrap, Tools & Equipment etc. are valued at estimated realizable value.

d) Centering, shuttering & Scaffolding and Hostel / Staff Camp equipment are valued at written down value arrived at after deducting amortization / depreciation indicted in Para 6(e) above.

9. INVESTMENTS

Current Investments are valued at cost or market value whichever is lower. Long Term Investments are valued at cost.

10. RETIREMENT BENEFITS

a) Gratuity

The provision for gratuity is made in the accounts in accordance with the provisions of the Payment of Gratuity Act on actuarial basis.

b)Leave Encashment

The provision for leave encashment of employees is made on actuarial basis

c) Travelling Allowance on Superannuation

The provision for travelling allowance on superannuation is made on actuarial basis

11. DEFERRED REVENUE EXPENDITURE

Expenditure incurred for acquiring Technical know-how is treated as Deferred Revenue Expenditure and charged to Profit & Loss Account in equal yearly instalments over a period of six years or estimated life of the know-how, whichever is less

12. The consumption of material at site is net of recovery / sale from / to PRW / Others and inter-unit transfers.Shortage of materials on account of theft, pilferage etc., if any, is booked separately under the appropriate discrepancy head

13. PRIOR PERIOD EXPENDITURE / INCOME

Expenditure / Income up to₹ 50,000/- in each case relating to prior period has been charged / accounted for to the respective head of accounts.

14. TAXES ON INCOME

Income Tax is accounted for in accordance with Accounting Standard-22 'Accounting for taxes on income' issued by ICAI, which includes Current Taxes and Deferred Taxes.

Deferred tax is recognized on timing differences, being the difference between taxable income and Accounting income that originate in one period and are capable of reversing in one or more subsequent period.

Deferred Tax Assets are recognized only to the extent there is a reasonable certainty of its realization.

15. IMPAIRMENT OF ASSETS

The company identifies impairable assets based on individual assets concept at the year-end in the terms of Para 5-13 of AS-28 issued by ICAI for the purpose of arriving at impairment loss thereon, if any, being the difference between the book value and recoverable value of relevant assets.The impairment loss recognized in the prior accounting periods is reversed if there has been a change in the estimates of recoverable amount.

16. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is made in the accounts if it becomes probable that an out flow of resources embodying economic benefits will be required to settle the obligation in respect of which a reliable estimate can be made.

Contingent Liabilities are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

Contingent Assets are neither recognized nor disclosed as per Accounting Standard-29 issued by the ICAI.

17. PROVISION FOR DOUBTFUL DEBTS / LOANS AND ADVANCES

The amount of Sundry Debtors / Loans and Advances in closed projects pertains to Govt. of India Departments and PSEs clients are considered good for realisation irrespective of the age of debtors / loans and advances. These debts are under constant persuasion for realisation till final settlement made with the client or verdict is passed by the arbitration / court, in case of dispute. Necessary provision against doubtful debts / loans and advances is made based on the previous experience of the Management. Debtors/Advances are written-off when considered unrealisable

18. JOINT VENTURE

a) Jointly controlled operations are accounted as independent contract / entity

b) In respect of contracts / Reality Projects executed by a jointly controlled entity, the profit / loss from the Joint Venture is accounted for as and when determined

19. ARBITRATION

Arbitration / Court's awards, to the extent not taken into accounts at the time of lodge, are accounted for after it becomes Decree.Interest to / from in these cases are accounted for on actual receipt / payment

20. LIQUIDATED DAMAGES

Liquidated Damages / Compensation for delay in respect of constituent / contractors, if any, are accounted for when the matter is considered settled by the management

21. SEGMENT REPORTING

The company has identified three primary reporting segments based on nature of business activities viz. Real Estate, Infrastructure and Civil Construction

22. INSURANCE CLAIMS

Insurance claims are accounted for on the basis of claims accepted by the insurers in the year of acceptance

E. Notes to Accounts

1. Contingent Liabilities

₹in millions

	Particulars	30-Sept-11	31-Mar-11
(a)(i)	Claims against the Corporation not acknowledged as debts.Counter claims of the Corporation against these claims amounting to ₹5,347.86 million (Previous year ₹ 1,998.60 million) not accounted for in books.	9,668.20	3,985.84
(ii)	Bank Guarantees for performance, EMD and Security Deposit	3,387.27	3,404.07
(b)(i)	The Corporation had paid tax in earlier years in Libya on profits based on accounts audited by local auditors.Additional demand for tax amounting to LD 6,716,079.430equivalent to ₹ 275.78 million (previous year LD 6,716,079.430 equivalent to ₹ 248.24 million) based on turnover etc., for the years from 1977-78 to 1989-90 raised by the tax department of the said foreign country has not been accepted by the Corporation and not provided for. The Corporation has filed appeal / objections against the above demand under the local tax laws.	275.78	248.24
ii)	The Govt. guarantee charges on internal / external borrowings have not been accounted for as the matter regarding waiver of these charges has been taken up with the Govt. of India, Ministry of Urban Development (MOUD).	165.49	165.49

	Particulars	30-Sept-11	31-Mar-11
iii)	Recovery at penal rate on account of excess consumption of material over theoretical norms for the materials supplied by the clients at issue price and free of cost, pending final settlement with the clients.	NOT ASCERTAINABLE*	

**Recovery at penal rate on account of excess consumption of material over theoretical norms for the materials supplied by the clients at issue price and free of cost, pending final settlement with the clients cannot be ascertained as these contingent items cannot be quanitified.*

1. Fixed Deposits with scheduled Banks amounting to ₹ 780.20 million (previous year ₹ 730.20 million) are under lien with Banks for issuing of Bank Guarantees as per stipulation of the Bank.

2. Lease / Title Deeds for the following Land and Buildings are pending for execution in the name of Corporation:

SN	Particulars (₹ in millions)	30-Sept-11	31-Mar-11
i)	Land at Lodhi Road, New Delhi *	0.86	0.86
ii)	Land at MBP, Mehrauli Road, Ghitorni, New Delhi.	19.58	19.58
iii)	Office Building at Arun Chambers, Mumbai	0.55	0.55
iv)	Golf Link, New Delhi	15.80	7.91
v)	Shopping-cum-Office Complex at Pushp Vihar	282.97	282.97

*The main lease is in favour of M/s BHEL and a separate agreement for entitlement of ownership has been made in favour of NBCC.

The above figures represent the land cost including provision for stamp duties payable on execution of lease / title deeds have been made in respect of (i), (iii) to (v).

3. Sundry Debtors includes outstanding dues from Govt. / PSUs and other departments in respect of closed projects amounting to ₹383.93 million (previous year ₹ 404.54million) which are outstanding for more than three years.Out of this sum, an amount of ₹ 172.58 million (previous year ₹ 175.62million) is pending in arbitration / court proceedings.No provision has been considered against these amounts as the same are considered good for recovery as represented by the management.

4. In respect of closed units be it domestic or foreign, the reconciliation of balances of such unit is in progress.The effect if any of such balances on the profit / loss of the Corporation is not ascertainable.

5. Debtors, Creditors and Loans & Advances are subject to confirmation and reconciliation.

6. Unclaimed liabilities and other credit balances outstanding since previous year amounting to ₹ 42.53 million (previous year ₹ 40.40 million) have been written-back in the books under the head "Unadjusted credit balances written-back" being not payable consequent to a review of such accounts during the year.

7. The statutory dues are generally deposited regularly with the appropriate authorities as stipulated under the Statutory Act subject to an exception of un-deposited amount of Labour Welfare Cess to the tune of ₹ 21.39 million (previous year ₹ 14.03 million) on account of the difference of the levied rate of cess @ 0.3% and 1% in the case of the respective law of the State and the rate applicable at the centre.

8. The expenditure charged to Profit & Loss Account in respect of Real Estate Projects has been worked out on the basis Standard Costing Method.

9. In terms of the Government policy frame work for disinvesting its equity in CPSEs having positive Net worth, no accumulated losses and those recorded net profits in three preceding consecutive years; the Company has received directions for disinvestment of 10% of Government equity through book building process.The Cabinet Committee on Economic Affairs in its meeting held on August 11, 2011 approved the proposal for disinvestment of 10% equity held by the Government of India in the Company.1.20 crore equity shares of ₹ 10/- each will be disinvested through an IPO.Company has taken necessary steps for compliance with SEBI/ listing agreements. During the Half Yearly accounts ending on 30.09.2011 fully paidbonus shares of ₹ 30.00 crore comprising 3.00 crore equity shares of ₹ 10/- each have been issued tothe existing shares holders in the ratio of 3:1 with all rights ranking paripassu with existing shareholders. 300,000 7% Non-cumulative Redeemable Preference Shares of ₹1,000 each forming part of the Authorised Capitalwas converted into single class of equity shares of ₹ 10 each.

10. The company had adopted AS-15 (Revised 2005) Employee Benefits Scheme as under:

a) Gratuity

The company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity on superannuation, resignation, termination, disablement or on death.The scheme is funded by the company and is managed by a separate trust formed during the financial year 2007-08. The liability for the half yearly ending on 30.09.2011 is accounted for on the basis of half of the addition amount of previous year ended on 31.03.2011. The amount of the liability for the year provided in the books of accounts on above basis is for ₹ 30.05 million.

b) Leave Encashment

i. Provision for Encashment of Earned Leave equivalent to maximum of 300 days (basic plus dearness allowance) is provided at the year end and charged to profit & loss account. The liability for the half yearly ending on 30.09.2011 is accounted for on the basis of half of the addition amount of previous year ended on 31.03.2011. The amount of the liability for the year provided in the books of accounts on above basis is for ₹ 34.73 million. The progressive liability as on 30.09.2011 is ₹ 404.89 million.

ii. Provision for encashment of Half Pay Leave accruing to the employee on or after 01.04.2005 subject to an overall ceiling of 240 days (equal to 120 days on full pay) on superannuation / death is provided and charged to profit & loss account.The liability for the half yearly ending on 30.09.2011 is accounted for on the basis of half of the addition amount of previous year ended on 31.03.2011. The amount of the liability for the year provided in the books of accounts on above basis is for ₹ 10.91 million. The progressive liability as on 30.09.2011 is ₹ 109.83 million.

c) Travelling Allowance on Superannuation

The progressive liability as on 30.09.2011 is ₹ 3.35 million.

11. As per Accounting Standard-18, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related party as defined in the Accounting Standard are given below in the annexure that follows

12. The details of Deferred Tax Assets / Liability provided in the accounts which are considered capable of reversal in one or more subsequent years are given as under:-

Description	Deferred Tax Assets / (Liabilities) As at 01.04.2011	Current Deferred Tax Assets/ (Liabilities)Half Yearly 30.09.2011	Total Deferred Tax Assets / (Liabilities) As at 30.09.2011*
DEFERRED TAX ASSETS			
Provision for Retirement benefits	53.95	0.67	54.62
Provision for Doubtful debts & advances and others	7.36	-	7.36
Amount paid under Voluntary Retirement Scheme	1.42	(0.22)	1.20
Total (a)	62.73	0.45	63.18
DEFERRED TAX LIABILITY			
Difference between depreciation as per books and depreciation as per Income Tax Act	10.55	(0.32)	10.23
Total (b)	10.55	(0.32)	10.23

* As a matter of prudence Deferred Tax Asset / (Liability) has been calculated at 30% of actual Deferred Tax Asset / (Liability)

13. Disclosure under Accounting Standard-29 on "Provisions, Contingent Liabilities and Contingent Assets":

Movement in Provisions

For the following where the timing of expected outflows is upon settlement of the proceedings:

Particulars	30.09.2011			2010-11		
	CSR Expenditure	Dividend Distribution Tax	Impairment of Assets	Fringe Benefit Tax	Dividend Distribution Tax	Impairment of Assets
Opening Balance	-	46.62	6.87	5.32	39.61	8.21
Add:Provision made during the year	20.36	-	-	-	46.62	-
Less: Paid during the year	-	-	-	-	38.70	-
Less: Provision written back during the year	-	-	-	5.32	0.91	1.34
Closing Balance	20.36	46.62	6.87	-	46.62	6.87

14. As per Accounting Standard-27, issued by the Institute of Chartered Accountants of India, the interest and transactions in Joint Venture as defined in the Accounting Standard are given below:-

i)	Name of Joint Ventures	(1) Jamal NBCC International (PTY) Limited[1]	(2) NBCC - AMC[2]	(3) NBCC -R.K. Millen[3]	(4) NBCC-MHG[4]	(5) NBCC-AB[5]
ii)	Investments(₹ in million)	0.34	88.33	111.34	389.16	61.02
iii)	Percentage of ownership interest	49%	Read Note 2	50%	50%	50%
iv)	Country of Incorporation	Botswana, South Africa	Agartala, India	Howrah, India	New Delhi, India	New Delhi, India
v)	Nature of work	Execution of civil and engineering projects in Botswana.	Development of hotel -cum-commercial complex at Jackson Gate, Agartala	Construction of Residential-cum-commercial-cum IT/ITES complex at MouzaKulai, Howrah.	Construction of Residential Apartments includes Civil, Electrical, Sanitary, Internal/External Development etc. at Village Khekra, District Baghpat at Delhi	Construction of Residential Apartments includes Civil, Electrical, Sanitary, Internal/ External Development etc. at Village Masoori, District Baghpat on Delhi - Saharanpur Highway
vi)	Based on					
a)	Total Assets	-	NA	-	416.99	-
b)	Total Liabilities	-	NA	-	367.63	-
c)	Total Income	-	NA	-	8.82	-
d)	Total Expenditure	-	NA	-	-	-
e)	Contingent Liabilities	-	NA	-	-	-
f)	Capital commitment	-	NA	-	-	-

Note:

1. **Jamal NBCC International (PTY) Limited**: The Company had entered into a joint venture agreement dated February 27, 2001 with M/s Jamal Trading Company Private Limited ("JTC") for the purposes of establishing a joint venture company (Jointly Controlled Entity in terms of AS-27) under the Botswana Companies Act for taking up works in the Republic of Botswana after participation in tenders or through direct negotiations completing the same as per terms of contract and provide services and assume responsibilities as are reasonably related thereto. The joint venture company was incorporated as Jamal-NBCC International Pty. Limited having its registered office at Gaborne, Botswana.Since 2006, JTC had constantly been acting in violation of the provisions of JV Agreement and they were not conducting the affairs of JV Company in a congenial manner and were wilfully not following the decisions that were being taken at the Board meetings of J-NBCC from time to time, after considering all pros and cons the Board of Directors of NBCC at their meeting held on 26 September, 2011, decided to serve a notice for termination of the JV Agreement with JTC. From 2006, there has been no financial information of the joint venture

2. **NBCC - AMC:** Our Company had entered into a memorandum of understanding dated January 11, 2005 with the Agartala Municipalfor the purposes of development of AMC's land/properties at Jackson Gate, Agartala subject to the terms and conditions of AMC JVA on the land provided by AMC.The cost incurred by our Company for all activities, which may become necessary to complete the Project shall be our Company's contribution to the Project. Till date, the Company has expended ₹88.33 million on construction ofcommercial real estate which is considered as an investment as shown in the table above. The profit element shall be computed after deducting the contribution of the parties from the total sale proceeds. The profits generated from the Project or the built up space, after working out the weighted percentage would be shared between the parties in ratio of their contribution. The construction of the complex has been completed on November 15, 2009, however there has been no sale that has taken place and hence no income has been recorded from the said Joint Venture.

3. **NBCC -R.K. Millen**: Our Company executed a memorandum of understanding with RK Millen & Co. (India) Private Limited and R. Chakraborty& Sons Limited on October 5, 2007. This MoU was terminated and pursuant to the MoU a partnership deed was executed between the Company and RKM on October 9, 2007. This partnership was formed for carrying on the object of carrying on the business of real estate development, construction, marketing, sale and lease of real estate product, as may be permissible and as the partners may decide from time to time. The Land and Land Reforms Department, Government of West Bengal by a notice dated February 7, 2008 issued under

Section 4 of the Land Acquisition Act, 1894 has initiated proceedings to acquire the Land. In light of the proceedings for the acquisition of Land and upon disputes arising between the partners, NBCC-RK Millen, has not been able to undertake any business for which it was created. Hence there is no financial information that has been prepared for the said Joint Venture.

4. **NBCC-MHG**: Our Company had entered into a joint venture agreement dated June 10, 2009 with Mahavir Hanuman Realtors Private Limited (formerly known as Maruti Realtors Private Limited) ("MHRPL"), Mr. Shushant Pawar, Mr. Mahesh Kumar Pawar, Jainex Height Promoters Private Limited ("Jainex"), BIPS Projects Private Limited ("BIPS"), Mr. Kamal Kant Jain, Vimla Agency Private Limited ("Vimla") and BMR Buildcon Projects Private Limited ("BMR"). Mr. Shushant Pawar, Mr. Mahesh Kumar Pawar, Jainex, BIPS, Mr. Kamal Kant Jain, Vimla, BMR and the associates are collectively referred to as Mahavir Hanuman Group ("MHG") ("MHG JVA") for the purposes of jointly developing and constructing residential-cum-commercial complex initially on an area of about 16.3655 acres of land at Delhi-Baghpat Road, Village Khekra Town-I, Tehsil Khekra, District Baghpat, Uttar Pradesh ("Project Land") and subject to the terms and conditions of MHG JVA on the land to be procured. The Company is in the process of getting the requisite approvals and partial construction of the work has begun. The relevant financial details based on the audited financials for the period ended September 30, 2011of NBCC-MHG have been incorporated in the table above.

5. **NBCC-AB:** Our Company has entered into a joint venture agreement dated March 11, 2010 with BCC Builders Private Limited ("BCC") and Ahinsha Builders Private Limited ("AB") for the purposes of forming an unincorporated joint venture in the form of an "Association of Persons" under the Income Tax Act, 1961 in the name of NBCC-AB-JV for development of residential and commercial complex on the land situated at Village Mansoori, Tehsil Khekra, District Baghpat, Uttar Pradesh ("Project Land") on the Project Land ("Project") ("AB JVA"),subject to the terms and conditions of AB JVA. Approvals are in the process of being sought and work on this project has still not commenced. Hence there are no financials prepared for the said JV.

15. Segmental results of the Corporation as required by Accounting Standard-17

₹in millions

	Real Estate		**Infrastructure**		**Civil Construction**		**Total**	
	30.09.2011	2010-2011	**30.09.2011**	2010-2011	**30.09.2011**	2010-2011	**30.09.2011**	2010-2011
Revenue from External Customers	780.29	1,442.27	425.54	633.16	11,845.69	29,192.29	13,051.52	31,267.72
Inter Segment Revenue	-	-	-	-	-	-	-	-
Total Revenue	780.29	1,442.27	425.54	633.16	11,845.69	29,192.29	13,051.52	31,267.72
Total Expense	602.26	1,449.76	367.49	630.61	11,165.05	27,316.68	12,134.80	29,397.05
Segment Result:	178.03	(7.49)	58.05	2.55	680.64	1,875.61	916.72	1,870.67
	-	-	-	-	-	-	-	-
Unallocated Corporate	-	-	-	-	-	-	(295.97)	(366.41)
Expenses	-	-	-	-	-	-	-	-
Operating Profit	-	-	-	-	-	-	620.75	1,504.26
Interest Expenses	-	-	-	-	-	-	(0.18)	(25.90)
Interest Income	-	-	-	-	-	-	445.42	549.85
Dividend Income	-	-	-	-	-	-	47.15	68.08
Income Taxes:-	-	-	-	-	-	-	-	-
Provision for current year	-	-	-	-	-	-	(364.21)	(691.51)
Deferred Tax Credit	-	-	-	-	-	-	0.77	(1.39)
Net Profit	-	-	-	-	-	-	749.70	1,403.39
Segment Assets	4,541.31	6,399.11	974.24	933.89	15,360.80	14,662.03	20,876.35	21,995.03
Unallocated Corporate	-	-	-	-	-	-	-	-
Assets	-	-	-	-	-	-	13,907.12	12,837.21
Total Assets	-	-	-	-	-	-	34,783.47	34,832.24
Segment Liabilities	653.25	985.87	668.94	744.50	22,063.03	22,917.14	23,385.22	24,647.51
Unallocated Corporate	-	-	-	-	-	-	4,107.13	3,643.32
Liabilities	-	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-	27,492.35	28,290.83

	Real Estate		Infrastructure		Civil Construction		Total	
	30.09.2011	2010-2011	**30.09.2011**	2010-2011	**30.09.2011**	2010-2011	**30.09.2011**	2010-2011
Capital Expenditure	-	-	0.10	0.39	2.93	5.28	-	-
Depreciation	-	0.02	4.00	23.51	6.40	8.57	10.40	32.10
Non-cash expenditure other than Depreciation	-	-	0.11	0.67	27.55	111.46	-	-

16. Additional information pursuant to the provisions of Part-II of Schedule-VI of the Companies Act, 1956 is given below:

d) Particulars Of Stock Sales And Purchases : NIL

e) Consumption of Raw Materials, Spare parts & Components

INR Million		30.09.2011		2010-2011
	Amount	**%age**	Amount	%age
Indigenous	-	-	-	-
Raw Materials	195.40	100.00	180.72	100.00
Spare Parts & Components	-	-	-	-
Total	**195.40**	**100.00**	**180.72**	**100.00**
Imported	-	-	-	-
Raw Materials	-	-	-	-
Spare Parts & components	-	-	-	-
Total	**195.40**	**100.00**	**180.72**	**100.00**

17. The breakup of Auditor's Remuneration is as under:

INR Million	**30.09.2011**	2010-2011
Statutory Auditors		
Audit fee	0.39	0.72
Fee for Tax Audit	-	0.22
Reimbursement of out of pocket expenses.	0.20	0.38
Certification Fee	-	0.16
Total	0.59	1.48

18. The remuneration of Directors including Chairman-cum-Managing Director included in various schedules to the Profit & Loss Account is as under:-

INR Million	**30.09.2011**	**2010-2011**
Salary	2.08	6.24
Provident Fund Contribution	0.17	0.39
Rent Residence (Net of Recovery)	-	0.10
Medical Expenses	-	-
Leave Encashment (on actuarial basis)	0.30	0.61
Gratuity (on actuarial basis)	0.27	0.54
	2.82	**7.88**

19. Chairman-cum-Managing Director and full time Directors have used company's Car including for private journeys on payment of prescribed charges in accordance with the Government of India, Ministry of Finance BPE's circular No.2(28)/83-BPE(wc) dated 17.11.1983 read with the Government of India, Ministry of Finance BPE's circular No.4/(12)/82- BPE(wc) dated 01.04.1987 and DPE OM No.2(53).90-DEP (wc)-GIV dated 26.03.1999. Since recovery for personal use of car is being made, use of company's car is not considered as a perquisite.

All negative figures have been shown in brackets.

20. Annexure V Restated Statement of Investments

₹in millions

	Particulars	As at					
		30-Sept-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
A	**Trade and unquoted (At cost)**						
	Share in Joint Venture						
	NBCC-IJM-VRM	-	-	-	-	1.50	1.50
	NBCC-R.K.Millen	111.34	111.34	111.34	0.00	0.00	0.00
	Jamal NBCC International (Proprietary) Limited	0.34	0.34	0.34	0.34	0.34	0.34
	NBCC-AMC	88.33	79.51	79.08	77.11	53.92	0.39
	NBCC-MHG	389.16	389.16	389.16	-	-	-
	NBCC-AB	61.02	61.02	55.80	-	-	-
	Total	650.19	641.37	635.72	**77.45**	**55.76**	**2.23**
	Trade and unquoted-Short Term						
	Liquid Fund Cash Plan	626.71	1084.45	1865.72	1355.00	480.00	-
		1,276.90	**1,725.82**	**2,501.44**	**1,432.45**	**535.76**	**2.23**
C	**Total[A + B]**	**1,276.90**	**1,725.82**	**2,501.44**	**1,432.45**	**535.76**	**2.23**

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

2. The above statement should be read with the notes to the restated summary statement of assets and liabilities, profits and losses and cash flows as appearing in Annexure – IV

Annexure VI – Restated Statement of Sundry Debtors

₹in millions

	Particulars		As at					
			30-Sept-11	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**	**31-Mar-07**
A	Debts outstanding for a period exceeding six months							
	(a)	Unsecured :						
		Considered good	2,603.70	3,285.90	3,072.50	2,239.99	1,135.30	1,478.46
		Considered doubtful	37.67	37.67	37.67	39.20	25.45	59.63
	(b)	Secured :	-	-	-	-	-	-
	Total (A)		**2,641.37**	**3,323.56**	**3,110.16**	**2,279.19**	**1,160.75**	**1,538.08**
B	Other debt							
	(a)	Unsecured :						
		Considered good	3,841.38	5,405.59	5,750.15	5,551.91	3,338.30	3,342.54
		Considered doubtful	-	-	-	-	-	-
	(b)	Secured :	-	-	-	-	-	-
	Total (B)		**3,841.38**	**5,405.59**	**5,750.15**	**5,551.91**	**3,338.30**	**3,342.54**
C	**Total[A + B]**		**6,482.75**	**8,729.15**	**8,860.31**	**7,831.09**	**4,499.05**	**4,880.62**
D	Provision for bad and doubtful debts		37.67	37.67	37.67	39.20	25.45	59.63
	Less: Material Account / Clients' General Account		13.01	1.90	1.90	7.87	2.78	22.03
E	**Total[C-D]**		**6,432.07**	**8,689.59**	**8,820.75**	**7,784.03**	**4,470.82**	**4,798.97**
F	Sundry debtors including and related to Directors /		-	-	-	-	-	-
	Promoters / issuer							

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

2. The above statement should be read with the notes to the restated summary statement of assets and liabilities, profits and losses and cash flows as appearing in Annexure – IV

3. List of persons / entities classified as "Promoters", "Promoter Group Companies" and relatives of Directors has been determined by the Management and relied upon by the Auditors.

Annexure VII – Restated Statement of Loans and Advances

₹in millions

		Particulars	As at					
			30-Sept-11	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**	**31-Mar-07**
A	Loans and advances							
	(a)	Employees	-	-	-	-	-	-
	(b)	Directors	-	-	-	-	-	-
	(c)	Recoverable in cash or kind for value to be received	5,398.92	4,952.16	4,000.20	3,015.24	2,088.96	1,856.47
	(d)	Inter corporate loans to PSUs	-	-	-	-	-	-
	(c)	Others	23.56	23.56	23.56	25.24	25.24	30.76
		Provision for doubtful debts	(23.56)	(23.56)	(23.56)	(25.24)	(25.24)	(30.76)
			-					
	Total (A)		5,398.92	**4,952.16**	**4,000.20**	**3,015.24**	**2,088.96**	**1,856.47**
B	**Advance income tax and fringe benefits tax**		**2,618.70**	**2,421.74**	**1,843.04**	**2,174.95**	**2,055.83**	**529.73**
C	Deposits							
	(a)	Customs, port trust etc.	-	-	-	-	-	-
	(b)	Security Deposits	645.72	711.97	669.35	620.81	541.44	513.96
	Total (C)		**645.72**	**711.97**	**669.35**	**620.81**	**541.44**	**513.96**
D	**Total[A + B + C]**		**8,663.34**	**8,085.87**	**6,512.59**	**5,811.00**	**4,686.22**	**2,900.16**
E	Particulars of loans & advances							
	(a)	Secured	4,417.14	3,992.14	3,498.19	2,280.54	1,694.94	0.29
	(b)	Unsecured - considered good	981.78	960.02	502.00	734.71	394.02	1,856.18
	(c)	Total	5,398.92	4,952.16	4,000.20	3,015.24	2,088.96	1,856.47
	(d)	Unsecured - considered doubtful & provided for	23.56	23.56	23.56	25.24	25.24	30.76
F	Loans and advances to :							
	(a)	Directors and entities related to directors	-	-	-	-	0.01	-
	(b)	Promoters and entities related to promoters	-	-	-	-	-	-

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

2. The above statement should be read with the notes to the restated summary statement of assets and liabilities, profits and losses and cash flows as appearing in Annexure - IV

3. List of persons / entities classified as “Promoters”, “Promoter Group Companies” and relatives of Directors has been determined by the Management and relied upon by the Auditors.

Annexure VIII – Restated Statement of Secured and Unsecured Loans

₹in millions

	Particulars	As at					
		30-Sept-11	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**	**31-Mar-07**
A	Secured Loans	-	-	-	-	-	-
B	Unsecured Loans	-	-	-	-	-	671.36
	Total (A+B)	-	-	-	-	-	671.36

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

2. The above statement should be read with the notes to the restated summary statement of assets and liabilities, profits and losses and cash flows as appearing in Annexure - IV

Annexure IX – Restated Income from Operations

₹in millions

Particulars	As at					
	30-Sept-11	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**	**31-Mar-07**
Income from Real Estate Projects	780.29	1,442.27	1,872.20	2,088.51	5,858.98	1,537.26
Income from Infrastructure Projects	425.54	633.16	837.56	1,014.19	805.92	1,087.78
Income from PMC Projects	11,845.69	29,192.29	27,110.05	17,309.33	13,035.04	11,974.45
Total Income from operations (net off stock adjustments)	**13,051.52**	**31,267.72**	**29,819.81**	**20,412.03**	**19,699.94**	**14,599.49**

Notes:

1. The figures disclosed above are based on the restated summary statement of profit and loss of the Company.
2. The above statement should be read with the notes to the restated summary statement of assets and liabilities, profits and losses and cash flows as appearing in Annexure - IV

Annexure X – Restated Summary of Other Income

₹in millions

Particulars	As at						Recurring / Non Recurring	Related / Non Related
	30-Sep-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07		
Unadjusted credit balances written-back	42.53	40.40	49.04	57.50	251.78	95.94	Recurring	Related
Profit on Sale of Assets	0.00	2.57	1.72	18.08	3.99	4.53	Recurring	Related
Interest								
From Bank	449.79	555.59	398.88	624.61	577.25	474.68	Recurring	Related
On advances to staff	0.01	0.06	0.04	0.02	0.03	0.65	Recurring	Related
On advances to PRW/Suppliers	92.00	174.81	124.41	44.19	32.96	9.00	Recurring	Related
Others	2.92	5.15	17.77	20.55	97.31	-	Recurring	Related
Misc. Receipts	128.94	192.82	140.16	119.98	136.47	83.93	Non - Recurring	Related
Rent	0.16	0.16	0.14	0.15	0.34	0.15	Recurring	Related
Dividend received on Liquid Cash Plan	47.15	68.08	127.71	50.42	25.05	-	Recurring	Non-Related
Profit In Joint Venture	-	-	3.27	3.90	-	0.35	Recurring	Related
Exchange Gain	-	-	4.36	-	-	-	Non - Recurring	Related
Total Other Income	**763.50**	**1,039.64**	**867.50**	**939.40**	**1,125.18**	**669.23**		

Notes:

1. The classification of other income as recurring/non-recurring, related/not-related to business activity is based on the current operations and business activity of the Company as determined by the management
2. The figures disclosed above are based on the restated summary statement of profits and losses of the Company.
3. The above statement should be read with the notes to the restated summary statement of assets and liabilities, profits and losses and cash flows as appearing in Annexure - IV

Annexure XI – Restated Summary of Dividend

₹in millions

Equity Shares

		Particulars	For the year ended					
			30-Sep-11	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**	**31-Mar-07**
A	**Equity share capital**							
	(a)	Face value (₹)	10	1,000	1,000	1,000	1,000	1,000
	(b)	No.of shares	120,000,000	900,000	900,000	900,000	900,000	900,000
B	**Rate of dividend (%)**							
	(a)	Final	0%	31%	26%	35%	62%	1%
	(b)	**Total dividend rate**	**0%**	**31%**	**26%**	**35%**	**62%**	**1%**
C	**Amount of dividend**							
	(a)	Final	-	280.68	232.99	318.31	559.65	9.00
	(b)	**Total dividend**	-	**280.68**	**232.99**	**318.31**	**559.65**	**9.00**
D	**Corporate dividend distribution tax**							
	(a)	Final	-	46.62	39.61	54.11	95.14	1.53
	(b)	**Total tax**	-	**46.62**	**39.61**	**54.11**	**95.14**	**1.53**

Notes:

1. On May 24, 2011, the face value of the equity shares of the Company was split into ₹ 10 each and consequently, the issued share capital was split from ₹ 900,000,000 divided into 900,000 equity shares of ₹ 1,000 each to ₹ 900,000,000 divided into 90,000,000 equity shares of ₹ 10 each
2. The Company issued 30,000,000 equity shares on September 30, 2011 pursuant to a bonus issue of Equity Shares.
3. The above statement should be read with the notes to the restated summary statement of assets and liabilities, profits and losses and cash flows as appearing in Annexure - IV

Preference Sahres

₹in millions

		Particulars	For the year ended					
			30-Sep-11	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**	**31-Mar-07**
A	**Preference share capital**							
	(a)	Face value (₹)	-	-	-	-	-	1,000
	(b)	No.of shares	-	-	-	-	-	300,000
			-	-	-	-	-	
B	**Rate of dividend (%)**			-	-	-	-	
	(a)	Final	-	-	-	-	-	7.0%

Particulars		For the year ended					
		30-Sep-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
(b)	**Total dividend rate**	-	-	-	-	-	**7.0%**
		-	-	-	-	-	
C	**Amount of dividend**		-	-	-	-	
(a)	Final	-	-	-	-	-	21.00
(b)	**Total dividend**	-	-	-	-	-	**21.00**
		-	-	-	-	-	
D	**Corporate dividend distribution tax**		-	-	-	-	
(a)	Final	-	-	-	-	-	3.57
(b)	**Total tax**	-	-	-	-	-	**3.57**

Notes

1. The 7% non-cumulative preference shares issued to the Government of India have been redeemed during the Financial Year 2007-08

Annexure XII – Restated Summary of Accounting Ratios

₹in millions

Particulars		Asat/fortheyearended					
		30-Sep-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Net Profit after Tax, as Restated	A	746.90	1,404.73	1,187.51	1,621.87	2,777.75	778.01
Total number of shares outstanding at the end of the year/period	B	120,000,000	900,000	900,000	900,000	900,000	1,200,000
Weighted average number of Shares outstanding during the year/period	C	120,000,000	900,000	900,000	900,000	900,000	900,000
Weighted average number of diluted shares outstanding during the year/period	D	120,000,000	900,000	900,000	900,000	900,000	900,000
Basic Earnings per share (₹)[7]	**A/C**	6.22	11.71	9.90	13.52	23.15	6.48
Diluted Earnings per share (₹)[7]	**A/D**	6.22	11.71	9.90	13.52	23.15	6.48
Return on Net-worth (%)		10.25%	21.47%	21.64%	35.24%	83.35%	52.62%
Net Worth (₹ in million)		7,288.32	6,542.77	5,487.87	4,602.94	3,332.66	1,478.60
Net asset value per equity share[7]		60.74	54.52	45.73	38.36	27.77	12.32

Notes:

1. The ratios have been computed as follows:

   a. *Basic Earnings per share* : $\frac{\text{Net profit after tax (as restated)}}{\text{Weightedaveragenumberofequityshares outstanding during the year/period}}$

   b. *Diluted Earnings per share*: $\frac{\text{Net profit after tax (as restated)}}{\text{Weightedaveragenumberofdiluted shares outstanding during the year/period}}$

   c. *Returnonnetworth (%)* : $\frac{\text{Net profit after tax (as restated)}}{\text{Net worth at the end of the year/period}}$

   d. *Netassetvaluepershare*(₹) : $\frac{\text{Net worth at the end of the year (as restated)}}{\text{Totalnumberofequity shares outstanding duringthe year/period}}$

2. Weighted average number of shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year

3. Net worth = Equity share capital + Reserves and surplus (including General Reserve and surplus in Profit and Loss Account)- Miscellaneous Expenditure not written off.

4. Earnings per share calculations are in accordance with Accounting Standa–d 20 - Earnings per share, notified under the Companies (Accounting Standards) Rules 2006, as amended. As per AS20, in case of bonus shares, the number of shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event has occurred at the beginning of

the earliest period reported. Weighted average number of equity shares outstanding during all the previous years have been considered accordingly.

5. The above statement should be read with the notes to restated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV

6. The figures/ratiosdisclosedabovearebasedonRestatedSummaryStatementsofthe Company

7. On May 24, 2011, the face value of the equity shares of the Company was split into ₹ 10 each and consequently, the issued equity share capital was split from ₹ 900,000,000 divided into 900,000 equity shares of ₹ 1,000 each to ₹900,000,000 divided into 90,000,000 equity shares of ₹ 10 each. Subsequently, the Company issued bonus shares (one share for every three shares held) taking the number of equity shares to 120,000,000. The calculations of per share indicators are based on the updated number of equity shares for ease of comparison.

Annexure XIII – Capitalisation Statement

	Particular–	Pre - Issue / Pre Bonu– as on 31-Mar-11	Pre - Issue / Post Bonus as on 30-Sept-11[4]	Post – Issue[3]
A	**Debt :**			
(a)	Short term debt	-	-	-
(b)	Long term debt	-	-	-
Total debt		**-**	**-**	**-**
B	**Shareholders' Funds :**			
(a)	Share capital	900.00	1,200.00	1,200.00
(b)	Reserves and surplus	5,642.77	6,088.32	6,088.32 [3]
Total shareholders' funds		**6,542.77**	**7,288.32**	**7,288.32**
C	Debt / Equity ratio	--	--	--
D	Long term Debt / Equity	--	--	--

Notes:

1. The figures / ratios disclosed above are based on Restated Summary Statements of the Company
2. The above statement should be read with the notes to restated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV
3. The Company is proposing to have initial public offering through offer for sale; hence there will be no change in Shareholders Fund post issue. The figures for the purpose of calculating post issue figure for reserves and surplus pertains to the period ended September 30, 2011
4. The Company issued 30,000,000 equity shares on September 30, 2011 pursuant to a bonus issue of Equity Shares. The figures have been derived considering issue of bonus shares.

Annexure XIV – Related Party Transaction

Related Party Transactions as per “AS-18 "Related Party Disclosure" is as follows:

I. For the Period Ended September 30, 2011

A. List of Related Parties

Joint Venture

i. Jamal NBCC International (PTY) Limited
ii. NBCC - AMC
iii. NBCC - R.K. Millen
iv. NBCC - MHG
v. NBCC – AB

Key Management Personnel

i. Mr. V.P. Das, CMD
ii. Mr. A.K. Mittal, Director (Projects) w.e.f 05.12.11
iii. Mr.Ajay K Garg, Director (Finance)

B. Transactions during the period Ended September 30, 2011

Particulars	Name of Related Party	Joint Venture	Key Managerial Personnel
Salary	Mr. V.P. Das, CMD Mr. A.K. Mittal, Director (Projects) w.e.f 05.12.11 Mr.Ajay K Garg, Director (Finance)	-	2.08
Provident Fund Contribution		-	0.17
Rent Residence (Net of Recovery)		-	-
Medical Expenses		-	-
Leave Encashment (on actuarial basis)		-	0.30
Gratuity (on actuarial basis)		-	0.27
Increase in invested amount	NBCC –AMC	8.82	
Total		8.82	**2.82**

II. For the Period Ended March 31, 2011

A. List of Related Parties

Joint Venture

i. Jamal NBCC International (PTY) Limited
ii. NBCC – AMC
iii. NBCC – R.K. Millen
iv. NBCC – MHG
v. NBCC – AB

Key Management Personnel

i. Mr. V.P. Das, CMD
ii. Mr.Ajay K Garg, Director (Finance)

B. Transactions during the period Ended March 31, 2011

Particulars	Name of Related Party	Joint Venture	Key Managerial Personnel
Salary	Mr. V.P. Das, CMD Mr.Ajay K Garg, Director (Finance)	-	6.24
Provident Fund Contribution		-	0.39
Rent Residence (Net of Recovery)		-	0.10
Medical Expenses		-	-
Leave Encashment (on actuarial basis)		-	0.61
Gratuity (on actuarial basis)		-	0.54
Increase in invested amount	NBCC –AMC	**0.43**	
Increase in Invested Amount	NBCC – AB	**5.22**	
Total		**5.65**	**7.88**

III. For the Period Ended March 31, 2010

A. List of Related Parties

Joint Venture

i. Jamal NBCC International (PTY) Limited
ii. NBCC – AMC
iii. NBCC – R.K. Millen
iv. NBCC – MHG
v. NBCC – AB

Key Management Personnel

i. Mr. Arup Roy Choudhary, CMD
ii. Mr. V.P. Das, Director (Projects)
iii. Mr.Ajay K Garg, Director (Finance)

B. Transactions during the period Ended March 31, 2010

Particulars	Name of Related Party	Joint Venture	Key Managerial Personnel
Salary	Mr. Arup Roy Choudhary, CMD Mr. V.P. Das, Director (Projects) Mr.Ajay K Garg, Director (Finance)	-	6.22
Provident Fund Contribution		-	0.62
Rent Residence (Net of Recovery)		-	0.53
Medical Expenses		-	0.01
Leave Travel Concession			-
Leave Encashment (on actuarial basis)		-	1.24
Gratuity (on actuarial basis)		-	0.82
Profit in Joint Ventur–	IJM –NBCC – VRM	3.27	-
Increase in Invested amount	NBCC – AMC	1.97	
Invested Amount	NBCC – MHG	389.16	
Invested Amount	NBCC – AB	55.80	
Invested Amount	NBCC – RK Millen	111.34	
Total		**561.54**	**9.44**

IV. For the Period Ended March 31, 2009

A. List of Related Parties

Joint Venture

i. Jamal NBCC International (PTY) Limited
ii. IJM –NBCC – VRM
iii. NBCC – AMC
iv. NBCC - R.K. Millen

Key Management Personnel

i. Mr. Arup Roy Choudhary, CMD
ii. Mr. V.P. Das, Director (Projects)
iii. Mr.Ajay K Garg, Director (Finance)

B. Transactions during the period Ended March 31, 2009

₹ in million

Particulars	Name of Related Party	Joint Venture	Key Managerial Personnel
Salary	Mr. Arup Roy Choudhary, CMD Mr. V.P. Das, Director (Projects) Mr.Ajay K Garg, Director (Finance)	-	2.24
Provident Fund Contribution		-	0.27
Rent Residence (Net of Recovery)		-	0.59
Medical Expenses		-	0.01
Leave Travel Concession			0.08
Leave Encashment (on actuarial basis)		-	0.47
Gratuity (on actuarial basis)		-	0.24
Profit from Joint Venture	IJM -–NBCC - VRM	3.90	
Increase in Invested amount	NBCC – AMC	23.19	
Total		**27.09**	**3.90**

V. For the Period Ended March 31, 2008

A. List of Related Parties

Joint Venture

i. Jamal NBCC International (PTY) Limited
ii. IJM–NBCC – VRM
iii. NBCC – AMC
iv. NBCC - R.K. Millen

Key Management Personnel

i. Mr. Arup Roy Choudhary, CMD
ii. Mr. V.P. Das, Director (Projects)
iii. Mr.Ajay K Garg, Director (Finance)

B. Transactions during the period Ended March 31, 2008

₹ in million

Particulars	Name of Related Party	Joint Venture	Key Managerial Personnel
Salary	Mr. Arup Roy Choudhary, CMD Mr. V.P. Das, Director (Projects) Mr.Ajay K Garg, Director (Finance)	-	1.96
Provident Fund Contribution		-	0.21
Rent Residence (Net of Recovery)		-	0.39
Medical Expenses		-	0.01
Leave Travel Concession			0.03
Leave Encashment (on actuarial basis)		-	0.37
Gratuity (on actuarial basis)		-	0.16
Increase in Invested amount	NBCC – AMC	**53.53**	
Total		**53.53**	**3.13**

VI. For the Period Ended March 31, 2007

A. List of Related Parties

Joint Venture

i. Jamal NBCC International (PTY) Limited
ii. IJM–NBCC – VRM
iii. NBCC - AMC

Key Management Personnel

i. Mr. Arup Roy Choudhary, CMD
ii. Mr. V.P. Das, Director (Projects) w.e.f 30.08.2006
iii. Mr. B.L. Bajaj, Director (Finance) upto 31.08.2006

B. Transactions during the period Ended March 31, 2007

₹ in million

Particulars	Name of Related Party	Joint Venture	Key Managerial Personnel
Salary	Mr. Arup Roy Choudhary, CMD Mr. V.P. Das, Director (Projects)w.e.f 30.08.2006 Mr.B.L. Bajaj, Director, Director (Finance)upto 31.08.2006	-	1.19
Provident Fund Contribution		-	0.13
Rent Residence (Net of Recovery)		-	0.48
Medical Expenses		-	0.01
Leave Travel Concession			-
Leave Encashment (on actuarial basis)		-	0.11
Gratuity (on actuarial basis)		-	0.05
Profit from Joint Venture	Jamal NBCC International (PTY) Limited	0.35	
Invested Amount	NBCC - AMC	0.39	
Total		**0.74**	**1.97**

Annexure XV – Restated Tax Shelters Statement

₹in million

	Particulars	For the year ended					
		30-Sep-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
I	Profit before Tax	1,109.01	2,098.30	1,778.90	2,445.42	4,117.76	1,197.08
II	Income Tax Rate - Normal	0.32	0.33	0.34	0.34	0.34	0.34
III	Tax Expense	359.82	697.00	604.65	831.20	1,399.63	402.94
	Adjustments on account of						
IV	Permanent Differences	-	-	-	-	-	-
V	Temporary Differences						
	Dissallowance u/s 14A of the Income Tax Act, 1961	4.28	7.38	8.05	-	-	-
	Dividend received on Liquid Cash Plan exempt u/s 10	(47.15)	(68.08)	(127.71)	(50.42)	(25.05)	-
	Difference Between Book and Tax Depreciation	(2.91)	0.87	(11.00)	(0.81)	7.14	7.82
	Prior Period items (Net)	-	-	2.29	-	-	-
	Provisions created during the year:-						
	Gratuity	30.05	60.11	116.06	154.98	92.32	27.50
	Leave Encashment	45.64	91.27	118.57	77.71	109.98	35.25
	Impairement of Assets	-	-	0.15	5.39	0.33	0.12
	Travelling Allowance-Superannuation	0.12	0.24	2.99	-	-	-
	CSR expenditure	20.36	-	-	-	-	-
	Sundry Debtors	-	-	-	13.75	5.96	2.61
	Discrepancy in Stores	-	-	-	0.05	-	-
	Foreseable Losses	-	-	-	-	7.75	28.80
	Loans & Advances	-	-	-	-	0.01	1.64
	Provisions written back during the year						
	Impairement of Assets	-	(1.34)	-	-	-	-
	Others	-	(6.23)	(0.02)	(0.03)	(0.26)	(5.96)
	Sundry Debtors	-	-	(1.53)	-	(38.54)	(9.25)
	Doubtful Advances	-	-	(1.68)	-	(5.53)	(25.72)
	Foreseable Losses	-	-	-	(7.75)	(34.41)	-
	Discrepancy in Stores	-	-	-	(0.12)	-	(0.07)
	Discrepancy in Fixed Assets	-	-	-	-	-	(0.04)
	Taxation	-	-	-	(0.04)	(31.61)	-
	Loss on sale of of Stores	-	0.53	0.25	-	1.14	0.60
	Loss on sale of Fixed Assets	0.04	0.31	0.81	0.10	0.08	0.86
	Technical knowhow written off	-	-	-	-	0.33	-
	Wealth Tax	0.33	1.37	0.02	0.04	0.05	0.07
	Amount paid to employees as Ex-Gratia on VRS	0.64	8.39	6.58	4.96	8.02	15.11
	1/5 of VRS payment u/s 35DDA	(2.92)	(8.61)	(9.35)	(11.48)	(15.74)	(14.14)
	Gratuity paid	-	-	-	-	(11.94)	(18.05)
	Leave Encashment paid	(8.97)	(37.99)	(17.92)	(5.17)	(6.20)	(9.70)
	Profit on sale of Fixed Assets	-	(2.57)	(1.72)	(0.09)	(3.99)	(0.28)
	Profit on compulsory acquisition of Land (MBP)	-	-	-	(17.99)	-	(4.25)
	Rent income	(0.16)	(0.16)	(0.14)	(0.15)	(0.34)	(0.15)
	Income from House Property	0.11	0.11	0.10	0.10	0.24	0.11
	Amount transferred to approved Gratuity Trust	(30.05)	(60.11)	(116.05)	(154.98)	(299.51)	-

	Particulars	For the year ended					
		30-Sep-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
		9.41	(14.51)	(31.27)	8.06	(239.80)	32.86
VI	**Net Adjustments**	**9.41**	**(14.51)**	**(31.27)**	**8.06**	**(239.80)**	**32.86**
VII	**Tax Saving Thereon**	**3.05**	**(4.82)**	**(10.63)**	**2.74**	**(81.51)**	**11.06**
VIII	**Total Taxation Charge**	**362.87**	**692.18**	**594.02**	**833.94**	**1,318.12**	**414.00**

Notes:

1. The aforesaid Statement of Tax Shelters has been prepared as per the Restated Financial Statement of Profit and Losses of the Company.

2. The above statement should be read with the notes to the Restated summary statement of assets and liabilities, profits and losses and cash flows as appearing in Annexure - IV.

3. The permanent/ timing differences for the financial years ended March 31, 2011, 2010, 2009, 2008, and 2007 have been computed based on acknowledged copies of Income Tax Returns of the respective years.

4. The permanent/ timing differences for the year ended March 31, 2011 have been determined on the basis of provisional computation of the total income prepared by the company and are subject to change that may be considered at the time of filing of final return of income for the assessment year 2011-12.

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

The following discussion of our financial condition and results of operations should be read in conjunction with our restated financial statements as of and for the years ended March 31, 2007, 2008, 2009, 2010 and 2011 and as of and for the half year ended September 30, 2011 prepared in accordance with the Companies Act and Indian GAAP and restated in accordance with the SEBI ICDR Regulations, including the schedules, annexures and notes thereto and the reports thereon, included in "Financial Statements" on page 150

Indian GAAP differs in certain material respects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those under U.S. GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with the Companies Act, Indian GAAP and the SEBI ICDR Regulations.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in "Risk Factors" and "Forward-Looking Statements" on pages xv and xiv, respectively.

Our audited financial statements for fiscal 2007, 2008, 2009, 2010 and 2011 and for half year ended September 30, 2011 have been restated in accordance with SEBI ICDR Regulations. Such restatement adjustments have been presented as adjustments to our net profit after tax as audited to calculate our profit after tax, as restated. The Management's Discussion and Analysis of Financial Condition and Results of Operations discussions included herein should accordingly be read together with the discussions on restatement adjustments included "Adjustment for Restatements" on page 150 and "Statement of Notes to Statement of Assets and Liabilities and Summary Statement of Profits and Losses, as Restated" of our Financial Statements on page 151

OVERVIEW

We are one of the few public sector companies engaged in the business of providing (i) project management consultancy services for civil construction projects ("**PMC**") (ii) civil infrastructure for power sector and (iii) real estate development. We are headquartered in New Delhi and in addition have 10 regional / zonal offices across India. The projects undertaken by our Company are spread across 23 states and 1 union territory in India. In addition, we have also undertaken projects overseas.

Our Company was incorporated in November 1960 as a wholly owned Government of India undertaking under the erstwhile Ministry of Works, Housing & Supply ("**MoWHS**"), which is now known as the Ministry of Urban Development ("**MoUD**"). As of the date of this DRHP, the President of India acting through the MoUD, GoI holds 100% of our equity share capital.

On October 14, 2008, the Government granted us Schedule 'A' PSU status. We have also been awarded ISO 9001:2008 from the Bureau of Indian Standards in respect of our consultancy and project management division. We have also received "Excellent" rating from MoUD for each of the Fiscal years from 2004 to 2010 and Ministry of Heavy Industries & Public Enterprises has awarded us with an "Excellence Award". MoUD grants us "Excellent" rating if we achieve all the targets set out in the MoU with MoUD for the respective Fiscal year. Further, in 2011, for one of our PMC projects, we were awarded an 'Appreciation Shield' for quality and timely completion of NSEZ Noida Project by the Ministry of Commerce & Industry and the Development Commissioner, NSEZ. For details on our awards and recognitions, please refer to the section titled "History and Certain Corporate Matters" beginning on page 117 of this DRHP.

We operate primarily in the following three business segments:

1. **Project Management Consultancy for civil construction projects** ("**PMC**")

Our PMC business segment includes providing management and consultancy services for a range of civil construction projects including residential and commercial complexes, redevelopment of buildings and colonies, hospitals, educational institutions; infrastructure works for security personnel, border fencing as well as infrastructure projects such as roads, water supply systems, storm water systems and water storage solutions. Some of our clients in this segment are or have been, ESIC, Ministry of Defence, Ministry of Home Affairs (including Security forces like CRPF, CISF, NSG, BSF), Ministry of External Affairs, MoUD, Ministry of Commerce and Industry, Ministry of Corporate Affairs, Ministry of Finance, Haryana Urban Infrastructure Development Board, IIT Roorkee, IIT Kharagpur, IIT Patna, SVNIT, amongst others.

Our key completed projects in the last 5 Fiscal years, based on the total contract value, include road works at Agartala, construction of defence campus at Jaipur, Jodhpur, Ahemdabad, Ambala, Sulur, CBI headquarters at New Delhi, Extension of campus of MDU university and IIT Roorkee. Our Ongoing key domestic PMCprojects, based on the total outstanding contract value, include Indo Bangladesh Border Fencing Works at Meghalaya, Tripura, Mizoram & Assam, ESIC Mandi, ESIC, K.K. Nagar, Chennai, ESIC Medical College & Hospital Works, Bihta, ESIC Hospital, Parel (Mumbai). We presently have an Ongoing overseas PMC project at Male, Maldives for construction of India – Maldives Friendship Faculty of Hospitality & Tourism Studies.

2. Civil Infrastructure for power sector

Our civil Infrastructure for power sector segment includes providing engineering and construction services for power projects, including design and execution of (i) civil and structural works for power projects (ii) Cooling towers (iii) Chimneys. Some of our clients in this segment include NTPC Ltd, BHEL, APGENCO Limited, Uttar Pradesh RajyaVidyutUtpadan Nigam Limited, MAHAGENCO Limited and Karnataka Power Corporation Limited.

Our completed key projects, in last 5 Fiscal years based on the total contract value, include construction of civil, structural and architectural works for 2x250 MW at Korba, Chattisgarh;Rihand Main Plant – Civil Works in Uttar Pradesh; Site levelling work at Barh, Patna, Bihar and 220M/275M Twin Steel Flue with RCC Chimney Elevator at (i) Dadri, Uttar Pradesh, (ii) Mejia, West Bengal, (, (iii) Kadappa, Andhra Pradesh;,. Further, our Ongoing key projects, based on the total outstanding contract value, include cooling tower, chimney at Farakka Super Thermal Power Project, West Bengal, , Koderma Thermal Power Project at Jharkhand, Durgapur, Thermal Power Project at West Bengal, Rihand Super Thermal Power Project, Uttar Pradesh, Barh Super Thermal Power Project, Patna, Mauda and Vindhyachal Super Thermal Projectat Maharashtra &Madhya Pradesh respectively.

3. Real Estate Development

Our real estate development segment focuses on principally two types of projects, namely, (i) residential projects, such as apartments and townships and (ii) commercial projects, such as corporate office buildings and shopping malls. Our Company has undertaken real estate projects which are spread across 10 states in India. As ofJanuary 15, 2012, our Land Reserves aggregate approximately 127.918 Acre. Our Land Reserves are located in Delhi, Ghaziabad, Uttar Pradesh, Patna, Gurgaon, Kolkata, Kochi, Alwar and Lucknow.

Our completed commercial projects include commercial complex at Vadodara, Cuttack, Agartala, Ghaziabad (Uttar Pradesh) and at BhikajiCama, PragatiVihar and Pushp Vihar in New Delhi. Further, some of our Ongoing key projects include residential complex at "NBCC Heights" at Sector-89, Gurgaon, Haryana; Khekra (Phase-I), Baghpat, Uttar Pradesh; residential-cum-commercial complex at Bahadurpur, Phase-I, Patna; NBCC Vibgyor Towers at Rajarhat, Kolkata; and commercial complex at "NBCC Centre" at Okhla- Phase-I, New Delhi,Sukias Lane at Kolkata and Hemanta Basu Sarani Complex at Kolkata.

CERTAIN FACTORS AFFECTING OUR RESULTS OF OPERATIONS

We believe that the following factors have affected our results of operations in the past and may affect our results of operations in the future.

1. ***Dependence on Projects Awarded by Government Authorities***: As of the date of this DRHP, we generate a substantial portion of our income from Government owned or Government controlled entities especially in the housing and commercial construction sector. The Government's focus on and sustained increase in budgetary allocation for the infrastructure sector in India, increased funding by international and multilateral development financial institutions and a robust economy contribute in driving the demand from these entities. Our ability to benefit from the considerable investments proposed in social growth, overall budgetary allocations and continued industrial development in the medium and long term and to avoid any downturns in the sectors will be key to our results of operations.

2. ***Changes in Our Order Book and Order Book mix***: Any delay, reduction in scope, cancellation, execution difficulty, payment postponement or payment default in regard to Order Book projects or any other uncompleted projects, could have a material adverse effect on our results of operations. Our Order Book is an indicator of future earnings potential of our Company. The project mix of Order Book is also important and directly effects our results of operations. For eg, Real Estate projects have volatile revenue but tend to have higher operating margin whereas PMC projects have relatively steady revenue but lower operating margins. Execution capability: The revenue recognition from the Order Book depends on the execution capability and the execution period. Thus, it is important that we are able to complete projects within budgeted cost and within schedule, Many projects in the infrastructure sector are awarded on the basis of pre-qualification criteria and through competitive Bidding processes and therefore, are awarded based on past performance. Thus, execution capability provides us opportunity to increase our Order Book as well as covert the Order Book into revenue and therefore, is key to our results of operations.

3. ***General economic conditions globally and in India***: We intend to derive a large portion of our project revenues and our investment income from the Indian market. We therefore will be affected by general economic conditions in India, particularly economic conditions affecting the Indian infrastructure, education and defense sectors. India's GDP growth, industrial growth, budgetary allocation of ministries that are large customers and demand for our products and services will be important factors in determining our operating results and future growth.

4. ***Competition***: We compete with a large number of construction companies in all three business segments we operate in. Our competition varies depending on the size, nature and complexity of the project and on the geographical region in which the project is to be executed. Any change in the competitive environment could adversely affect results of operations of our Company.

5. ***Land Bank***: Land bank is considered to be an important parameter for real estate business as it appreciates in value and company does not need to buy land at a high price to build housing/ commercial projects. Thus, it is important to have land bank in prime locations. In addition to procuring land from government or purchasing it, we develop projects on a joint venture basis where the JV partner provides the land while we are responsible for the development of project. The availability of land bank is an important factor in results of operations of our real estate business.

6. ***Ability to attract, recruit and retain skilled personnel***: A significant number of our employees are skilled engineers and we face strong competition to attract, recruit and retain these and other skilled staff from competitors. There is intense competition for experienced senior management and other key personnel with technical and industry expertise in our business and if we lose the services of any of these or other key individuals. The loss of any of the members of our senior management 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.

7. ***Regulatory environment in India***: Taxes and other levies imposed by the Government of India or state governments, as well as tax exemptions, financial policies, subsidies and regulations, may have a material adverse effect on our business, financial condition and results of operations. To the extent the regulatory environment in India is unfavorable to us, our business, financial condition and results of operations could be adversely affected. Our joint venture in Botswana and results of operation could also be adversely affected by regulatory changes by the Government of Botswana.

CRITICAL ACCOUNTING POLICIES

The financial statements are prepared under the historical cost convention and generally accepted accounting principles in accordance with the Companies Act, 1956 and with the compliance of Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) to the extent applicable. The Company maintains its accounts on accrual basis as a going concern except where otherwise stated.

1. Use of Estimates

The financial statements are prepared in accordance with generally accepted accounting principles (GAAP) in India which requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent liabilities. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements which in management's opinion are prudent and reasonable. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revision to accounting estimates is recognized prospectively in current and future periods

2. Income Recognition

Value of work done is being shown in the accounts based on percentage completion method. Such an evaluation of work done is based on the previous experience of the Management.

- **Value of work done and Sundry Debtors include**:

a) Work done for the constituent for whom only letters of intent have been received however formal contracts / agreements are in the process of execution.

b) Work executed and measured by the Corporation pending certification by the constituent.

c) Work executed but not measured / partly executed / accounted for at engineering estimated cost.

d) Extra and substituted items to the extent considered realizable based on the previous experience of the Management.

e) Claims referred to arbitration or lodged against constituent to the extent considered realizable based on the previous experience of the Management.

f) Amount retained by the constituent is released after the commissioning of the project.

g) Value of work done for Real Estate Projects (Reality Project), taking into account the total expenditure incurred in the project, is accounted for in the year of receipts of sale consideration or on the basis of execution of sale documents with the buyers, wherever significant sale consideration has been received, whichever is earlier. Sales documents also include unregistered agreement to sell.

3. Work-In-Progress

Work-in-progress includes the unsold portion of Real Estate pertaining to Reality Projects. The increase / decrease in Work-in-Progress are accounted for as income or expenditure of the year, as the case may be.

Valuation of work-in-progress including unsold portion of reality project is being done on the basis of incurrence of expense directly attributable to the project.

4. *Fixed Assets*

Fixed Assets are stated at historical cost less accumulated depreciation. Costs that are directly attributable to acquisition of fixed assets are capitalized.

5. *Depreciation and Amortization*

a) Depreciation on fixed assets is calculated on Straight Line Method in accordance with the provisions of schedule-XIV to the Companies Act, 1956.

b) Fixed Assets costing up to ₹5,000/- each are depreciated fully in the year of its acquisition.

c) Temporary hutments and installation are depreciated fully in the year of its creation.

d) Hostel / Staff Camps equipment are considered as Current Assets and the depreciation thereon is ascertained by deducting the realizable value as estimated by the Management from the book value.

e) Amortisation amounts in respect of Centering, Shuttering and Scaffolding, Loose Tools, Laboratory Equipment, empty containers & others is ascertained by deducting the realizable value, as estimated by the Management from the book value.

6. *Foreign Currency Transactions*

a) Foreign Projects

The basis adopted for conversion of foreign currency:-

1. Revenue items other than opening and closing inventories and depreciation are translated into Indian Currency at an average rate of the month of the transaction.

2. Assets (other than fixed assets), liabilities relating to foreign projects have been translated into Indian currency at the closing buying rates. Balance of Head Office account in the books of branch is reported at the amount of balance of branch account appearing in the books of Head Office.

3. The net exchange difference resulting from the translation of items in respect of foreign branches is charged or credited to Profit & Loss Account except to the extent adjusted in the carrying amount of the related fixed assets.

b) Inland Projects

Foreign currency in respect of revenue items are translated into Indian Rupees on the date of transaction and liabilities are translated in Indian Rupees at the closing buying rates. The difference, if any, is recognized as revenue / expenditure, as the case may be during the year.

7. *Valuation of inventories*

a) Valuation of Direct Material is done at lower of historical cost or net realizable value.

b) Stores and spare parts are valued at cost.

c) Steel Scrap, Tools & Equipment *etc.* are valued at estimated realizable value.

d) Centering, shuttering & Scaffolding and Hostel / Staff Camp equipment are valued at written down value arrived at after deducting amortization / depreciation indicted in para 6(v) above.

8. Investments

Current Investments are valued at cost or market value whichever is lower. Long Term Investments are valued at cost.

9. Retirement Benefits

a) Gratuity

The provision for gratuity is made in the accounts in accordance with the provisions of the Payment of Gratuity Act on actuarial basis.

b) Leave Encashment

The provision for leave encashment of employees is made on actuarial basis

c) Travelling Allowance on Superannuation

The provision for travelling allowance on superannuation is made on actuarial basis

10. Deferred revenue expenditure

Expenditure incurred for acquiring Technical know-how is treated as Deferred Revenue Expenditure and charged to Profit & Loss Account in equal yearly instalments over a period of six years or estimated life of the know-how, whichever is less

11. The consumption of material at site is net of recovery / sale from / to PRW / Others and inter-unit transfers. Shortage of materials on account of theft, pilferage etc., if any, is booked separately under the appropriate discrepancy head

12. Prior period expenditure/ income

Expenditure / Income up to ₹ 50,000/- in each case relating to prior period has been charged / accounted for to the respective head of accounts.

13. Taxes on Income

Income Tax is accounted for in accordance with Accounting Standard-22 'Accounting for taxes on income' issued by ICAI, which includes Current Taxes and Deferred Taxes.
Deferred tax is recognized on timing differences, being the difference between taxable income and Accounting income that originate in one period and are capable of reversing in one or more subsequent period.

Deferred Tax Assets are recognized only to the extent there is a reasonable certainty of its realization.

14. Impairment of Assets

The company identifies impairable assets based on individual assets concept at the year-end in the terms of para 5-13 of AS-28 issued by ICAI for the purpose of arriving at impairment loss thereon, if any, being the difference between the book value and recoverable value of relevant assets. The impairment loss recognized in the prior accounting periods is reversed if there has been a change in the estimates of recoverable amount.

15. Provisions, Contingent Liabilities and Contingent Assets

A provision is made in the accounts if it becomes probable that an out flow of resources embodying economic benefits will be required to settle the obligation in respect of which a reliable estimate can be made.

Contingent Liabilities are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

Contingent Assets are neither recognized nor disclosed as per Accounting Standard-29 issued by the ICAI.

16. Provision for Doubtful Debts / Loans and Advances

The amount of Sundry Debtors / Loans and Advances in closed projects, pertains to Govt. of India Departments and PSEs clients are considered Good for realisation irrespective of the age of debtors / loans and advances. These debts are under constant persuasion for realisation till final settlement made with the client or verdict is passed by the arbitration / court, in case of dispute. Necessary provision against doubtful debts / loans and advances is made based on the previous experience of the Management. Debtors/Advances are written-off when considered unrealisable

17. Joint Venture

a) Jointly controlled operations are accounted as independent contract / entity

b) In respect of contracts / Reality Projects executed by a jointly controlled entity, the profit / loss from the Joint Venture is accounted for as and when determined

18. Arbitration

Arbitration / Court's awards, to the extent not taken into accounts at the time of lodge, are accounted for after it becomes Decree. Interest to / from in these cases are accounted for on actual receipt / payment

19. Liquidated Damages

Liquidated Damages / Compensation for delay in respect of constituent / contractors, if any, are accounted for when the matter is considered settled by the management

20. Segment Reporting

The company has identified three primary reporting segments based on nature of business activities viz. Real Estate, Infrastructure and Civil Construction

21. Insurance Claims

Insurance claims are accounted for on the basis of claims accepted by the insurers in the year of acceptance.

SUMMARY OF RESULTS OF OPERATIONS

		Particulars	For the period ended					
			30-Sep-11	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**	**31-Mar-07**
A	**Income from Operations**							
	(a)	Value of Work Done	12,722.67	29,824.67	28,606.56	20,256.48	17,881.87	13,962.87
	(b)	Work-in-progress	328.85	1,443.05	1,213.25	155.55	1,818.07	636.47
	(d)	Accretion/(-)decretion to stocks	(285.87)	-	(491.41)	(908.80)	(685.70)	(174.86)
	(e)	**Total Income from Operations**	**12,765.65**	**31,267.72**	**29,328.40**	**19,503.23**	**19,014.24**	**14,424.48**
		Other Income	763.50	1,039.64	867.50	939.40	1,125.18	669.23
		Total Income	**13,529.15**	**32,307.36**	**30,195.90**	**20,442.63**	**20,139.42**	**15,093.71**
B	**Expenditure**							
	(a)	Land Cost / Material Consumed	277.86	1,399.27	1,155.35	344.04	1,531.12	150.56
	(b)	Expenditure on Piece Rate Work /	11,182.70	27,002.24	25,527.61	16,099.97	12,684.71	12,312.71

	Particulars	For the period ended					
		30-Sep-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
	Consultancy						
(c)	Salaries Wages & Benefits	604.31	1,138.09	1,062.04	930.82	771.49	462.84
(d)	Other Expenses	148.36	342.09	363.49	325.26	313.40	664.36
(e)	Provisions & Write Offs (Net)	123.83	256.17	261.17	270.90	621.10	209.81
	Total Expenditure	**12,337.06**	**30,137.86**	**28,369.66**	**17,970.99**	**15,921.82**	**13,800.28**
C	**Profit before depreciation, interest and taxation**	**1,192.09**	**2,169.50**	**1,826.24**	**2,471.64**	**4,217.60**	**1,293.43**
D	Less : Depreciation &Amotisation	10.40	32.10	31.18	30.69	30.94	29.38
	Less : Interest	72.68	43.22	48.70	32.19	35.64	21.29
E	Add/(Less) : Prior period items	(4.14)	(2.13)	0.43	9.25	2.18	(0.70)
F	**Profit before tax**	**1,113.15**	**2,096.29**	**1,745.92**	**2,399.52**	**4,148.83**	**1,243.46**
G	**Provisions for taxation**						
(a)	Income tax for current year	364.22	691.51	582.81	818.33	1,328.68	429.61
(b)	Income tax for earlier years	-	-	1.68	3.53	-	1.99
(c)	Fringe benefits tax for current year	-	-	-	5.32	3.42	2.18
(d)	**Total**	**364.22**	**691.51**	**584.49**	**827.18**	**1,332.10**	**433.78**
(e)	Deferred tax adjustment for the period	(0.77)	1.39	(3.53)	(19.23)	18.48	0.90
(f)	**Total provisions for taxation**	**363.45**	**692.90**	**580.96**	**807.95**	**1,350.57**	**434.68**
H	**Net profit after tax as per audited accounts**	**749.70**	**1,403.39**	**1,164.96**	**1,591.57**	**2,798.26**	**808.78**
I	**Extraordinary items (Net of tax)**	**-**	**-**	**-**	**-**	**-**	**-**
J	**Net profit after tax and extraordinary items**	**749.70**	**1,403.39**	**1,164.96**	**1,591.57**	**2,798.26**	**808.78**
K	**Adjustments on account of -**						
(a)	Changes in accounting policies	-	-	-	-	-	-
(b)	Prior period items	(4.14)	2.01	2.56	8.82	(7.07)	(2.88)
(c)	Other adjustments	-	-	30.42	37.08	(24.00)	(43.50)
	Tax impact						
(a)	Current year tax impact	1.34	(0.67)	(10.43)	(15.60)	10.56	15.61
	Total adjustments after tax impact	(2.80)	1.34	22.55	30.30	(20.51)	(30.77)
L	**Profit after tax, as restated**	**746.90**	**1,404.73**	**1,187.51**	**1,621.87**	**2,777.75**	**778.01**
	Balance Brought Forward, as restated	3,342.77	2,287.87	1,403.26	133.31	(20.42)	(463.33)
	Profit available for Appropriation	**4,088.32**	**3,670.07**	**2,560.47**	**1,775.68**	**2,788.10**	**290.08**
	Appropriations						
	Dividend & Dividend Distribution tax	-	327.30	272.60	372.42	654.79	10.50
	Transfer to Reserves					2,000.00	300.00
	Balance Carried Forward, As Restated	**4,088.32**	**3,342.77**	**2,287.87**	**1,403.26**	**133.31**	**(20.42)**

Principal Components of our Income & Expenditure Statement

Income

Our revenue consists of revenue from (i) Project Management Consultancy (ii) Civil Infrastructure for power sector (iii) Real Estate Development. In PMC and civil infrastructure business, we primarily enter into two types of contracts: engineering, procurement and construction ("**EPC**") contracts and lump-sum-turnkey ("**LSTK**") contracts. In the real estate development segment, covers residential complex, commercial complexes.

The following table provides the split of revenue from the three sectors:

INR million

Particulars	For the period ended					
	30-09-2011	**31-03-2011**	**31-03-2010**	**31-03-2009**	**31-03-2008**	**31-03-2007**
Project Management Consultancy	11,845.69	29,192.29	27,110.05	17,309.33	13,035.04	11,974.45
Civil Infrastructure for power sector	425.54	633.16	837.56	1,014.19	805.92	1,087.78
Real Estate Development and Construction	780.29	1,442.27	1,872.20	2,088.51	5,858.98	1,537.26
Total Income from operations (net off stock adjustments)	13,051.52	31,267.72	29,819.81	20,412.03	19,699.94	14,599.49

Expenditure

Our total expenditure consists of (i) Land Cost / Material Consumed (ii) Expenditure on Piece Rate Work / Consultancy (iii) Salaries Wages & Benefits (iv) Other Expenses (v) interest (vi) Depreciation& Amotisation and (vi) provisions and write offs.

Land Cost / Material Consumed

Land Cost includes the cost of land, stamp duty charges, license fee, *etc.* Contract materials and supplies consumed are the cost of materials consumed in our construction projects such as (i) steel, (ii) cement, (iii) mechanical and other equipment, (iv) aggregates (sand, bricks and sized metals), (v) electrical materials (vi) piping materials, (vii) bitumen, (viii) high density poly ethylene liner and (ix) other materials, net of adjustments of opening and closing stock of raw materials.

Expenditure on Piece Rate Work / Consultancy

Expenditure on piece rate work consists of the amounts paid to sub-contractors for the execution of projects on a back to back contract basis and on a piece-rate contract basis. Consultancy charges include consulting charges paid to third party consultants for various projects.

Salaries Wages & Benefits

Salaries Wages & Benefits consist of (i) salaries, wages and other benefits (bonuses, group insurance and gratuity and the Company's contribution to provident funds) to employees and Directors and (ii) staff welfare costs.

Other Expenses

Other expenses includes (i) site expenses incurred for execution of construction projects such as temporary housing for employees, temporary offices and costs of site investigations and surveys (ii) hire charges for construction equipment, (iii) power and fuel, (iv) transport costs of construction materials, (v) costs of consumables such as nails, welding electrodes and lubricants, (vi) repairs and maintenance costs for plant and equipment, and (vii) indirect taxes such as sales tax and service tax. It also includes administrative costs that comprise of (i) insurance premium, (ii) tender forms and registration for tenders, (iii) travelling expenses, (iv) rent, (v) electricity charges, (vi) printing and stationary costs, (vii) legal and professional costs, and (viii) security costs.

Interest and Finance Charges

Interest and Finance charges include interest on advances (interest bearing, from clients); arbitration and court awards *etc.*

Depreciation

Depreciation includes depreciation on building, plant and machinery, vehicles, furniture and fixtures, computers, furniture, office equipment and other fixed assets.

Other Income

Our other income mainly includes interest earned from short term deposits.

RESULTS OF OPERATIONS

The nature of the construction business and developer business projects undertaken by us, in addition to the manner in which we execute our projects, 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 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.

Year Ended March 31, 2011 Compared with Year Ended March 31, 2010

Income from operations

Our Income from operations increased to ₹ 31,267.72 million in Fiscal 2011 from ₹ 29,328.40 million in Fiscal 2010, an increase of ₹ 1,939.32 million, or 6.6%. This was primarily due to increased construction activity in the PMC segment from ₹ 27,110.05 in FY2010 to₹29,192.29. The value of work done increased to ₹ 29,824.67 million from ₹ 28,606.56 million.

Land Cost / Material Consumed

The cost of land and material consumed saw a more than commensurate increase due to new land purchased during the year. This resulted in an increase in the cost of land and raw materials consumed to ₹ 1,399.27 million from ₹ 1,155.35 million which translates into a 21.1% increase vis-à-vis an increase of 4.9% in the revenue from work done and work in progress.

Expenditure on Piece Rate Work / Consultancy

The amount spent on piece rate work and consultancy increased to ₹ 27,002.24 million from ₹ 25,527.61 million which translates into an increase of 5.8%. This increase of ₹ 1,474.63 million is proportionate to the increase in the value of work done.

Salaries Wages & Benefits

The amount spent on salaries, wages and benefits increased from ₹ 1,062.04 million to ₹ 1,138.09 million which is an increase of ₹ 76.05 million. This increase of 7.2% is slightly higher than the increase in total income from operation on account of additional dearness allowance and annual increments.

Other Expenses

The amount spent on other expenses decreased from ₹ 363.49 million to ₹ 342.09 million by ₹ 21.40 million. This is a decrease of 5.9% on account of bank charges and tender and survey expenses.

Interest and Finance Charges

The interest and finance charges for the Fiscal year 2011 was ₹ 43.22 million when compared to Fiscal year 2010 was ₹ 48.70 million which is a decrease of ₹ 5.48 million *i.e.* a decrease of 11.30% year on year. This was due to decrease in payment of interest on interest bearing advances from clients.

Depreciation& Automisation

The depreciation charge for the Fiscal year 2011 was ₹ 32.10 million when compared to Fiscal year 2010 was ₹ 31.18 million which is an increase of ₹ 0.92 million *i.e.* an increase of 3% year on year mainly on account of amortization on Centering, Shuttering and Scaffolding (CSS).

Other Income

Our other income increased to ₹ 1,039.64 million from ₹867.50 million due to higher interest earned on short term deposits.

Restatement Adjustments

Restatement adjustment has been made for a prior period item amounting to ₹ 2.01 million. Consequently an adjustment of ₹ 1.34 million is made to the profit after tax as per audited statements of ₹1,403.39 so that profit after tax, as restated is ₹ 1,404.73.

Profit Before Tax

Our Profit Before Tax increased to ₹ 2,096.29 million in Fiscal 2011 from ₹ 1,745.92 million in Fiscal 2010, an increase of ₹ 350.37 million, or 20.1%. This was primarily due to increase in our Operational and Other Income.

Provisions for taxation

Provision for taxation increased from ₹ 580.96 million in Fiscal 2010 to ₹ 692.90 million in Fiscal 2011 which is an increase of ₹ 111.94 million or 19.3% which is commensurate with increase in Profit Before Tax.

Net Profit, as restated

Net profit, as restated increased to ₹ 1,404.73 million in Fiscal 2011 from ₹ 1,187.51 million in Fiscal 2010, an increase of ₹ 217.22 million, or 18.3% which in commensurate with increase in Profit before Tax.

Year Ended March 31, 2010 Compared with Year Ended March 31, 2009

Income from Operations

Our Income from Operations increased to ₹ 29,328.40 million in Fiscal 2010 from ₹ 19,503.23 million in Fiscal 2009, an increase of ₹ 9,825.17 million, or 50.4%. This was primarily due to increased construction activity in the PMC segment. The value of work done increased to ₹ 28,606.56 million from ₹ 20,256.48 million.

Land Cost / Material Consumed

The cost of land and material consumed saw a more than commensurate increase in the revenue on account of increase in raw material costs. This resulted in an increase in the cost of land and raw materials consumed to ₹ 1,155.35 million from ₹ 344.04 million which translates into a 235.8% increase.

Expenditure on Piece Rate Work / Consultancy

The amount spent on piece rate work and consultancy increased to ₹ 25,527.61 million from ₹ 16,099.97 million which translates into an increase of 58.6% which is an increase of ₹ 9,427.64 million. The expenditure on Piece Rate Work and consultancy increased by 58.6% year on year due to relatively higher cost paid to sub-contractors.

Salaries Wages & Benefits

The amount spent on salaries, wages and benefits increased to ₹ 1,062.04 million from ₹ 930.82 million which is an increase of ₹ 131.22 million. This increase of 14.1% is due to pay revision as per Government directives.

Other Expenses

The amount spent on other expenses increased to ₹ 363.49 million from ₹ 325.26 million by ₹ 38.24 million. This is an increase of 11.8% on account of bank charges and guarantee commission paid commensurate to the increase in the business secured during the fiscal.

Interest and Finance Charges

The interest and finance charges for the Fiscal year 2010 were ₹ 48.70 million when compared to Fiscal year 2009 was ₹ 32.19 million which is an increase of ₹ 16.52 million or 51.30% year on year mainly on account of interest on arbitration/court award.

Depreciation& Automisation

The depreciation charge for the Fiscal year 2010 was ₹ 31.18 million when compared to Fiscal year 2009 was ₹ 30.69 million which is an increase of ₹ 0.49 million *i.e.* an increase of 1.6% year on year on account of acquisition of fixed assets and amortization on CSS.

Other Income

Our other income decreased to ₹867.50 million from ₹939.40 million which is a decrease of ₹71.90 million or 7.6% due to lower interest earned on short term deposits.

Profit Before Tax

Our Profit Before Tax decreased to ₹ 1,745.92 million in Fiscal 2010 from ₹ 2,399.52 million in Fiscal 2009, a decrease of ₹ 653.60 million, or 27.2%. This was primarily due to lower operation from Real Estate sector.

Provisions for taxation
Provision for taxation decreased from ₹ 807.95 million in Fiscal 2009 to ₹ 580.96 million in Fiscal 2010 which is a decrease of ₹ 226.99 million or 28.1% which is commensurate with decrease in Profit Before Tax.

Net Profit, as restated

Net profit, as restateddecreased to ₹1187.51 million in Fiscal 2010 from ₹1621.87 million in Fiscal 2009, a decrease of ₹434.36 million, or 26.8% which in commensurate with decrease in Profit Before Tax.

Restatement Adjustments

Restatement adjustment has been made for prior period items as well as other adjustments amounting to an aggregate of ₹32.98 million. Consequently an increase of ₹ 22.55 million is made to the profit after tax as per audited statements of ₹1,164.96million so that profit after tax, as restated is ₹ 1,187.51 million.

Year Ended March 31, 2009 Compared with Year Ended March 31, 2008

Income from Operations

Our income from operations increased to ₹ 19,503.23 million in Fiscal 2009 from ₹ 19,014.24 million in Fiscal 2008, an increase of ₹ 488.99 million, or 2.6%. This was primarily due to increased construction activity in PMC and Infrastructure segment. The value of work done increased to ₹ 20,256.48 million from ₹ 17,881.87 million.

Land Cost / Material Consumed

The cost of land and material consumed decreased to ₹ 344.04 million from ₹ 1,531.12 million which translates into a decrease of ₹ 1,187.08 million or 77.5%. The decrease was due to decrease in real estate development projects during the year.

Expenditure on Piece Rate Work / Consultancy

The amount spent on piece rate work and consultancy increased to ₹ 16,099.97 million from ₹ 12,684.71 million which translates into an increase of 26.9% which is an increase of ₹ 3,415.26 million.

Salaries Wages & Benefits

The amount spent on salaries, wages and benefits increased to ₹ 930.82 million from ₹ 771.49 million which is an increase of ₹ 159.33 million. This increase of 20.7% is more than commensurate increase in total income from operation on account of pay revision as per Government directions.

Other Expenses

The amount spent on other expenses increased to ₹ 325.26 million from ₹ 313.40 million by ₹ 11.85 million. This is an increase of 3.8% on account of rates and taxes.

Interest and Finance Charges

The interest and finance charges for the Fiscal year 2009 were ₹ 32.19 million when compared to Fiscal year 2008 was ₹ 35.64 million which is a decrease of ₹ 3.45 million or 9.7% year on year mainly on account of interest on interest bearing advances received from clients.

Depreciation& Automisation

The depreciation charge for the Fiscal year 2009 was ₹ 30.69 million when compared to Fiscal year 2008 was ₹ 30.94 million which is a decrease of ₹ 0.25 million *i.e.* a decrease of 0.25% year on year.

Other Income
Our other income decreased to ₹939.40 million from ₹1125.18 million which is a decrease of ₹185.78 million or 16.5% due to lower write back of unadjusted liabilities of closed projects.

Profit Before Tax

Our Profit Before Tax decreased to ₹ 2,399.52 million in Fiscal 2009 from ₹4148.83 million in Fiscal 2008, a decrease of ₹ 1,749.31 million, or 42.2%. This was primarily due to lower revenue generated from Real Estate segment.

Provisions for taxation

Provision for taxation decreased from ₹ 1,350.57 million in Fiscal 2008 to ₹ 807.95 million in Fiscal 2009 which is a decrease of ₹ 542.62 million or 40.2% which is commensurate with decrease in Profit Before Tax.

Net Profit, as restated

Net profit, as restateddecreased to ₹ 1,621.87 million in Fiscal 2009 from ₹ 2,777.75 million in Fiscal 2008, a decrease of ₹ 1,155.88 million, or 41.6% which in commensurate with decrease in Profit Before Tax.

Restatement Adjustments

Restatement adjustment has been made for a prior period items as well as other adjustments amounting to an aggregate of ₹45.90 million. Consequently an increase of ₹ 30.30 million is made to the profit after tax as per audited statements of ₹1,591.57 so that profit after tax, as restated is ₹ 1,621.87.

Liquidity and Capital Resources

We have historically satisfied our working capital needs through internal accruals, and working capital facilities. As at September 30, 2011, our capital requirements were met with a combination of advances and credit facilities.

Net Cash Flows and Outflows

Particulars	For the period ended			
	30-09-2011	**31-03-2011**	**31-03-2010**	**31-03-2009**
Net cash generated from/(used in)operating activities	946.02	914.50	1188.78	1,107.77
Net cash generated from/(used in) investing activities	1,037.92	1,577.32	(527.83)	(150.47)
Net cash generated from/(used in)financing activities	-	(232.99)	(318.31)	(591.84)
Net increase/(decrease) in cash and cash equivalents	**1,983.94**	**2,258.83**	**342.64**	**365.46**

Net Cash from Operating Activities

Net cash from or used in operating activities includes flows and outflows from changes in operating assets and liabilities, trade and other receivables and trade payables.

Net cash generated from operating activities for the six months ended September 30, 2011 was ₹946.02 million including a working capital addition of ₹ 765.77 million, primarily consisting of sundry debtors of ₹2,257.52 million.

Net cash from operating activities was ₹914.50 million in Fiscal 2011. Our working capital adjustments were ₹392.57 million, primarily consisting of Current liabilities of ₹ 2,712.34 million and sundry debtors of ₹ 131.16 million.

Net cash from operating activities was ₹1188.78 million in Fiscal 2010. Our working capital adjustments were an addition of ₹875.42 million, primarily consisting of current liabilities, sundry debtors and provisions of ₹ 3,875.28 million, ₹ (1036.72) million and ₹ (1376.53) million respectively.

Net cash from operating activities was ₹ 1,107.77 million in Fiscal 2009. Our working capital adjustments were ₹(55.69) million.

Net Cash from Investing Activities

Net cash used in investing activities includes funds paid in connection with our capital expenditures and net cash inflows and outflows from other investments. For period of half year ended September 30, and Fiscal year 2011, 2010 and 2009, the net cash flow from financing activities was ₹ 1,037.92 million, ₹ 1,577.32 million, ₹ (527.83) million and ₹ (150.47) million respectively. The inflow was mainly on account of interest received with cash inflow of ₹544.72 million₹ 735.61 million, ₹ 541.11 million and ₹ 689.37 million for the period of Fiscal year 2011, 2010 and 2009 respectively.

Net Cash from Financing Activities

Net cash used in financing activities includes inflows and outflows from dividend paid on equity shares to the Government and interest expenses. For Fiscal year 2011, 2010 and 2009, the net cash flow from financing activities was ₹ (232.91) million, ₹ (318.31) million and ₹ (591.84) million respectively.

Selected Balance Sheet Items

Fixed assets

Our total fixed assets after depreciation were ₹ 239.14 million, ₹ 242.52 million, ₹ 251.41 million and ₹ 133.19 million at September 30, 2011, March 31, 2011, March 31, 2010 and March 31, 2009, respectively. Our fixed assets primarily consist of plant and machinery, vehicles, office equipment and furniture and fixtures. Gross fixed assets increased by 52.88% from Fiscal 2009 to Fiscal 2010. This increase was mainly due to our addition of vehicles. Gross fixed assets increased by 5.51% from Fiscal 2008 to Fiscal 2009.

Investments

Our investments were ₹ 1,276.90 million, ₹ 1,725.82 million, ₹ 2,501.44 million and ₹ 1432.45 million at September 30, 2011, March 31, 2011, March 31, 2010 and March 31, 2009, respectively. Investments which are classified as available mainly for sale and have a market price are re-measured at fair value on the balance sheet date.

Reserves

Our reserves were ₹ 6,088.32 million, ₹5642.77 million, ₹ 4587.87 million and ₹ 3,703.26 million at September 30, 2011, March 31, 2011, March 31, 2010 and March 31, 2009, respectively. Reserves increased because of the increase of higher profit after tax due to increase in real estate business during FY08 and FY09 and higher operating income generated from PMC and Infra projects.

Contingent Liabilities

The following table sets forth the principal components of our contingent liabilities and capital commitments are:

	Particulars	**30-Sept-11**	**31-Mar-11**
(a)(i)	Claims against the Corporation not acknowledged as debts. Counter claims of the Corporation against these claims amounting to ₹ 5,347.86 million (Previous year ₹ 1,998.60 million) not accounted for in books.	9,668.20	3,985.84
(ii)	Bank Guarantees for performance, EMD and Security Deposit	3,387.27	3,404.07
(b)(i)	The Corporation had paid tax in earlier years in Libya on profits based on accounts audited by local auditors. Additional demand for tax amounting to LD 6,716,079.430equivalent to ₹ 275.78 million (previous year LD 6,716,079.430 equivalent to ₹ 248.24 million) based on turnover *etc.*, for the years from 1977-78 to 1989-90 raised by the tax department of the said foreign country has not been accepted by the Corporation and not provided for. The Corporation has filed appeal / objections against the above demand under the local tax laws.	275.78	248.24
ii)	The Govt. guarantee charges on internal / external borrowings have not been accounted for as the matter regarding waiver of these charges has been taken up with the Govt. of India, Ministry of Urban Development (MOUD).	165.49	165.49
	Total Contingent Liabilities	13,496.74	7,803.64
iii)	Recovery at penal rate on account of excess consumption of material over theoretical norms for the materials supplied by the clients at issue price and free of cost, pending final settlement with the clients.	NOT ASCERTAINABLE*	

**Recovery at penal rate on account of excess consumption of material over theoretical norms for the materials supplied by the clients at issue price and free of cost, pending final settlement with the clients cannot be ascertained as these contingent items cannot be quanitified.*

We have significant contingent liabilities, primarily relating to claims against the Company not acknowledged as debts. As of September 30, 2011, our aggregate contingent liabilities were ₹13496.74 million. Our contingent liabilities as of March 31, 2007, 2008, 2009, 2010 and 2011 were ₹ 3,154.39 million, ₹ 8,132.81 million, ₹ 6,013.46 million, ₹ 6,825.16 million and ₹7,803.64 million, respectively, compared to our profit after tax, as restated, of ₹778.01million, ₹ 2,777.75 million, ₹1,621.87 million, ₹1,187.51 million, ₹1,404.73 and ₹746.90 million, in fiscal 2007, 2008, 2009, 2010, 2011 and the period ended September 30, 2011 respectively. Historically, our contingent liabilities as of the end of a fiscal year have been greater than our profit after tax for such period. Our high contingent liabilities have historically principally related to disputed tax liabilities, guarantees given by our Company.

Off-Balance Sheet Transactions

As of September 30, 2011, we have not entered into any off-balance sheet transactions.

QUANTITATIVE AND QUALITATIVE INFORMATION ABOUT MARKET RISKS

Interest rate risk

We do not have outstanding secured or unsecured borrowings as of September 30, 2011. However, we keep our cash in the form of bank deposits, the interest of which is dependent on market interest rate. Therefore, our other income is positively co-related to increase in interest rates. Apart from this, we do not have any significant interest rate risk.

Credit risk

The carrying amounts of bank balances, sundry debtors, loans and advances represent the maximum credit exposure of our Company. Substantially all of our cash is deposited principally with several nationwide and regional renowned financial institutions in India without significant credit risk. We do not expect any losses to result from non-performance of these financial institutions. Accordingly, our credit risk is primarily attributable to our sundry debtors, which are not secured by any form of credit support, such as letters of credit, performance guarantees or escrow arrangements. We have no other financial assets that carry significant exposure to credit risk.

Commodity risk

We generally do not incur costs of raw materials in case of our PMC contracts. In case of infrastructure projects, we generally have price escalation clause to pass on the commodity risk to the customers. Accordingly, our commodity risk arises from our real estate projects beyond the cost estimated on initial costing and our inability to transfer increase in such costs to our customers can adversely affect our operations.

Foreign currency risk

We operate in India and our transactions arising from our principal activities are principally denominated in Rupees, which is our functional currency. We do undertake few projects in other countries and are therefore exposed to foreign currency transaction risk, related to these projects.

Significant Developments after September 30, 2011

Except as stated above, there are no developments after *September 30, 2011* that we believe are expected to have a material impact on our reserves, profits, earnings per Equity Share, book value or ability to pay our liabilities within the next twelve months.

Unusual or infrequent events or transactions

Except as discussed in this Draft Red Herring Prospectus, there have been no other events or transactions that, to our knowledge, may be described as “unusual” or “infrequent”.

Significant economic changes

Except as discussed in this Draft Red Herring Prospectus, to the best of our knowledge, there have been no other significant economic changes that are likely to have a material adverse impact on our operations or financial condition.

Known trends or uncertainties

Our business has been impacted and we expect will continue to be impacted by the trends identified in this section and the uncertainties described in "**Risk Factors**" on page xv. To our knowledge, except as we have described in this Draft Red Herring Prospectus, there are no other known factors, which we expect to have a material adverse impact on our revenues or income from continuing operations.

Future changes in relationship between costs and revenues

Except as described in this section and in "**Risk Factors**" and "**Our Business**" on pages xv and 80, respectively, to the best of our knowledge, there is no future relationship between expenditure and income that will have a material adverse impact on the operations and finances of our Company.

Significant regulatory changes that materially affected or are likely to affect income from continuing operations

Except as described in "***Regulations and Policies***" on page 75, there have been no significant regulatory changes that have materially affected or are likely to affect our income from continuing operations.

The extent to which our business is seasonal

Except as described in this Draft Red Herring Prospectus, our business is not seasonal in nature.

Any significant dependence on a single or few suppliers or customers

Contracts awarded by the GoI and state government entities have historically accounted for significant portion of our Company's revenue. Of our three segments, our PMC and civil infrastructure for power sector segmentsare entirely dependent on projects awarded by government entities.

Competitive Conditions

Please refer to the chapters titled — Our Business, Industry overview and —Risk Factors in this DRHP for discussions regarding competition.

FINANCIAL INDEBTEDNESS

SECURED BORROWING

As on January 15, 2012, the Company had nil outstanding secured loans.

UNSECURED BORROWING

As on January 15, 2012, the Company had nil outstanding unsecured loans.

BANK GUARANTEE FACILITIES

As on January 15, 2012, the bank guarantee facilities sanctioned to our Company are stated below:

1. Bank guarantee limit sanctioned on July 29, 2009 by Corporation Bank

Sanctioned amount	Outstanding amount as on January 15, 2012 (` in Million)	Commission	Security
Bank guarantee for ₹ 3500 million	1586.96	*Commission @ 0.20%*	Secured by : 10% Cash Margin

The bank has sanctioned the bank guarantee facility vide its letter dated July 20, 2009 and Counter Guarantee agreement dated August 08, 2009. The material terms and conditions for bank guarantee are:

1. Our Company shall not invest any amount for acquisition of fixed assets without any long term arrangement and without maintaining a current ratio of 1.25:1. Necessary undertaking to this effect shall be obtained from the company.

2. Rate of interest/commission and other terms applicable to the credit facilities are subject to review from time to time and are liable to be modified at the sole discretion of the Corporation Bank. Interest as indicated will be/will continue to be charged with monthly rests. The bank reserves the right to give notice at any time and thereafter to charge such other rate of interest as the Bank may decide.

2. Bank guarantee limit sanctioned on July 9, 2009 by Axis Bank

Sanctioned amount	Outstanding amount as on January 15, 2012 (` in Million)	Commission	Security
Bank guarantee for ₹ 1000 million	274.26	Commission @ 0.20% p.a.	Secured by: No security has been created

The bank has sanctioned the bank guarantee facility vide its letter AXISB/DEL/LC/NBCC/09-10/73 dated July 9, 2009 and Counter Guarantee Agreement dated August 18, 2009. The material terms and conditions for bank guarantee are:

1. The Axis Bank shall be at liberty to debit the current/cash credit maintained by our Company at the Axis Banks's with any amount paid or payable by the Axis Bank.

2. The Axis Bank may assign or otherwise transfer facilities (or portion/s thereof) to any third party/parties without prior written consent of our Company. However, our Company will not have the right to assign whole or part of its liabilities here under.

3. Bank Guarantee limit sanctioned on August 4, 2009 by Punjab National Bank

Sanctioned amount	Outstanding amount as on January 15, 2012 (` in Million)	Commission	Security
Bank guarantee for ₹ 2000 million	1,283.01	*Commission @ 0.20% p.a*	Secured by : *7.50% cash margin*

The bank has sanctioned the bank guarantee facility vide its letter dated August 4, 2009 and General Counter Indemnity Agreement dated August 20, 2009. The material terms and conditions for bank guarantee are:

1.That the Punjab National Bank is authorised and is entitled to appropriate at its discretion any credit balance/deposit in the name of our Company without notice to our Company. Punjab National Bank may debit the amount to the current account of our Company, if any, for realising the amount due under this agreement for any of the guarantee(s), inclusive of incidental charges, if any.

2. The Punjab National Bank shall be under no obligation to return any of the securities to our Company unless the guarantee given by Punjab National Bank has been returned to it by the beneficiary thereto.

3. In the event of default or payment , the Punjab National Bank shall be entitled to realise the amount of the commission due to it from any of the securities of our Company, as dues recoverable by the Punjab National Bank from our Company and also personally.

4. Bank guarantee limit sanctioned on February 18, 2011 by Yes Bank

Sanctioned amount	Outstanding amount as on January 15, 2012 (` in Million)	Commission	Security
Bank guarantee for ₹ 1500 million	1,210.45	*Commission @ 0.14% p.a.plus applicable service*	Secured by : No security has been created

The bank has sanctioned the bank guarantee facility vide its letter YBL/DEL/FL/1073/2010-11 dated February 18, 2011 and Counter Indemnity Agreement dated July 1, 2011. The material terms and conditions for bank guarantee are:

1. Yes Bank, its successors or assigns may proceed against and recover from any property of our Company charged to Yes Bank by sale or otherwise and apply the net proceeds or sales and realisations thereof.

2. Our Company agrees that Yes Bank shall at all times be entitled without reference to and the prior consent of our Company and for which the obligor expressly gives its consent to vary and modify the terms of the guarantee.

5. Bank guarantee limit sanctioned on August 3, 2011by IndusInd Bank

Sanctioned amount	Outstanding amount as on January 15, 2012 (` in Million)	Commission	Security
Bank guarantee for ₹4000 million	1,943.46	*Commission @ 0.14% plus applicable service tax.*	Secured by : No security has been created

The bank has sanctioned the bank guarantee facility vide its letter IBL/FIPS/2011-12/3445 dated August 3, 2011 and Counter indemnity agreement dated November 15, 2011. The material terms and conditions for bank guarantee are:

1. Our Company agrees that IndusInd Bank shall be entitled to hold margin which is kept in the form of deposits in spite of expiry of validity period of the guarantee issued by IndusInd Bank till original guarantee duly discharged, is returned by the beneficiary.
2. IndusInd Bank shall charge penal interest rate at 18.75% p.a. for irregularities in the account and non compliance with sanction terms.

6. Bank guarantee limit sanctioned on January 5, 2011 by Union Bank of India

Sanctioned amount	Outstanding amount as on January 15, 2012 (` in Million)	Commission	Security
Bank guarantee for ₹1000 million (BG 1)		*Commission @ 0.20% p.a.plus service tax and other fixed charges*	Secured by :
Bank guarantee for ₹1000 million (BG 2)	1,233.01		Counter guarantee by NBCC
		Commission @ 0.20% p.a	

The bank has sanctioned the bank guarantee facility vide its letter dated January 5, 2011 and Counter Indemnity dated June 30, 2009. The material terms and conditions for bank guarantee are:

1. The Company undertakes and agrees to indemnify the Union Bank, its successors and assigns at all times and from time to time from and against all loss, damage and all actions, suits, proceedings, accounts claims, expenses, costs and demands whatsoever which the Union Bank may incur, sustain or be put to by reason or on account of the Company having given/countersigned the said Guarantee or otherwise howsoever and the Company undertakes and agrees to pay to the Union Bank on demand sums of money, costs, charges and expenses incurred in respect thereof or otherwise in relation to the premises and also to pay the Union Bank interest on all such moneys at the Union Bank's ruling rate.

2. Notwithstanding any dispute between the Company and the ESIC, Union Bank shall be entitled to act in accordance with the guarantee executed by Union Bank and to make payments thereunder without any consent from the Company and the Company agrees that the payment by Union Bank under this guarantee is to be conclusive that the claim has arisen of the amount of such claim.

8. **State Bank of India:** Our Company is availing bank guarantee limit against our existing fixed deposits pledged with State Bank of India. As of January 15, 2012, our Company has availed bank guarantee facility worth Rs 4.16 million and the balance limit available to usis Rs 0.84 million;

9. **Corporation Bank:** Our Company is availing bank guarantee limit against our existing fixed deposits pledged with Corporation Bank. As of January 15, 2012, our Company has availed bank guarantee facility worth Rs 450 million and the balance limit available to us is Rs 250.70 million.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below, there are no outstanding litigation, suits, criminal or civil prosecutions, arbitrations, statutory or legal proceedings, including those for economic offences, tax liabilities, show cause notices or legal notices against the Company, its Directors and there are no defaults, non-payment of statutory dues, over-dues to banks / financial institutions, defaults against banks / financial institutions, defaults in creation of full security as per terms of issue / other liabilities, proceedings initiated for economic / civil / any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than an unclaimed liability, except as stated below. No disciplinary action has been taken by SEBI or any stock exchange against the Company and our Directors.

Neither the Company nor its Directors have been declared as willful defaulters by the RBI or any other authority and there are no violations of securities laws committed by them in the past or pending against them or any person or entity connected with them, except as mentioned below.

*In respect of civil cases, arbitration proceedings, public interest litigation, tax related proceedings, and with respect to all other proceedings involving the Company, for claims (i) if the amount involved is ascertainable, of such claim where the monetary value is ₹ 14 million (viz 1% of Profit of Tax for the period ended March 31, 2011) or more,(ii) if amount is not ascertainable, then all such proceedings have been summarised ("**Material Cases**"). Further, for criminal cases, direct tax litigations and indirect tax litigations, we have disclosed all the legal proceedings pending against the Company in an aggregated manner and with respect to civil cases, arbitration matters, public interest litigation and writ petitions and land disputes, we have aggregated only the Material Cases.*

I. Contingent Liabilities

Contingent liabilities not provided for as of September 30, 2011 as per our financial statements

S.No.	Particulars	**30-Sept-11**
1	Claims against the Corporation not acknowledged as debts. Counter claims of the Corporation against these claims amounting to ₹ 5,347.80 million (Previous year ₹ 1,998.60 million) not accounted for in books	9,668.20
2	Bank Guarantees for performance, EMD and Security Deposit	3,387.27
3	The Corporation had paid tax in earlier years in Libya on profits based on accounts audited by local auditors. Additional demand for tax amounting to LD 6,716,079.430equivalent to ₹ 275.78 million (previous year LD 6,716,079.430 equivalent to ₹ 248.24 million) based on turnover etc., for the years from 1977-78 to 1989-90 raised by the tax department of the said foreign country has not been accepted by the Corporation and not provided for. The Corporation has filed appeal / objections against the above demand under the local tax laws.	275.78
4	The Govt. guarantee charges on internal / external borrowings have not been accounted for as the matter regarding waiver of these charges has been taken up with the Govt. of India, Ministry of Urban Development (MOUD).	165.49
5	Recovery at penal rate on account of excess consumption of material over theoretical norms for the materials supplied by the clients at issue price and free of cost, pending final settlement with the clients.	Not Ascertainable*

**Recovery at penal rate on account of excess consumption of material over theoretical norms for the materials supplied by the clients at issue price and free of cost, pending final settlement with the clients cannot be ascertained as these contingent items cannot be quanitified.*

II. Litigations involving our Company

a. Litigation against our Company

A. *Criminal Complaints*

1. A claim was brought against our Company by Mr Bhupesh Damji Furia with regard to an accident that occurred on September 2, 2006 at Wadala Char Road, near SNDT College, Matunga, Mumbai. The vehicle involved in the accident bearing No. MH-01-7-4986 was registered in the name of our Company. Mr Furia, who was seriously injured, alleged rash and negligent driving on part of the driver of the vehicle and made an application bearing No. 2950 of 2006 on October 4, 2006 under section 166 of the Motor Vehicles Act, 1988 before the Motor Accident Claims Tribunal claiming an amount of ₹ 400,000 as compensation . Our Company has filed its written statement on May 10, 2008. The matter is currently pending.

B. *Civil Cases*

There are 18 Material Cases against our Company and the aggregate monetary value of these litigations, wherever ascertainable, is ₹ 634,226,040 approximately. The details of the Material Cases are given below:

1. Our Company entered into an agreement with Double Dee Construction Company Limited (contractors) for the purpose of carrying out construction work at VIBGYOR Towers, Rajarhat, Kolkata. Double Dee Construction Company entered into an agreement with the Punjab National Bank, Guwahati for the purpose of submitting the necessary bank guarantees to our Company and other financial requirements like cash-credit facility. Punjab National Bank filed an original application (O.A. No. 52/2011) against certain others and our Company on March 2011(the "Application"), before the Debt Recovery Tribunal, Guwahati Branch, for the recovery of certain dues, primarily from M/s Double Dee Construction Company Limited and others, including our Company, amounting to ₹ 152,211,694.94 together with interest at the rate of 13.5% plus interest tax, with effect from July 1, 2010. The Application was filed by Punjab National Bank in connection with a facility availed by M/s Double Dee Construction Company Limited for the work being carried out at VIBGYOR Towers, Rajarhat, Kolkata. Punjab National Bank vide the Application sought a declaration from our Company to (i) receive full details of the work done, value of the works and the amount paid and amount due to M/s Double Dee Construction Company Limited; (ii) release, in its favour, the security deposits made to our Company by M/s Double Dee Construction Company Limited against the contracts for works allotted and (iii) have the amount, which was due to M/s Double Dee Construction Company Limited from our Company, remitted to Punjab National Bank. The matter is currently at the pleading stage and our Company has not filed the written statement in this regard. The matter is currently pending for completion of service and the next date of hearing is February 23, 2012.

2. Our Company entered into a contract with Punjab Public Works Department whereby we had undertaken the work of construction of bridges over the White Bien, Sutlej in Punjab. The dispute in this matter arose as a result of a breach of contract by Punjab Public Works Department and a resultant claim of price escalation by our Company. The matter was referred to arbitration whereby our Company claimed the payments due to them. An arbitral award dated March 29, 2011 in this regard was passed in favour of our Company for an amount of ₹ 54,700,000. The Public Works Department, Punjab filed an Objection Petition 3 of 2011 against the award on August 17, 2011 before the Court of Additional District and Sessions Judge, Ludhiana. Our Company has filed the reply to the aforesaid objections. The matter is currently pending.

3. M/s Trimurti Construction Limited had been awarded the work of construction of 4 of the 240 men's barracks and 288 type-II quarters for the Central Reserve Police Force Group Centre at Greater Noida (U.P.) by our Company. M/s Trimurti Construction Limited defaulted in completing the said works and a notice dated March 29, 2008 was issued requesting them to rectify the default within seven days. However, upon M/s Trimurti Construction Limited failing to rectify the default, our Company by letter dated May 13, 2008 terminated the contract with M/s Trimurti

Construction Limited and all security deposit, performance guarantees and other dues were forfeited. M/s Trimurti Construction Limited filed a civil suit C.S. (O.S.) No. 1002/2008 before the Delhi High Court on December 21, 2008 against our Company for a decree amounting to ₹ 27,741,096 on account of various sums claimed and a decree amounting to ₹ 7,044,575 for declaring the notices dated March 29, 2008 and May 13, 2008 as illegal and void. M/s Trimurti Construction Limited has also prayed for the costs of the suit. Pleadings in the matter stand completed. The matter is currently pending and the next date of hearing is May 4, 2012.

4. Our Company had appointed M/s M.V. Omni Project (India) Limited as a sub-contractor for execution of the project MM – I, awarded to our Company by Royal Palm India Private Limited. Royal Palm India Private Limited, after erection of the structure and during the finishing work, illegally changed the terms of payment/agreement dated November 3, 2003 between Royal Palm India Private Limited and our Company, which was objected by our Company. The agreement was illegally terminated by Royal Palm India Private Limited and our Company in turn terminated the contract awarded to M.V. Omni Project (India) Ltd. M/s M.V. Omni Project (India) Limited instituted a summary suit (SS No. 3568 of 2007) against our Company on August 6, 2008 before the Bombay High Court, for a decree amounting to ₹ 32,306,668 with costs and interest at the rate of 24% p.a. till the decree is realised. The Hon'ble Court on August 31, 2009 granted unconditional leave to defend the suit to our Company and the summary suit was converted into normal suit. The matter is currently pending for filing of written statement by our Company and the next date of hearing has not been fixed.

5. A contract was entered between our Company and Gammon India Limited as the sub-contractor on November 5, 2005, for the construction of accommodation for the Director General-Married Accommodation Project (Army) at Jodhpur. This work was further sub-contracted by Gammon India Limited without the prior approval or knowledge of our Company to Freyssinet Prestressed Concrete Company Limited ("FPCL") and subsequently to M/s Shilpi & Samiksha Associates ("SSA"). Some dispute with respect to payments appears to have arisen between SSA and FPCL. In this regard, SSA filed a civil suit bearing case number C.S. (O.S.) No. 1202/2010 against FPCL, Gammon India Limited and our Company on August 27, 2009 before the Delhi High Court. The suit was filed for the recovery of an amount of ₹ 23,554,915 from FPCL. The plaint filed by SSA was returned for removal of objections and was to be re-filed within one week. However, SSA failed to file the plaint within the prescribed period and therefore filed an application I.A. no. 7967/2010 on May 24, 2010 seeking condonation of delay. The Hon'ble Court had partly considered the application vide its order dated October 21, 2010. The application for condonation of delay was challenged by the other parties. The matter is currently pending and the next date of hearing is on March 1, 2012.

6. Our Company had undertaken the work of construction of a bridge over the Damanganga at Daman. Company had engaged contractors, Vijay Mistry Construction Private Limited ("VMCPL") for the purpose of dismantling the third span of the bridge and restoration and construction of the portion. A dispute arose with regard to non payment of amounts due to the contractors. Pursuant to the dispute VMCPL filed a suit (No. 181 of 2009) on December 3, 2008 before the Delhi High Court for recovery of an amount of ₹ 20,984,538 together with interest at the rate of 18% p.a. VMCPL also sought an injunction against our Company from invoking the bank guarantee for a sum ₹ 3,876,461 issued by the Bank of Baroda on behalf of VMCPL. This matter is currently pending and the next date of hearing is May 4, 2012.

7. A contract was entered between our Company and M/s Trimurti Constructions regarding the work of construction of New Girls Hostel of I.P. College at Sham Nath Marg, New Delhi on December 13, 2006 vide letter of Intent no. NBCC/AGM/DZ/LOI/IPC/2006/8620. M/s Trimurti Construction has filed a recovery suit being CS (OS) No. 1645/2011 before High Court of Delhi praying for recovery of ₹20,081,017 which were allegedly due to them. The matter is currently at the stage of completion of the pleadings and is now listed before the Delhi High Court on July 6, 2012.

8. Our Company had undertaken the work of construction of the New Delhi City Centre, Phase II for the NDMC. Our Company instituted arbitration proceedings against NDMC on account of non-release of dues against execution of work on August 2, 2004 before the sole arbitrator. The arbitrator passed an award on January 27, 2007 in favour of our Company for an amount of ₹ 18,784,000 together with interest at the rate of 18% p.a ("Arbitration Award"). Aggrieved by this, the NDMC filed a suit (OMP No. 373/2007) against our Company on May 1, 2007 before the Delhi High Court for setting aside the Arbitration Award. The matter is currently pending and has been listed for final arguments in the category of regular matters and the next date of hearing is not yet fixed.

9. A contract was entered between our Company and M/s Vishwakarma Projects India Ltd. for the work of fabrication and erection of a chimney structural steel work for 220 meters high twin flue steel liner chimney at Paricha Thermal Power Station, Jhansi, Uttar Pradesh. Due to some extenuating reasons the constructed chimney collapsed and thus the contract of M/s Vishwakarama Projects was terminated and a new contract was drawn up with M/s R.K. Constructions. The cause of action first arose against our Company on July 14, 2010 as our Company withheld the all the dues that were payable to M/s Vishwakarma Projects India Pvt Ltd in relation to the erection work of the chimney which subsequently collapsed. M/S Vishwakarma Projects India Pvt. Ltd on December 28, 2010 served a legal notice upon our Company for release of the entire outstanding amount due to them by our Company. On July 25, 2011 M/s Vishwakarama Projects India Ltd. filed an interim application being I.A. no. 14103/2011 praying for an interim injunction preventing our Company from awarding the contract to any other contractor, however, our Company had already awarded the contract to M/s R.K. Constructions. Thus M/s Vishwakarma Projects India Pvt. Ltd, has filed a suit being CS (OS) No. 2160/2011 before Delhi High Court on July 25, 2011 praying for recovery for a sum of ₹ 12,421, 842 with consequential relief of a mandatory and permanent Injunction. Also in addition to the aforementioned reliefs M/s Vishwakarma Projects India Ltd. has prayed for an additional relief in the form of damages to the tune of ₹ 5,000,000. Our Company has filed its written statements in the current matter. The matter is currently at the stage of completion of Pleadings and is currently listed before the Learned Joint Registrar, Delhi High Court on February 23, 2012.

10. A contract was entered between our Company and M/s Trimurti Constructions for the work of construction of Government Degree College at Basholi on February 20, 2007. Dispute arose between our Company and M/s Trimurti Constructions on account of non-completion of the work within the stipulated period and subsequent termination of the contract vide letter dated January 7, 2009. However, the termination was revoked upon the request of M/s Trimurti Construction vide latter dated February 9, 2009. Thus the present recovery suit being CS(OS) No. 2290/2011 has been filed M/s Trimurti Construction in the Hon'ble High Court of Delhi, for the recovery of various amounts being withheld by our Company from a number of running account bills as submitted by M/s Trimurti Construction to our Company amounting to ₹ 16,906,231.82. Further recovery is being sought upon the various Employees Provident Fund chalans submitted by M/s Trimurti Construction to our Company. M/s Trimurti Construction is further claiming the recovery of the interest charged upon the mobilization advance and excess sales tax recovered by our Company, to the tune of ₹16,906,231. M/s Trimurti Construction has also sought a consequential relief of interim injunction preventing our Company from encashing the Performance Bank Guarantee for the amount of ₹1,651,663. The matter is at the stage of completion of pleadings and is now listed before the Delhi High Court on April 4, 2012.

11. Our Company had undertaken the work of the construction of the New Delhi City Centre, Phase II for the New Delhi Municipal Corporation ("NDMC"). Our Company instituted arbitration proceedings on June 16, 1998 against New Delhi Municipal Corporation on account of non release of dues against execution of work. The arbitrator passed an award on October 4, 2001 for an amount of ₹ 16,860,000 together with interest at the rate of 15% p.a. in favour of our Company ("Arbitration Award"). Aggrieved by the Arbitration Award, the New Delhi Municipal Corporation instituted a suit (OMP No. 2 of 2002) against our Company on January 3, 2002 before the Delhi High Court for setting aside the Arbitration Award. However, during the proceeding, the New Delhi Municipal Corporation deposited an amount of ₹ 16,160,639 against the principal,

with the Delhi High Court. Our Company withdrew the said amount even though objection is pending before the Delhi High Court. This matter is currently pending.

12. Smt. Kalpana Devi has filed T.S. No 32 of 2008 in the Munsiff Court, Katihar, Bihar against the Union of India, State of Bihar and our Company amongst others, seeking a declaration for title, right and continuous possession of suit land and an injunction against the respondents restraining the respondents from proposed inclusion of the suit land in public road. The matter is currently pending.

13. Shri Bipin Bihari Kunwar and others have filed T.S. No: 31 of 2008 in the Munsiff Court, Katihar, Bihar against the Union of India, State of Bihar and our Company amongst others seeking a declaration for title, right and continuous possession of suit land and an injunction against the respondents restraining the respondents from proposed inclusion of the suit land in public road. The matter is currently pending.

14. A contract was entered into between our Company and Reunion Engineering Company Private Limited ("RECPL") on March 12, 1983 in connection with electrical works for a four star hotel at Mosul and a three star hotel at Dokan, Iraq. RECPL being the sub-contractors, were engaged for electrical works for electrical works for the above project. It is stated that one M/s A.M. Sulaiman & Company, which had dealings with RECPL in Iraq, had obtained money decree against the RECPL in Iraq under the Iraqi law. In execution of the said decree, the accounts of our Company had been attached and subsequently recovery made therefrom as, by the time the decree came to be executed, RECPL was no longer present in Iraq and therefore the decree could not be executed as against RECPL directly. Under our Company's contract with the RECPL, it was stipulated that if our Company has incurred any liability on account of RECPL, the latter was also liable for the same. Pursuant to the dispute, our Company initiated arbitration proceedings against RECPL on August 6, 2001before sole arbitrator, Shri A.K. Palit. The arbitrator by the award dated March 25, 2004 awarded an amount of ₹ 16,848,585 to our Company ("Arbitration Award"). Aggrieved by this, RECPL filed a suit (OMP No. 227/2004) in the Delhi High Court, challenging the Arbitration Award. However the same was dismissed by the single judge of Delhi High Court vide the judgement dated August 2, 2010. Aggrieved by this, RECPL filed an appeal (FAO 672 of 2010) against our Company on October 1, 2010 before the Delhi High Court. The Arbitration Award amount is yet to be received by our Company from RECPL. The said appeal is currently pending and the next date of hearing is on March 27, 2012.

15. Our Company had undertaken the work of installation and testing of the heating, ventilation and air conditioning system for the Centre for Dental Education and Research at the All India Institute of Medical Sciences. A contract was entered into between our Company and Aerocomfort Private Limited (contractors) for installation and testing of HBAC system for Centre for Dental Education and Research. The dispute arose in connection with delay on completion of work on part of the contractors due to which our Company withheld payment of a certain portion of the bills. Pursuant to the dispute, Aerocomfort Private Limited filed a civil suit (No. CS(OS) 499/2010) against our Company on November 27, 2009 before the Delhi High Court for the recovery of an amount of ₹ 13,973,311. Subsequently, our Company has filed a written statement on February 2011. This matter is currently pending and the next date of hearing is on February 10, 2012.

16. The Government launched a 100% funded Solid Waste Management Scheme in order to overcome the menace of birds near Air Force bases. Our Company was appointed the nodal agency and was responsible for the construction of solid waste management plants on various lands allotted to it by the various local municipal bodies. Our Company had constructed the abovementioned plants and handed it over to the municipal bodies. Mr. Sudhir Sukhdeo Vidhate, Mr. Anand Damu Mahajan and Mr. Kishan Ganpat Fadtare filed a civil suit, C.S. No. 1299/2009 against M/s Selco International Limited and other entities involved in the construction of the plant, including our Company before the Pune District Court, Maharashtra on August 2009 pertaining to the solid waste management plant located in the villages of Uruchi Devali and

Fursungi, Taluka Haveli, District, Pune and have prayed that the solid waste management plant be stopped and immediately be declared illegal and directions be issued to the Pune Municipal Corporation to stop dumping garbage at the site and relocate the solid waste management plant. Mr. Sudhir Sukhdeo Vidhate, Mr. Anand Damu Mahajan and Mr. Kishan Ganpat Fadtare have also sought the cost of the suit. The matter is pending and the next date of hearing is on February 27, 2012.

17. Our Company had undertaken the work of construction of the NBCC Plaza, Pushp Vihar, New Delhi ("Site"). M/s Narender Impex Limited had purchased certain space at the Site but had defaulted in paying electricity and water dues. In this regard, M/s Narender Impex Limited filed a suit (C.S. (O.S.) No. 260/2011) against our Company on August 8, 2011 before the Additional District Judge, District Court, Saket, New Delhi seeking permanent and mandatory injunction against our Company from disconnecting or disrupting the electricity or water connection to the portion owned by M/s Narender Impex Limited. M/s Narender Impex Limited also sought directions from the court to issue directions to our Company to provide a route for cabling from the entrance of NBCC Plaza to the basement wall and a steel tray in the basement, from the basement wall to the metering board in the property, to enable BSES Rajdhani Power Limited to install a separate electricity meter. The court granted an ex-parte ad interim order in favour of M/s Narender Impex Limited on August 11, 2011 restraining our Company from disconnecting or disrupting the electricity and water connection. Vide order dated December 5, 2011 the Hon'ble Court disposed of the plaintiff's application and directed our Company not to disconnect and/or disrupt the water and electricity supply to the portion owned and occupied by the plaintiff till further direction and final disposal of the suit but subject to payment of actual consumption charges and maintenance charges from time to time. Moreover, M/s Narender Impex were to pay arrears of electricity charges and maintenance charges till date, within a period of one month. M/s Narender Impex has now filed an application on January 2, 2012 seeking the Court's leave to pay their dues in four equal instalments. This matter is currently pending and the next date of hearing is on February 28, 2012.

18. A contract was awarded to our Company by the Union of India for the construction of road under PMGSY on turnkey basis. The cause of action of the suit arose on January 8, 2009 on account of the starting of the construction of the road upon the land of the Shri Sadhan Chandra Baidya ("Plaintiff") in spite of his resistance. Title Suit No. 5 of 2009 was filed by the Plaintiff for the declaration of title as pivotal relief and for permanent injunction as consequential relief and mandatory injunction to remove earth from the paddy field filed before the Court of Civil Judge, Belonia, Tripura. Our Company has been instituted as principal Defendants in the case. The Plaintiff therefore pray to pass a decree declaring the right, title and interests over the plots and the matter is currently pending.

C. *Arbitration Proceedings*

There are 27 Material Cases of arbitration against our Company and the aggregate monetary value of these litigations, wherever ascertainable, is ₹ 499,327,869 approximately. The details of the Material Cases are given below:

1. Our Company entered into an agreement with M/s Puri International on April 24, 1991 for the construction of the railway station-cum-commercial complex at Belapur, Mumbai ("Agreement"). Since M/s Puri International did not fulfil its part of the Agreement, our Company terminated the Agreement on March 31, 1992 and issued a notice to M/s Puri International on March 15, 1995 for invocation of bank guarantees amounting to ₹ 5,250,000. Aggrieved by this, M/s Puri International initiated arbitration proceedings against our Company on April 18, 1995 before the Sole Arbitrator appointed by court, claiming an amount of ₹ 138,950,000 with interest at the rate of 18% p.a. Our Company filed its statement of counter claims on January 24, 2008, claiming an amount of ₹ 131,547,000 with interest at the rate of 18% p.a. This matter is currently pending.

2. M/s S.N Gupta filed two objection petitions challenging the rejection of two of its claims by the Arbitrator in two arbitral awards dated November 14, 2009 and February 2, 2010 respectively, before the District Court, Ludhiana, against the awards passed in his favour by the arbitrator. Our Company also filed an objection petition dated February 16, 2010for setting aside the same arbitral awards against M/S S.N Gupta before the District Court, Ludhiana. The arbitration proceeding was initiated pursuant to a dispute relating to construction of foundation and sub-structure at bridges at White Bien, Sutlej. The sole Arbitrator, in the arbitration proceeding, was appointed by High Court of Punjab and Haryana vide order dated April 17, 2007. The arbitrator published the two impugned awards on November 14, 2009 against our Company. A sum of ₹ 55,209,000 and ₹ 2,038,000 was awarded by the arbitrator, respectively, in favour of M/s S.N.Gupta. Reply to the objections filed by our Company on February 16, 2010 was filed by M/S S.N Gupta on May 28, 2010. Rejoinder to the said reply was filed by our Company on August 5, 2010. Whereas, our Company filed replies to the two applications for setting aside the award filed by M/S S.N Gupta on June 1, 2010 challenging portions of the award. The applications for setting aside the arbitral awards filed by our Company and the applications moved by M/S S.N Gupta were clubbed and are being heard together. The last date of hearing was February 3, 2012. The matter is at the stage of final arguments.

3. Our Company awarded Avinash Raj Construction Private Limited the construction work pertaining to the brackish water aqua culture development project at Nayachar Island, Midnapur, West Bengal (“Project”). A dispute arose between our Company and Avinash Raj Construction Private Limited with respect to the Project on account of non-payment of dues to the contractor and subsequent termination of the contract by our Company. In this regard, Avinash Raj Construction Private Limited initiated arbitration proceedings against our Company on August 9, 2004, before the sole arbitrator claiming an amount of ₹ 50,332,000 with interest at the rate of 18% p.a. Our Company filed its statement of defence on September 8, 2004 and a statement of counter claims dated February 19, 2005 for an amount to ₹ 35,404,000 with interest at the rate of 18% p.a. This matter is currently pending and the next date of hearing has not been fixed.

4. Our Company issued a work order dated April 18, 2001 to M/s M.S. Kamlesh Construction for construction of civil work for boiler, T.G. 7 Auxiliary Equipment at Unit-8 for NALCO, CPP, ANGUL, Orissa. On account of non-payment of dues by our Company, M/s M.S. Kamlesh Construction initiated arbitration proceedings against our Company on February 24, 2009 before the sole arbitrator claiming an amount of ₹ 37,353,473 together with interest at the rate of 12% p.a. and also sought an interim award for an amount of ₹ 15,000,000. This matter is currently pending and the next date of hearing is March 13, 2012.

5. Our Company entered into an agreement with J.G. Engineers Private Limited (“JGEPL”) on March 30, 1993 for the construction of a new terminal building and allied works at the Bhubaneswar airport, Orissa (“Agreement”). Subsequently however, certain disputes arose between our Company and JGEPL with respect to delay in progress/completion of works. Accordingly the Agreement was terminated on March 20, 1996. Aggrieved by the termination, JGEPL initiated arbitration proceedings against our Company and filed their statement of claims on September 28, 1996 before the sole arbitrator and claimed an amount of ₹ 33,782,325. Our Company by way of a statement of counter claim dated April 30, 1997, claimed an amount of ₹ 85,183,441. This matter is currently pending.

6. Our Company awarded Avinash Raj Construction Private Limited the construction work pertaining to the Fishery Science Faculty and other supported activities at Chakgaria, Kolkata (“Project”). A dispute arose between our Company and Avinash Raj Construction Private Limited with respect to the Project on account of non-payment of dues and termination of contract by our Company. Pursuant to the dispute, Avinash Raj Construction Private Limited initiated arbitration proceedings against our Company on August 9, 2004 before the sole arbitrator, claiming an amount of ₹ 30,500,000 with interest at the rate of 18% p.a. Subsequently, our Company filed its statement of defence on September 8, 2004 and a statement of counter claims dated February 19, 2005 for an amount of ₹ 26,020,000 with interest at the rate of 18% p.a. This matter is currently pending and the next date of hearing has not been fixed.

7. M/s Richa Construction instituted arbitration proceedings against our Company on December 31, 2009 relating to disputes that arose in respect of payment pursuant to the work order bearing no. 9403 dated September 25, 2003 and the letter of acceptance bearing reference no. NBCC/WZ/DGM/BPCL-RETD/CME/03/2064 dated September 25, 2003, which were issued by M/s Richa Construction at its tendered cost of ₹ 8,974,204 for the work of provision of OTM accommodation for Engr. Regt (CME) at Kirkee Pune. M/s Richa Construction filed the statement of facts and claims on July 24, 2010, claiming an amount of ₹ 30,436,761 along with future interest at the rate of 24% p.a. Our Company filed its counter statement of facts and claims on March 28, 2011 and M/s Richa Construction has filed its rejoinder on May 6, 2011. This matter is currently pending and the next date of hearing is on February 23, 2012.

8. A contract was entered into between our Company and M/s Shriji Mercantile for the purpose of flooring and cladding work at M/s Oil India Works at Plot No. 19, Sector 16A Noida, Uttar Pradesh. The dispute arose with regard to non-payment of dues by our Company to Shriji Mercantile. Pursuant to the disputes M/s Shriji Mercantile instituted arbitration proceedings against our Company on March 5, 2009 before the sole arbitrator, claiming an amount of ₹ 25,320,000 with interest at the rate of 18%. Our Company file counter claim on April 12, 2010 claiming an amount of ₹ 9.2 million with interest at the prevalent market rate. This matter is currently pending and the next date of hearing has been fixed on February 14, 2012.

9. A contract was entered into between our Company and M/s Richa Construction in relation to construction of buildings for CMS at Naval Dockyard, Mumbai vide letter of intent No. CE/WZ/Engg/Award/6626 dated September 9, 1999 and CA No. DGMP (M) 03/1999-2000M/s Richa Construction instituted arbitration proceedings against our Company in relation to non payment of dues on March 22, 2010 (Applications No. 184/2010, February 24, 2010,) before the High Court of Bombay for appointment of arbitrators. On March 11, 2011, M/s Richa Construction withdrew the application and requested our Company to appoint an arbitrator. The sole arbitrator was appointed on April 26, 2011. M/s Richa Construction has filed the statement of facts and claim of ₹ 18,020,057 along with interest @ 24% p.a. from 20 Nov. 2002 and cost of litigation ₹ 5,000,000 on June 28, 2011. The matter is at the stage of completion of pleadings. The arbitrator directed our Company to file counter statements immediately on August 11, 2011. The next date of hearing is May 24, 2012.

10. A contract was entered into between our Company and Mr Anil Bhatia (as contractor) for the purpose of fixing of fasteners in the stone work done around the Central Board of Secondary Education, New Delhi, building. A dispute arose between our Company and Mr. Anil Bhatia in relation to the work executed for the Central Board of Secondary Education, New Delhi. Our Company claimed that the contractor did not complete the work undertaken by him and pursuant to this, Mr. Anil Bhatia instituted arbitration proceedings against our Company on May 20, 2010 before the sole arbitrator. Mr Bhatia filed a statement of facts and claims on September 30, 2010 claiming an amount of ₹ 22,818,000. Our Company filed its reply on February 2, 2011. This matter was last heard on September 3, 2011 and the next date of hearing is yet to be fixed.

11. Our Company entered into a Contract with M/s Rajkamal Builders for the construction of a bridge over the river Vatrek under Contract-I of Ahmedabad-Vadodara Expressway. Certain disputes had arisen out of the Contract between our Company and M/s Rajkamal Builders whereby it was alleged by M/s Rajkamal Builders that our Company has failed to perform its obligations under the contract in as much our Company had put up its claims against the Public Works Department without consultation with Rajkamal Builders. It was also alleged that our Company had withheld payments to be made to Rajkamal Builders for substantially long periods and not released the amounts legitimately due to Rajkamal Builders on account of price variation and price escalation. Also, our Company allegedly failed to perform its obligation in respect of non-clearance of site, not submitting the necessary drawings and designs to the claimant, not taking the technical decisions quickly and expeditiously, not finalising the technical problems which cropped up during the execution of work, non-settlement of extra items, non-payment in respect of the work done, among others. In this regard, M/s Rajkamal Builders instituted arbitration proceedings

against our Company on June 26, 1998 before a sole arbitrator. Rajkamal Builders made a total claim of ₹ 19,108,489 and the share of amount to be paid to the claimant on the basis of claim put up by the respondent before State Public Works Department, together with interest at the rate of 18% on the awarded sum from the date of reference till realization was claimed. In this regard our Company has filed counter claims for an amount of ₹ 21,000,000. This matter is currently pending and there has been no progress in this matter.

12. A contract was entered into between our Company and M/s Richa Constructions in relation to provision of OTM/accommodation for EMB/headquarters at Colaba, vide LOI No. NBCC/GM/MES/2002/245 dated May 31, 2002 and C.A. No. CEBI/MUM/142001/02 dated August 6, 2002, Mumbai. M/s Richa Construction instituted arbitrations proceedings against our Company in relation to non payment of dues on March 22, 2010 (Applications No. 170/2010) before the High Court of Bombay for appointment of arbitrators. On March 11, 2011, M/s Richa Construction withdrew the application and requested our Company to appoint an arbitrator. The sole arbitrator was appointed on April 26, 2011. M/s Richa Construction has filed the statement of facts and claim of ₹ 16,040,345 along with interest @ 24% from the date December 2, 2004 and cost of litigation ₹ 500,000 on June 27, 2011. The matter is at the stage of completion of pleadings. The next date of hearing is May 24, 2012.

13. Our Company awarded M/s Kalimata Construction the construction work pertaining to the integrated brackish water aqua culture development project at Nayachar Island, Midnapur, West Bengal ("Project"). A dispute arose between our Company and M/s Kalimata Construction with respect to the Project on account of alleged wrongful deductions and non payment of dues by our Company. Pursuant to the dispute, M/s Kalimata Construction initiated arbitration proceedings against our Company on March 22, 2004 before the sole arbitrator, claiming an amount of ₹ 15,766,419 together with interest at the rate of 12% p.a. Subsequently, our Company has filed statement of counter claims for an amount of ₹ 9,956,000 together with interest at the rate of 12% p.a. This matter is currently pending.

14. M/s Pan Electricals initiated arbitration proceedings against our Company on April 1, 2002 before sole arbitrator in relation to the contact awarded by our Company to M/s Pan Electricals for electrification works of residential quarters (Package I) at Air India Housing Project Nerul, Navi Mumbai on account of delay in completion of work. In this regard, M/s Pan Electricals have filed statement of facts and claims on April 29, 2002 before sole arbitrator for claims under various heads, which includes price escalation, reimbursement of storage charges, bank charges, premium charges, payment of extra items etc. aggregating to an amount of ₹ 13,612,720.56. Our Company has filed statement of counter claim on August 27, 2005 for an amount of ₹ 2,983,391 together with interest at the rate of 18% p.a. and cost of proceedings. Last date of hearing was December 26, 2011 and the next date of hearing has not yet been fixed.

15. A contract was entered between our Company and M/s Rajkishan and Company by letter dated August 23, 2002 for civil work package for the main plant area in respect of Stage–II of the Rihand NTPC Sipat Super Thermal Power Project. A dispute arose between our Company and M/s Rajkishan & Company with regard to delay in execution of work by the contractor and subsequent non-payment of dues by our Company. Pursuant to the dispute, M/s Rajkishan & Company instituted arbitration proceedings against our Company on February 23, 2005 before the sole arbitrator, claiming an amount of ₹ 11,457,470₹ together with pendent lite and future interest at the rate of 18% p.a and a sum of ₹100,000 being cost of arbitration proceedings. Subsequently, our Company filed its counter claim on April 3, 2006 claiming an amount of ₹ 11,750,000. This matter is currently pending and the next date of hearing is on February 27, 2010 and February 28, 2012.

16. A dispute arose between our Company and M/s H.S, Namdhari in connection with the construction of the foundation, tower, erection, stringing etc. for the Amb-Nadaun and Kartarpur-Chauhal sections of the Jhallandhar - Hamirpur Transmission Line project. In this regard, M/s H.S. Namdhari initiated arbitration proceedings against our Company on November 15, 2001 and claimed an amount of ₹ 11,374,483.16 plus balance bill and interest. Our Company

has filed counter claims amounting to ₹ 8,013,743/- This matter is currently pending and the next date of hearing is on March 05 & 06, 2012.

17. Our Company entered into a contract with M/s Pile Foundation Company dated May 24, 2001 for construction of sheet piling work at Najafgarh, Delhi. The dispute arose in relation to certain claims and outstanding dues of M/s Pile Foundation Company. This dispute was subsequently referred to sole arbitrator on February 2, 2006. The M/s Pile Foundation Company filed a statement of claim amounting to ₹ 10,956,645 along with interest at the rate of 18% p.a. and arbitration cost of ₹ 100,000 while our Company has filed a statement of counter claim of ₹ 138,200 along with interest at the rate of 12% p.a. as applicable. The matter is currently pending and the next date of hearing January 19, 2012.

18. Arbitration proceedings were initiated against our Company by M/s Vijay Electricals on March 14, 2000 claiming an amount of ₹ 10,005,153 and interest as refund from our Company. The dispute is in relation to the award of a work by a letter dated January 14, 1999 by our Company to M/s Vijay Electricals in connection with the work pertaining to the Jalandhar - Hamirpur Transmission Line project. In this regard, our Company has made a counter claim for an amount of ₹ 9,008,000 for carrying out the work at the risk and cost of M/s Vijay Electricals. This matter is currently pending.
19. M/s Pan Electricals initiated arbitration proceedings against our Company on April 1, 2002 before sole arbitrator in relation to the contact awarded by our Company to M/s Pan Electricals for internal electrification work of Type I quarters at Air India Housing Project Nerul, Navi Mumbai on account of delay in completion of work. In this regard, M/s Pan Electricals have filed statement of facts and claims on April 29, 2002 for claims under various heads which includes price escalation, reimbursement of storage charges, bank charges, premium charges, payment of extra items etc. aggregating to an amount of ₹ 7,032,030.88 together with an interest at the rate 24% on monthly basis from January 1, 2005 till the date of award or date of actual payment whichever is later. Our Company has filed statement of counter claim on August 27, 2010 for an amount of ₹ 859,754.88 together with interest @ 18% p.a. compounded quarterly on sum payable and cost of proceedings. This matter is currently pending and the next date of hearing has not yet been fixed.

20. M/s Pan Electricals initiated arbitration proceedings against our Company on April 1, 2002 before sole arbitrator in relation to the contact awarded by our Company to M/s Pan Electricals for Internal electrification works of Non-residential buildings at Air India Housing Project Nerul, Navi Mumbai on account of delay in completion of work. In this regard, M/s Pan Electricals have filed statement of facts and claims on April 29, 2002 for claims under various heads, which includes price escalation, reimbursement of storage charges, bank charges, premium charges, payment of extra items etc. aggregating to an amount of ₹ 6,562,238.48 together with an interest at the rate of 24% on monthly basis from January 1, 2005 till the date of decree/ award or date of actual payment whichever is later. Our Company has filed statement of counter claim on August 27, 2010 for an amount of ₹ 884,314.30 together with interest at the rate of 18% p.a. compounded quarterly and cost of proceedings. This matter is currently pending and the next date of hearing has not yet been fixed.

21. M/s Pan Electricals initiated arbitration proceedings against our Company before sole arbitrator in relation to the contact awarded by our Company to M/s Pan Electricals for providing street light works for at Air India Housing Project Nerul, Navi Mumbai on account of delay in completion of work. In this regard, M/s Pan Electricals have filed statement of facts and claims on April 1, 2002 for claims under various heads which includes price escalation, reimbursement of storage charges, bank charges, premium charges, payment of extra items etc. aggregating to an amount of ₹ 5,853,153.21 together with an interest @ 24% on monthly basis from November 1, 2004 till the date of decree/ award or date of actual payment whichever is later . Our Company has filed statement of counter claim on August 27, 2005 for an amount of ₹ 1,030,944.50 together with interest at the rate of 18% p.a compounded quarterly. This matter is currently pending and the next date of hearing has not yet been fixed.

22. M/s Pan Electricals initiated arbitration proceedings against our Company on April 29, 2002 in relation to the contact awarded by our Company to M/s Pan Electricals for Internal electrification work of type II quarters at Air India Housing Project Nerul, Navi Mumbai on account of delay in completion of work. In this regard, M/s Pan Electricals have filed statement of facts and claims on February 21, 2005 for claims under various heads, which includes price escalation, reimbursement of storage charges, bank charges, premium charges, payment of extra items etc. aggregating to an amount of ₹ 2,950,717.42 together with an interest @ 24% on monthly basis. Our Company has filed statement of counter claim for an amount of ₹ 574,692.90 together with interest at the rate of 18% p.a. and cost of proceedings. This matter is currently pending and the next date of hearing is November 11 and 12, 2011.

23. A contract was awarded by our Company to M/s Debasish Basu for the construction of National standard Swimming pool including dressing room, First aid room, Office room, etc at Udaipur, South Tripura vide an agreement by letter of Intent No. TR/SP/138/1/96-97/678 dated May 23, 1997. Dispute arose between our Company and M/s Debasish Basu on account of termination of contract being absolutely irregular. M/s Debasish Basu initiated arbitration proceedings against our Company in November, 2009 before the sole arbitrator and filed a statement of claim on November 27, 2009, for return of all the materials arranged by him during the execution of the work which included concrete mixture machine with hopper, concrete vibrator, etc, pay the cost which was approximately ₹ 500,000 along with compound interest at the rate of 25%, cost and incidental damages for an amount of ₹ 340,000, loss of profits at the rate of 25% and refund of his earnest and security money, among other things. The matter is currently pending.

24. A contract was entered into by our Company with M/s Shyam Lal Brothers whereby they were engaged in construction work of the construction of 550 bedded hospital at Varanasi. M/s Shyam Lal Brothers instituted arbitration proceedings against our Company and filed statement of facts and claims on February 23, 1998. The hearings were concluded in the year 2001 and the arbitrator is yet to publish an award. There have been no developments in this matter since the last 10 years.

25. A contract was entered into between our Company and M/s Satish Chand Gupta in relation to the work of construction of the institute building for Centre for Electronic Design and Technology at SAS Nagar, Punjab. Dispute arose on account of withholding of payments due to Mr Gupta by our Company. Pursuant to the dispute, M/s Satish Chand Gupta instituted arbitration proceedings against our Company on June 9, 1995 before the sole arbitrator. Further, M/s Satish Chand Gupta filed an application under Section 12 and 13 of the Arbitration and Conciliation Act, 1996 on December 24, 2007 before Civil Judge (Senior Division), Chandigarh, challenging the impartiality and fairness of the arbitrator, alleging that the sole arbitrator was partial to our Company. By an order dated January 5, 2008, the arbitrator held that the said application was not maintainable. This matter is currently at the evidence stage and pending and the next date of hearing is on February 13, 2012.

26. Our Company was awarded a contract by IRCON International Limited ("IIL") and the City and Industrial Development Corporation of Maharashtra Limited ("CIDC") on July 16, 1990, for the construction of a railway station-cum-commercial complex at Vashi, Mumbai for an amount of ₹ 304,500,000. Our Company sub contracted a portion of the above-mentioned work to M/s. Sharma Enterprises. Upon our Company failing to complete the structural works to the satisfaction of IIL and the CIDC, the contract was terminated with our Company. Our Company, in turn terminated the contract with M/s. Sharma Enterprises on September 22, 1992. At the time of termination of the contract, M/s. Sharma Enterprises had already executed the work for a value of ₹ 7,257,000. Pursuant to the termination, M/s. Sharma Enterprises initiated arbitration proceedings on June 20, 1992 and filed an suit no. 3446/1992 on 15 September 1992 before the Delhi High Court for the appointment an arbitrator. Proceedings were initiated on September 9, 1998 before the sole arbitrator and an award was passed in favour of M/s. Sharma Enterprises on September 12, 2005 for an amount of ₹ 6,460,899 together with future interest at the rate of 12% p.a. Subsequently, being aggrieved by the award, our Company filed a suit 1420/2006 on February 1, 2006 before the Delhi High Court challenging the award since the arbitrator

appointed by the Delhi High Court refused to entertain our Company's counter claims. In this regard, our Company appointed an arbitrator to adjudicate upon counter claims of our Company. This appointment was challenged by M/s. Sharma Enterprises before the Supreme Court of India by way of a special leave petition (SLP (C) 27203 of 2008) on October 22, 2008. The Supreme Court of India by an order dated August 3, 2011 terminated the appointment of the arbitrator appointed by our Company and also set aside the award passed in favour of M/s. Sharma Enterprises. In this regard, the Supreme Court of India appointed another arbitrator to adjudicate upon the claims and counterclaims of the parties. M/s Sharma Enterprises has claimed a sum of ₹ 3,66,00,000 against NBCC. NBCC counter claim against Sharma Enterprises is to the tune of ₹. 8,84,45,458. This matter is currently pending and the next date of hearing is on March 6, 2012.

27. A contract was entered into between our Company and Rayco Engineers for the purpose of installation of electrical works at HUDCO Bazaar at Bhikaji Cama Place, New Delhi. A dispute arose between our Company and M/s. Rayco Engineers in connection with over estimation of dues claimed by Rayco Engineers for the work performed by them. Pursuant to the dispute, M/s. Rayco Engineers instituted arbitration proceedings against our Company on November 28, 1996 before the sole arbitrator, claiming a sum of ₹ 1,930,000. Our Company filed its statement of counter claim on January 21, 1998 for an amount of ₹ 15,600,000. There has been no service of notice till date upon M/s. Rayco Engineers since M/s. Rayco Engineers has stopped conducting its business. The last date of hearing was on December 28, 2007 and there has been no progress in the matter thereafter.

D. *Public Interest Litigations and Writ Petitions against the Company*

There are 15 Material public interest litigations and writs against our Company and the aggregate monetary value of these litigations and writs, wherever ascertainable, is ₹ 98 million approximately. The details of the Material Cases are given below:

1. Our Company was appointed the nodal agency in a 100% central government funded scheme for building a solid waste management plant on land allotted to it by the local municipal bodies, in Gwalior. Mr. Prabhakar Narayan filed a writ petition (W.P. No. 8380/2003) against our Company before the Gwalior Bench of Madhya Pradesh High Court on August 21, 2003 seeking directions from various government bodies for building a solid waste management plant pursuant to the Solid Waste Management Scheme launched by the Government of India. Our Company has submitted to the Hon'ble Court on July 23, 2008, that all the works of sanitary landfills and other work stand completed. Although the solid waste management plant has been built and handed over to the Gwalior Municipal Corporation and is currently under use, the High Court of Madhya Pradesh has decided to treat the petition as a public interest litigation and is overseeing the progress and functioning of the said solid waste management plant. Our Company has been filing reply applications for submitting the status progress reports from time to time. The matter was last heard on February 1, 2012 with no further orders for listing.

2. In year 2006 our Company constructed a public road namely Bhagduttapur Dakshin Gaon link road admeasuring about 350 m long. In 2007 Public Works Department started construction of a large storm water drain starting from Dispur-Kahilipara Main Road. The said construction was left incomplete after construction of about 1.5 kilometers upto Dakshin Gaon Bazar for about more than 2 years. Since the Public Works Department left the construction of the drain incomplete, the excess water run-off from the storm water submerged Bhagduttapur area for a prolonged period of time, thus resulting in immense difficulties for the local populace. A public interest litigation has been instituted by Mrs. Chanda Gyan bearing No. PIL 6/2010 before Guwahati High Court against the State of Assam and others through the Public Works Department and our Company. In the present case, it is prayed for an issuance of the writ of Mandamus for completion of the storm water drain by the Public Works Department and for repair of Bhagadattapur – Dakshin Gaon Link Road for public use. The matter is currently pending at the

stage of admissions before the Hon'ble High Court of Guwahati and the next date of hearing is February 20, 2012.

3. Contract was entered between our Company and M/s Gammon India Ltd. for the work of construction of domestic units consisting of RCC Frame structures at Jaipur, Jodhpur and Jaisalmer. Our Company during the period of such construction work has made recoveries of 1% cess from every bill for the period prior to July 27, 2009 as per the provisions of the Building and other Construction Workers Welfare Cess Act, 1996. However, the aforementioned statute came into force within the state of Rajasthan from July 27, 2009 with prospective application. Thus M/s Gammon India Ltd. filed the present civil Writ Petition no. 15693/2011 against State of Rajasthan and our Company before the Rajasthan High Court at Jaipur praying for the recovery of excess amount of cess deducted and recovered by our Company to the tune of ₹ 14,431,118 during the period prior to July 27, 2009 The case is currently on the pleadings stage

4. Our Company entered into pre-tender agreement dated September 19, 2003 with APR Construction Limited for site levelling work at Barh, STPP. Dispute arose on account of demand of an amount of ₹ 48,090,649 by our Company from APR construction to submit it to Vigilance Committee appointed by Central Vigilance Commission. Pursuant to the dispute, APR Construction Limited (formerly known as A.P. Reddy & Company) filed a writ petition (W.P. (C) 8376/2008) against our Company and another on November 24, 2008 before the Delhi High Court for calling of records of the case and quashing of letter dated November 18, 2008, issued by our Company vide which the demand of ₹ 48,090,649 was made. Our Company has filed its reply to the writ petition on March 13, 2009. This matter is currently pending and the next date of hearing is on July 5, 2012.

5. Smt. Namita Maniktala filed a civil writ petition No. 63 of 2011 before the High Court of Himachal Pradesh against the State of Himachal Pradesh, the Deputy Commissioner-cum-District Magistrate, Mandi, Municipal Council, Mandi, Himachal Pradesh State Pollution Control Board, Central Pollution Control Board and our Company. Smt. Maniktala filed the present writ petition based on an article printed in the newspaper, The Tribune, on December 14, 2010, wherein it had been alleged that concerned authorities had failed to follow the rules framed by the Central Government under the Environment Protection Act, 1986and consequently causing pollution and has prayed for the respondents to be directed to (i) adopt house-to-house municipal waste collection (ii) establish hygienic and sanitary storage facility for the waste (iii) adopt suitable technology for processing biodegradable waste (iv) process mixed waste by way of recycling (v) dispose non-biodegradable waste by way of land-fills in terms of Municipal Solid Waste Management & Handling Rules, 2000 (vi) strictly implement the Municipal Solid Waste Management & Handling Rules, 2000 (vii) direct Himachal Pradesh State Pollution Control Board to initiate proceedings against respondent for causing water and air pollution (viii)State of Himachal Pradesh, the Deputy Commissioner-cum-District Magistrate, Mandi may be burdened with exemplary and penal cost of ₹ 1,000,000 to be used for creation of fund for environment protection and any other order that the Court may deem fit. Our Company filed a reply dated January 10, 2012, before the High Court of Himachal Pradesh and thereafter an application was filed on principle for the deletion of the name of our Company from the array of Respondents since our Company was in no way responsible for causing any pollution or even apprehending the same. The matter is currently pending.

6. Shri Atul Kumar has filed a writ petition bearing CWJC No 5631 of 2010 before the Patna High Court against the State of Bihar and our Company stating that the death of his only son in a motor accident was caused on account of alleged negligence of our Company. The petitioner has alleged that the death of his son was caused because our Company did not take adequate measures or safeguards while carrying out construction activities at Kankarbagh, Patna. In this regard Shri Atul Kumar has prayed for appropriate directions from the Hon'ble Patna High Court to compensate him for an amount of ₹ 50,000,000 for causing accidental death of his son. The matter is currently pending.

7. Our Company entered into Pre-Tender Agreement dated September 19, 2003 with Shri Avantika Contractors (I) Limited. Certain disputes arose between our Company and Shri Avantika Contractors (I) Limited in relation to the site levelling works at Barh, Bihar. Shri Avantika Contractors (I) Limited filed a writ petition (W.P. (C) 8427/2008) against our Company and NTPC Limited on November 26, 2008 before the Delhi High Court for calling of records of the case and for granting ad interim exparte stay on the operation of impugned order dated November 18, 2008, issued by our Company to Shri Avantika Contractors (I) Limited demanding an amount of ₹ 32,576,665 within one week under the Pre-Tender Agreement. Our Company has filed its reply to the writ petition on March 13, 2009. This matter is currently pending and the next date of hearing is on July 5, 2012.

8. Mr. Ajit Singh, an ex-employee of our Company, was compulsorily retired pursuant to the initiation of a vigilance proceeding against him. Mr Singh filed a writ petition (No. 9796 of 2003) before the Delhi High Court for quashing of the order of his compulsory retirement. However, Delhi High Court vide order dated January 24, 2009 transferred the petition to the Central Administrative Tribunal, Delhi ("CAT"). Mr. Singh's prayers were rejected by the CAT on November 16, 2010 vide the order (T.A No.732/2009) and thereafter he filed a civil writ petition (WPC No. 500 of 2011) against our Company and Director (Projects) on December 20, 2010 before the Delhi High Court for setting aside the order of the CAT. This matter is currently pending and has been listed in the category of regular matters. Therefore the next date of hearing is not yet been fixed.

9. Sanchar Times, a monthly magazine, through Rajesh Kumar has filed a writ petition before the Delhi High Court being W.P. (C) No. 8884/2011 against various governmental authorities/ bodies including, inter-alia, our Company and our Chairman cum Managing Director and his private secretary. In the said writ petition, Sanchar Times has sought for writs of Mandamus, Quo-warranto and Certiorari to be issued to remedy and initiate investigation pertaining to several issues of illegalities and corruption being committed by our Company. No Notice has been issued in the matter. However, vide order dated January 11, 2012, the High Court has asked our Company to submit a brief on the outcome on investigation carried out by our Company on the allegations made in the writ petition in a sealed cover. The matter is pending and listed for hearing February 22, 2012.

10. Sri Kumud Saikia, employee of State Bank of India has filed Writ Petition (C) 27/2010 against the State Bank of India and its named officials in addition to our Company challenging the show cause notice issued by the State Bank of India through its concerned official vide letter No.AGM/ADMIN/R-II/14/170 dated May 5, 2009 for issuing Bank guarantee without authority. Shri Kumud Saikia has alleged in this petition that our Company has deliberately, mischievously and with malafide intention withheld the aforementioned bank guarantee at the time when the initial disciplinary enquiry was conducted by the bank authorities in the year 2007. Our Company has denied all these allegations in its written affidavit in opposition filed on November 29, 2010. The matter is currently pending at the admission stage with the Guwahati High Court.

11. Our Company entered into an Memorandum of Understanding (MoU) and supplementary MoU with M/s R.K. Millen & Co. Pvt. Ltd. and its sister concern, M/s R. Chakraborty & Sons (jointly referred to as ("RKM") on October 5, 2001 and November 28, 2007 respectively, to develop commercial and residential projects on a land parcel owned by RKM situated at Mouza Kulai, District Howrah, West Bengal, on a joint venture basis. In terms of the MoU, our Company formed a partnership firm with RKM ('NBCC-R.K. Millen'). RKM had transferred land admeasuring 34.83 acres in Mouza Kulai, P.S. Panchla on N.H. Road-6, Howrah, West Bengal in favour of the said partnership firm. However, the said land parcel was acquired by the Land Reforms Department, Govt. of West Bengal. The dispute arose when RKM filed WP (C) No. 515/2009 against State of West Bengal at Calcutta High Court challenging the acquisition of the aforesaid land parcel wherein our Company was also made a respondent. During the hearing in the said writ petition, the counsel for State of West Bengal disclosed that an award of compensation (in lieu of acquisition) had already been made in respect of the said land and the same had been notified. However, the same had not been disclosed in the writ petition. RKM stated that they did

not have information of any such notification at the time of filing the writ petition and subsequently, another Writ petition was preferred by RKM having case number W.P. (C) No. 1149/2009. The Company filed its counter affidavit in August 2009. The matter is currently pending and not been listed yet.

12. A contract was entered between Government of India through the Border Security Force and our Company for the construction of the O.P Towers on the land of Fortuna Agro Plantations Limited ("the petitioner"). The cause of action as claimed by the petitioner arose when our Company entered its land and felled the standing valuable trees and bamboos for the necessity of the construction. Since the land of the petitioner had been taken for public purpose Fortuna Agro Plantations Limited did not seek a petition for recovery of possession; however, it prayed for a direction by the Guwahati High Court vide W.P (C) 270 of 2011 to the respondents to legitimize the possession, enforcing law for compulsory fresh acquisition, as the previous one had lapsed.

13. A contract was entered into between Mr Sudhir Ch. Paul and Agartala Municipal Corporation regarding allotment of the shop A-3 on deposit of the bid money and the earnest money. The funds deposited by Mr Sudhir Ch. Paul was released to him by the Agartala Municipal Council which he refused to accept. Aggrieved by this, Writ Petition No. 242 of 2006 has been filed by Sri Sudhir Ch. Paul in the Guwahati High Court for an interim order directing our Company and other respondents to stay the sale of the newly constructed commercial complex at Agartala Municipality Office Complex, till shop A-3 is allotted to the petitioner or a settlement agreeable to both the parties is arrived and till the disposal of the Writ Petition.

14. St. Helen's Court, a privately owned building and three other co-operative housing societies ("petitioners") situated near Peddar Road, Mumbai have filed a Writ Petition before the High Court of Maharashtra against the proposed construction of museum building, amphitheatre and basement for parking purposes by the Films Division, Mumbai. The petition states that the proposed construction violates provisions of the Maharashtra (Urban Areas) Preservation of Trees Act, 1975 amongst several other provisions of law. Our Company has been impleaded as Respondent in the present suit being the constructing agency for the proposed construction. In this regard the petitioners have prayed that our Company be restrained from carrying out or completing any part of the proposed construction on Pedder Road till such time that all alleged illegalities are removed and/or that directions be issued so that the proposed construction itself is shifted to Film City at Goregaon. The matter came up for preliminary hearing on February 2, 2012 before the High Court of Maharashtra and our Company has been directed to file its reply within three weeks.

15. Mr. Suresh Mewanda was appointed by our Company on nominal muster roll on temporary basis for the construction work of 4th oil berth at Butcher Island, Mumbai. After the work was completed, our Company offered retrenchment benefits to Mr. Suresh Mewanda against which he preferred an application before Central Government Industrial Tribunal, Mumbai. The Industrial Tribunal, Mumbai held that Mr. Suresh Mewanda was not an employee of our Company therefore no benefit can be granted under Industrial Disputes Act, 1947. Mr.Mewada subsequently filed a writ petition (WP No. 942 of 2011) on December 9, 2010 ("Petition") against our Company before the High Court of Bombay for quashing and setting aside the award of Central Government Industrial Tribunal ("Tribunal") dated April 15, 2009 ("Award") and praying for reinstatement of his services, pending the final disposal of the Petition. The matter is currently pending and the next date of hearing has not been fixed.

E. *Labour/Employment Matters*

There are 25 Material Cases cases related to labour/employment involving our Company and the aggregate monetary value of these litigations, wherever ascertainable, is ₹ 15,249,131 approximately. The details of the Material Cases are given below

1. Mr. M.K. Mittal, an employee of our Company, wanted the benefit of the performance related promotion scheme, 2009 of our Company to be extended to him and to promote him to the post

of Assistant General Manager (Engg.). Subsequently, Mr. Mittal filed an application (O.A. No. 1565/2009) against our Company, Mr. A.K Sharma, Deputy General Manager (Engg.) and Mr. Satish Chand, Deputy General Manager (Engg.) on May 18, 2009 before the Central Administrative Tribunal, Principal Bench, New Delhi ("CAT"). Mr. Mittal also requested CAT to declare illegal, the promotion of Mr. A.K Sharma, Deputy General Manager (Engg.) and Mr. Satish Chand, Deputy General Manager (Engg.). Additionally, Mr. Mittal has also sought directions to be issued to our Company to accede to his request for voluntary retirement on compassionate grounds and for an amount of ₹ 1,000,000 towards compensation for mental torture. Subsequently, a Miscellaneous Application (M.A) under Rule 24 of the CAT Procedure Rules, 1987 was filed by the applicant seeking amendment of the original application. This was done in view of the fact that our Company had formed and empowered Committee to consider the cases of all employees who had not received the benefit under the aforesaid the Performance related Promotion Scheme, 2009. This committee after considering the applicant's case did not recommend the extension of the said benefit to the applicant by the amendment application. The applicant M.K. Mittal herein intended to bring these records. Pleadings are pending with respect to the said application. This matter is currently pending.

2. Mr. Avtar Singh being an ex-employee of our Company joined National Institute of Pharmaceutical Education and Research in the year 2001 as an executive engineer on deputation from our Company and was subsequently absorbed with the National Institute of Pharmaceutical Education and Research in 2004. Mr. Avtar Singh filed a civil writ petition (WP(C) 11538/2011) against National Institute of Pharmaceutical Education and Research and our Company on May 31, 2011 before the Punjab and Haryana High Court. Mr. Singh in his writ petition has claimed entitlement to certain benefits from the year 1998 and not from 2004 since he was promoted to executive engineer in the year 1998, while in service with our Company. In this regard, our Company has only been implicated as a performa respondent, whilst the primary dispute is with National Institute of Pharmaceutical Education and Research. This matter is currently pending and the next date of hearing is on July 11, 2012.

3. Shri Amit Mitra had made an application for voluntary retirement application dated May 12, 2006 as per the provisions of the Voluntary Retirement Scheme. However voluntary retirement was denied to him as per the discretion of our Company. Thereafter Shri Amit Mitra had submitted his resignation vide letter dated July 8, 2006, the request for resignation was also denied to Shri Amit Mitra for want of vigilance clearance by our Company vide letter dated August 8, 2006. Thereafter, Amit Mitra has filed O. A. No. 805/ 2011 before the Central Administrative Tribunal, Kolkata bench seeking grant of voluntary retirement, issuance of vigilance clearance and release of service benefits. Our Company is yet to file a reply in respect of afore mentioned application. The matter is currently pending.

4. The dispute arose as result of termination of Mr. Shiv Pratap Singh's employment with our Company on account of non-disclosure of the fact that there was a criminal proceeding against him, though decided, at the time of his joining. Subsequently, Mr. Singh was reinstated in our Company. Mr. Singh contended that for the purposes of promotion his year of joining our Company should be considered as 1982 instead of the year in which he was reinstated, i.e 1994. Subsequently, Mr. Singh filed a civil writ petition (WP(C) No.7244 of 2008) against our Company in 2009 before the Rajasthan High Court (Jodhpur Bench). Mr. Singh also sought the setting aside of the office orders dated February 4, 2004, March 17, 2005, July 16, 2005 and communication dated April 18, 2006.These office orders pertain to his initial termination of services, reappointment in our Company and payment of gratuity, respectively. This matter is currently pending and has been listed in the category of regular matters. Therefore the next date of hearing is not yet been fixed.

5. Mr. M.K. Jalla, an employee of our Company, filed a suit (OA NO. 1745/2011) against our Company in April 2011 before the Central Administrative Tribunal, Principal Bench, Delhi. Mr. Jalla has alleged that his Annual Confidential Report for the period April 1, 2002 to September 6, 2002 had been allegedly evaluated by an officer who had been struck off the rolls of the Company more than a month before the evaluation which is contrary to the applicable rules. He

further claims that due to such act, two of his immediate junior superseded him in seniority and received promotions. Mr. Jalla has therefore prayed that he may be promoted with effect from the date on which his juniors were promoted. He also claimed all consequential benefits like seniority and arrears. This matter is currently pending and the next date of hearing is on February 22, 2012.

6. Mrs. Rina Das, the widow of Mr. Dinabandhu Das, an ex-employee of our Company filed a writ petition (No. 28407 of 2006) on December 21, 2006 before the Calcutta High Court seeking employment for her son on compassionate grounds. Our Company in its reply has stated that such a policy does not exist currently at our Company. This matter is currently pending, however the next date of hearing has not yet been fixed.

7. Mr. Basudev Das, an employee of our Company, was dismissed from services on March 12, 1988 vide memorandum no. 38(1292) /73-Estt) dated 25 July 1988 as a result of his unauthorized absence from March 12, 1988. Aggrieved by the dismissal, Mr. Das filed a suit before the Central Government Industrial Tribunal cum Labour Court, Bhubaneswar (ID No. 12/2003) against our Company on June 27, 2003. He sought reinstatement with full back wages and all other consequential benefits. Pursuant to hearing the parties, the court has reserved its order.

8. Mr. Gurcharan Singh was an employee of our Company. A dispute arose between our Company and Mr. Gurcharan Singh on account of illegal termination of Mr. Singh's services by our Company. In this regard, a suit (no. 181 of 2003) was filed by Mr. Singh on March 3, 2004 before the Presiding Officer, Labour Court, Gurdaspur, Punjab seeking reinstatement of services together with back wages. Our Company filed a reply on April 1, 2004. The matter is currently pending and the next date of hearing is on February 13, 2012.

9. Assistant Provident Fund Commissioner, Chandigarh, initiated an enquiry against our Company for the project of Sant Longowal Institute of Engineering and Technology for the period of April 2004 to March 2008 for non payment of employees provident fund dues. Vide order dated July 29, 2011 a recovery of ₹ 15,249,131 was done by Assistant Provident Fund Commissioner, Chandigarh. Against the aforesaid order an appeal (ATA No. 660 (11) 2011) was filed before Employees Provident Fund Appellate Tribunal, Delhi. The appeal was admitted on September 22, 2011 with direction to furnish 30% of ₹ 15,249,131. Against this order, we filed an appeal before the Punjab and Haryana High Court and vide order dated November 23, 2011, the court has directed our Company to deposit a bank guarantee of 30% of ₹ 15,249,131. The matter is pending before the Punjab and Haryana High Court as notice has been sent to the respondents and the next date of hearing is February 15, 2012. The bank guarantee has been submitted on January 4, 2012.

10. Mr. J.K. Rohatagi, an ex-employee of our Company, was dismissed from service by an order passed by the disciplinary authority of our Company. In this regard, Mr. Rohatagi filed a writ petition No. 6845 of 2011 against our Company on May 9, 2011 before the Delhi High Court for quashing the entire disciplinary proceeding and order passed by the disciplinary authority dismissing Mr. Rohatagi from service. Mr. Rohatagi has also prayed for quashing of the orders dated March 25, 2010 passed in T.A No. 958/2010 by the Central Administrative Tribunal, Principal Bench, New Delhi and order dated April 5, 2010 passed in R.A No. 118/2010 by the Central Administrative Tribunal, Principal Bench, New Delhi. Additionally, Mr. Rohatagi has also sought directions for reinstatement with all consequential benefits including continuity of service, arrears of pay, allowance, seniority etc. and for cost of litigation. Vide order dated September 19, 2011 the matter has been admitted and notice has been issued. However our Company has not received any notice till date.

11. Sh. Binod Kumar Singh, presently a Senior General Manager in our Company, has filed an application before the Central Administrative Tribunal, Principal Bench, New Delhi being O.A. No. 4255 of 2011 on November 17, 2011 against inter-alia, the CMD, the Director (Projects) and the General Manager Human Resource Management (HRM) of our Company. Matter is pertaining to his promotion to the post of Executive Director (HRM). In the said application, it is alleged that in

spite of him fulfilling the requisite criterion/ qualifications for the post of Executive Director (HRM) as had been advertised in 2009, he has not been promoted notwithstanding his claim that he is the only qualified person for the post. It is further alleged that our Company had appointed another person from the Engineering cadre as the Executive Director (HRM) although he did not fulfil the qualification. Sh. Binod Kumar Singh further states that he was therefore constrained to file O.A. 4375/2010 seeking his promotion but pursuant to the filing of the application, our Company allegedly removed the aforesaid person from the post of Executive Director (HRM). The said O.A. 4375/2010 was dismissed by the Central Administrative Tribunal with directions to Sh. Binod Kumar Singh to make a representation to the Corporation which he made vide communication dated August 24, 2011. Sh. Binod Kumar Singh further alleges that our Company did not respond to the said representation and therefore he was constrained to file the present application. Upon preliminary hearing, the Central Administrative Tribunal has issued notice dated November 30, 2011 directing our Company and its concerned officials to appear before the Tribunal on the next date of hearing i.e. March 6, 2012.

12. Shri Pramod Kumar Saxena, Deputy Project Manager in our Company, has filed an application before the Central Administrative Tribunal, Principal Bench, New Delhi being O.A. No. 4415 of 2011 on November 11, 2011 against inter-alia, the Chairman cum Managing Director. In the said application, he prays for directions for quashing inter-alia, office order and for him to be promoted to the post of Project Manager with all consequential benefits as well as declare the act of lowering his Annual Confidential Report ("ACR") rating in the years 2005-2006, 2006-07 and 2007-08 as illegal and malafide. In the said application, it is alleged that his ACR rating for the year 2005-06, 2006-07 and 2007-08 have been wrongly and unfairly reduced and vide office Order dated March 5, 2009 in a Performance Related Promotion Scheme, 2009, his immediate juniors surpassed him. Thereafter Sh. P.K. Saxena filed his representation before our Company but in the Office Order dated July 14, 2011, the benefit of the Performance Related Promotion Scheme, 2009 was not extended to him. Upon preliminary hearing, the Central Administrative Tribunal has issued notice dated December 13, 2011 directing our Company and its concerned officials to appear before the Tribunal on the next date of hearing.

13. Shri Ramesh Prasad Singh, an employee, was denied the promotion to the post of Executive (HRM) by our Company as he did not satisfy the requirements of the Departmental Promotion Committee held for the year 2008 - 09. Thereafter Shri Ramesh Prasad Singh applied for the aforementioned promotion under the one time Performance Related Promotion Scheme of 2009. There under too, he was denied promotion for not satisfying the requirements as per the Performance Related Promotion Scheme of 2009, as was communicated to him by the Senior General Manager (Human Resource Management and Training) vide order no.530/2011 dated July 14, 2011. Thus Shri Ramesh Prasad Singh has filed the present O.A. No. 585/ 2011 before the Central Administrative Tribunal, Patna bench seeking promotion to the post of Executive (Human Resource Management). Our Company has filed its counter-affidavit on November 9, 2011. The matter is pending and next date of hearing is on February 22, 2012.

14. Shri Virender Kumar Bhasin, an employee, was aggrieved due to his promotions being lost since the services rendered by him in pre-abolished posts were not combined with the years of his tenure of service so as to calculate his eligibility for the next promotion. The posts were abolished as per the provisions of the rationalization of designations undertaken by our Company. Shri Virender Kumar Bhasin has filed the preset O.A. No. 3056/ 2011on August 8, 2011 before the Central Administrative Tribunal, Principal Bench, New Delhi, seeking directions for consideration of seniority and length of service for further promotion to the post of Deputy Manager (Finance) with effect from March 7, 2000. Our Company has filed its counter-affidavit on November 30, 2011. The matter is listed under the list of ready to hear cases on February 28, 2012 with liberty to the petitioner to file rejoinder.

15. Shri Radha Krishna Sarangi was in the employment of our Company during the years 1983-1985 in Iraq. Upon his return in the year 1986 he was prevented from rejoining the services, thus he has filed O.A. No. 476/ 2009 on May 26, 2009 before the Central Administrative Tribunal, Cuttack bench seeking direction for reinstatement to service with all consequential service benefits.

Respondents have been directed to file a reply to the captioned application within 4 weeks of receipt of the same i.e. by January 17, 2012.Our Company is yet to file a reply to the aforementioned application.

16. An employee of our Company, Bilayat Hussain passed away on February 26, 2006 while still in the employment. Smt Johra Khatoon, the widow of Bilayat Hussain has filed Writ Petition No. 15575 of 2011 before the Calcutta High Court seeking appointment of her son in our Company on compassionate grounds. Our Company is yet to file a reply to the aforementioned application. The matter is pending and is listed in the monthly list.

17. Shri M. Muthalif, Deputy General Manager (Engg.) in our Company, posted in Chennai, has filed an Application before the Central Administrative Tribunal, Chennai Bench, being O.A No. 1267/2011 on October 10, 2011 against the Senior General Manager (HRM), Senior General Manager (Chennai) and Chairman and Managing Director, NBCC. In the said Application, he prays for the quashing of Office Order No. 251/2011 dated May 9, 2011 by which he was transferred from Chennai to New Delhi and thereby not to transfer the Applicant from Chennai. Reply has been filed and case is pending for arguments. The next date of hearing is March 23, 2012.

18. Shri S.S. Chawla, an employee of our Company, has filed an application before the Central Administrative Tribunal, Principal Bench, New Delhi being O.A. No. 4483 of 2011 on November 15, 2011 against our Company, Shri R.R. Baisantry, ex-General Manager (HRM),Sh. A. Nageshwar Rao, Deputy Manager (Finance.) and Ram Pal Singh Deputy Manager (Finance). The dispute arose due to alleged lowering of his rating in the Annual Confidential Report and him being allegedly being denied the Departmental Promotions. It was claimed in the said application that he was denied benefits under the Performance Related Promotion Scheme. The said application prays for the act of the lowering of Annual Confidential Report rating in the years 2000-2001, 2005-2006, 2006-2007, 2007-2008, 2008-2009 and 2009-2010 to be declared illegal and grant promotion in the Departmental Promotions for the year 2006-07 and the benefit of the Performance Related Promotion Scheme, 2009. Upon preliminary hearing, the Central Administrative Tribunal has issued a notice dated December 20, 2011 directing our Company and its named officials to appear before the Tribunal on the next date of hearing i.e. March 19, 2012.

19. Shri Ram Bhawan Singh raised an Industrial dispute before the Assistant Labour Commissioner (Delhi Administration) seeking the relief for grant of pay scale of ₹ 1,410-2,330 (pre-revised) as was applicable to the post of Senior Crane operator in the Regular Establishment instead of ₹ 1,206-1,811 (pre-revised) as has been fixed by our Company while regularizing the service the service of Sh. Ram Bhawan Singh from Nominal Muster Roll/Work establishment (MR/WE). Matter was subsequently was referred to the Industrial Tribunal under ID No. 56 of 2003 on May 26, 2003. Industrial Tribunal vide passed an award against Shri Ram Bhawan Singh dated October 27, 2005. Shri Ram Bhawan Singh has filed the Writ Petition (C) No. 1617/2006 challenging the award of Industrial Tribunal. Matter is currently pending.

20. Shri B. Shivshankar has filed a writ petition bearing WP No.7895 of 2011 before the Hon'ble High Court of Delhi for payment of unpaid interest @ 10% on gratuity amount of '350,000 from January 29, 2004 to April 16, 2008 and compound interest due from March1, 2002 to April 16, 2008 on gratuity amount of '350,000 at the rate fixed by the Central Govt. by notification U/S 8 of the Payment of Gratuity Act, 1978. Our Company is yet to file a reply in respect of afore mentioned petition and the next date of hearing in the matter is March 5, 2012.

21. Mr Balwinder Singh was appointed as a peon in one of the offices of our Company without any formal appointment letter to him. That Mr Balwainder Singh filed a civil writ petition no. WP(C) 8989 of 2002 before the Punjab and Haryana High Court at Chandigarh on January 24, 2000 pursuant to the order dated 09.12.1993 by the Company whereby list of all the employees working on casual basis were to be considered for appointment in the Company but as alleged by him Company did not take any action and failed to appoint him inspite of he serving more than 4 years. This matter is currently pending and the next date of hearing is not yet been fixed

22. Mr.Rabindranath Saha and Mr Harendranath Mukherjee were ex-employees of our Company who had retired on March 31, 2007 and March 31, 2006, respectively. The Sixth Pay Commission of the Government of India had revised the pay scales of government employees. The dispute arose in relation to the revision of pay scale and the gratuity payable there under. They have alleged that although the revision of pay scale under the Sixth Pay Commission of the Government of India was extended to them, however the gratuity paid to them was at earlier rates. Mr Rabindranath Saha and Mr Harendranath Mukherjee filed an application (O.A. No. 1963/2010) against our Company on July 8, 2010 before the Central Administrative Tribunal, Kolkata. Mr Saha and Mr. Mukherjee have filed this suit for increase in their gratuity amount and are seeking an amount of ₹ 100,164 and ₹ 93,150, respectively. The matter is currently pending and the next date of hearing has not been fixed.

23. Mr. J.S. Solanki, an employee of our Company filed an application (O.A. No. 1399/2011) against our Company and others on April 13, 2011 before the Central Administrative Tribunal, Principal Bench, New Delhi seeking the benefit of the Performance Related Promotion Scheme 2009 of our Company to be extended to him and to promote him to the post of Additional General Manager. He has also sought directions to the Company for initiation of disciplinary proceedings against the other respondents in the matter and that the remarks of Reviewing Officer (other than our Company's officials) for the period of April 1, 2008 to October 24, 2008 be treated as the correct and final grading for the years 2008-2009. Our Company has challenged Mr. Solanki's contention that he should be promoted to the post of Additional General Manager in view of the departmental promotion committee for the year 2007-08. After hearing the arguments of both parties, the Tribunal disposed the application vide its judgement dated January 10,2012. While dismissing all prayers of the applicant, the Tribunal however observed that respondent no. 6, Shri S.K. Nangia had functionally become junior to the applicant after the applicant received the benefit of the Performance Related Promotion Scheme of 2009. However regarding the applicant's newly acquired qualification, i.e . M.Sc. (IT) the Tribunal has directed that a committee to be formed which will examine the matter and give their findings with 6 months and if benefits have been given to other employees for similar degrees, the committee may consider the case of the applicant and grant him the same pari materia benefits.

24. Smt. Sova Rani Bag filed a Succession Case no: 66 of 2001 against our Company at the District Delegate Court, Tamluk, East Midnapore, West Bengal Terminal for release of the dues of late Shri Chandi Charan Bag, Ex- security guard of our Company. In this regard another Succession case bearing Succession Case no: 152 of 2000 has also been filed by Smt. Sita Rani Bag (1st wife) against Smt. Sova Rani Bag (2nd wife) claiming the terminal dues of late Chandi Charan Bag. The Tamluk court has kept the Succession Case no: 66 of 2001 in abeyance till succession case no. 152 of 2000 is disposed as per court order. The matter is currently pending.

25. Mr. R K Gupta, an ex-employee of our Company, filed a writ petition (No.11106/2009) against our Company and the Regional Provident Fund Commissioner on August 7, 2009 before the Delhi High Court. Mr. Gupta in his writ petition has challenged the order dated August 31, 2007 passed by the Employees Provident Fund Appellate Tribunal ordering an amount of ₹ 541,525 attached by the Regional Provident Fund Commissioner, Delhi towards employees share in terms of the revised contribution opted by the Mr. Gupta, should not be reimbursed to him and the said amount may, however, be credited to our Company. The interest accrued on ₹ 541,525 was also ordered to be credited to our Company. Further, as per the aforementioned order, the employee's contribution made in this behalf and drawn by Mr. Gupta was also ordered to be refunded to our Company. While challenging the order dated August 31, 2007 of the Employees Provident Fund Appellate Tribunal, Mr. Gupta has in the writ petition sought that the order dated August 31, 2007 be set aside together with the cost of litigation. This matter is reserved for orders.

F. *Indirect Tax Litigations*

There are five proceedings relating to indirect tax and statutory charges against our Company and the aggregate monetary value of these proceedings is approximately ₹ 111,973,000. The details of the cases are mentioned below:

1. The Commissioner, Central Excise, Shillong had issued a Show Cause cum Demand Notice bearing Reference C. No. IV (9)21/SH.CEX.DIVN/NBCCL/ST/2004/257 dated January 11 2005 to the Company. The Company was required to show cause as to why a demand of Service tax amounting to ₹ 16,900,000 (including Cess) should not be raised against the Company under the taxable category of "Consulting engineer's service" during the period January 2002 – January 2005 under the provisions of Finance Act, 1994 and further why interest under Section 75 and penalty under Section 76, 77 and 78 should not be imposed on the Company. The Company had filed its reply on January 31, 2005 and additional reply on July 29, 2010. The matter has been adjudicated by the Commissioner by his Order-in-Original No. 02/Commissioner/ST/2010 dated August 27, 2010 wherein he has dropped the proceedings and decided in favour of Company against which Department has filed its Appeal No. ST/2/2011 to Tribunal, Kolkata and NBCC has also filed its cross objection. The case is pending before Tribunal for hearing and date has not yet been fixed.

2. The Commissioner, Central Excise, Shillong had issued a Show Cause cum Demand Notice bearing Reference C. No. V-ST (15) 46/ST/STC/ACS/2004/5254 dated December 22, 2004 to the Company. The Company was required to show cause as to why demand of Service tax amounting to ₹ 28,700,000 (including Cess) should not be raised against the Company under the taxable category of "Consulting engineer's services" during the period November 2002 – December 2004 under the provisions of Finance Act, 1994 and further why interest under Section 75 and penalty under Section 76, 77 and 78 should not be imposed on the Company. The Company had filed its reply on February 17, 2005 and additional reply on July 29, 2010. The matter has been adjudicated by the Commissioner by his Order in Original No. 05/Commissioner/ST/2010 dated August 27, 2010 wherein he has dropped the proceedings and decided in favour of Company against which Department has filed its Appeal No. ST/5/2011 to Tribunal, Kolkata and NBCC has also filed its cross objection. The case is pending before Tribunal for hearing and date has not yet been fixed.

3. The Commissioner, Central Excise, Shillong had issued a Show Cause cum Demand Notice bearing Reference C. No. V-(15) 47/STC/ACS/2004/5258 dated December 22, 2004 to the Company. The Company was required to show cause as to why demand of Service tax amounting to ₹ 47,000,000 (including Cess) should not be raised against the Company under the taxable category "Consulting engineer's services" during the period November 2002 – December 2004 under the provisions of Finance Act, 1994 and further why interest under Section 75 and penalty under Section 76, 77 and 78 should not be imposed on the Company. The Company had filed its reply on January 31, 2005 and additional reply on July, 2010. The matter has been adjudicated by the Commissioner by his Order in Original No. 03/Commissioner/ST/2010 dated August 27 2010 wherein he has dropped the proceedings and decided in favour of Company against which Department has filed its Appeal No. ST/7/2011 to Tribunal, Kolkata and NBCC has also filed its cross objection. The case is pending before Tribunal for hearing and date has not yet been fixed.

G. *Direct Tax Disputes*

There are five direct tax litigations against our Company and the agregate monetary value of these proceedings is approximately ₹ 339,821,610. The details of the Material Cases are mentioned below:

1. The IT Department filed an appeal (IT Appeal No. 3635/Del-2010) dated July 29, 2010 before the ITAT, New Delhi against the order of CIT (Appeals) dated May 31, 2010 passed under section 250 of the IT Act for the assessment year 2000-2001, on the ground that the CIT (Appeals) had erred in directing the Assessing Officer to allow carry forward of unabsorbed depreciation of ₹127,414,203.

2. The IT Department filed an appeal (IT Appeal No. 3636/Del-2010) dated July 29, 2010 before the ITAT, New Delhi against the order of CIT (Appeals) dated May 31, 2010 passed under section 250 of the IT Act for the assessment year 2003-2004, on the ground that the CIT (Appeals) had erred in directing the Assessing Officer to allow carry forward of unabsorbed depreciation of ₹ 78,290,000 as per the order of the CIT(Appeals).

3. The IT Department filed an appeal (IT Appeal No. 3637/Del-2010) dated July 29, 2010 before the ITAT, New Delhi against the order of CIT (Appeals) dated May 31, 2010 passed under section 250 of the IT Act for the assessment year 2004-2005, on the ground that the CIT (Appeals) had erred in directing the Assessing Officer to allow carry forward of unabsorbed depreciation of ₹86,457,407.

4. The IT Department filed an appeal (IT Appeal No. 5870/Del-2010) dated December 23, 2010 before the ITAT, New Delhi against the order of CIT (Appeals) dated September 21, 2010 passed under section 250 of the IT Act for the assessment year 2007-2008, on the grounds that the CIT(Appeals) had erred in deleting various disallowances. The impugned order deleted disallowances made by the Assessing Officer of ₹ 24,052,000 on account of expenditure towards preparatory work, ₹ 14,646,000 on account of work in progress expenses and ₹ 4,931,000 on account of prior period expenses.

b. Litigation initiated by our Company

A. Criminal Complaints

There is one criminal case initiated by our Company. The detail of this is given below:

1. Our Company filed a criminal complaint (Complaint No. 29 of 2001) under section 405 and 406 of the Indian Penal Code, 1860 for criminal breach of trust against Mr. Pritam Singh, proprietor of M/s Vijay Electricals before the Additional Chief Judicial Magistrate, Amb, District Una, Himachal Pradesh on March 27, 2001. The complaint was filed in connection to the construction of 220 kilovolt transmission line from Jalandhar to Hamirpur. The complaint has been filed alleging misappropriation of articles of our Company. The case is currently pending and the next date of hearing is February 28, 2012

B. Civil Cases

There are 15 Material Cases by our Company and the aggregate monetary value of these litigations, wherever ascertainable, is ₹ 246,447,4591 approximately. The details of the Material Cases are given below:

1. A contract was entered into by our Company with M/s Trimurti Construction Developers & Builders (contractors) with regard to the construction of 240 men's barracks and 288 type-II Quarters for the Central Reserve Police Force Group Centre at Greater Noida, Uttar Pradesh. A dispute arose between our Company and M/s Trimurti Construction Developers & Builders on account of the contractor's default in performing the works and a notice dated March 29, 2008 was issued by our Company requesting M/s Trimurti Construction Developers & Builders to rectify the default within seven days. Upon M/s Trimurti Construction Developers & Builders failing to rectify its default, our Company rescinded the contract at the risk and cost of M/s Trimurti Construction Developers & Builders and all security deposit, performance guarantees and other dues were forfeited by our Company. The remaining work was awarded to another contractor at the risk and cost of M/s Trimurti Construction Developers & Builders, who completed the work on January 20, 2010 at an extra cost of ₹ 4,410,000 and took additional time of 14 months apart from causing other losses to our Company. Aggrieved by this, our Company filed a suit (C.S. (O.S.) No. 1367/2011) against M/s Trimurti Construction Developers & Builders before the Delhi High Court on May 10, 2011, for recovery of an amount of ₹ 84,990,100. The present suit was filed to recover a part of the cost and other dues/ damages not covered by the

forfeiture of the security deposit, performance guarantees and other dues amounting to ₹ 84,990,100 together with interest at the rate of 18% p.a. from the date of filing till the date of realisation. The matter is currently pending and listed for March 1, 2012.

2. An ex-parte decree dated November 30, 2006 was passed against our Company in a recovery suit (Special Suit No. 12 of 2001) in favour of M/s Rajendra Singh Gyan Singh Bharadwaj by the Joint Civil Judge, Nadiad, Gujarat. On notice being served upon our Company by the Civil Court (Senior Division), Vadodara in execution petition no. 42 of 2007, our Company had filed an application for restoration and setting aside of the ex-parte decree as well as another application for staying the execution of the decree. The application for setting aside of the ex-parte decree is currently pending before the Court of the Civil Judge, Senior Division at Vadodara while the application for staying of execution of the decree was dismissed by the Second Additional Civil Judge, Nadiad. Being aggrieved by the same, our Company filed an appeal (CMA No. 117 of 2008) which was dismissed by the Additional District Judge, Kheda at Nadiad on July 15, 2010. Pursuant to the same our Company filed a petition (SCA No. 8956 of 2010) before the Ahmedabad High Court to secure a stay on the execution proceedings. Order dated January 12, 2011 was passed wherein the order passed by the Additional District Judge, Kheda at Nadiad on July 15, 2010 stood dismissed subject to our Company depositing the decretal amount ₹ 1,444,176 before the trial court within a period of 8 weeks from the date. Our Company has deposited the decretal amount on February 17, 2011. The matter has not come up for hearing.

3. An agreement dated April 30, 1979 was entered into between our Company and A.M. Rasool Construction and Engineering Services Private Limited for construction of 432 houses at Ghat, Libya. Pursuant to a dispute on account of non-payment of dues for the completed work, arbitration proceedings were initiated against our Company by A.M. Rasool Construction and Engineering Services Private Limited on November 19, 1997 before the sole arbitrator appointed by Delhi High Court. In this regard, an arbitral award dated July 21, 2003 was passed in favour of M/s Rasool Construction and Engineering Services Private Limited for an amount of Libyan Dinars 2,191,190.082 ("Award"). Our Company filed objections (O.M.P No. 411/2003) against A.M. Rasool Construction and Engineering Services Private Limited before the Delhi High Court on October 15, 2003, challenging the Award. Arguments have been completed and the order has been reserved as recorded in the order dated December 7, 2011.

4. A contract was entered between our Company and Reunion Engineering Company Limited with regard to installation of electrical works at the Mosul Hotel in Iraq. In this regard, a dispute arose between Reunion Engineering Company Limited and our Company regarding non payment of dues and withholding of security and Reunion Engineering Company Limited initiated arbitration proceedings against our Company on August 6, 1991 before the sole Arbitrator appointed by Delhi High Court. Pursuant to this, an arbitral award dated October 22, 1994 for an amount of USD 444,390.85 was passed in favour of Reunion Engineering Company Limited ("Award"). The Award was upheld by single judge of the Delhi High Court on April 5, 2005 in favour of Reunion Engineering Company Limited to the extent of USD 193,300. Aggrieved by the order of the Delhi High Court, our Company filed an appeal (FAO (OS) No. 235/2005) against the award before the Delhi High Court on July 25, 2005. This matter is currently pending and the next date of hearing has not been fixed.

5. A contract was entered between our Company and (Client) regarding work of construction of a flyover at Perumbur to our Company. This entire work was divided into various sub works and one of the sub-contracts was given by our Company to M/s Econ Engineering Private Limited ("Econ") vide Letter of Intent dated July 28 2000. Dispute arose between our Company and Econ on account of Econ deciding to abandon the work and the delay on the part of Econ in completing the work. Econ filed a suit CS No. 225 of 2001 which got dismissed. Subsequent thereto, Econ virtually abandoned the site leaving behind the equipments. Our Company filed CS No. 731 of 2004 in the High Court of Chennai whereby claims of liquidated damages, losses suffered by our Company, loss of profit amounting to ₹ 30,800,000 together with interest were made. This matter is currently pending and the next date of hearing has not been fixed.

6. Royal Palm India Private Limited had awarded the work of construction of one of its buildings known as Palm Apartment at Mumbai to our Company by way of a work order dated June 9, 2004. After our Company erected the entire structure and was in the process of executing the finishing work, Royal Palm India Private Limited tried to change the terms of the contract. In this regard, upon our Company reiterating its commitment to abide by the terms of the contract, Royal Palm India Private Limited terminated the contract. Subsequently, our Company filed a civil suit (No. 907 of 2004) against Royal Palm India Private Limited on September 17, 2004 before the Bombay High Court for the recovery of an amount of ₹ 12,817,918 along with interest @ 18 % p.a. as due and payable to our Company in consequence to termination of contract and completion of major part of structural work. This matter is currently pending and the next date of hearing has not been fixed.

7. Our Company had appointed Jai Balaji Industries Limited for construction of chimney, cooling tower at our projects at Jhansi, Aligarh, Koderma, Farakka, Raichur etc. A dispute arose between our Company and Jai Balaji Industries Limited in relation to stoppage of supply of steel by contractor, as a result steel was procured by our Company at higher cost from outside and consequently the bank guarantee was encashed to recover the dues. In this regard, our Company filed a civil suit (CS (OS) No. 2394 of 2009) against Jai Balaji Industries Limited on December 3, 2009 before the Delhi High Court for recovery of an amount of ₹ 7,000,221, along with pendent lite and future interest at the rate of 24 % p.a. alleging deficiency in services provided by Jai Balaji Industries Limited in relation to the aforementioned projects. Additionally, our Company also prayed for award of interest at the rate of 24% p.a on the amount. ₹ 7,248,221 from March 1, 2008 till payment, on account of our Company incurring heavy losses for procuring the balance quantity of steel, which Jai Balaji Industries Limited failed to supply. This matter is currently pending and the next date of hearing is on April 24, 2012.

8. Royal Palm India Private Limited had issued a work order to our Company on October 22, 2003 for the construction of a building known as IT Master Mind – III, IT Park at Royal Palms Estate, Goregaon -East, Mumbai. After our Company erected the entire structure and was in the process of finishing the work, Royal Palm India Private Limited changed the terms of the contract between our Company and Royal Palm India Private Limited. Upon our Company reiterating its commitment to abide by the terms of the contract, Royal Palm India Private Limited terminated the contract with our Company. Being aggrieved by the action of Royal Palm India Private Limited, our Company filed a civil suit (No. 2964/2004) against Royal Palm India Private Limited on September 20, 2004 before the Bombay High Court for the recovery of an amount of ₹ 4,637,806 together with interest at the rate of 18%. Our Company also sought the recovery of an amount of ₹ 3,628,158 as labour payment together with direction to Royal Palm India Private Limited to return the plant and machinery along with the raw material to our Company. Additionally, our Company has also sought direction to Royal Palm India Private Limited barring them from entering into any subsequent contract with a third party for the construction of the aforementioned building and a declaration that the termination of the contract by Royal Palm India Private Limited is illegal. This matter is currently pending and the next date of hearing has not been fixed.

9. Certain disputes arose between our Company and Reunion Engineering Company Limited ("RECL") in connection with the electrical works at the Dokan Hotel in Iraq, inter-alia, with respect to payment of running account bills raised by RECL. In relation to this dispute, arbitration proceedings were initiated by RECL. A sole Arbitrator, Sh. S.R. Nair, had been appointed y the Delhi High Court vide order dated August 6, 1991. Our Company had also filed counter claims in the matter for an amount of US dollars 562,057.58 along with interest @ 24% p.a. and cost of arbitration. In this regard, an award dated October 22, 1994 for an amount of USD 218,705.23 was passed in favour of RECL ("Award"). Pursuant to the Award, a suit being C.S. (OS) No. 18 of 1995 was filed before the Delhi High Court by our Company ("Suit") against rejection of some objections raised by our Company before the arbitrator. Subsequently, an order dated June 6, 2005 was passed by single judge of the Delhi High Court, upholding the Award to the extent of USD 100,580 in favour of RECL. Aggrieved by this decision of the Delhi High Court, our Company

filed an appeal (FAO (OS) No. 377/2005) against RECL before the Delhi High Court on November 17, 2005. The matter is currently pending and the next date of hearing has not been fixed.

10. Royal Palm had issued a work order dated September 6, 2003 to our Company for construction of a building known as Master Mind – I. Subsequently, Royal Palm changed the terms of the contract upon completion of the project by our Company and terminated the contract dated June 9, 2004. Our Company filed a civil suit (CS No. 2963/2004) on September 20, 2004 against Royal Palm Private Limited ("Royal Palm") before the High Court of Bombay for recovery of a sum of ₹ 8,218,610 along with interest at the rate of 18 % p.a. and ₹ 1,200,000 towards labour payment. Our Company also sought, directions be issued by the court to Royal Palm, for returning the plant and machinery along with the raw materials to our Company and a declaration be given by the court to the effect that the termination of the contract between our Company and Royal Palm dated June 9, 2004, by Royal Palm Private Limited be declared illegal. Royal Palm has not filed the written statement and its right to file the written statement is closed. The suit is pending and the next date of hearing has not been fixed.

11. A contract was entered into between our Company and M/s Sainath Enterprises in connection with the construction of 420 dwelling units including RCC framed structure including internal and external water supply and plumbing, internal electrical work, road and foot path work, sewerage work, external area drainage, compound wall, site clearance and garbage bins etc. for the marriage accommodation project (for defence personnel) at Deolali, Nasik, Maharashtra. On account of M/s Sainath Enterprises failing to reply for default of contract of work, the contract between our Company and M/s Sainath Enterprises was terminated by our Company and the remainder work was awarded to another contractor at the cost of M/s Sainath Enterprises. In this regard, our Company filed a suit (C.S. (OS) No. 1271/2011) against M/s Sainath Enterprises before the Delhi High Court in May 2011. The suit was filed for recovery of the cost incurred by our Company amounting to ₹ 21,405,372 from M/s Sainath Enterprises. The matter is currently pending and is listed for May 2, 2012.

12. A contract was entered into between our Company and M/s Nangia Construction dated October 26, 1987 for the construction of national highway No. 1 from Murthal to Sambhalka. Disputes arose on account of termination of agreement by our Company due to delay in completion of work by M/s Nangia Construction. Nangia Construction initiated arbitration proceedings against our Company and an arbitral award dated October 30, 2010 was passed in favour of M/s Nangia Construction for an amount of ₹ 20,611,000. Aggrieved by the arbitral award, our Company filed objections vide CS (OS) 1375/1989 and I.A. No. 12723 of 2011 against M/s Nangia Construction before the Delhi High Court on February 14, 2011. This matter is currently pending and the next date of hearing is on February 6, 2012.

13. A contract was entered into between our Company and Bhullar Constructions. A dispute arose between our Company and Bhullar Constructions Private Limited on account of delay in the execution of work and withholding of payment in relation to the Uttar Pradesh State Industrial Development Corporation project for a housing scheme at Surajpur, Ghaziabad. Pursuant to the dispute, arbitration proceedings were initiated on February 2, 2000 before the sole arbitrator, wherein the arbitrator passed an award in favour of M/s Bhullar Construction for an amount of ₹ 17,823,575 together with interest at the rate of 12% p.a. till the date of actual payment ("Award"). Being aggrieved by the Award, our Company filed a civil suit (Suit No. 93 of 2003) against Bhullar Constructions Private Limited before the District Court, Noida in July 2003, challenging the arbitration award dated May 2, 2003. The matter is currently pending.

14. A contract was entered between our Company and Punjab Public Works Department ("PWD") on January 27, 1987 for construction of bridges across Bhakra and Sirhind Canal. Dispute arose between our Company and Punjab Public Works Department in regard to termination of contract by Punjab PWD vide letter dated June 8, 1989 on account of failure to providing the hindrance free site, non release of drawings and approvals by Punjab PWD resulting to delay in execution of work. Arbitration proceedings were initiated on July 2 1991 by our Company before three bench arbitral tribunal. The tribunal passed an award amounting to ₹ 3,749,066 in the favour of our

Company along with interest @ 15% from December 13, 1991 till the date of payment. Objection Petition No 52 of 2001 has been filed against the aforesaid award on September 29, 2001 before Civil Judge Senior Division, Ludhiana. Currently the matter is pending and is listed for March 26, 2012.

15. A contract was entered into between Uttar Pradesh State Bridge Corporation and our Company for the construction of bridges across the river Mahi on the Ahmedabad-Vadodara Expressway dated September 28, 1989. The dispute arose on encashment of the bank guarantee by us, which was provided by Uttar Pradesh State Bridge Corporation. As a consequence, they initiated arbitration proceedings. In this regard, an arbitral award dated November 30, 2000 was passed wherein claims for an amount of ₹ 26,545,000 were to be paid by our Company to Uttar Pradesh State Bridge Corporation Limited together with future interest at the rate of 14.5% p.a. on ₹ 12,300,000 from the date of publication of award till the date of decree or date of payment whichever is earlier. The aforementioned award was made decreed by the Civil Court at Vadodara on November 18, 2005 which also awarded future interest at the rate of 18% p.a. to M/s Uttar Pradesh State Bridge Corporation Limited from the date of decree till date of payment. Further, an application filed by our Company for setting aside of the aforementioned decree was also dismissed by the Principal Senior Civil Judge at Vadodara by an order dated January 12, 2007. Subsequently, against the application initiated by M/s Uttar Pradesh State Bridge Corporation Limited for execution of the aforementioned decree, our Company filed an appeal (F.A. No 2359 of 2010) before the Gujarat High Court and an application (C.A No 7432 of 2011) for stay of execution of the decree. Subsequently, by an order dated July 13, 2011, the Gujarat High Court admitted the appeal filed by our Company against the award in F.A. No 2359 of 2010 and C.A No 7432 of 2011 subject to our Company depositing an amount of ₹ 35,408,751 before the Principal Senior Civil Judge, Vadodara. The aforementioned amount includes the sum of the awarded amount of ₹ 26,545, 000 (inclusive of interest up to date of award viz., November 30, 2000) as well as future interest amounting to ₹ 8,863,751 approximately at the rate of 14.5% p.a. on ₹ 12,300,000 from the date of publication of award till the date of decree i.e. November 18, 2005. This matter is currently pending and the next date of hearing has not been fixed.

C. *Arbitration Proceedings*

There are 18 Material Cases of arbitrations by our Company and the aggregate monetary value of these arbitrations, wherever ascertainable, is ₹ 1,865,743,885 approximately. The details of the Material Cases are given below:

1. A contract was entered into between our Company and Canara Bank in relation to the construction of an office complex for Canara Bank at Bandra Kurla, Mumbai. The dispute arose on account of termination of the agreement dated June 21, 2006 and the imposition of liquidated damages by Canara Bank. Being aggrieved by the actions of Canara Bank, our Company initiated arbitration proceedings against Canara Bank on June 18, 2009. In its statement of claims, our Company has claimed an amount of ₹ 3,561,921,687 and Canara Bank has raised counter claims amounting to ₹ 5,742,780,000. The parties are currently in the process of a negotiations for a settlement and the arbitrator has fixed the next date of hearing on July 13, 2012

2. Our Company had entered into an agreement with M/s DCM Financial Services Limited for the purchase of built up space at upper ground floor along with parking slots, vide two agreements to sale, both dated December 6, 1995. Our Company constructed an integrated office complex called NBCC Place at Pragati Vihar, Lodhi Road, New Delhi where DCM was to purchase the built up area. Upon subsequent discovery that certain areas had been inadvertently missed in the calculation/working out of the saleable super area of the complex, the Company reworked the calculations and all allotees were informed of the same i.e. enhancement of saleable area. DCM was intimated vide letter dated May 8, 1998 that its allotted super area had been revised and an additional amount on account of the revision was also demanded. DCM refused to make payments as per the revision and also stopped payment of property tax, ground rent, maintenance and other contractually payable charges. Being aggrieved by DCM's default, our

Company invoked arbitration on February 2, 2001. The present sole arbitrator was appointed on May 29, 2006. Our Company has claimed an amount of ₹ 28,829,634 along with interest @ 24% p.a. before the sole arbitrator, while DCM filed a counter claim of an amount of ₹ 878,720,984 on January 12, 2007. Vide letter dated November 9, 2011 the Arbitrator postponed the hearing scheduled for November 16, 2011 and the next date has not been fixed.

3. A contract was entered into between our Company and M/s IVR Construction Limited with regard to the construction work at HVDC, Chandrapur. Disputes arose between the parties on account of non payment of outstanding dues by our Company to M/s IVR Construction Limited. Our Company initiated negotiations on the payment of these dues, however, no settlement could be reached between the parties. Subsequently, our Company initiated arbitration proceedings against M/s IVR Construction Limited on June 6, 1997. M/s IVR Construction Limited filed claims for an amount of ₹ 36,912,000 and our Company filed counter claims for an amount of ₹ 41,037,000. This matter was last heard on April 29, 2011 and the award has been reserved in the matter.

4. Our Company awarded the contract for construction of hostel building at Air India House Complex, Nerul, Navi Mumbai to M/s Express Industrial Service Pvt. Ltd on November 9, 1995. Thereafter, M/s Express Industrial Service failed to execute even 10% of the work during the stipulated period. Subsequently, our Company terminated the contract and initiated the arbitration proceedings. Our Company instituted arbitration proceedings against M/s Express Industrial Service and filed the statement of facts and claims before the sole arbitrator on June 8, 1999 for recovery of ₹ 55,538,017 along with interest at the rate of 18% and costs. M/s Express Industrial Service filed the reply and counter claim on September 1, 2001 amounting to ₹ 5,025,409 along with interest at the rate of 24% per annum. The entire claim has been argued and the counter claim has been partly argued. The next date of hearing has been fixed on February 10, 2012 and February 11, 2012 .

5. A contract was entered into between our Company and Omnibus Industrial Development Council and RITES in relation to the construction of a bridge over the river Damanganga at Daman. Dispute arose on account of non-payment of agency charges by the contractor to our Company and insurance charges paid by our Company. In this regard our Company and RITES Limited initiated arbitration proceedings against Omnibus Industrial Development Council on April 8, 2010, before the sole arbitrator, claiming an amount of ₹ 239,070,830. Omnibus Industrial Development Council filed their counter claim on August 4, 2011, claiming an amount of ₹ 155,000,000 against both, our Company and RITES Limited. The matter is currently pending and the next date of hearing has been fixed on February 10, 2012 and February 11, 2012.

6. A contract was entered into between our Company and the All India Institute of Medical Sciences ("AIIMS") in connection with the construction of the Centre for Dental Education & Research at the AIIMS, New Delhi. The dispute arose because the final bill which was submitted by our Company was not finalised by AIIMS and the payment was not released. In this regard, our Company initiated conciliation proceedings against the AIIMS on April 8, 2010, before the conciliator and subsequently filed a claim amounting to ₹ 60,300,000. The matter is currently pending.

7. A contract was entered into between our Company and the Punjab Public Works Department ("PWD") in connection with the construction of Bridge across Sutlej and White Bein Rivers vide agreement no. CE/PB/II of 1986-1987 in Punjab. The dispute arose on account of non payment of extra cost involved in raising of formation level of the bridges, variation in quantities of earth work, loss on account of change in layout of the bridge, additional work done etc. In this regard, our Company invoked arbitration for a sum of ₹ 214,971,582 on April 30, 1998. The matter is currently pending and the next date of hearing is February 8, 2012.

8. A contract was entered into between our Company and the Punjab Public Works Department ("PWD") in connection with the construction, erection, testing, commissioning, start-up,

stabilization, operation, monitoring and performance of the sewage treatment plant at Balloke Zone, Ludhiana. The dispute arose on account of termination of the contract by the Punjab PWD. In this regard, our Company invoked arbitration for a sum of ₹ 44,070,214 on December 26, 2005.The matter is currently pending and the next date of hearing is February 4, 2012.

9. Certain disputes arose between our Company and the Corporation of Chennai in connection with the construction of the flyover at Perubmar pursuant to the termination of the contract dated March 16, 1999 between our Company and the Corporation of Chennai. The contract was terminated due to frequent modifications in drawings and designs which resulted in suspension of the work by Corporation of Chennai. A final permission was accorded to resume the balance work by a letter dated October 6, 2006 with enhanced cost for an amount of ₹ 287,800,000. In this regard, our Company initiated arbitration proceedings against the Corporation of Chennai on May 14, 2008, claiming an amount of ₹ 99,500,000, before the arbitral tribunal. The Corporation of Chennai filed their counter claim on January 20, 2009 amounting to ₹ 53,700,000. The hearing in the case has been concluded and the publication of the award is awaited.

10. A contract was entered into between our Company and Babasaheb Ambedkar University for consultancy services for construction purposes. A dispute arose on account of non-payment of dues to our Company by Babasaheb Ambedkar University. In this regard, our Company initiated arbitration proceedings against Babasaheb Ambedkar University, Lucknow claiming an amount of ₹ 9,823,000 on January 5, 2009 before the sole arbitrator. Babasaheb Ambedkar University filed a counter claim on June 8, 2009, for an amount of ₹ 88,469,500 against our Company. The matter is currently pending and the next date of hearing is not yet fixed.

11. A contract was entered between our Company and Bharat Coking Coal Limited out of an agreement dated December 7, 1989 for construction of Miners Flats at Noonidih and Atmal Jharna. The dispute arose on account of failure in release of payments in time against work done, amounts payable on account of price escalation to our Company. In this regard, our Company initiated arbitration proceedings against Bharat Coking Coal Limited claiming an amount of ₹ 14,400,000, on November 20, 2002 before the sole arbitrator. The statement of claims was filed by our Company on July 31, 2006. Bharat Coking Coal Limited filed their counter claim on November 30, 2006, for an amount of ₹ 34,000,000. This matter has currently been stayed as proceedings against Bharat Coking Coal Limited are pending in the Board of Industrial and Financial Reconstruction as Bharat Coking Coal Limited has been declared a sick industry under the Sick Industrial Companies Act, 1985.

12. A contract was entered into between our Company and Mining & Allied Machinery Corporation Limited in relation to the construction of coal handling plant at Anpara, Uttar Pradesh for Uttar Pradesh State Electricity Board. The dispute arose on account of non payment of work executed and supply and fixing or materials by our Company. In this regard, our Company initiated arbitration proceedings against Mining & Allied Machinery Corporation Limited claiming an amount of ₹ 26,534,000, on December 8, 1999, before the sole arbitrator. Mining & Allied Machinery Corporation Limited filed their counter claim for an amount of ₹ 4,300,000. This matter has currently been adjourned sine die in view of the fact that Mining & Allied Machinery Corporation Limited has been referred to the Board of Industrial and Financial Reconstruction by the Calcutta High Court since it has been declared as a sick industry under the Sick Industrial Companies Act, 1985.

13. A contract was entered between our Company and Bharat Sanchar Nigam Limited ("BSNL") for the work of trenching, laying protection pipes for pulling optical fibre cables, reinstatement of the trench at four places Sindhudurg, Ahmednagar, Dhule and Aurangabad, vide Agreements. Dispute arose on account of recoveries made by BSNL of substantial amount from the bills of our Company. Our Company contended that observations of the Audit of BSNL did not form part of the Agreement and thus the said deductions were illegal. Following deductions were made for work at Sindugarh, - ₹ 7,394,892, Ahmednagar- ₹ 759,015, Dhule ₹ 259,488 Aurangabad- ₹ 581,037.79. For the aforesaid deductions, our Company initiated arbitration Case no. PMA/BSM/01/2006 against Bharat Sanchar Nigam Limited on April 10, 2008 before Sole

Arbitrator, and filed a statement of claim, claiming an amount of ₹ 24,700,000 whilst Bharat Sanchar Nigam Limited filed counter claims for an amount of ₹ 17,500,000. Pleadings are underway and this matter is currently pending and the next date of hearing is on April 9, 2012.

14. A contract was awarded to our Company by Asansol Durgapur Development Authority ("ADDA") for the construction of New Industrial Road at Raturia – Angadpur Area at Durgapur, vide an agreement dated June 15, 2001. Dispute arose between our Company and the Asansol Durgapur Development Authority on account of concealment of material facts leading to delay in completion of work and consequential financial losses to our Company. Our Company initiated arbitration proceedings AP No. 434 of 2008 against Asansol Durgapur Development Authority on April 10, 2008 before sole arbitrator and filed a statement of claim, claiming an amount of ₹ 9,076,235.81 together with interest at the rate of 18%. Last date of hearing was October 21, 2011 and next date of hearing is yet to be fixed.

15. A contract was entered between our Company and Oil India Ltd. (OIL) on February 14 2002 for construction of Oil India office building at Noida. Dispute arose between our Company and OIL on account of inter alia recoveries made from the final bill, illegal recoveries made on account of liquidated damages, deduction of security deposits, non obtaining of completion certificate and on account of additional overheads expenditure incurred by our Company during extended period of the contract. Arbitration proceedings were initiated by our Company before the Permanent Machinery of Arbitration under Department of Public Enterprise on June 3, 2010. The sole arbitrator published the award of ₹ 29,035,605 on July 25 2011 in our favor. Appeal has been filed against the aforesaid award before the Law Secretary on September 19, 2011. Appeal was heard on January 18, 2012 and orders have been reserved.

16. Our Company entered into an Agreement dated September 21, 2004 with Salarjung Museum at SJM campus, Hyderabad wherein our Company was to construct two additional buildings for the Salarjung Museum at SJM campus, Hyderabad as per the said agreement dated September 21, 2004. It was the contention of Salarjung Museum at SJM campus, Hyderabad that the project was completed on August 22, 1999 instead of the scheduled date of completion December 31, 1995, due to which the due amount payable to our Company under various bills was not released by the Salarjung Museum at SJM campus, Hyderabad. Owing to such non-payment of the due amount, our Company initiated arbitration (bearing Case no. JS & LA/RLK/1/2004) against Salarjung on February 23, 2005 before a sole arbitrator, Sri R.K. Koli, Joint Secretary & Legal Advisor for the following claims, (i) Amount of ₹ 690,000 towards payment of the amount deducted illegally as compensation; (ii) Amount of ₹ 8,516,000 towards payment of the amount withheld against the escalation bill due to error in considering the base date and freezing of indices as on September 30, 1997 etc. (iii) Amount of ₹ 5,665,000 towards payment of balance amount due against the final bill for the works executed from January 1, 1992 to December 31, 1992 and from January 1, 1993 to August 22, 1999 based on the measurements of items approved by the Respondent but not paid; (iv) Amount of ₹ 2,273,000 towards payment of extra and additional items executed relating to construction of two new buildings but not paid; (v) Amount of ₹ 1,141,000 towards payment of items executed for the construction of project office and cement godown which were taken over by Respondent for their own use; (vi) Amount of ₹ 5,325,000 towards reimbursement of the additional expenditure incurred towards field overhead due to delay in completion of the project; (vii) Amount of ₹ 12,336,000 towards payment of interest @ 18% p.a. for pre-reference period with effect from February 19, 2001 over the amount due against Claim No. 1 to 6 herein above; (viii) Amount, as will be awarded by the Ld. Arbitrator, towards payment of the interest @ 18% p.a. pendent-lite till the actual payment over the amount due against Claim no. 1 to 6 herein above; (ix) Amount of ₹ 200,000 towards payment of cost of arbitration. In reply to the above mentioned claims, Salarjung Museum filed counter claims for a total amount of ₹ 22,078,042 together with interest at the rate of 18% p.a. The matter has been pending since November 27, 2008 and the next date of hearing has not been fixed yet.

17. Our Company initiated arbitration proceedings against Navodaya Vidyalaya Samiti on March 21, 2002, in relation to the disputes with regard to payments arising out of an agreement dated October 29, 1987 between our Company and Navodaya Vidyalaya Samiti for construction of 28

schools at various places in India. The arbitrator adjudicated upon two schools, namely, Navodaya Vidyalaya Samiti, Ferozabad and Churhat out of 28 and awarded an amount of ₹ 7,686,000 at the interest rate of 8% p.a. being simple interest from September 21, 1999 to the date of the award in favour of Navodaya Vidyalaya Samiti in 2009. Our Company paid the award amount to Navodaya Vidyalaya Samiti in 2010. The arbitrator had taken up cases relating to two more schools, namely, Navodaya Vidyalaya Samiti, Ghaziabad and Karnal and passed awards dated September 24, 2011 for an amount of ₹ 3,850,000 and November 11, 2011 for an amount of ₹ 1,768,000 respectively. The award dated September 24, 2011 was passed in our favour and the award dated November 11, 2011 was passed against us. Further, the arbitrator took up two more schools Navodaya Vidyalaya Samiti, Pali and Jaffarpur Kalan in which pleadings have been completed. The matter is currently pending and the next date of hearing is February 17, 2012.

18. A dispute arose between our Company and Uttar Pradesh State Industrial Development Corporation in relation to work of development of 250 acres of land at the industrial area at Surajpur wherein only 219 acres of land was made available to our Company by Uttar Pradesh State Industrial Development Corporation. In this regard, our Company initiated arbitration proceedings against the Uttar Pradesh State Industrial Development Corporation and claimed an amount of ₹ 20,827,000. The matter is currently pending.

D. Public Interest Litigations and Writ Petitions by the Company

There are 3 Material Cases relating to public interest litigations and writs by our Company and the aggregate monetary value of these litigations, wherever ascertainable, is ₹ 13,869,612 approximately. The details of the Material Cases are given below:

1. Our Company filed a writ petition (W.P. (C) No. 2614/2011) before the High Court of Delhi on April 2007 against the impugned order of the Central Administrative Tribunal ("CAT"), Principal Bench, New Delhi dated January 31, 2011 which directed our Company to promote Mr. Rajbir Singh Tomar to the post of Deputy General Manager under the Performance Related Payment Scheme of 2009. The Hon'ble High Court of Delhi granted a stay on the impugned order of CAT on April 26, 2011. Pending adjudication, an empowered committee formed by our Company reviewed the cases of employees who did not get the benefit of the Performance Related Payment Scheme of 2009 and subsequently recommended for the promotion of Mr. Rajbir Singh Tomar. The matter is currently pending and the next date of hearing is February 16, 2012.

2. A contract was entered between the Ministry of Home Affairs, Govt. of India and our Company for construction of border road and fencing on certain stretches of the Indo- Bangladesh Border. Union of India has demanded service tax amounting to ₹ 13,859,612 under Sec. 65(105)(zzb) & 65(39a) of Finance Act on such works. Our Company has challenged the notice demanding service tax and the legality of Sec.65(105)(zzb) & 65(39a) of Finance Act in the Writ petition no. W.P (C) No. 5676/11 and W.P. (C) 5678/11 on October 5, 2011 before the Guwahati High Court. The matter is currently pending.

3. Late Shri K.C. Goel while posted as Office Assistant Gr. I at the New Ghat Airport Project of the Corporation in Libya during the period of September 9, 1979 to October 10, 1980, purchased INAS stamps worth Libyan Dinar 1,000, Libyan Dinar 12,061.250 and Libyan Dinar 6,000 vide voucher nos. 47 of 5/80, 34 of 6/80 and 65 of 9/80 respectively. He deposited money on the basis of these vouchers in the bank accounts of the Company and later on made overwriting in the third digit changing the same from '0' to '5' in all these three vouchers in the figure column. These figures were changed to Libyan Dinar 1,500, Libyan Dinar 12,561.250 and Libyan Dinar 6,500. Late Shri K.C. Goel thus illegally drew excess Libyan Dinar in the process. Our Company filed ID-332/85 before the Labour Court, on December 18, 1985 for illegal drawings of Libyan Dinar by Shri K.C. Goel. The Labour Court gave award in favour of Shri K.C.Goel. Our Company subsequently filed Writ Petition No. 4118/1999 before the Delhi High Court against the award of Labour Court and the said order was set aside vide its order dated December 20, 2006. High Court also directed the Labour Court to provide opportunity to our Company to lead evidence to prove the misconduct. Subsequently, Labour Court vide its order dated August 8, 2010 directed

the appropriate Government and advised to direct our Company to pay back wages to the legal representatives of the deceased workman at the rate of his last drawn wages to the extent of 50% from the date of termination of his services till his death. The matter is currently pending before the Labour Court.

E. *Land Related Litigation*

There is one land related litigation involving our Company and the aggregate monetary value of these litigations, wherever ascertainable, is ₹100,000,000 approximately. The details of the which are given below:

1. Our Company entered into a Memorandum of Understanding (MoU) and supplementary MoU with M/s R.K. Millen & Co. Pvt. Ltd. and its sister concern, M/s R. Chakraborty & Sons (jointly referred to as ("RKM") on October 5, 2007 and November 28, 2007 respectively, to develop commercial and residential projects on a land parcel owned by RKM at Mouza Kulai, District Howrah, West Bengal, on a joint venture (50-50) basis. Our Company formed a partnership firm, 'NBCC-R.K. Millen' with RKM vide partnership deed and supplementary partnership deed, dated October 9, 2007 and December 12, 2007 respectively. Subsequently vide two sale deeds, both dated November 28, 2007, RKM had transferred the said land in favour of the said partnership firm while our Company paid RKM an amount of ₹ 100,000,000 as well as ₹ 11,200,000 towards registration charges. However, vide a notification dated February 7, 2008, the said land parcel was acquired by the Land Reforms Department, Govt. of West Bengal. Subsequently, on March 25, 2008 a declaration was issued by the Government of West Bengal for acquisition of land for public purpose. Dispute arose between our Company and RKM on account of termination of contract by our Company vide notice dated December 5, 2008 when RKM was not able to get the change of land use certificate within 12 months from the date of payment of ₹ 100,000,000. Through aforementioned notice our Company demanded an amount of ₹ 100,000,000 along with other expenses and interest at the rate of 20% p.a. RKM failed to pay the amount. Our Company has filed an application before the Delhi High Court, on March 9, 2011(O.M.P. No. 205/2011) seeking directions to restrain RKM from drawing the compensation amount before the dispute between RKM and our Company were resolved. The High Court passed an interim order on March 22, 2011, restraining RKM from seeking payment of the compensation amount. Thereafter vide notice dated April 15, 2011, our Company invoked arbitration against RKM but the latter failed to respond to the same. Accordingly, our Company filed an application (A. P. No. 263/2011) under Section 11 of the Arbitration and Conciliation Act, 1996 for appointment of arbitrator. The Delhi High Court vide its order dated November 29, 2011 disposed both application and inter-alia appointed Justice M.K. Sharma (retired) as the arbitrator. Further the interim stay granted vide order dated March 22, 2011 is to continue during the pendency of the arbitration proceedings. Our Company is presently awaiting notice from the arbitrator.

F. *Indirect Tax Litigation*

There are 2 indirect tax litigations by our Company and the aggregate monetary value of these proceedings is approximately ₹171,296,026. The details of the cases are mentioned below

1. The Company has filed Appeal No. 1130 of 2010 before the Customs, Central Excise & Service Tax Tribunal, New Delhi on August 9, 2010 against the Order no. Commissioner/RPR/35/2010 of the Commissioner, Central Excise & Customs dated May 3, 2010 whereby the Commissioner had confirmed the demand of Service tax amounting to ₹ 78,718,207 (including Cess) along with interest at applicable rates but allowed adjustment/appropriation of ₹ 34,633,141 already deposited by the Company against the above demand of Service tax. Further, he had also imposed a penalty of ₹ 78,718,207 under Section 78 of the Finance Act, 1994. The Company was issued a Show Cause Notice bearing no. C. No. DGCEI/MZU/I&IS 'D'/30-62/08/4462 dated July 1, 2009 for irregular availment of the benefit of abatement notification and thereby resulting in short payment of Service tax. By the order dated May 3, 2010 the demand of Service tax along with interest and equivalent penalty was confirmed against the Company and the Company has filed the appeal against this order. The stay has been granted by the Hon'ble Tribunal, Delhi

Bench by its order dated April 18, 2011 waving the requirement to deposit balance amount of demand, interest and penalty till the disposal of final Appeal.

2. The Commissioner, Central Excise, Shillong has issued a Show Cause cum Demand Notice bearing Reference No. C. No. V(12)22/Hqrs. AE/ ST/2010/ 1555-76 dated July 15, 2011 to the Company. The Company is required to show cause as to why a demand of Service tax amounting to ₹13,859,612 (including Cess) should not be raised against the Company under the taxable category "Erection, commissioning and installation service" during the period 2006 onwards under the provisions of Finance Act, 1994 and further, why interest under Section 75 and penalty under Section 76, 77 and 78 of the Finance Act, 1994 should not be imposed on the Company. The Company has filed a writ petition bearing number 5676 of 2011 before the Guwahati High Court challenging the Show Cause Notice and the validity of Section 65(105)(zzd) and Section 65(39a) of the Finance Act, 1994 and the matter is pending adjudication and interim stay has been granted by the Guwahati High Court by order dated November 25, 2011.

G. Direct tax litigations

There are 3 direct tax litigations by our Company and the aggregate monetary value of these proceedings is approximately ₹13,640,000.

III. Investor grievances involving our Company

Presently, there are no pending investor grievances involving our Company.

IV. Details of proceedings initiated/pending against our Company for economic offences

There are no proceedings pending against our Company for any economic offences.

V. Details of past penalties imposed on our Company

In the past the following penalties have been imposed on our Company, by any statutory/regulatory authority:

1. A penalty amounting to a fine of ₹ 1,500 each accruing to a total of ₹ 3,000 was imposed on February 5, 2007 on our Company through Mr. Subrato Roy Choudhary under Building and Other Construction Workers (RE & CS) Act, 1996 by the Office of the Chief Labour Commissioner (Central).

2. A penalty with respect to a claim-plus-compensation amounting to ₹ 10, 792 has been imposed on December 23, 2003 on our Company as per Section 20 (5) (b) of the Minimum Wages Act, 1948 by the Regional Labour Commissioner (Central) Mumbai.

3. A penalty amounting to ₹ 29,000 in respect of four cases of violation of Inter-State Migrant Workmen Act, 1979 and Contract Labour (Regulation and Abolition) Act, 1970 have been imposed on our Company by the Labour Enforcement Officer (Central) Bangalore on January 8, 2004.

4. A penalty was imposed on our Company by the Municipal Corporation of Delhi as compounding fee for construction in anticipation of sanctioning of Building Plans with regard to the Community Centre/Complex Sector – V, Pushp Vihar, New Delhi. In this regard, a fee of ₹ 18,389,045 was imposed on our Company vide letter dated May 10, 2005. Our Company had already paid the compounding fees on September 12, 2009.

5. A penalty was imposed on our Company by the Land and Development Office, Ministry of Urban Development, towards additional rent, penalty, damages charges for unauthorized construction and additional premium for additional coverage, for the Community Centre/Complex Sector – V,

Pushp Vihar, New Delhi. The total amount claimed was ₹ 304,295,453. Our Company made the requisite payment on January 20, 2011.

6. A penalty was imposed on our Company by the Municipal Corporation of Delhi, vide letter dated March 11, 2011, towards compounding fees amounting to ₹ 39,023,373. The compounding fee was levied with regard to the issue of partial occupancy certificate for NBCC plaza, Sector V, Pushp Vihar, New Delhi. Our Company in its reply has stated that it has already paid a portion of the compounding fees levied, as cost of enhanced FSI to the Land & Development Authority. Pursuant to this, our Company has deposited ₹ 9,081,443 as payment towards the penalties imposed.

7. A penalty was imposed by the Deputy Central Labour Commissioner on our Company with regard to NTPC works at Barh project site. The penalty was imposed on October 27, 2011 for an amount of ₹ 5,000. This penalty was challenged in a writ petition 20577 of 2011 by our Company before the Patna High Court and the matter is currently pending.

8. A penalty was imposed on our Company by Central Excise and Service Tax, Renukoot, Sonebhadra, on January 31, 2012, with regard to the works related to Rihand Main Plant for non filing of service tax return. The penalty was subsequently paid by our Company.

VI. Details of potential material legal notices involving our Company

There are 33 legal notices involving our Company and the aggregate monetary value of these notices, wherever ascertainable, is ₹ 31,896,503 approximately. The details of the Material Cases are given below:

1. M/s Build India Construction Ltd. issued a notice dated June 28, 2011 to our Company under Section 80 of Civil Procedure Code for release of withheld payment amounting to ₹ 15,136,000, related to the work of construction of Government Degree College at Kathua, Jammu. Our Company has replied to the said notice via letter dated August 28, 2011.

2. Bank of Maharashtra, Mahalaxmi, Mumbai issued a notice to our Company dated December 30, 2010 under Sec 13(4) (d) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 read with rule 4(5) of Security Interest (Enforcement) Rules 2002 prohibiting payment of dues to M/s Sainath Enterprises. Our Company has replied to the said notice via letter dated January 24, 2011.

3. M/s Roy Enterprises, West Bengal issued a notice to our Company dated January 7, 2011 for constitution of Empowered Standing Committee with reference to PMGSY Works. In response to the said notice our Company sent a letter to the State Government for appointment of Chairman of Empowered Standing Committee as envisaged in Clause 24 of The General Conditions of Contract vide letter dated August 10, 2011 from SBG- Bihar.

4. Punit Gupta had issued a notice to our Company dated March 21, 2011 seeking refund of booking amount/application money after being unsuccessful in being allotted an apartment in NBCC-MHG (JV) Project at Khekra, Uttar Pradesh. Notice has been forwarded by our Company to the SGM, Real Estate, Head Office for the necessary action to be taken.

5. Building Nirman Mazdoor Union had issued a notice to our Company dated March 25, 2011 informing our Company that M/s Nagarjuna Construction Co. had not paid dues of eight labourers and requesting our Company, as the principle employer, to stop payments to Nagarjuna and ensure payments to the labourers. Notice has been forwarded to SGM (Netaji Nagar, New Delhi) for the required action to be taken.

6. Our Company has issued notice dated August 19, 2011 to Managing Director, Bihar State Housing Board seeking Bihar State Housing Board "BSHB" to allot land in lieu of shortfall of 0.404 acres in land paid for by our Company and execute Lease Deed. At present no reply has been received from the BSHB.

7. Our Company issued a notice dated October 3, 2011 to the Bank of India regarding remittance of an amount of ₹ 15,000,000 against the bank guarantees provided by Bank of India on behalf of M/s Hydro Air Techtonics (PCD) Ltd. Our Company vide the notice has called upon the Bank of India to remit the aforementioned amount within a period of 15 days, failing which appropriate action shall be initiated by them. Bank of India has provided a reply to the notice dated November 14, 2011 whereby they have stated that our Company had returned the original bank guarantees as a token of discharge of the entire claim under the guarantees after remittance of ₹.110,583,561 was transferred to our current account and therefore there are no outstanding claims against Bank of India by our Company.

8. Our Company has been served a legal notice dated December 7, 2011, by Reliance Capital Limited for failure to deposit the dues to our contractor, one Hydroair Techtonics (PCD) Ltd., in the designated escrow account, according to the terms of the agreement between Hydroair Techtonics and our Company. Reliance Capital Limited has called upon our Company to deposit all sums payable to Hydroair Techtonics Ltd. since March 24, 2011, to the escrow account, till a no objection certificate is granted to our Company by Reliance Capital Limited.

9. Our Company and some of our officers have been served a legal notice dated February 1, 2012, by M/s Joneja Bright Steels Private Limited for failure to deposit dues to them by our Company, amounting to ₹ 1,760,503 with regard to the supply of materials for works at Faridabad, Haryana. Vide this notice, M/s Joneja Bright Steels have also threatened to bring an action under Section 420, 34 and 120B of IPC against our Company.

VII. Details of adverse findings, in respect of our Company as regards compliance with the Securities laws

There are no adverse findings in respect of our Company, as regards compliance with the securities laws.

VIII. Cases against other companies whose outcome could have an effect on our Company.

There is no pending litigation against another company whose outcome could have an effect on our Company.

IX. Litigation involving the Directors of our Company

A. Outstanding Litigation and Material Developments/Proceedings against the Directors of our Company

Except as disclosed below, there is no outstanding litigation involving the Directors including criminal prosecutions or civil proceedings involving the Directors, and there are no material defaults, non-payment of statutory dues, over dues to banks/financial institutions or defaults against banks/financial institutions by our Directors (including disputed tax liabilities, past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of part 1 of Schedule XIII of the Companies Act). However, incidental to the business of our Company, parties may from time to time file suits impleading our Company through or along its respective officers and Directors in their official capacity.

1. Mr. Vishnu Pada Das:

   i. Shri Binod Kumar Singh, presently a Senior General Manager in our Company, has filed an application before the Central Administrative Tribunal, Principal Bench, New Delhi being O.A. No. 4255 of 2011 on November 17, 2011 against inter-alia, the CMD, the Director (Projects) and the General Manager Human Resource Management (HRM) of our Company. Matter is pertaining to his promotion to the post of Executive Director (HRM). In the said application, it is alleged that in spite of him fulfilling the requisite criterion/ qualifications for the post of Executive Director (HRM) as had been advertised in 2009, he has not been promoted notwithstanding his claim that he is the only qualified person for the post. It is further alleged that our Company had appointed another person from the Engineering cadre as the

Executive Director (HRM) although he did not fulfil the qualification. Shri Binod Kumar Singh further stated that he was therefore constrained to file O.A. 4375/2010 seeking his promotion but pursuant to the filing of the application, our Company allegedly removed the aforesaid person from the post of Executive Director (HRM). The said O.A. 4375/2010 was dismissed by the Central Administrative Tribunal with directions to Shri Binod Kumar Singh to make a representation to the Company which he made vide communication dated August 24, 2011. Shri Binod Kumar Singh further alleged that our Company did not respond to the said representation and therefore he was constrained to file the present application. Upon preliminary hearing, the Central Administrative Tribunal has issued notice dated November 30, 2011 directing our Company and its concerned officials to appear before the Tribunal. The matter is currently pending.

ii. Shri Pramod Kumar Saxena, Deputy Project Manager in our Company, has filed an application before the Central Administrative Tribunal, Principal Bench, New Delhi being O.A. No. 4415 of 2011 on November 11, 2011 against inter-alia, the Chairman cum Managing Director. In the said application, he prays for directions for quashing inter-alia, Office Order no. 430/2011 and for him to be promoted to the post of Project Manager with all consequential benefits as well as declare the act of lowering his Annual Confidential Report (ACR) rating in the years 2005-2006, 2006-07 and 2007-08 as illegal and malafide. In the said application, it is alleged that his ACR rating for the year 2005-06, 2006-07 and 2007-08 have been wrongly and unfairly reduced and vide office Order dated March 5, 2009 in a Performance Related Promotion Scheme, 2009, his immediate juniors surpassed him. Thereafter Shri Saxena filed his representation before our Company but in the Office Order dated July 14, 2011, the benefit of the Performance Related Promotion Scheme, 2009 was not extended to him. Upon preliminary hearing, the Central Administrative Tribunal has issued notice dated December 13, 2011 directing our Company and its concerned officials to appear before the Tribunal on the next date of hearing.

iii. Sanchar Times, a monthly magazine, through Rajesh Kumar has filed a writ petition before the Delhi High Court being W.P. (C) No. 8884/2011 against various governmental authorities/ bodies including, inter-alia, our Company and our Chairman cum Managing Director and his private secretary. In the said writ petition, Sanchar Times has sought for writs of Mandamus, Quo-warranto and Certiorari to be issued to remedy and initiate investigation pertaining to several issues of illegalities and corruption being committed by our Company. The matter was listed before the High Court on December 21, 2011 wherein the High Court did not issue notice to our Company and our Chairman cum Managing Director and his private secretary. The matter is now listed for hearing.

2. Mr. Ajay K. Garg: NIL

3. Mr. Anoop K. Mittal:

i. Mr. Ajit Singh, an ex-employee of our Company, was compulsorily retired pursuant to the initiation of a vigilance proceeding against him. Mr Singh filed a writ petition (No. 9796 of 2003) before the Delhi High Court for quashing of the order of his compulsory retirement. However, Delhi High Court vide order dated January 24, 2009 transferred the petition to the Central Administrative Tribunal, Delhi ("CAT"). Mr. Singh's prayers were rejected by the CAT on November 16, 2010 vide the order (T.A No.732/2009) and thereafter he filed a civil writ petition (WPC No. 500 of 2011) against our Company and Director (Projects) on December 20, 2010 before the Delhi High Court for setting aside the order of the CAT. This matter is currently pending and has been listed in the category of regular matters. Therefore the next date of hearing is not yet been fixed.

4. Mr. Sudha Krishnan: NIL

5. Mr. Brijeshwar Singh: NIL

6. Mr. K. Chandrashekhar Iyer: NIL

7. Mr. K.L. Mehrotraa: NIL

8. Mr. Vinod K. Gupta: NIL

9. Mr. Subhash Chandra Saraf : NIL

B. Outstanding Litigation and Material Developments/Proceedings filed by the Directors

There are no pending litigations, including disputed outstanding litigations and material developments/proceeding filed by the Directors.

C. Proceedings initiated against the Directors for economic offences

There are no proceedings initiated against the Directors for any economic offences.

D. Details of past penalties imposed on our Directors by the authorities concerned

There are no past penalties imposed on the Directors by the authorities concerned.

E. Litigations against the Directors involving violation of statutory regulations or alleging criminal offence

There are no litigations against the Directors involving violation of statutory regulations or alleging criminal offence.

F. Criminal/ civil cases against the Directors towards tax liabilities

There are no criminal/ civil cases against the Directors towards tax liabilities.

X. The name(s) of the small scale undertaking(s) or any other creditors to whom the issuer owes a sum exceeding ₹ 100,000 which is outstanding more than thirty days : NIL

XI. Material developments since the date of the last balance sheet

Except as stated in the section “Management’s Discussions and Analysis of Financial Condition and Results of Operations” on page 191 of this Draft Red Herring Prospectus, in the opinion of the Board, there have not arisen, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business and except as mentioned below, no further approvals are required for carrying on our present business.

In view of the approvals listed below, we can undertake this Offer and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to undertake the Offer or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus. For further details in connection with the regulatory and legal framework within which we operate, see the section titled "***Regulations and Policies***" on page 106 of this Draft Red Herring Prospectus.

Approvals in relation to our Incorporation

Certificate of incorporation dated November 15, 1960 granted to our Company by the RoC.

Approvals Related to the Offer

Corporate approvals

The Offer has been authorized by the Board of Directors pursuant to a board resolution passed by circulation dated August 23, 2011 and noted at the Board meeting held on September 26, 2011.

Approvals from GoI

MoUD, GoI through its letter dated August 24, 2011 has conveyed the approval granted by the Cabinet Committee on Economic Affairs, GoI for the Offer.

Approval from the RBI

The RBI has vide letter dated September 6, 2011 bearing reference number FE.CO.FID.No.5604/10.21.259/2010-11 conveyed its no-objection for the offer of 9,000,000 equity shares and permitted transfer of Equity Shares in the Offer to FIIs and NRIs, subject to specified conditions. Afterthe aforesaid RBI approval, since Bonus shares were issued on September 30, 2011, the Equity Shares offered in the offer for sale increased to 12,000,000 equity shares. In this connection, the Selling Shareholder had written to the RBI on January 18, 2012 to note the increase in offer size to 12,000,000 equity shares and RBI has vide its letter dated February 1, 2012 taken on record the increase in offer size.

Approvals from stock exchanges

1. In-principle approval from the NSE dated [●].

2. In-principle approval from the BSE Limited dated [●].

Business Approvals

1. *Approvals relating to our PMC services business*

Our PMC segment covers a range of projects from residential complex, commercial complex, hospitals, educational institutions, officers' mess, hostels' for security personnel to infrastructure projects such as roads, drains, sewerage system, underground water tanks, and water distribution lines. The responsibility of obtaining licences and approvals in respect of the PMC project generally lies with us. We further delegate this responsibility to our contractors and monitor the process of procurement of licences and approvals. Such licences and approvals are received in the name of the client generally. However, in respect of certain projects, the licences have been obtained in our name. Set forth below are such projects for which the governmental licences have been obtained / applied for in our name:

a) Approvals for reconstruction of the buildings at Property No. 5-B, C.G.O Complex, Lodi Road, New Delhi

Approvals which have been granted:

Sr. No.	Description	Issuing Authority	Reference No.	Date of Issue	Date of Expiry
1.	No objection certificate for reconstruction of the buildings at Property No. 5-B, C.G.O Complex, Lodi Road, New Delhi	Archaeological Survey of India	F. No. 12/61/2007-NOC-4441	August 10, 2007	-
2.	Approval for energisation under Rule 47A & 63(1) of IE Rules, 1956 of 33/0.433kV Sub Station for reconstruction of the buildings at Property No. 5-B, C.G.O Complex, Lodi Road, New Delhi	Regional Inspectorial Organisation (North), Central Electricity Authority, Ministry of Power	NRIO/Misc-186/NBCC/CGO Complex/ND/10/869-70	December 6, 2010	-
3.	Fire safety certificate under Rule 33 of the Delhi Fire Service Rules, 2010 Station for reconstruction of the buildings at Property No. 5-B, C.G.O Complex, Lodi Road, New Delhi.	Delhi Fire Service, New Delhi	F6/DFS/MS/2011/580	April 4, 2011	Valid for 3 years unless renewed or cancelled

b) Approvals for redevelopment of Kidwai Nagar (East), New Delhi

Approvals which have been granted:

Sr. No.	Description	Issuing Authority	Reference No.	Date of Issue	Date of Expiry
1.	No objection certificate for proposed Redevelopment of Kidwai Nagar, East Group Housing	Airport Authority of India, Gurgaon	NBCC/ED/RE/Kidwai Nagar/2011/3538	December 1, 2011	September 14, 2016

Approvals which have been applied for:

Sr. No.	Description	Issuing Authority	Reference No.	Date of Application
1.	Environmental Clearance for Redevelopment of Kidwai Nagar for total built up area 1202933.86 m sq.	State Expert Appraisal Committee, Delhi Pollution Control Committee, Delhi	NBCC/SGM/RE/Kidwai Nagar/2011/26	September 21, 2011
2.	Site Clearance for	Archaeological	Not Mentioned	August 8, 2011

	Redevelopment of Kidwai Nagar	Survey of India, NCT of Delhi	

2. *Approvals relating to our civil infrastructure business*

Our services in this segment include civil construction works for power plants such as chimneys, cooling towers and balance of plants for which we employ contract labour. In this respect, the approvals sought by us or applied for are set out below:

a) *Approvals which have been granted:*

License for construction of chimney at Barh

Licenses approved in relation to project Barh chimney

Sr. No.	Description	Issuing Authority	Reference No.	Date of Issue	Date of Expiry
1.	License granted under Section 12(1) of the Contract Labour (Regulation and Abolition) Act, 1970 in relation to work for chimney and chimney elevator package for Barh.	Office of the Regional Labour Commissioner, Ministry of Labour, Government of India.	License No. L–202/2008/ALC-I	November 24, 2008	November 23, 2012

b) *Approvals which have been applied for:*

License for construction of power plant, Dhaligaon, Assam

Sr. No.	Description	Issuing Authority	Reference No.	Date of Application
1.	Application for renewal of labour license No. – GH.46/127/2007-L dated December 24, 2007 in respect of construction of power plant at Dhaligaon, Assam.	Assistant Labour Commissioner (Central), Guwahati.	NBCC/BRPL-DHDT/2011-12/3041	November 23, 2011

c) *Approvals which have not been applied for:*

License for construction of chimney at Koderma

Upon receipt of Form V by the client, we shall apply for the renewal of the following licence that has expired:

Sr. No.	Description	Issuing Authority	Reference No.	Date of Issue	Date of Expiry
1.	License granted under Section 12(1) of the Contract Labour (Regulation and Abolition) Act, 1970, subject to condition that No.number of workmen employed as contract labour in the establishment, shall not on any day exceed 100	Office of the Licensing Officer, Bihar government	License No. – 756	January 31, 2011	November 25, 2011

3. ***Approvals relating to our real estate development business***

We require various approvals to carry on our real estate development business. The projects are primarily being developed on freehold land owned by us or on leasehold land in respect of which leasehold rights are held by us. Also, some of our projects are being developed under development and/or joint development agreements. In relation to the projects undertaken, the Company has obtained and in some cases is in the process of obtaining the following government approvals:

a. Building/Lay out plan approval: This is required for projects having more than 1 building. This gives approval to layout of design and zoning of various areas on plot *i.e.*-roads, recreation areas, sale buildings *etc.*

b. NOC from PWD/other local authority.

c. NOC granted by the Chief Fire Officer. This NOC is granted in respect of buildings which would exceed 24 metres of height.

d. Environmental clearance from State Environment Impact Assessment Authority constituted by Government of India is required for projects with built-up area of 20,000 Sq. Mtrs. or more.

e. Completion Certificate / Occupation certificate issued by the local municipal body for completed projects

In addition, our Company may require certain project specific approvals on the basis of location and specific parameters of the project such as a NOC from the AAI in respect of development of buildings which exceed a certain height or are in the vicinity of any airport.

In respect of certain projects, we have not obtained certain licenses and approvals. For associated risk, please see the section titled “Risk Factors” on page xv of this Draft Red Herring Prospectus.

RESIDENTIAL PROJECTS

Our residentialOn-going Projects

a) Approvals for proposed residential project “Vibgyor Towers” at New Town, Kolkata

Approvals which have been granted:

Sr. No.	Description	Issuing Authority	Reference No.	Date of Issue	Date of Expiry
1.	Approval of building plan for construction of the proposed residential project “Vibgyor Tower” at Premises No. 01-175, Plot No. CE-2, Action area-IC at New Town, Kolkata	West Bengal Infrastructure Development Corporation Ltd.	3088/HIDCO/ED (EM)/30BP	November 22, 2007	-
2.	Provisional environmental clearance for construction of the proposed residential project “Vibgyor Tower” at Premises No. 01-175, Plot No. CE-2, Action area-IC at New Town, Kolkata under Environment Impact Assessment Notification, 2006	State Level Expert Appraisal Committee, West Bengal	556-2N-346/2005	December 28, 2007	-
3.	Provisional fire no objection	Director General,	WBFES/9529/N	December	

	certificate issued under the Fire Act, 2005.	West Bengal Fire & Emergency Services	ew Town-RBC/322/05 (351/05)	27, 2005	
4.	No objection certificate for the proposed residential project "Vibgyor Tower" at Premises No. 01-175, Plot No. CE-2, Action area-IC at New Town, Kolkata under Section 9-A of the Indian Aircraft Act, 1934.	Airports Authority of India	AAI/ER/NOC (595)/1246-1247	November 23, 2005	This certificate is valid for three years from the date of issue.

Approvals which have not been applied for:

Our Company would be required to apply for No Objection Certificate from Lift Inspector; final No Objection Certificate from Fire Department and Completion Certificate from Delhi Development Authority at the appropriate stage of the project and a periodic renewal of approvals on expiry.

a) Approvals for residential complex project at NBCC Tower, Khekra, Baghpat, Uttar Pradesh (Phase-I)

Approvals which have been granted:

Sr. No.	Description	Issuing Authority	Reference No.	Date of Issue	Date of Expiry
1.	Sanction of building plans in respect of construction ofNBCC Town (residential complex), at *khasra*No. 3000, 3002, 3114A and 3114B on Delhi-Baghpat state highway, Khekra, Baghpat, Uttar Pradesh.	Baghpat-Barod-Khekra Development Authority, Bagpat	No. 154/4 2000 \	September 9, 2010	
2.	Environmental clearance for construction of NBCC Tower (residential complex), at *khasra*No. 3000, 3002, 3114A and 3114B on Delhi-Baghpat state highway, Khekra, Baghpat, Uttar Pradesh.	State Level Environmental Impact Assessment Authority, Directorate of Environment, Uttar Pradesh	1622523/Parya/SEAC/AD(H)/2010-11	July 4, 2011	-
3.	Provisional no objection certificate issued under the Fire Act, 2005	Fire Department, Meerut	15 CFO-NOC(T)/09	October 23, 2009	-
4.	Application for grant of No objection certificate(Pollution & Environment) for "NBCC Town" Phase I (Group Housing), Khasra No. 3002,3114A,& 3114B, Delhi Bhagpat State Highway, Khekra, District Baghpat, Uttar Pradesh	Uttar Pradesh Pollution Control Board, Lucknow	Not Mentioned	Not Mentioned	

Approvals which have not been applied for:

Our Company would be required to apply for No Objection Certificate from Lift Inspector, final No Objection Certificate from Fire Department and Completion Certificate from the competent government authority at the appropriate stage of the project and a periodic renewal of approvals on expiry.

b) Approvals for residential cum commercial building project at Sector-7, Plot No. 7/1 of Bihar State Housing Board, Bahadurpur Housing Colony, Patna, Phase-I

Approvals which have been granted:

Sr. No.	Description	Issuing Authority	Reference No.	Date of Issue	Date of Expiry
1.	Sanction of building plan of commercial cum residential building under section 314 of Bihar Municipal Act, 2007	Certified Architect, Patna Municipal Corporation	19/10	April 7, 2010	-
2.	Provisional fire no objection certificate for proposed residential cum commercial building for NBCC, at Sector-7, Plot No. 7/1 of Bihar State Housing Board, Bahadurpur Housing Colony, Patna, subject to fulfilment of the prescribed conditions, upon which a final no objection certificate for occupancy will be granted.	Office of the State Fire Officer, Patna, Bihar	Letter No. 429	February 26, 2010	-
3.	No objection certificate for construction of the proposed building by our Company at Plot No. 7/1, Mouza-Bahadurpur, Bahadurpur Housing Colony, Patna upto a height of 88.05 metres above mean sea level under Indian Aircraft Act, 1934.	Airports Authority of India	AAI/ER/NOC(35/10)/346-348	March 15, 2010	This approval is valid for five years from the date of issue.
4.	Planning permission for construction of proposed building at Plot No. 7/1, Mouza-Bahadurpur, Bahadurpur Housing Colony, Patna.	Patna Regional Development Authority, Municipal Corporation of Patna	No. 7937	October 30, 2009	
5.	Grant of allotment letter for development of proposed building at Plot No. 7/1, Mouza-Bahadurpur, Bahadurpur Housing Colony, Patna.	Bihar State Housing Board	No.5599	July 17, 2009	-

Approvals which have not been applied for:

Our Company would be required to apply for No Objection Certificate from Lift Inspector, final No Objection Certificate from Fire Department and Completion Certificate from the competent government authority at the appropriate stage of the project and a periodic renewal of approvals on expiry.

c) Approvals for construction of group housing colony at Sector 89, Gurgaon Manesar Urban Complex, Gurgaon

Approvals which have been granted:

Sr. No.	Description	Issuing Authority	Reference No.	Date of Issue	Date of Expiry
1.	Approval of building plan/permission for construction of group housing colony on the land measuring 11.312 acres in Sector 89, Gurgaon Manesar Urban Complex.	Directorate of Town & Country Planning, Haryana	ZP-537/JD(NK)/2010/18048	December 28, 2010	Plans are valid for a period of two years of the buildings less than 15.00 meters in height and five years for the multi-storeyed buildings from the date of issuance of sanction, subject to validity of licenses granted for this scheme.
2.	No objection certificate for construction of group housing by our Company at Pataudi Road, Sector-89, Gurgaon, Haryana upto 271 metres above mean sea level under Indian Aircraft Act, 1934.	Airports Authority of India	AAI/NOC/2010/498/340	February 25, 2011	This approval is valid for five years from the date of issue.
3.	Approval of fire fighting scheme in respect of the group housing project at Sector-89, Pataudi Road, Gurgaon, Haryana	Commissioner, Municipal Corporation, Gurgaon	FS/MCG/2011/3227	July 21, 2011	-
4.	Order for transfer of license No. 4 of 2009 dated February 13, 2009 in the name of NBCC (*from M/s A.S. Lusture Infrastructure Pvt. Ltd., M/s Incense Properties Pvt. Ltd and M/s Neptune Land and Housing Pvt. Ltd. c/o M/s Orris Infrastructure Pvt Ltd*) for development of residential colony on a land measuring 11.312 acres in village	Director, Town & Country Planning, Chandigarh, Haryana	5DP-V-LC-1751/2010/2623	March3, 2010	-

Sr. No.	Description	Issuing Authority	Reference No.	Date of Issue	Date of Expiry
	Hyatpur, district Gurgaon, under Rule 17 of the Haryana Development and Regulation of Urban Areas Rules, 1976.				

Approvals which have been applied for:

Sr. No.	Description	Issuing Authority	Reference No.	Date of Application
1.	Application for grant of environmental clearance for proposed housing project at Sector 89, Pataudi Road, Gurgaon, Haryana.	The Member Secretary-,State Environmental Impact Assessment Authority, Paryatan Bhawan, Panchkula, Haryana	NBCC/SGM/RE/GGN/2010/2344	November 1, 2010

Approvals which have not been applied for:

Our Company would be required to obtain approval of electrical installation, apply for No Objection Certificate from Lift Inspector; Haryana Pollution Control Committee, Panchkula, Final No Objection Certificate from Fire Department and Completion Certificate from the competent government authority at the appropriate stage of the project and a periodic renewal of approvals on expiry.

<u>Our Residential Forthcoming Projects</u>

a) Approvals for group housing society, NBCC TOWN, Khekra Phase - II

Approvals which have been granted:

Sr. No.	Description	Issuing Authority	Reference No.	Date of Issue	Date of Expiry
1.	Provisional no objection certificate issued under the Fire Act, 2005 subject to fulfilment of specified conditions, upon which a final no objection certificate for occupancy will be granted.	Fire Department, Meerut	36 CFO-NOC(T)/10	October 20, 2010	-

Approvals which have been applied for:

Sr. No.	Description	Issuing Authority	Reference No.	Date of Application
1.	Application seeking approval of drawing plans for proposed construction	Secretary, Baghpat Baraut Khekra Developmental Authority, Bhagpat (U.P.)	NBCC/SGM/RI/BBK DA/2010/1670	July 29, 2010

	of NBCC Town Group Housing Scheme, Phase –II, Khekra.			
2.	Application for grant of Environmental Clearance for proposed Housing project at Khasra No. 203,204,205,211, 218,221,222,245 Delhi Saharanpur State Highway, Bhagpat	Director & Secretary SEAC, Directorate of Environment- Govt. of Uttar Pradesh	No NBCC/GM (RE) Khekra/2010/2206	October 21, 2010

Approvals which have not been applied for:

Our Company would be required to apply for No Objection Certificate from Lift Inspector; U.P. Pollution Control Board after Environmental Impact Assessment clearance; final No Objection Certificate from Fire Department and Completion Certificate from Baghpat Baraut Khekra Developmental Authority at the appropriate stage of the project and a periodic renewal of approvals on expiry.

b) Approvals for construction of proposed NBCC Town Residential Group Housing Complex, Khekra Phase-III

Approvals which have been granted:

Sr. No.	Description	Issuing Authority	Reference No.	Date of Issue	Date of Expiry
1.	Provisional fire no objection certificate issued under the Fire Act, 2005	Fire Department, Meerut	41/CFO-NOC(T)/10	November 30, 2010	-

Approvals which have been applied for:

Sr. No.	Description	Issuing Authority	Reference No.	Date of Application
1.	Application for approval of drawings and layout for proposed NBCC Town Group Housing project in Khasra No. 356, 356Aa, 357, 358 and 361, Khekra, Phase –III.	Secretary, Baghpat Baraut Khekra Development Authority, Bhagpat (U.P.)	NBCC/GM/RI/BBKDA/2010	November 1, 2010
2.	Application for no objection certificate for environmental clearance regarding proposed construction at Khasra No. 361,356,356A,357 and 358, Village Hasanpur Mansoori, Tehsil Khekra, Baghpat, U.P.	State Level Environmental Imapct Assessment Authority, Pollution Control Board, Lucknow.	NBCC/GM/RE/Khekra/2011/3027	May 31, 2011
3.	Application for grant of Non objection certificate(Pollution & Environment) for “NBCC Town” Phase II Residential Complex, Delhi Saharanpur State Highway, Village Hasanpur Mansooni, Tehsil-Khekra, District Baghpat, Uttar Pradesh	Uttar Pradesh Pollution Control Board, Lucknow	Not Mentioned	June 3, 2011

Approvals which have not been applied for:

Our Company would be required to apply for No Objection Certificate from Lift Inspector; final No Objection Certificate from Fire Department and Completion Certificate from Baghpat Baraut Khekra Developmental Authority at the appropriate stage of the project and a periodic renewal of approvals on expiry.

c) Approvals for building project at Plot/Survey No. NBCC-1, Sector-7, Mouza-Bahadurpur, Bahadurpur Housing Colony, Patna

Approvals which have been granted:

Sr. No.	Description	Issuing Authority	Reference No.	Date of Issue	Date of Expiry
1.	No objection certificate for the proposed building at locationplot/survey No. NBCC-1, Thana No. 10, Sector-7, Mouza-Bahadurpur, Bahadurpur Housing Colony, Patna upto a height of 100.15 metres above mean sea level under Indian Aircraft Act, 1934	Airports Authority of India	AAI/ER/NOC(39/11)/576-578	April 1, 2011	This document is valid for five years from the date of issue.
2.	Provisional fire no objection certificate for proposed building at Bahadurpur Housing Colony, Patna, subject to fulfilment of specified conditions, upon which final no objection certificate for occupancy will be granted.	Office of the State Fire Officer, Patna, Bihar	Letter No. 2144	June 9, 2010	-

Approvals which have not been applied for:

Our Company would be required to apply for Building plan approval,final No Objection Certificate from Fire Department and Completion Certificate from the competent government authority at the appropriate stage of the project and a periodic renewal of approvals on expiry.

d) Approvals for 'NBCC Green View' of group housing project at Sector-37 D, Gurgaon, Haryana

Approvals which have been granted:

Sr. No.	Description	Issuing Authority	Reference No.	Date of Issue	Date of Expiry
1.	No objection certificate for construction of group housing by our Company at Sector-37 D, Gurgaon, Haryana upto 267 metres above mean sea level under the Indian Aircraft Act, 1934.	Airports Authority of India	AAI/NOC/2011/289/2469	August 10, 2011	This certificate is valid for five years from the date of issue.
2.	Order transferring the license bearing No. 11 of 2009 dated May 21, 2009	Director, Town & Country	LC-2064-JE(B)-2010/11120	September 8, 2010	-

Sr. No.	Description	Issuing Authority	Reference No.	Date of Issue	Date of Expiry
	granted to M/s A.S. Realtech Pvt. Ltd., M/s Ramprastha Promoters & Developers Pvt. Ltd and M/s S.A. Infratech Pvt. Ltd. for development of group housing colony , under Rule 17 of the Haryana Development and Regulation of Urban Areas Rules, 1976	Planning, Haryana, Chandigarh			

Approvals which have been applied for:

Sr. No.	Description	Issuing Authority	Reference No.	Date of Application
1.	Application for Environmental clearance for the proposed NBCC Green View grouping housing complex at Sector 37D, Gurgaon (Haryana)	Ministry of Environment and Forests	NBCC/GM/RE/GGN-37D/2010/	July 6, 2011
2.	Application for sanction of building plans of group housing colony measuring 18.031 acres in Sector 37D, Gurgaon, Haryana	Director General, Town and Country planning, Haryana	NBCC/RE/GGN-37D/2011/2967	May 13, 2011

Approvals which have not been applied for:

Our Company would be required to obtain approval of electrical installation, apply for No Objection Certificate from Lift Inspector; Fire Department; Pollution Control Committee and final No Objection Certificate from Fire Department and Completion Certificate from the competent government authority at the appropriate stage of the project and a periodic renewal of approvals on expiry.

e) Approvals for construction of “Valley View” residential flats in Block No. 39, Puthencruze village, District Ernakulam, Kerala

Approvals which have been granted:

Sr. No.	Description	Issuing Authority	Reference No.	Date of Issue	Date of Expiry
1.	Building permit under Kerala Municipality Building Rules, 1999 for erection of residential flat in survey No. 93/9, Block No. 39, Puthencruze village, District Ernakulam, Kerala	Vadavucode-Puthencruze Grama Panchayat	BA.103/09-10	April 12, 2010	April 11, 2013

Sr. No.	Description	Issuing Authority	Reference No.	Date of Issue	Date of Expiry
2.	Fire no objection certificate provided in relation to proposed construction of Commercial building by our Company in Puthencruze village. A fresh no objection certificate should be obtained after completion of construction and before occupation of this building.	Fire & Rescue Services, Thiruvananthapuram-I	No. G1-5464/2010	July 26, 2010	-
3.	Environmental clearance and consent to establish under Section 25 of the Water (Prevention & Control of Pollution) Act, 1974 and Section 21 of the Air (Prevention & Control of Pollution) Act, 1974 and The Environmental (Protection) Act, 1986, subject to fulfilment of certain conditions.	Kerala State Pollution Board	PCB/RO-EKM/MFB/IACE-19/10	July 28, 2010	July 27, 2013

Approvals which have not been applied for:

Our Company would be required to apply for No Objection Certificate from Lift Inspector; final No Objection Certificate from Fire Department and Completion Certificate from the competent government authority at the appropriate stage of the project and a periodic renewal of approvals on expiry.

j) Licenses related to Development of Group Housing Complex at Surya Nagar, Alwar'

Approvals which have been granted:

Sr. No.	Description	Issuing Authority	Reference No.	Date of Application
1.	Allotment of land for group housing land of 6094 sq meter scheme, Alwar	Urban Improvement Trust, Alwar	UIT/Allotment/11703/11	November 14, 2011

Approvals which have not been applied for:

Our Company would be required to apply for and obtain approvals including, requisite environmental consent under Notification No. S.O. 1533 (E) of September 14, 2006 by the Ministry of Environment and Forest, Government of India, remaining building plan approvals, if any, no objection certificate from relevant authorities such as Fire Departments, Airport Authority of India, Archeological Survey of India, permission for water/sewer/electrical (if required separately by local bodies) from the appropriate government authority no objection certificate from Lift Inspector (in case lifts are provided), completion certificate from the competent government authority at the appropriate stage of the project and a periodic renewal of approvals on expiry.

COMMERCIAL REAL ESTATE PROJECTS

Our On-going Commercial Projects

a) Approvals for the community centre project at Plot No. 2, Community Centre, Okhla, Phase-I, New Delhi

Approvals which have been granted:

Sr. No.	Description	Issuing Authority	Reference No.	Date of Issue	Date of Expiry
1	Sanction to erect/re-erect/add/alteration under section 12 of the Delhi Development Act, 1957 to carry out development at Plot No. 2, Community Centre, Okhla, Phase-I, New Delhi.	Delhi Development Authority, Building Section (C&I Unit)	F.13 (25) 2008/Bldg./	July 20, 2009	Plans are valid up to May 7, 2014.
2.	Approval of layout and building plans in respect of NBCC Centre at Plot No. 2, Community Centre, Okhla, Phase-1, Delhi subject to the condition that 1% of the project cost be spent on 'Work of Arts'.	Delhi Urban Art Commission	No. 22(53)/2008-DUAC	February 16, 2009	-
3	Environmental clearance for construction of mercantile and business building on plot area of 8,597 sq mtrs at "NBCC Centre" at Plot No. 2, Community Centre, Okhla Phase-I, New Delhi under the Environment Impact Assessment Notification, 2006	Ministry of Environment and Forests, Government of India	No. 21-12/2008-IA.III	December 22. 2008	-
4	Permission to start digging/ excavation work and removing of excavated material from site in respect of Plot No. 2, Community Centre, Okhla Phase-I, New Delhi	Delhi Development Authority, Commercial Land branch	No. F.73 (1) 07/CL/3980	October 22, 2008	-
5	No objection certificate for construction of the proposed building by our Company at Plot No. 2,	Airports Authority of India	No. AAI/20012/1615/2007 –ARI (NOC)	March 3, 2008	This certificate shall be valid for a

	Community Centre, Okhla Phase-I, New Delhi under the Indian Aircraft Act, 1934.				period of three years from its date of issue.
6.	Fire no objection certificate issued under the Fire Act, 2005	Delhi Fire Services	No. F.6/DFS/MS/BP/2008/3162	November 18, 2008	-

Approvals which have not been applied for:

Our Company would be required to apply for No Objection Certificate from Lift Inspector; final No Objection Certificate from Fire Department and Completion Certificate from Delhi Development Authority at the appropriate stage of the project and a periodic renewal of approvals on expiry.

b) Commercial Complex at 38, Hemanata Basu Sarani complex, Kolkata

Approvals which have been granted:

Sr. No.	Description	Issuing Authority	Reference No.	Date of Issue	Date of Expiry
1	Allotment of land to NBCC for developing a Real Estate Venture	Ministry of Urban Development and Poverty Alleviation, Land and Development Office, GOI	J-13011/2/94-LD/18	January 20, 2004	45 days from the date of Issue of letter
2	Provisional NOC from a (B+G+VI) storeyed Business Building (Office Building) at premises No. 38 Hemanta Basu Sarani, Kolkata-01.	Office of Director General, West Bengal Fire & Emergency Services	Memo No. WBFES/1884/08/ Kol-073/284/06 (299/06)	July 31, 2008	-
3.	Grant of License for Construction of multistoried Office Complex at 38 Hemanta Basu Sarani, Kolkata in the area indicated in red outline on the plan submitted.	Office of Superintending Archeologist, Archeological Survey of India Kolkata Circle	F. No. CURR/BLDG-E-08-1685	June 30, 2006	June 29, 2010
4.	Sanction/provisional sanction of erection/ re-erection/ addition to or alteration of the building and building permit under Rule 13(1)(1)	The Municipal Commissioner, The Kolkata Municipal Corporation, Kolkata	Building permit number 200906002	April 24, 2009	April 23, 2014

Approvals which have not been applied for:

Our Company would be required to apply for No Objection Certificate from Lift Inspector; final No Objection Certificate from Fire Department and Completion Certificate, as applicable, at the appropriate stage of the project and a periodic renewal of approvals on expiry, if any.

Our Commercial Forthcoming Projects

a) Approvals for Commercial Complex at Khekra, Baghpat, Uttar Pradesh

Approvals which have not been applied for:

Our Company would be required to apply for and obtain approvals including, requisite environmental consent under Notification No. S.O. 1533 (E) of September 14, 2006 by the Ministry of Environment and Forest, Government of India, remaining building plan approvals, if any, no objection certificate from relevant authorities such as Fire Departments, Airport Authority of India, Archeological Survey of India, permission for water/sewer/electrical (if required separately by local bodies) from the appropriate government authority no objection certificate from Lift Inspector (in case lifts are provided), completion certificate from the competent government authority at the appropriate stage of the project and a periodic renewal of approvals on expiry.

b) Approvals for Commercial Complex on 5 Acre land parcel at Action area -III, Rajarhat, Kolkata

Approvals which have not been applied for:

Our Company would be required to apply for and obtain approvals including, requisite environmental consent under Notification No. S.O. 1533 (E) of September 14, 2006 by the Ministry of Environment and Forest, Government of India, building plan approvals, no objection certificate from relevant authorities such as Fire Departments, Airport Authority of India, Archeological Survey of India, permission for water/sewer/electrical (if required separately by local bodies) from the appropriate government authority no objection certificate from Lift Inspector (in case lifts are provided), completion certificate from the competent government authority at the appropriate stage of the project and a periodic renewal of approvals on expiry.

c) Approvals for Commercial project at Lucknow

Approvals which have not been applied for:

Our Company would be required to apply for and obtain approvals including, requisite environmental consent under Notification No. S.O. 1533 (E) of September 14, 2006 by the Ministry of Environment and Forest, Government of India (if applicable), building plan approvals, no objection certificate from relevant authorities such as Fire Departments, Airport Authority of India, Archeological Survey of India, permission for water/sewer/electrical (if required separately by local bodies) from the appropriate government authority no objection certificate from Lift Inspector (in case lifts are provided), completion certificate from the competent government authority at the appropriate stage of the project and a periodic renewal of approvals on expiry.

Sr. No.	Description	Issuing Authority	Reference No.	Date of Issue	Date of Expiry
1.	Allotment of property by tender at Comm Plot, Gomti Nagar, Kanpur Road & Others bearing Registration No. 3105337	Lucknow Development Authority	883/*upsachivalaya*	December 28, 2011	-

d) Indian Textile Plaza - Ahmedabad

Approvals which have not been applied for:

Our Company would be required to apply for and obtain approvals including, requisite environmental consent under Notification No. S.O. 1533 (E) of September 14, 2006 by the Ministry of Environment and Forest, Government of India (if applicable), building plan approvals, no objection certificate from relevant authorities such as Fire Departments, Airport Authority of India, Archeological Survey of India, permission for water/sewer/electrical (if required separately by local bodies) from the appropriate government authority no objection certificate from Lift Inspector (in case lifts are provided), completion certificate from the competent government authority at the appropriate stage of the project and a periodic renewal of approvals on expiry.

e) Multi-media community centre Kolkata (Kalikapur)

Approvals which have been granted:

Sr. No.	Description	Issuing Authority	Reference No.	Date of Issue	Date of Expiry
1.	Sanction in respect of L.T Settlement for 2 acres of land in Plot No. 101 of Mouza- Barokhola J.L No. 21 P.S Kasba, South 24 Paraganas against rent and salami of ₹ 5,80,800 and ₹ 58,08,000 respectively.	Office of the A.D.M & D.L & L.R.O Alipore, South 24 Parganas	Memo No. 1701-LR	10-11-1998	30 years from the date of delivery of possession
2	Authorisation for the taking over of possession of 2 acres of land at Kalikapur.	Land & Land Reforms Department LR- (A-III) Branch, Writers Building	Memo No. 2988-GE (M)/1L-76/10	June 3, 2010	-

Approvals which have not been applied for:

Our Company would be required to apply for and obtain approvals including, requisite environmental consent under Notification No. S.O. 1533 (E) of September 14, 2006 by the Ministry of Environment and Forest, Government of India (if applicable), building plan approvals, no objection certificate from relevant authorities such as Fire Departments, Airport Authority of India, Archeological Survey of India, permission for water/sewer/electrical (if required separately by local bodies) from the appropriate government authority no objection certificate from Lift Inspector (in case lifts are provided), completion certificate from the competent government authority at the appropriate stage of the project and a periodic renewal of approvals on expiry.

f) Additional shopping-cum-commercial block, Pushp Vihar

Approvals which have been granted:

Sr. No.	Description	Issuing Authority	Reference No.	Date of Issue	Date of Expiry
1.	NOC to achieve additional FAR in NBCC Plaza, Community Centre-cum-Commercial Complex at Pushp Vihar, New Delhi	Ministry of Urban Development Land and Development Office, GOI	No. L-II-1(1104)/45	February 7, 2011	-

Approvals which have not been applied for:

Our Company would be required to apply for and obtain approvals including, requisite environmental consent under Notification No. S.O. 1533 (E) of September 14, 2006 by the Ministry of Environment and Forest, Government of India (if applicable), building plan approvals, no objection certificate from relevant authorities such as Fire Departments, Airport Authority of India, permission for water/sewer/electrical (if required separately by local bodies) from the appropriate government authority no objection certificate from Lift Inspector (in case lifts are provided), completion certificate from the competent government authority at the appropriate stage of the project and a periodic renewal of approvals on expiry.

f. Other Approvals

a) Employment Licences

S. No.	Nature of Licence	Issuing Authority	Reference/ Registration No.	Date of Approval	Validity
1.	Approval of the NBCC Limited Employees Death-cum-Superannuation Gratuity Scheme	Office of the Commissioner of Income Tax. Delhi-V	F. No. CIT-V/Gratuity/2007-08/1174	February 14, 2008 effective from January 1, 2008	-
2.	Recognition of provident fund under Rule 3(1) of the 4th Schedule Part 'A' of the Income Tax Act, 1961	Office of the Commissioner of Income Tax. Delhi	No. JP-1(9)/64/1964	April 1, 1964	-
3.	Grant of exemption under section 17(1) of the Employees' Provident Funds & Misc. Provisions Act, 1952 and issue of relaxation under Para 79 of the Employees' Provident Fund Scheme, 1952	Office of the Regional Provident Fund Commissioner	No. E/DL/5563/(Relaxed)/ 3089	April 1, 1983	-

b) Tax Registrations

Approvals which have been granted:

Sr. No.	Description	Issuing Authority	Reference No.	Date of Issue	Date of Expiry
1.	Issue of our Company's PAN (Permanent Account Number).	Income Tax Department, Government of India	AAATN1939K	Not available	
2.	Issue of our Company's TAN (Tax Deduction Allocation Number) under the Income Tax Act, 1961 .	Income Tax Department, Government of India	DELN02125E	Not available	
4	Certificate of registration under section 69 of the Finance Act, 1994 for payment of services tax in relation to taxable services in the nature of maintenance or repair services.	Assistant Commissioner of Service Tax	AAACN3053BST026	January 8, 2008	Not mentioned
5	Certificate of registration under Rule 5(1) of The Central Sales	Notified Authority under Rule 5(1) of The	LC/18/168181/0383	January 18, 1994	Not mentioned

Sr. No.	Description	Issuing Authority	Reference No.	Date of Issue	Date of Expiry
	Tax (Registration & Turnover) Rules, 1957 for resale of fevicol for packing bags, containers, strips, P.V.C. bags.	Central Sales Tax (Registration & Turnover) Rules, 1957		effective from January 18, 1994	
6	Certificate of registration for a dealer having only one place of business in Delhi under rule 16 of the Delhi Sales Tax Rules, 1975 for resale of fevicol for packing strips and containers.	Notified Authority under Rule 16 of The Delhi Sales Tax Rules, 1975	LC/18/168/81/0993	January 18, 1994	Not mentioned
7	Certificate of Registration under Rule 9 of the Gujarat Sales Tax Act, 1969 for business of the nature of works contract.	Sales Tax Department, Gujarat State	24190401797	December 26, 2005	Not mentioned
8.	Certificate of registration under Section 16 of the Maharashtra Value Added Tax Act, 2002 for Tax Payer Identification Number (TIN) for business of the nature of works contract.	Registration Officer, Sales Tax Department, Maharashtra	27850002439 V	April 1, 2006	Not mentioned
9	Certificate of registration under Rule 5(1) of the Central Sales Tax (Registration & Turnover) Rules, 1957 for Tax Payer Identification Number (TIN) (Central) for registration as a dealer under Section 7(1)/ 7(2) of the Central Sales Tax Act, 1956 for business of the nature of works contractor.	Sales Tax Officer under Rule 5(1) of the Central Sales Tax (Registration &Turnover) Rules, 1957	27850002439C	October 28, 2010	Not mentioned
10	Certificate of service tax registration, Gujarat, under Section 69 of the Finance Act, 1994 for registration with the Central Excise Department in respect of construction services in respect of commercial or industrial buildings and civil structures	Office of the Commissioner of Central Excise & Customs, Vadodara, Gujarat	AAACN3053BST021	March 27, 2009	Not mentioned
11	Certificate of service tax registration, Mumbai, under Section 69 of the Finance Act, 1994 for registration with the Central Excise Department with regard to construction services in respect of commercial or industrial buildings and civil structures; construction of residential complex; works contracts services and maintanence or repair services	Office of the Assistant Commissioner of Service Tax, Division IV, Mumbai	AAACN3053BST013	January 19, 2008	Not mentioned
12	Certificate of grant of Service Tax Code (STC) number for	Office of the Assistant	AAACN3053BST013	November 6, 2006	Not mentioned

Sr. No.	Description	Issuing Authority	Reference No.	Date of Issue	Date of Expiry
	registration of premises under Section 69 of the Finance Act, 1994	Commissioner of Service Tax, Division-IV, Mumbai			
13	Certificate of service tax registration, Mumbai, under Section 69 of the Finance Act, 1994 for registration with the Central Excise Department in respect of taxable services of consulting engineer.	Office of the Assistant Commissioner of Service Tax, Division-III, Mumbai Commissionerate	AAACN3053BST031	March 4, 2008	Not mentioned
14	Certificate of service tax registration, Mumbai, under Section 69 of the Finance Act, 1994 bearing for registration with the Central Excise Department with regard to taxable services of construction services in respect of commercial or industrial buildings and civil structures; works contract services and management consultants	Office of the Assistant Commissioner of Service Tax, Division-III, Mumbai Commissionerate	AAACN3053BST015	March 26, 2007	Not mentioned
15	Certificate of service tax registration, Mumbai, under Section 69 of the Finance Act, 1994 for registration with the Central Excise Department in respect of taxable services of erection, commissioning and installation and management consultants	Office of the Assistant Commissioner of Service Tax, Division-III, Mumbai Commissionerate	AAACN3053BST003	May 4, 2007	Not mentioned
16	Allotment letter of Sales Tax Department, Government of Maharashtra for grant of EC number under Incentive Scheme 2009 of Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Sales Tax department, Government of Maharashtra	PT EC No. 99481735863P	March 22, 2010	Not mentioned
17	Certificate of service tax registration, Hyderabad, under Section 69 of the Finance Act, 1994 for registration with the Central Excise Department in respect of taxable services of site preparation and clearance, construction services in respect of commercial or industrial buildings and civil structures, and transport of goods by road	Service Tax Cell, Office of the Commissioner of Central Excise and Customs, Hyderabad-II Commissionerate	AABCC1907EST002	May 19, 2009	Not mentioned
19.	Allotment of Trader Identification Number (TIN) to our Company in lieu of the	Sales Tax Department, Government of N.C.T.	07360168181	*Not clear*	Not mentioned

Sr. No.	Description	Issuing Authority	Reference No.	Date of Issue	Date of Expiry
	existing RC number LC/096/07360168181/0993.	of Delhi			
20.	Certificate of grant of Service Tax Code number for registration of premises under Section 69 of the Finance Act, 1994	Deputy Commissioner Service Tax, New Delhi	AAABCC3053BST002	September 9, 2003	Not mentioned

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Approvals from the Selling Shareholder

The MoUD, through its letter No. O-17034/8/2009-PS dated August 24, 2011 has approved the sale of a proportion of its shareholding in our Company by way of an offer for sale. Pursuant to this decision, the MoUD acting on behalf of the President of India has been authorized to offer for sale 12,000,000 Equity Shares of par value ₹ 10 each, comprising 10 % of the total paid-up equity share capital of our Company.

Corporate Approvals

Our Board of Directors has, pursuant to a resolution passed by circulation dated August 23, 2011 and noted at its meeting held on September 26, 2011, authorized the Offer.

Approval for Lock-in

The Promoter through its letter dated January 27, 2012 granted approval for the lock-in of its pre-Offer shareholding, less shares offered for sale for a period of three years and one year as required under SEBI ICDR Regulations. The Promoter has agreed to lock-in 24,000,000 shares representing 20% of the post offer Equity Capital of our Company for three years and the balance shares i.e, 84,000,000for one year or such other time as required under the SEBI ICDR Regulations.

Approval from the RBI

The RBI has vide letter dated September 6, 2011 bearing reference number FE.CO.FID.No.5604/10.21.259/2010-11 conveyed its no-objection for the offer of 9,000,000 equity shares and permitted transfer of Equity Shares in the Offer to FIIs and NRIs, subject to specified conditions. Afterthe aforesaid RBI approval, since Bonus shares were issued on September 30, 2011, the Equity Shares offered in the offer for sale increased to 12,000,000 equity shares. In this connection, the Selling Shareholder had written to the RBI on January 18, 2012 to note the increase in offer size to 12,000,000 equity shares and RBI has vide its letter dated February 1, 2012 taken on record the increase in offer size.

We have obtained all necessary governmental, regulatory consents and approvals and have received all necessary contractual consents required for this Offer, except as stated in this section.

The NSE has pursuant to its letter [●] dated [●], 2012 granted its in-principle approval.

The BSE has pursuant to its letter [●] dated [●], 2012 granted its in-principle approval.

As per the extant policy, OCBs are not permitted to participate in the Offer without the prior approval of the RBI. For further details regarding the requirement for such approval and other ancillary matters in this regard, see the sections titled "***Regulations and Policies***" and "***Offer Procedure***" on pages 106 and 290 of this Draft Red Herring Prospectus, respectively.

Prohibition by SEBI, RBI or governmental authorities

Our Company, our Promoter and our Directors have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authorities. Neither our Promoter nor any of our Directors have been or is a promoter, director or person in control of any other company which is debarred from accessing the capital markets under any order or directions made by the SEBI.

Our Directors are not in any manner associated with the securities market and there has been no action taken by the SEBI against our Directors or any entity in which our Directors are involved as promoters or directors.

Neither our Company, our Promoter nor our Directors have been named as wilful defaulters by the RBI or any other government authorities. There are no violations of securities laws committed by any of them in the past or pending against them.

Eligibility for the Offer

Our Company is in compliance with the following conditions specified under Regulation 4(2) of the SEBI ICDR Regulations:

1. Our Company, our Directors, our Promoter, the persons in control of our Company, and the companies with which our Directors, or persons in control are associated as directors or promoters or persons in control have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI;

2. Our Company has applied for in-principal approval from the NSE and BSE vide letters dated [•] and [•] respectively. The NSE and BSE have granted their in-principal approval for the listing of the Equity Shares vide letters dated [•] and [•] respectively. The Designated Stock Exchange for the purpose of this Offer is [•];

3. Our Company has entered into agreements dated February 7, 2012 with NSDL and February 7, 2012 with CDSL for dematerialization of the Equity Shares;

4. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing this Draft Red Herring Prospectus.

5. Our Company is eligible for the Offer in accordance with Regulation 26(1) of the SEBI ICDR Regulations, which states as follows:

   - Our Company has net tangible assets of at least ₹ 30 million in each of the preceding three full years (of 12 months each), of which more than 50% are held in monetary assets. However, the limit of fifty per cent. on monetary assets shall not be applicable to the Offer as this public offer is made entirely through an offer for sale;
   - Our Company has a track record of distributable profits in accordance with Section 205 of the Companies Act, for at least three out of the immediately preceding five years;
   - Our Company has a net worth of at least ₹10 million in each of the three preceding full years (of 12 months each);
   - Our aggregate of the proposed Offer and all previous issues made in the same financial years in terms of the Offer size is not expected to exceed five times the pre-Offer net worth of our Company; and
   - Our Company has not changed its name in the last Fiscal year.

Our Company's distributable profits, net worth, net tangible assets and monetary assets derived from the Restated Financial Statements included in this Draft Red Herring Prospectus as at, and for the last financial year on March 31, 2011, 2010, 2009, 2008 and 2007 as per the Restated Financial Statements of the Company are as under:

Particulars	30-Sept-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Net tangible assets*	7,235.37	6,490.58	5,434.31	4,552.90	3,301.82	1,429.31
Monetary assets	14,308.63	12,782.43	11,304.87	10,451.51	9,211.05	7,514.14
Monetary assets as a percentage of the net tangible assets	197.76%	196.94%	208.03%	229.56%	278.96%	525.72%
Distributable profits	746.90	1,404.73	1,187.51	1,621.87	2,777.75	778.01
Net Worth	**7,288.32**	**6,542.77**	**5,487.88**	**4,602.95**	**3,332.63**	**1,478.60**

(₹ In millions)

(1) 'Distributable profits' have been defined in terms of Section 205 of the Companies Act, 1956 and have been derived based on Restated Net Profit after Extraordinary Items for each of the financial years.
(2) 'Net worth' has been defined as the aggregate of share capital and reserves, excluding preference share redemption reserve and miscellaneous expenditure, if any.
(3) 'Net tangible assets' means the sum of all net assets of the Company excluding intangible assets as defined in Accounting Standard 26, Intangible Assets, notified by Companies (Accounting Standards) Rules, 2006.
(4) Monetary assets comprise of cash and bank balances and public deposit accounts with the Government.

Disclaimers

Disclaimer Clause of SEBI

AS REQUIRED, A COPY OF THIS DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI.

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS IDBI CAPITAL MARKET SERVICES LIMITED AND ENAM SECURITIES PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS IDBI CAPITAL MARKET SERVICES LIMITED AND ENAM SECURITIES PRIVATE LIMITED ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDER DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 8, 2012 IN ACCORDANCE WITH SEBI (MERCHANT BANKERS) REGULATIONS, 1992 WHICH READS AS FOLLOWS:

1. **"WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS *ETC.* AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THIS DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID OFFER;**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY. WE CONFIRM THAT:**

   A. **THIS DRAFT RED HERRING PROSPECTUS FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;**

   B. **ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, *ETC.* FRAMED/ISSUED BY SEBI, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

   C. **THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THIS DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.****

(** The SEBI registration certificate of Enam Securities Private Limited, one of the book running lead managers to the Offer, as merchant banker, has expired on October 15, 2011. As required under Regulation 9(1) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 and in compliance with SEBI Circular No. SEBI/MIRSD/DR-2/SRP/Cir-2/2005 dated January 4, 2005, an application dated June 21, 2011 for renewal of the said certificate of registration, in the prescribed manner, was made on June 24, 2011 by Enam Securities Private Limited to SEBI, three months before the expiry of the said certificate of registration. The approval of SEBI in this regard is awaited. No communication has been received by Enam Securities Private Limited from SEBI rejecting the said application.

4. **WHEN UNDERWRITTEN, WE WILL SATISFY OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS. – NOTED FOR COMPLIANCE**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF ITS SECURITIES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN, SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING OF THIS DRAFT RED HERRING PROSPECTUS WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THIS DRAFT RED HERRING PROSPECTUS.**

6. **WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS. – NOT APPLICABLE**

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT THE AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE OFFEROR ALONG WITH THE PROCEEDS OF THE OFFER. – NOT APPLICABLE**

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. – NOT APPLICABLE AS THIS IS AN OFFER FOR SALE**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS WILL BE MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 73(3) OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT TO BE ENTERED INTO BETWEEN THE BANKERS TO THE OFFER AND THE OFFEROR SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMATERIALIZED OR PHYSICAL MODE. – NOT APPLICABLE.AS THE OFFER SIZE IS MORE THAN ₹ 100 MILLION, HENCE UNDER SECTION 68B OF**

<u>**THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE ISSUED IN DEMATERIALISED FORM ONLY.**</u>

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS:**

    A. **AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND**

    B. **AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.**

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE OFFER. – <u>NOTED FOR COMPLIANCE</u>**

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER'S EXPERIENCE, *ETC.***

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THIS DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY."**

16. **WE ENCLOSE STATEMENT ON "PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS" (WHO IS RESPONSIBLE FOR PRICING THIS OFFER):**(Please see Annexure A, for details)

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 AND SECTION 68 OF THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to this Offer will have been complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 60B of the Companies Act. All legal requirements pertaining to this Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 56, 60 and 60B of the Companies Act.

Disclaimer from our Company, the Selling Shareholder, the Directors and the BRLMs

Our Company, the Selling Shareholder, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at instance of the above mentioned entities and anyone placing reliance on any other source of information, including our websites, www.nbccindia.gov.in or www.nbccindia.nic.in, would be doing so at his or her own risk. The Selling Shareholder accepts no responsibility for any statements made other than those made in relation to the Equity Shares offered through the Offer.

Caution

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement entered into among the BRLMs, the Selling Shareholder and our Company dated January 27, 2012 and the Underwriting Agreement to be entered into among the Underwriters, the Registrar to the Offer, the Selling Shareholder and us.

All information shall be made available by us, the Selling Shareholder and BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at Bidding Centres, *etc.*

Our Company, the Directors, the Selling Shareholder and any member of the Syndicate shall not be liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholder, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Selling Shareholder, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Each of the BRLMs and their respective affiliates may engage in transactions with, and perform services for, our Company and Joint Ventures or affiliates in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company and Joint Ventures or affiliates, for which they have received, or may in the future receive, compensation.

Disclaimer in respect of jurisdiction

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are not minors), HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified under Section 4A of the Companies Act, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹ 250 million and pension funds with a minimum corpus of ₹ 250 million, the National Investment Fund or insurance funds set up and managed by the Army, the Navy or the Air Force of the Union of India and insurance funds set up and managed by the department of posts and permitted Non-Residents including FIIs and Eligible NRIs, QFIs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Draft Red Herring Prospectus does not, however, constitute an invitation to subscribe to or purchase the Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Delhi, India only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States 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 Securities Act and in compliance with the applicable state securities laws.

The Equity Shares are only being offered and sold outside the United States in offshore transaction in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

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

Disclaimer clause of the NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The Disclaimer Clause as intimated by NSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing with the RoC.

Disclaimer clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing with the RoC.

Filing

A copy of this Draft Red Herring Prospectus will be filed with the SEBI at the Securities and Exchange Board of India, SEBI Bhavan, G Block, 3rd Floor, Bandra Kurla Complex, Bandra (E), Mumbai 400 051, India.

A copy of the Red Herring Prospectus to be filed, along with the other documents required to be filed under Section 60B of the Companies Act, will be delivered for registration with the RoC at the office of the RoC and a copy of the Prospectus to be filed under Section 60 of the Companies Act will be delivered for registration with the RoC situated at the address mentioned below.

Registrar of Companies

National Capital Territory of Delhi and Haryana
4th Floor, IFCI Tower,
61, Nehru Place,
New Delhi – 110019
India
Tel: +91 (11) 2623 5704
Fax: +91 (11) 2623 5702

Listing

In connection with the Offer and in accordance with Regulation 7 (a) of the SEBI ICDR Regulations, our Company will apply to seek in principle approval from the NSE and BSE for listing of the Equity Shares. [●] is the Designated Stock Exchange with which the Basis of Allotment will be finalized for the Offer.

If the permission to deal in, and for an official quotation of the Equity Shares is not granted by any of the Stock Exchanges, the Selling Shareholder shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Red Herring Prospectus. If such money is not repaid within eight days after the Selling Shareholder become liable to repay it (*i.e.*, from the date of refusal or within 12 Working Days from the date of Bid/ Offer Closing Date, whichever is earlier), then the Selling Shareholder shall, on and from expiry of eight days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

Our Company and the Selling Shareholder shall each ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at both the Stock Exchanges mentioned above are taken within 12 Working Days of the Bid/ Offer Closing Date.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"Any person who:

a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or
b) otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years."

Consents

Consents in writing of: (a) the Selling Shareholder, the Directors, our Company Secretary and Compliance Officer, the Auditors, the legal counsel(s), the Bankers to our Company; and (b) the BRLMs, the Syndicate Members, the Escrow Collection Banks, the Bankers to the Offer, the Registrar to the Offer, the IPO Grading Agency and [•] acting as experts to act in their respective capacities, have been obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under Sections 60 and 60B of the Companies Act and such consents will not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI ICDR Regulations, the Auditors, have provided their written consent to the inclusion of their audit report dated January 30, 2012 and the report relating to the probable general and special tax benefits, as applicable, accruing to our Company and its shareholders, included in this Draft Red Herring Prospectus in the form and context in which they appear in this Draft Red Herring Prospectus and such consent and report will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus for registration with the RoC.

Expert Opinion

Except for the report (i) of [●] in respect of the IPO Grading of this Offer (a copy of which will be annexed to the Red Herring Prospectus as Annexure I), furnishing the rationale for its grading which will be provided to the Designated Stock Exchange, (ii) the Auditor's Report of the Auditor of the Company on the Restated financial information and Statement of Tax Benefits, included in this Draft Red Herring Prospectus and (iii) the Architect certificate from Mr Pravesh Ghai, our Company has obtained no other expert opinion.

Offer Related Expenses

The expenses for the Offer include lead management fees, underwriting and selling commission, registrar's fees, advertisement and marketing expenses, printing and distribution expenses, legal fees, SEBI filing fees, Bidding software expenses and depository charges. The details of the estimated Offer expenses are set forth below.

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

Activity	Total Expense*	As a % of Total Estimated Offer	As a % of Offer

	Expenses		
Lead management, underwriting and selling commissions Commission/processing fee for SCSBs and Syndicate for ASBA**	[•]	[•]	[•]
Advertising and marketing expenses	[•]	[•]	[•]
Printing and stationery	[•]	[•]	[•]
Registrar's fees	[•]	[•]	[•]
Other (legal fees, grading expenses, *etc.*)	[•]	[•]	[•]
Total estimated Issue expenses	[•]	[•]	[•]

*** To be completed after finalization of Offer Price**

****SCSBs would be entitled to a processing fee of ₹[●] for processing the Application-Cum-Bidding Formsprocured by members of the syndicate and submitted to the SCSBs under the Syndicate ASBA process.**

All expenses with respect to the fees payable to the BRLMs, Registrar to the Offer, legal advisors, brokerage and selling commission and expenses towards the publication of offer related advertisements in connection with the Offer would be paid by the Selling Shareholder through the Department of Disinvestment, Ministry of Finance, Government of India.

Fees, Brokerage and Selling Commission Payable to the BRLMs and Syndicate Members

The fees payable to the BRLMs and Syndicate Members (including underwriting and selling commissions), will be as stated in the engagement letter with the BRLMs dated June 28, 2011, issued by the Selling Shareholder, a copy of which is available for inspection at our Registered and Corporate Office from 10.00 am to 4.00 pm on Working Days from the date of this Draft Red Herring Prospectus until the Bid/ Offer Closing Date.

The members of the Syndicate shall be paid a selling commission of [●]%, [●]% and [●]% on the Amount Allotted to successful Retail Individual Bidders, Non-Institutional Bidders and Eligible Employees, respectively, in relation to Application-Cum-Bidding Form procured by them (the Selling Commission). In relation to Application-Cum-Bidding Forms procured by the members of the Syndicate and submitted to the relevant branches of the SCSBs at the Syndicate ASBA Bidding Locations for processing, [●] % of the Selling Commission payable to the members of the Syndicate for such Application-Cum-Bidding Forms will be available for distribution as processing fee to the relevant SCSBs (the "Syndicate ASBA Processing Fee"). The Syndicate ASBA Processing Fee will be divided by the total number of Application-Cum-Bidding Forms procured by the members of the Syndicate and submitted to the relevant branches of the SCSBs at the Syndicate ASBA Bidding Locations for processing, to determine the per application Syndicate ASBA processing fee (the "Per Application Syndicate ASBA Processing Fee"). For calculating the total number of Application-Cum-Bidding Form procured by the members of the Syndicate as above, Application-Cum-Bidding Forms procured by the members of the Syndicate in the QIB category and submitted to the relevant branches of the SCSBs at the Syndicate ASBA Bidding Locations will also be included. Each SCSB will receive a product of the Per Application Syndicate ASBA Processing Fee, and the number of Application-Cum-Bidding Form procured by the members of the Syndicate and submitted to the relevant SCSBs at the Syndicate ASBA Bidding Locations for processing. The remaining Selling Commission in relation to Application-Cum-Bidding Form procured by the members of the Syndicate and submitted to the relevant branches of the SCSBs at the Syndicate ASBA Bidding Locations for processing, after deducting the Syndicate ASBA Processing Fee, will be payable to the members of the Syndicate.

In case of Application-Cum-Bidding Forms procured directly by the SCSBs in the Retail Individual Bidders, Non-Institutional Bidders and Eligible Employees categories, the relevant SCSBs shall be entitled to the applicable Selling Commission and no additional Per Application Syndicate ASBA Processing Fees shall be payable to them. No Selling Commission is payable to SCSBs in relation to Application-Cum-Bidding Forms submitted by QIBs and procured directly by the SCSBs. In addition to the Selling Commission and Syndicate ASBA Processing Fee contemplated hereinabove, applicable service tax will be separately invoiced and payable.

Fees Payable to the Registrar to the Offer

The fees payable to the Registrar to the Offer by the Selling Shareholder including fees for processing of applications, data entry, printing of Allotment Advice/CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be in accordance with the Registrar's Agreement dated [●] entered into among our Company, the Selling Shareholder and the Registrar, a copy of which is available for inspection at our Registered and Corporate Office from 10.00 am to 4.00 pm on Working Days from the date of this Draft Red Herring Prospectus until the Bid/ Offer Closing Date.

IPO Grading

This Offer has been graded by [●] and has been assigned the "[●]IPO Grade **[●]**" indicating [●], through its letter dated [●], which is valid for a period of [●]. The IPO grading is assigned on a five point scale from 1 to 5 with an "IPO Grade 5" indicating strong fundamentals and an "IPO Grade 1" indicating poor fundamentals. A copy of the report provided by [●], furnishing the rationale for its grading will be made available for inspection at our Registered and Corporate Office from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date.

Previous issues of equity shares otherwise than for cash

Except as mentioned in 'Capital Structure' on page 28 of this Draft Red Herring Prospectus our Company has not issued any equity shares for consideration other than for cash.

Particulars regarding Public or Rights Issues during the last five years

Our Company has not made any previous public issues (including any rights issues to the public) in the five years preceding the date of this Draft Red Herring Prospectus.

Commission and Brokerage paid on previous issues of our equity shares

Since this is the initial public offer of our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of our equity shares since our incorporation.

Promise vs. Performance – Last Three Issues – Our Company

There has not been any previous public offer of our equity shares.

Stock Market Data of our equity shares

This being an initial public offer of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and thus there is no stock market data available.

Particulars regarding Public or Rights Issues during the last three years by our Company and our Associates

Neither our Company nor our Associates have made any public or rights issue in the last three years.

Promise vs. Performance – Last One Issue – Our Associates

There has not been any previous public issue by our Associates.

Listed Subsidiaries or Joint Ventures

None of our Joint Ventures are listed on any stock exchange. Our Company has no subsidiaries.

Outstanding Debentures or Bond Issues or Preference Shares

Our Company has no outstanding debentures or bonds or redeemable preference shares as on the date of filing this Draft Red Herring Prospectus with SEBI.

Partly Paid-Up Shares

There are no partly paid-up equity shares of our Company.

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Offer, the Selling Shareholder and us, provides for retention of records with the Registrar to the Offer for a period of at least three years from the last date of dispatch of letters of allotment, demat credit, refund orders to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances relating to the Offer may be addressed to the Registrar to the Offer, giving full details such as name, address of the applicant, application number, number of shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Offer with a copy to the relevant SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Application-Cum-Bidding Form was submitted by the ASBA Bidders.

Disposal of Investor Grievances by our Company

We estimate that the average time required by us, the Selling Shareholder or the Registrar to the Offer for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted a Shareholders/Investor Grievance Committee to deal with and monitor the redressal of complaints from shareholders, prior to the filing of the Red Herring Prospectus. For details see the section titled "***Our Management***" on page 127of this Draft Red Herring Prospectus.

Our Company has appointed Mr. A.K. Singh has the Compliance Officer and he may be contacted in case of any pre-Offer or post-Offer related problems. He can be contacted at the following address:

Mr. A.K. Singh

NBCC Bhawan
Lodhi Road
New Delhi- 110003
India
Telephone: +91 11 2436 7314 Ext 1202
Facsimile: +91 11 2436 6995
Email: cs.nbcc@nic.in

Changes in Auditors in the past three years

For the Fiscal Year 2009, 2010 and 2011, Amit Ray & Co, Chartered Accountants are the statutory auditors of our Company. There has been no change in the Auditors in the last three fiscal years.

Capitalization of reserves or profits

Except as disclosed in '**Capital Structure**' on page 28,we have not capitalized our reserves or profits at any time during last five years.

Revaluation of assets

There has been no revaluation of assets of our Company since its incorporation.

Tax Implications

Investors that are Allotted Equity Shares in the Offer will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the stock exchanges. For details, see the section titles "***Statement of Possible Tax Benefits Available to our Company and its Shareholders***" on page 40 of this Draft Red Herring Prospectus.

SECTION VII – OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares offered and sold in the Offer will be subject to the provisions of the Companies Act, our Memorandum of Association and Articles of Association, SEBI ICDR Regulations, the Equity Listing Agreements, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, the Application-Cum-Bidding Form, the Bid Revision Application Form, if any, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the Allotment Advice and other documents and certificates that may be executed in respect of the Offer. The Equity Shares will also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the sale of capital and trading of securities, issued from time to time by SEBI, the GoI, the Stock Exchanges, the RoC, the RBI and/or other authority as in force on the date of this Offer, to the extent applicable.

Authority for the Offer

Our Board of Directors has, pursuant to a resolution passed by circulation dated August 23, 2011 and noted at its meeting held on September 26, 2011, authorized the Offer.

Principal Terms and Conditions of the Offer

The Equity Shares being offered are subject to the provisions of the Companies Act, the SCRR, the SCRA, the Memorandum and Articles of Association of our Company, conditions of RBI approval, if any, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Application-Cum-Bidding Form, the Bid Revision Application Form, the Allotment Advice, CAN, Listing Agreements with the Stock Exchanges and other terms and conditions as may be incorporated in the Allotment Advice, and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to applicable laws, guidelines, notifications and regulations relating to the offer of capital and listing and trading of securities issued from time to time by SEBI, Government of India, Stock Exchanges, RBI, FIPB, RoC and / or other authorities, as in force on the date of the Offer and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of the Companies Act and the Memorandum and Articles of Association and shall rank *pari passu* in all respects with the existing equity shares of our Company including in respect of the rights to receive dividends. The Allottees of the Equity Shares in this Offer shall be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see the section titled "***Main Provisions of our Articles of Association***" beginning on page 334 of this Draft Red Herring Prospectus, for description of significant provisions of our Articles.

Cost of the Offer

The GoI shall bear the cost of making this offer as the Offer involves a disinvestment by the GoI.

Mode of payment of dividend

We shall pay dividend, if declared, to our equity shareholders as per the provisions of the Companies Act, the Articles of Association of our Company, the Listing Agreements entered into with the Stock Exchanges and any guidelines or directives that may be issued by the GoI in this respect. For a description of our Dividend Policy, see the section titled "***Dividend Policy***" beginning on page 149 of this Draft Red Herring Prospectus.

Face Value and Price Band

The face value of each Equity Share is ₹ 10 and the Offer Price is ₹ [●]. The Floor Price of Equity Shares is ₹ [●] per Equity Share and the Cap Price is ₹ [●] per Equity Share. At any given point of time there shall be only one denomination of equity shares, subject to applicable laws. The Price Band, the Minimum Bid Lot and the rupee amount of the Retail Discount and the Employee Discount will be decided by the Selling Shareholder in consultation with the Company and the BRLMs, and will be published by our Company at least one Working Day prior to the Offer Opening Date, in an English national daily newspaper *i.e.* [●] and a Hindi national daily newspaper *i.e.* [●], each with wide circulation (Hindi also being the regional language in the state where our Registered Office is located).

Compliance with Regulations issued by SEBI

Our Company and the Selling Shareholder shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time including SEBI ICDR Regulations.

Rights of the Equity Shareholder

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

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and other preferential claims being satisfied;
- Right of free transferability subject to applicable foreign direct investment policy, foreign exchange regulations and other applicable laws; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreements executed with the Stock Exchanges, and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association such as those dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and / or consolidation / splitting, see the section titled "***Main Provisions of our Articles of Association***" beginning on page 334 of this Draft Red Herring Prospectus.

Market Lot and Trading Lot

Under Section 68B of the Companies Act, the Equity Shares shall be Allotted only in dematerialized form. In terms of existing SEBI ICDR Regulations, the trading in the Equity Shares shall only be in dematerialized form for all investors. Since trading of the Equity Shares is in dematerialized mode, the tradable lot is one Equity Share. Allotment of Equity Shares through this Offer will be done only in electronic form, in multiple of one Equity Share, subject to a minimum allotment of [●] Equity Shares.

Jurisdiction

Exclusive jurisdiction for the purpose of this Offer is with the competent courts in Delhi, India.

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

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, 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 Securities Act and in compliance with the applicable state securities laws.

The Equity Shares are being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

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

Joint Holders

Subject to provisions contained in our Articles, where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint – tenants with benefits of survivorship subject to provisions contained in the Articles.

Nomination Facility to the Investor

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

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

1. to register himself or herself as the holder of the equity shares; or

2. to make such transfer of the equity shares, as the deceased holder could have made.

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

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant will prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Minimum Subscription

As per Regulation 14(4)(a) of SEBI ICDR Regulations, the requirement of minimum subscription is not applicable to the Offer.

Further, in terms of sub-regulation (4) of Regulation 26 of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will not be less than 1,000.

If the number of allottees in the proposed Offer is less than 1,000 allottees, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 12 days after the Bid / Offer Closing Date, our Company shall pay interest at the rate 15% per annum for the delayed period.

Bid/Offer Period

Offer Programme	
BID OPENS ON	[●]
BID CLOSES ON	[●]
QIB BID CLOSES ON	[●]

Bids and any revision in Bids shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Bidding Period as mentioned above at the Bidding centres mentioned in the Application-Cum-Bidding Form,or, in case of Bids submitted through ASBA, the Designated Branches of the SCSBs, except on the Bid/ Offer Closing Date. Please refer to the section titled "***General Information***" on page 17.

Arrangement for Disposal of Odd Lots

The Equity Shares of our Company will be traded in dematerialized form only and therefore the marketable lot is one Equity Share. Hence, there is no possibility of any odd lots, thus there are no arrangements for disposal of odd lots.

Application by Eligible NRIs,FIIs registered with SEBI, VCFs registered with SEBI and QFIs

It is to be understood that there is no reservation for Eligible NRIs or FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

As per the extant policy of the Government of India, OCBs cannot participate in this Issue.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, there exists a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals**.**

Withdrawal of the Offer

The Selling Shareholder and our Company, in consultation with the BRLMs, reserve the right not to proceed with the Offer at any time after the Bid/Offer Opening Date but before the Allotment, without assigning any reason thereof. In such an event our Company shall issue a public notice in the newspapers, in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date, providing reasons for not proceeding with the Issue. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the day of receipt of such notification. The Selling Shareholders and our Company shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for only after Allotment and (ii) the final RoC approval of the Prospectus after it is filed with the Stock Exchanges.

In the event of withdrawal of the Offer anytime after the Bid/Offer Opening Date, the Selling Shareholder and our Company will forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it, *i.e.* from the date of withdrawal, then the Selling Shareholder and our Company, on and from the expiry of 8 days, be liable to repay the money, with such interest at the rate prescribed under Section 73 of the Act.

In the event that our Company decides not to proceed with the Offer after Bid/ Offer Closing Date and thereafter determines that it will proceed with an initial public offering of its Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI.

Restriction on transfer and transmission of Equity Shares

Except for the lock-in as detailed in "*Capital Structure*" on page 28, and except as provided in our Articles of Association and as stated below, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of Equity Shares and on their consolidation or splitting except as provided in the Articles of Association. For further details, please refer to "*Main Provisions of our Articles of Association*" on page 334.

Option to receive Equity Shares in Dematerialized Form

Investors should note that Allotment of Equity Shares to all successful Bidders will only be in the dematerialized form. Bidders will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. The Selling Shareholder, our Company and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. The Selling Shareholder, our Company and the BRLMs are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

OFFER STRUCTURE

This is a public offer of 12,000,000 Equity Shares through an offer for sale by the Selling Shareholder, at a price of ₹ [•] per Equity Share for cash including a share premium of [•] aggregating to ₹ [•] million being made through the Book Building Process. The Offer comprises 11,880,000 Equity Shares to the public and an Employee Reservation portion of 120,000 Equity Shares for subscription by Eligible Employees. The Offer constitutes 10% of the paid up equity share capital of our Company.

	Eligible Employees	QIBs**	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares*	Reservation of 120,000 Equity Shares.	Not more than 5,940,000 Equity Shares or the Net Offer less allocation to Non-Institutional Bidders and Retail Individual Bidders.	Not less than 1,782,000 Equity Shares available for allocation or Net Offer less allocation to QIBs and Retail Individual Bidders.	Not less than 4,158,000 Equity Shares or the Net Offer less allocation to QIBs and Non-Institutional Bidders.
Percentage of Offer size available for Allotment/allocation	Reservation of up to 1% of the Offer.	Not more than 50% of the Net Offer shall be allocation to QIBs. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the Net QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be available to QIBs in the Net QIB Portion.	Not less than 15% of the Net Offer or the Net Offer less allocation to QIBs and Retail Individual Bidders shall be available for allocation.	Not less than 35% of the Net Offer or the Net Offer less allocation to QIBs and Non-Institutional Bidders shall be available for allocation.
Basis of Allotment if respective category is oversubscribed[1]	Proportionate	In the Net QIB Portion, proportionate as follows: (a) 297,000 Equity Shares shall be allocated on a proportionate basis to Mutual Funds; and (b) 5,643,000 Equity Shares shall be allocated on a proportionate basis to all QIBs (including Mutual Funds) receiving allocation as per (a) above.	Proportionate.	Proportionate.
Minimum Bid	[●] Equity	Such number of Equity Shares	Such number of	[●] Equity Shares

	Eligible Employees	QIBs**	Non-Institutional Bidders	Retail Individual Bidders
	Shares and in multiples of [●] Equity Shares thereafter.	in multiples of [●] Equity Shares, such that the Bid Amount exceeds ₹ 200,000.	Equity Shares in multiples of [●] Equity Shares, such that the Bid Amount exceeds ₹ 200,000.	and in multiples of [●] Equity Shares thereafter.
Maximum Bid	Such number of Equity Shares whereby the Bid Amount does not exceed ₹ 200,000 (net of Employee Discount).	Such number of Equity Shares not exceeding the size of this Net Offer, subject to applicable limits.	Such number of Equity Shares not exceeding the size of this Net Offer, subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed ₹ 200,000 (net of Retail Discount).
Mode of Allotment	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Share thereafter.	[●] Equity Shares and in multiples of [●] Equity Share thereafter.	[●] Equity Shares and in multiples of [●] Equity Share thereafter.	[●] Equity Shares and in multiples of [●] Equity Share thereafter.
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter.	[●] Equity Shares and in multiples of one Equity Share thereafter.	[●] Equity Shares and in multiples of one Equity Share thereafter.	[●] Equity Shares and in multiples of one Equity Share thereafter.
Trading Lot	One Equity Share	One Equity Share.	One Equity Share.	One Equity Share.
Who can Apply[3]	Eligible Employees	Public financial institutions as specified in Section 4A of the Companies Act, FIIs and their Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals) registered with SEBI, scheduled commercial banks, Mutual Funds, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, National Investment Fund, provident funds with minimum corpus of ₹ 250 million and pension funds with minimum corpus of ₹ 250 million in	Eligible NRIs, Resident Indian individuals, HUFs (in the name of the Karta), companies, corporate bodies, scientific institutions, societies and trusts, Sub-Accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals, QFIs.	Resident Indian individuals (including HUFs in the name of the Karta) and Eligible NRIs and QFIs who are individuals applying for Equity Shares such that the Bid Amount does not exceed ₹ 200,000 in value.

	Eligible Employees	QIBs**	Non-Institutional Bidders	Retail Individual Bidders
		accordance with applicable law, insurance funds set up and managed by army, navy or air force of Union of India and Insurance funds set up and managed by the Department of Posts, GoI and the National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of GoI published in the Gazette of India. .		
Terms of Payment	The entire Bid Amount shall be payable at the time of submission of the Application-Cum-Bidding Form to the members of the Syndicate. In case of ASBA Bidders, the SCSB shall be authorised to block the entire Bid Amount.	The entire Bid Amount shall be payable at the time of submission of the Application-Cum-Bidding Form to the members of the Syndicate, ASBA/SCSBs.	The entire Bid Amount shall be payable at the time of submission of the Application-Cum-Bidding Form to the members of the Syndicate, ASBA/SCSBs.	The entire Bid Amount shall be payable at the time of submission of the Application-Cum-Bidding Form to the members of the Syndicate. In case of ASBA Bidders, the SCSB shall be authorised to block the entire Bid Amount.
Mode of Bidding**	Through the Application-Cum-Bidding Form. For ASBA, the Form can be submitted either with the SCSBs or with the members of the Syndicate at the Syndicate ASBA Bidding Locations.	Application-Cum-Bidding Form The form needs to be submitted either with the SCSBs or with the members of the Syndicate at the Syndicate ASBA Bidding Locations.	Application-Cum-Bidding Form The form needs to be submitted either with the SCSBs or with the members of the Syndicate at the Syndicate ASBA Bidding Locations	Through Application-Cum-Bidding Form (Common for ASBA & Non – ASBA). For ASBA, the Application-Cum-Bidding Form canbe submitted either with the SCSBs or with the members of the Syndicate at the Syndicate ASBA Bidding Locations.

**Subject to valid Bids being received at or above the Offer Price. The Offer is being made under sub-regulation(1) of Regulation 26 of the SEBI ICDR Regulations and through a Book Building Process wherein not more than 50% of the*

Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers("QIBs" and such portion the "QIB Portion"). Such number of Equity Shares representing 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of theQIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids beingreceived from them at or above the Offer Price. Further not less than 15% of the Net Offer shall be available forallocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall beavailable for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids beingreceived from them at or above the Offer Price. Under-subscription, if any, in any category would be allowed tobe met with spill over from any of the category or combination of categories at the discretion of our Company,the BRLM and the Designated Stock Exchange and in accordance with applicable laws, rules, regulations andguidelines, subject to valid Bids being received at or above the Offer Price.

*** In case of ASBA Bidders, the SCSBs shall be authorised to block such funds in the bank account that is specified in the Application-Cum-Bidding Form. It is mandatory for all QIBs and Non-Institutional Bidders to participate in the Offer through the ASBA Process.*

****In case the Application-Cum-Bidding Formis submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and the names are in the same sequence in which they appear in the Application-Cum-Bidding Form, as the case may be.*

Minimum Offer to Public

The Offer shall constitute 10% of the post offer paid-up equity share capital of our Company.

Retail Discount and Employee Discount

Pursuant to the Retail Discount and Employee Discount being offered, Retail Individual Bidders and Eligible Employees Bidding at a price within the Price Band have to make payment based on their highest Bid Price option. Retail Individual Bidders and Eligible Employees Bidding at Cut-Off Price have to ensure payment at the upper end of the Price Band.

The Retail Discount and Employee Discount is being offered to Retail Individual Bidders and Eligible Employees, respectively at the time of making a Bid. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion at a price within the Price Band can make payment at the Bid Amount, *i.e.*, net of Retail Discount or Employee Discount, as applicable, at the time of making a Bid. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price, less Retail Discount or Employee Discount, as applicable, at the time of making a Bid. Retail Individual Bidders and Eligible Employees must ensure that the Bid Amount does not exceed ₹ 200,000. Where the Bid Amount is over ₹ 200,000, Individual Bidders must ensure that they apply only through the ASBA process and such Bidders will not be eligible for the Retail Discount. Please see the section titled "Offer Procedure - Rejection of Bids - Grounds for Technical Rejections" on page 290 of this Draft Red Herring Prospectus for information on rejection of Bids.

Withdrawal of the Offer

In accordance with the SEBI ICDR Regulations, the Selling Shareholder and our Company in consultation with the BRLMs, reserve the right not to proceed with the Offer at anytime including after the Bid/ Offer Opening Date but before the Allotment of Equity Shares, without assigning the reasons thereof. Provided, if the Selling Shareholder and our Company withdraws the Offer after the Bid/ Offer Closing Date, the Selling Shareholder will give the reason thereof within two days of the Bid/ Offer Closing Date by way of a public notice in the same newspapers where the pre-Offer advertisement had appeared. The Stock Exchanges shall also be informed promptly and the BRLMs, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification.

In the event the Selling Shareholder and our Company in consultation with the BRLMs, withdraw the Offer after the Bid/ Offer Closing Date, a fresh draft red herring prospectus will be filed with the RoC/ SEBI in the event we subsequently decide to proceed with the public offering.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and (ii) the final RoC approval of the Prospectus.

In terms of the SEBI ICDR Regulations, QIBs Bidding in the Net QIB Portion are not allowed to withdraw their Bids after the Bid/ Offer Closing Date. Since, the Bidding Period for QIBs may close one Working Day prior to the Bid/ Offer Closing Date, QIBs will not be able to withdraw their Bids after [●] *i.e.*, one Working Day prior to the Bid/ Offer Closing Date.

In the event of withdrawal of the Offer anytime after the Bid/Offer Opening Date, our Company will forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within 8 days after our Company become liable to repay it, *i.e.* from the date of withdrawal, then our Company, on and from such expiry of 8 days, be liable to repay the money, with such interest as prescribed under Section 73 of the Companies Act.

Letters of Allotment or Refund Orders or instructions to SCSBs

The Registrar to the Offer shall give instructions for credit to the beneficiary account with depository participants within 12 Working Days of the Bid / Offer Closing Date.

Applicants residing at the Locations where clearing houses are managed by the RBI, will get refunds through NECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit, RTGS and NEFT. The Selling Shareholder and our Company shall ensure dispatch of refund orders by registered post or speed post at the sole or first Bidder's sole risk within 10 Working Days of the Bid/Offer Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 12 Working Days of the Bid/Offer Closing Date.

In case of ASBA Bidders, the Registrar to the Offer shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the Application-Cum-Bidding Forms for withdrawn, rejected or unsuccessful and such surplus funds for partially successful ASBA Bids within 12 Working Days of the Bid/ Offer Closing Date.

Interest in case of delay in dispatch of Allotment Advice/ Refund Orders

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI ICDR Regulations, the Selling Shareholding and our Company further undertakes that:

i. Allotment of Equity Shares will be made only in dematerialized form within 12 Working Days from the Bid/ Offer Closing Date;

ii. Dispatch of refund orders, except for Bidders who can receive refunds through Direct Credit, NEFT, RTGS or NECS, shall be done within 12 Working Days from the Bid/ Offer Closing Date;

iii. Instructions to SCSBs to unblock the funds in the relevant ASBA Account for withdrawn, rejected or for unsuccessful Bids shall be made within 12 Working Days of the Bid/ Offer Closing Date.

The Selling Shareholder shall pay interest at 15% per annum, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within 12 days from the Bid/ Offer Closing Date. If such money is not repaid within 8 days from the Company becoming liable to repay, our Company and every Director of our Company who is an officer in default shall be jointly and severally liable to repay the money with interest as prescribed under sub-section (2) and (2A) of Section 73 of the Companies Act.

The Selling Shareholder will provide adequate funds required for dispatch of refund orders or Allotment Advice to the Registrar to the Offer.

Refunds will be made through any of the modes as described in the Red Herring Prospectus and bank charges, if any, for encashing cheques, pay orders or demand drafts at other centres will be payable by the Bidders. In case of ASBA Bidders, the SCSBs will unblock funds in the ASBA Accounts to the extent of the refund to be made based on instructions received from the Registrar to the Offer.

Bid / Offer Programme

Offer Programme	
BID OPENS ON	[●]
BID CLOSES ON	[●]
QIB BID CLOSES ON	[●]

Bids and any revision in Bids **shall be accepted only between 10 a.m. and 5.00 p.m.** (Indian Standard Time) during the Bid/ Offer Period as mentioned above at the Bidding Centres mentioned on the Application-Cum-Bidding Form, the Designated Branches except that on the Bid/ Offer Closing Date, the Bids **shall be accepted only between 10 a.m. and 3.00 p.m.** (Indian Standard Time) and uploaded till (i) 4.00 p.m. in case of Bids by QIBs in the Net QIB Portion. On the Bid/ Offer Closing Date for Retail Individual Bidders, Eligible Employees, and Non-Institutional Bidders **shall be accepted only between 10:00 a.m. and 3:00 p.m.** (Indian Standard Time) and uploaded until (i) 4:00 p.m. in case of Bids by Non-Institutional Bidders and (ii) until 5.00 p.m in case of Bids by Retail Individual Bidders and Eligible Employees, which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by BRLMs to the Stock Exchanges within half an hour of such closure. Due to limitation of time available for uploading the Bids on the Bid/ Offer Closing Date, non QIB Bidders are advised to **submit their Bids one Working Day prior to the Bid/ Offer Closing Date and, no later than 3.00 p.m.** (Indian Standard Time) on the Bid/ Offer Closing Date. Non QIB Bidders are cautioned that in the event a large number of Bids are received on the Bid/ Offer Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will only be accepted on Working Days.

In order that the data captured by the brokers in the electronic book is accurate, the members of the Syndicate, the SCSBs may be permitted one additional day, post the Bid/ Offer Closing Date, to amend some of the data fields entered by them in the electronic Bidding system.

On the Bid/ Offer Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received from Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion after taking into account the total number of Bids received up to the closure of timings for acceptance of Application-Cum-Bidding Form as stated herein and reported by the BRLMs to the Stock Exchange within half an hour of such closure.

The Selling Shareholder and our Company, in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/ Offer Period in accordance with the SEBI ICDR Regulations. In such an event, the Cap Price should not be more than 120% of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the Floor Price as disclosed and advertised at least two Working Days before the Bid/ Offer Opening Date.

QIB Bidders may note that only upward revision is permitted with respect to the quantity and/or price of the Equity Shares, in any option, for which a Bid has been submitted.

As per the SEBI Circular No CIR/CFD/DIL/3/201 dated April 22, 2010, the syndicate members/SCSBs shall capture all data relevant for purposes of finalizing basis of allotment while uploading bid data in the electronic bidding system of the stock exchanges. The Bid data received from the electronic bidding sytem of the stock exchanges shall be considered for preparation and finalisation of the Basis of Allotment. Further, syndicate members shall be responsible for any error in the bid details uploaded by them.

In case of revision in the Price Band, the Bid/ Offer Period will be extended for at least three additional Working Days after revision of Price Band subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, will be published in a widely read English and Hindi newspaper, (*i.e.*,[•] edition of [•] and [•] edition of [•]), each with wide circulation and also by indicating the change on the websites of the BRLMs and at the terminals of the other members of the Syndicate.

OFFER PROCEDURE

This section applies to all Bidders. Please note that pursuant to the SEBI circular (CIR/CFD/DIL/1/2011) dated April 29, 2011, QIBs and the Non-Institutional Bidders can participate in the Offer only through the ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to Bidders other than the ASBA Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. ASBA Bidders should note that they may submit their ASBA Bids to the members of the Syndicate at the Syndicate ASBA Bidding Centres or to the SCSBs. ASBA Bidders may also apply electronically through the internet banking facility wherever provided for by the SCSB. Bidders other than ASBA Bidders are required to submit their Bids to the Syndicate.

Pursuant to SEBI Circular bearing No. CIR/CFD/DIL/2/2011 dated May 16, 2011 Retail Individual Bidders can Bid at a price net of the retail discount and will be required to indicate the Bid price before adjustments for such retail discount, if any. Similarly, Eligible Employees can Bid at a price net of the Employee Discount and will be required to indicate the Bid price before adjustments for such Employee Discount, if any.

Please note that all the Bidders are required to make payment of the full Bid Amount or ensure that the ASBA Account has sufficient credit balance such that the Bid Amount can be blocked by the SCSB at the time of making the Bid.

Our Company, the Selling Shareholder, and the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section, and are not liable for any amendment, modification or change in applicable law, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus.

Further, pursuant to SEBI Circular bearing No. CIR/CFD/DIL/4/2011 dated September 27, 2011, the application cum Bidding form has been standardized *i.e.*, THERE IS A SINGLE FORM FOR ASBA AND NON-ASBA APPLICANTS, WITH EFFECT FROM NOVEMBER 1, 2011.

Public Announcement pursuant to filing of the DRHP

Pursuant to the filing of this DRHP with SEBI, the Selling Shareholder and our Company shall on the next day, make a Public Announcement in an English national daily newspaper and a Hindi national daily newspaper, each with wide circulation. This Public Announcement, subject to the provisions of Section 60 of the Companies Act, shall invite public to give their comments to SEBI in respect of disclosures made in this DRHP.

Book Building Procedure

This Offer is being made through the Book Building Process, wherein not more than 50% of the Net Offer shall be allocated to QIBs on a proportionate basis.

Such number of Equity Shares representing 5% or 297,000 Equity Shares of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder *i.e.* 5,643,000 Equity Shares shall be available for allocation on a proportionate basis to QIBs subject to valid Bids being received from them at or above the Offer Price. In the event that the demand from Mutual Funds is greater than 297,000 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, if the aggregate demand from Mutual Funds is less than 297,000 Equity Shares in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the QIB Portion and allocated to QIBs on a proportionate basis, subject to valid Bids at or above Offer Price.

Further, not less than 15% of the Net Offer will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Offer Price.

Further, 120,000 Equity Shares shall be available for allocation to Eligible Employees, subject to valid Bids being received at or above the Offer Price. Under subscription, if any, in the Employee Reservation Portion, shall be added to the Offer. In the event of under subscription in the Offer, spill over to the extent of under subscription shall be allowed to the Employee Reservation Portion.

Under subscription in any category, if any, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of the Selling Shareholder and our Company in consultation with the BRLMs and the Designated Stock Exchange.

QIBs and Non-Institutional Bidders can participate in this Offer only through the ASBA process while Retail Individual Bidders have the option to Bid through the ASBA process. Bidders applying through the ASBA process can do so by submitting Application-Cum-Bidding Form, either in physical or electronic mode, to the SCSB with whom the ASBA Account is maintained or through the members of the Syndicate/ sub-Syndicate. However, ASBA Bids through submitted to the Syndicate is permitted only at the Syndicate ASBA Bidding Locations (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Vadodara and Surat). Kindly note that Application-Cum-Bidding Forms submitted by ASBA Bidders to members of the Syndicate at the Syndicate ASBA Bidding Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit the Bid cum Application Form (A list of such branches is available at http://www.sebi.gov.in/pmd/scsb-asba.html).

Bidders, other than ASBA Bidders, are required to submit their Bids through the Syndicate or their affiliates. ASBA Bidders are required to submit their Bids to SCSBs or in case of Syndicate ASBA Investors with the members of the Syndicate. In case of QIBs, who are Syndicate ASBA Investors, the Selling Shareholder and our Company may, in consultation with BRLMs, reject their Bids at the time of acceptance of theApplication-Cum-Bidding Form, provided that the reasons for such rejection shall be disclosed to such QIB in writing. In case of QIBs applying though ASBA directly with SCSBs, Non-Institutional Bidders and Retail Individual Bidders, the right to reject the Bids shall only be on technical grounds mentioned in this chapter.

Investors should note that Allotment to successful Bidders will be only in the dematerialized form. Application-Cum-Bidding Forms which do not have the details of the Bidders' depository accounts including Depository Participant Identity ("DP ID"), Permanent Account Number ("PAN") and Beneficiary Account Number ("BAN") will be treated as incomplete and rejected. Bidders will not have the option of receiving Allotment in physical form and such Bids are liable to be rejected. On Allotment, the Equity Shares will be traded only on the dematerialized segment of the Stock Exchanges.

Bidders can Bid at any price within the Price Band, after adjusting any discount applicable to their category. Investors shall, in the relevant column, indicate the Bid price before adjusting for discount, if any. The Price Band, and the Bid lot for the Offer will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs, and published at least one Working Day prior to the Bid opening date, in an English national daily newspaper and a Hindi national daily newspaper each with wide circulation, with the relevant financial ratios calculated at the Floor Price and at the Cap Price.

Application-Cum-Bidding Form

Retail Bidders and the Eligible Employees Bidding in the Employee Reservation Portion may Bid either through the ASBA process or the Non-ASBA process. However, the QIBs and the Non Institutional Bidders can only use the ASBA process to participate in the Offer. Mentioned below are the different Bidding processes available to different investor categories:

Retail Bidders and Eligible Employees Bidding through the Non-ASBA process

Retail Bidders and the Eligible Employees Bidding in the Employee Reservation portion may Bid through the

Application-Cum-Bidding Form in the Offer. In the event of Bidding through the Non-ASBA process, the Retail Bidders and the Eligible Employees shall only use the specified Application-Cum-Bidding Form bearing the stamp of a member of the Syndicate. Copies of the Application-Cum-Bidding Form will be available with the members of the Syndicate and at our Registered and Corporate Office. Copies of the Red Herring Prospectus shall, on a request being made by any Bidder, be furnished to such Bidder by our Company at our Registered Office or by BRLMs or by the Designated Branches.

Retail Bidders and the Eligible Employees shall have the option to make a maximum of three Bids (in terms of number of Equity Shares and respective Bid Amount) in the Application-Cum-Bidding Form and such options shall not be considered as multiple Bids. The Application-Cum-Bidding Form shall be serially numbered and date and time stamped at the Bidding centres and such form shall be issued in duplicate signed by the Retail Bidder or the Eligible Employee and countersigned by the relevant member of the Syndicate.

ALL BIDDERS OTHER THAN THE ASBA BIDDERS ARE REQUIRED TO SUBMIT THEIR BIDS THROUGH THE SYNDICATE ONLY.

Upon completing and submitting the Application-Cum-Bidding Form to a member of the Syndicate, the Retail Bidder and/ or the Eligible Employee is deemed to have authorised the Selling Shareholder and our Company to make the necessary changes in the Application-Cum-Bidding Form as may be required under the SEBI ICDR Regulations and other applicable laws, for filing the Prospectus with the RoC and as would be required by SEBI and/or the RoC after such filing, without prior or subsequent notice of such changes to the Retail Bidders and the Eligible Employees. Upon determination of the Offer Price and filing of the Prospectus with the RoC, the Application-Cum-Bidding Form shall be considered as the application form. Retail Bidders and the Eligible Employees can also Bid through the ASBA Process.

The mode and manner of Bidding is illustrated in the following chart:

Category of Bidder	Mode of Bidding	Application form to be used for Bidding	To whom the application form has to be submitted
Retail Individual Bidders	Either (i) ASBA or (ii) Non-ASBA	Application-Cum-Bidding Forms for both ASBA Bidders as well as Non ASBA Bidders	(i) For ASBA Bidders using physical Application-Cum-Bidding Form, to the members of the Syndicate/Sub-Syndicate only at Specified Cities; or (ii) For ASBA Bidders usingphysical Application-Cum-Bidding Form, to the Designated Branchesof the SCSBs where the ASBA account is maintained; or (iii) For ASBA Bidders using electronic Application-Cum-Bidding Form, to the SCSBs,electronically through internet banking facility, where the ASBA account is maintained;

Category of Bidder	Mode of Bidding	Application form to be used for Bidding	To whom the application form has to be submitted
			or (iv) For non-ASBA Bidders using Application-Cum-Bidding Form, to themembers of the Syndicate at the Bidding centres.
Non-Institutional Bidders and QIBs	ASBA *(Kindly note that ASBA is mandatory and no other mode of Bidding is permitted as per SEBI Circular dated April 29, 2011)*	Application-Cum-Bidding Form (physical or electronic) with an indication of the mode of payment option being "ASBA"	(i) If using physical Application-Cum-Bidding Form, to the members of the Syndicate/ Sub-Syndicate at the Specified Cities; or (ii) If using physical Application-Cum-Bidding Form, to the Designated Branches of the SCSBs where the ASBA account is maintained; or (iii) If using electronic Application-Cum-Bidding Form, to the SCSBs, electronically through internet banking facility, where the ASBA account is maintained.

Retail Bidder, Eligible Employee, QIBs and Non Institutional Bidders Bidding through ASBA process:

While Retail Bidders and Eligible Employees have an option to participate in the Offer either through the ASBA process or non-ASBA process, the QIBs and the Non Institutional Bidders have to mandatorily Bid through the ASBA process if they wish to participate in the Offer.

ASBA Bidders are required to submit their Bids only through the SCSBs, authorising blocking of funds that are available in the bank account specified in the Application-Cum-Bidding Form, except for the ASBA Bids submitted in the Syndicate ASBA Bidding Centres. In the case of Syndicate ASBA Bidding Centres, the ASBA Bids may either be submitted with the Designated Branches or with the Syndicate. Bidders other than ASBA Bidders shall only use the specified Application-Cum-Bidding Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of the Red Herring Prospectus.

ASBA Bidders Bidding through a Syndicate Member should ensure that the Application-Cum-Bidding Form is submitted to a Syndicate Member located in Syndicate ASBA Bidding Centres. ASBA Bidders should also ensure that Application-Cum-Bidding Form submitted to the Syndicate Members in the Syndicate ASBA Bidding Centres will not be accepted if the SCSB where the ASBA Account, as specified in the Application-

Cum-Bidding Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Application-Cum-Bidding Forms (A list of such branches is available at http://www.sebi.gov.in/pmd/scsb-asba.html). ASBA Bidders Bidding directly through the SCSBs should ensure that the Application-Cum-Bidding Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

In case of application in electronic form, the ASBA Bidder shall submit the Application-Cum-Bidding Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for Bidding and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Bids. The SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the Application-Cum-Bidding Form. Upon completing and submitting the Application-Cum-Bidding Form to the SCSB, the ASBA Bidder is deemed to have authorised the Selling Shareholder and our Company to make the necessary changes in the Application-Cum-Bidding Form as may be required under the SEBI ICDR Regulations and other applicable law, for filing this Prospectus with the RoC and as required by SEBI and/or the RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

The prescribed colour of the *Application-Cum-Bidding Form* for various categories is as follows:

Category	Colour of Application-Cum-Bidding Form##
Resident Indians, Eligible Employees and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals), QFIs applying on a repatriation basis	Blue
Eligible Employees applying under the Employee Reservation Portion	Pink

##Other than Electronic Application-Cum-Bidding Form

Who can Bid?

- Indian nationals resident in India, who are competent to contract under the Indian Contract Act, 1872, as amended, in single or joint names (not more than three). Based on the information provided by the Depositories, the Company shall have the right to accept Bids belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families ("**HUFs**"), in the individual name of the *Karta*. Such Bidders should specify that the Bid is being made in the name of the HUF in the Application-Cum-Bidding Form as follows: "Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids by HUFs will be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorized to invest in equity shares under their respective constitutional or charter documents;
- Mutual Funds registered with SEBI;
- Eligible NRIs (whether on a repatriation basis or on a non-repatriation basis), subject to applicable law;
- Indian financial institutions, commercial banks (excluding foreign banks), regional rural banks, cooperative banks (subject to RBI regulations, the SEBI ICDR Regulations and any other applicable law);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, Bidding in the QIB Portion;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals, Bidding in the Non-Institutional Portion;
- Venture Capital Funds registered with SEBI;
- Foreign Venture Capital Funds registered with SEBI;subject to compliance with applicable laws, rules, regulations, guidelines and approvals in this Offer;
- Qualified Foreign Investors (subject to compliance with RBI and SEBI circulars dated 13 January 2012);
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorized under their respective constitutional or charter documents to hold and invest in equity shares;

- Scientific and/or industrial research organizations which are authorized to invest in equity shares;
- Insurance companies registered with the IRDA;
- Provident funds with a minimum corpus of ₹ 250 million and who are authorized under their constitutional documents to hold and invest in equity shares;
- Pension Funds with a minimum corpus of ₹ 250 million and who are authorized under their constitutional documents to hold and invest in equity shares;
- National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of GoI published in the Gazette of India;
- Insurance funds set up and managed by the army, navy or air force of the Union of Indiaand Insurance funds set up and managed by the Department of Posts;
- Limited Liability Partnerships registered in India and authorized to invest in Class I equity shares
- Eligible Employees; and
- Any other person's eligible to Bid in this Offer, under the laws, rules, regulations, guidelines and polices applicable to them.

In accordance with the FEMA and the regulations framed thereunder, OCBs cannot participate in this Offer.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, 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 Securities Act and in compliance with the applicable state securities laws.

The Equity Shares are being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

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

Participation by associates and affiliates of the BRLMs and Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to subscribe to this Offer in any manner, except towards fulfilling their underwriting obligations, as stated in the Prospectus. However, associates and affiliates of the BRLMs and the Syndicate Members may subscribe to or purchase Equity Shares in the Offer, in the QIB Portion or in Non-Institutional Portion as may be applicable to such Bidders. Such Bidding and subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis. Further, affiliates and associates of the Underwriters, including the BRLMs that are FIIs or their Sub-Accounts may issue off-shore derivate instruments against Equity Shares allocated to them in this Offer.

Bids by Mutual Funds

As per the SEBI ICDR Regulations, at least 5% of the Net QIB Portion is reserved for allocation to Mutual Funds on a proportionate basis.An eligible Bid by a Mutual Fund in the Mutual Fund Portion shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event demand in the Mutual Fund Portion is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by Mutual Funds shall be available for allocation proportionately, after excluding the allocation in the Mutual Fund Portion, in the QIB Portion.

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

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

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application-Cum-Bidding Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

The Bids made by asset management companies or custodians of Mutual Funds shall clearly indicate the name of the concerned scheme for which Bids is being made.

Multiple Bids

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

Bids by Eligible NRIs or FIIs or VCFs or QFIs on a repatriation basis

There is no reservation for Eligible NRIs or FIIs registered with SEBI or VCFs registered with SEBI or QFIs. Such Eligible NRIs or FIIs registered with SEBI or QFIs will be treated on the same basis as other categories for the purpose of allocation. As per regulations made by the RBI, OCBs cannot participate in this Offer.

Bids by Eligible NRIs

1) Application-Cum-Bidding Form for Eligible NRIs applying on a repatriation basis (Blue in colour) will be made available at our Registered and Corporate Office and with the Syndicate or SCSBs and the Registrar to the Offer, as the case may be and only such applications as are accompanied by payment in freely convertible foreign exchange or by debit to their NRE or FCNR (B) account with a bank in India shall be considered for Allotment on repatriation basis.

2) Eligible NRIs who intend to make application on non-repatriation basis should use the Application-Cum-Bidding Form meant for Resident Indians (White in colour) and shall not use the form meant for any reserved category and they may make payment through their NRO Account or by debit to their NRE Account or FCNR (B) Account with a bank in India.

Bids by Eligible NRIs for a Bid Amount of up to ₹ 200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than ₹ 200,000 would be considered under Non-Institutional Portion for the purposes of allocation. Eligible NRIs Bidding under the Non-Institutional Portion are required to utilise the ASBA facility to submit their Bids. All instruments accompanying Bids shall be payable in Mumbai only.

Bids by FIIs

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

Under the extant Indian law, the total holding by a single FII or a Sub-Account cannot exceed 10% of the post-Offer paid-up equity share capital of our Company and the total holdings of all FIIs and Sub-Accounts cannot exceed 24% of the post-Offer paid-up equity share capital of our Company. The said 24% limit can be increased up to 100% by passing a resolution by the Board followed by passing a special resolution to that effect by the shareholders of our Company. Our Company has not obtained board or shareholders' approval to increase the FII limit to more than 24%. Thus as of now, the aggregate FII holding in our Company cannot exceed 24% of the total issued and paid-up equity share capital of our Company.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the FII Regulations, an FII or its Sub-Account may issue, deal or hold, offshore derivative instruments (as defined under the FII Regulations as any instrument, by whatever name called, which is issued overseas by a foreign institutional investor against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. The FII or Sub-Account is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the FII Regulations. Associates and affiliates of the Underwriters, including the BRLMs that are FIIs, may issue offshore derivative instruments against Equity Shares Allotted to them. Any such offshore derivative instrument does not constitute any obligation or claim on or interest in, the Selling Shareholder and our Company. FIIs can participate in the Offer only through the ASBA process.

Bids by Venture Capital Funds

The SEBI (Venture Capital Funds) Regulations, 1996 as amended, *inter alia* prescribe investment restrictions on Venture Capital Funds registered with the SEBI. Accordingly, the holding in any company by any individual venture capital fund registered with the SEBI should not exceed 25% of the corpus of such venture capital fund. However, venture capital funds may invest only up to 33.33% of their respective investible funds in various prescribed instruments, including in initial public offers.

Bids by Qualified Foreign Investors

Under the extant Indian laws, the individual and aggregate investment limits for QFIs are 5% and 10% respectively of the paid up capital of Indian company. These limits are over and above the FII and NRI investment ceilings prescribed under the PIS route for foreign investment in India.

Bids by QFIs (who are individuals) for a Bid Amount of up to ₹200,000 would be considered under the Retail Portion for the purposes of allocation.Bids by QFIs (who are individuals) for a Bid Amount of above₹200,000would be considered under Non-Institutional Portion for the purposes of allocation and such Bidders should use the ASBA facility to submit their Bids.

Bids by QFIs (other than who are individuals) can Bid only for a Bid Amount of more than ₹200,000 and their Bids would be considered under Non-Institutional Portion for the purposes of allocation and such Bidders should use the ASBA facility to submit their Bids.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only at the rate of exchange prevailing at the time of remittance and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into USD or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE Accounts, details of which should be furnished in the space provided for this purpose in the Application-Cum-Bidding Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application-Cum-Bidding Form. Failing this, the Selling Shareholder and our Company reserves the right to reject any Bid without assigning any reason thereof. Limited liability partnerships can participate in the Offer only through the ASBA process.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application-Cum-Bidding Form. Failing this, the Selling Shareholder and our Company reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 (the "**IRDA Investment Regulations**"), are broadly set forth below:

1. **EQUITY SHARES OF A COMPANY: THE LEAST OF 10% OF THE INVESTEE COMPANY'S SUBSCRIBED CAPITAL (FACE VALUE) OR 10% OF THE RESPECTIVE FUND IN CASE OF LIFE INSURER OR 10% OF INVESTMENT ASSETS IN CASE OF GENERAL INSURER OR REINSURER;**

2. **THE ENTIRE GROUP OF THE INVESTEE COMPANY: THE LEAST OF 10% OF THE RESPECTIVE FUND IN CASE OF A LIFE INSURER OR 10% OF INVESTMENT ASSETS IN CASE OF A GENERAL INSURER OR REINSURER (25% IN CASE OF ULIPS); AND**

3. **THE INDUSTRY SECTOR IN WHICH THE INVESTEE COMPANY OPERATES: 10% OF THE INSURER'S TOTAL INVESTMENT EXPOSURE TO THE INDUSTRY SECTOR (25% IN CASE OF ULIPS).**

In addition, the IRDA, by circular bearing number IRDA/INV/CIR/027/2008-09 dated December 26, 2008 partially amended the exposure limits applicable to investments in public limited companies in the infrastructure and housing sectors, providing, among other things, that the exposure of an insurer to an infrastructure company may be increased to not more than 20%, provided that in case of equity investment, a dividend of not less than 4% including bonus should have been declared for at least five preceding years. This limit of 20% would be combined for debt and equity taken together, without sub-ceilings. Further, investments in equity including preference shares and the convertible part of debentures shall not exceed 50% of the exposure norms specified under the IRDA Investment Regulations.

Bids by provident funds/ pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application-Cum-Bidding Form. Failing this, our Company and the Selling Shareholder reserve the right to reject any Bid, without assigning any reason thereof. **Provident funds/ pension funds can participate in the Offer only through the ASBA process.**

Bids by Banking Companies

The investment limit for banking companies as per the Banking Regulation Act, 1949, as amended, is 30% of the paid-up share capital of the investee company or 30% of the banks' own paid-up share capital and reserves, whichever is less (except in case of certain specified exceptions, such as setting up or investing in a subsidiary company, which requires RBI approval). Additionally, any investment by a bank in the Equity Shares must be approved by such bank's investment committee set up to ensure compliance with the applicable prudential norms for classification, valuation and operation of investment portfolio of banks (currently reflected in the RBI Master Circular of July 1, 2011).**Banking companies can participate in the Offer only through the ASBA process.**

Bids by Eligible Employees

For the purpose of the Employee Reservation Portion, Eligible Employee means a permanent and full-time employee of our Company (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines), as on the date of filing of the Red Herring Prospectus with the RoC, who are Indian nationals and are based, working and present in India as on the date of submission of the Application-Cum-Bidding Form and who continue to be in the employment of our Company until submission of the Application-Cum-Bidding Form. An employee of our Company who was recruited against a regular vacancy but was on probation as on the date of submission of the Application-Cum-Bidding Form will be deemed a 'permanent employee' of our Company.

However, please note that Company's Directors, Key Managerial Personnel and employees involved in the decision making process for price fixation, either directly or through their family members or any person acting on their behalf, cannot participate in the Offer.

Employee reservation portion means the portion of the Offer being 120,000 Equity Shares available for allocation to Eligible Employees, on a proportionate basis.

Bids under the Employee Reservation Portion shall be subject to the following:

- Only Eligible Employees (as defined in this Draft Red Herring Prospectus) would be eligible to apply in the Offer under the Employee Reservation Portion.
- The sole/first Bidder shall be an Eligible Employee.
- Bid shall be made only in the prescribed Application-Cum-Bidding Form (*i.e.* pink colour form).
- Eligible Employees should provide the details of the depository accounts including DP ID, BAN and PAN as well as employee number in the relevant space in the Application-Cum-Bidding Form.
- Only those Bids, which are received at or above the Offer Price, would be considered for allocation under the Employee Reservation Portion.
- Eligible Employees who Bid for Equity Shares in the Employee Reservation Portion may Bid at Cut-Off Price.
- The maximum Bid Amount by any Eligible Employee cannot exceed ₹ 200,000.
- The value of Allotment to any Eligible Employee shall not exceed ₹ 200,000.
- The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter.
- Bid by an Eligible Employee can also be made in the Offer portion and such Bids shall not be treated as multiple Bids.
- If the aggregate demand in this category is less than or equal to 120,000 Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
- If the aggregate demand in this category is greater than 120,000 Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, see the section titled "***Basis of Allotment***" on page 38 of this Draft Red Herring Prospectus.
- Any under-subscription in the Employee Reservation Portion may be added to the Net Offer. The Selling Shareholder and our Company in consultation with the BRLMs and the Designated Stock Exchange may allocate such Equity Shares to any category or combination of categories in the Offer. In case of under-subscription in the Net Offer, spill-over to the extent of under-subscription shall be permitted from the Employee Reservation Portion to the Offer.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or SEBI registration certificate (as applicable) and/or bye laws must be lodged with the Application-Cum-Bidding Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In addition to the above, certain additional documents are required to be submitted by the following entities:

a) With respect to Bids by VCFs, FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application-Cum-Bidding Form, as applicable. Failing this, our Company reserves the right to accept or reject any Bid, in whole or in part, in either case without assigning any reasons thereof.

b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application-Cum-Bidding Form. Failing this, our Company reserves the right to accept or reject any Bid, in whole or in part, in either case without assigning any reasons thereof.

c) With respect to Bids made by provident funds with minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application-Cum-Bidding Form. Failing this, our Company reserves the right to accept or reject such Bid, in whole or in part, in either case without assigning any reasons thereof.

The Selling Shareholder and our Company in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application-Cum-Bidding Form, subject to such terms and conditions that our Company, the BRLMs and the Selling Shareholder may deem fit.

The Selling Shareholder and our Company, in their absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Offer that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice / CANs / refund orders / letters notifying the unblocking of the bank accounts of ASBA Bidders, the Demographic Details given on the Application-Cum-Bidding Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar to the Offer shall use Demographic Details as obtained from the Depositories.

The above information is given for the benefit of the Bidders. The Selling Shareholder, our Company, its Directors, officers, the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus. The Selling Shareholder, Our Company and the BRLMsdo not accept any responsibility for the completeness and accuracy of the information stated above.

Maximum and Minimum Bid Size

1. **For Retail Individual Bidders**: The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Share thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed ₹ 200,000 (net of retail discount, if any). In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed ₹ 200,000 (net of retail discount, if any). If the Bid Amount is over ₹ 200,000 due to revision of the Bid or revision of the Price Band or on exercise of the option to be Bid at the Cut-Off Price (net of Retail Discount), the Bid would be considered for allocation under the Non-Institutional Portion. The option to Bid at the Cut-Off Price is given only to the Retail Individual Bidders, indicating their agreement to Bid and purchase at the final Offer Price as determined at the end of the Book Building Process. Retail Individual Bidders Bidding at the Cut-Off Price should ensure payment at the Cap Price less Retail Discount at the time of making a Bid. Retail Individual Bidders should note that while filling the "Bid Options" block in the Application-Cum-Bidding Form, they must indicate the Bid Price without adjusting the Retail Discount. However, for the purpose of filling in the "SCSB/Payment Details" block in the Application-Cum-Bidding Form, Retail Individual Bidders must mention the amount actually paid *i.e.* the Bid Amount less Retail Discount.

2. **For Other Bidders (Non-Institutional Bidders and QIBs)**: The Bid must be for a minimum of such number of Equity Shares in multiples of [●] such that the Bid Amount exceeds ₹200,000. A Bid cannot be submitted

for more than the Offer Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws.

A QIB Bidder cannot withdraw its Bid after the Bid/Offer Closing Date and is required to pay the entire Bid amount upon submission of the Bid.

In case of revision in Bids, Non-Institutional Bidders who are individuals have to ensure that the revised Bid Amount is greater than ₹200,000 for being considered for allocation in the Non-Institutional Portion. If the Bid Amount reduces to ₹200,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at the Cut-Off Price**.**

Non – retail Investors *i.e.* QIBs and Non Institutional Investors who intend to participate in the Offer are mandatorily required to submit their Bids through the ASBA facility.

3. **For Eligible Employees:** The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter, so as to ensure that the Bid Amount by the Eligible Employees does not exceed ₹ 200,000 (net of employee discount, if any). Bidders in the Employee Reservation Portion may Bid at Cut-Off Price. Bidders may note that the total Bid Amount will be used to determine whether the Bid exceeds ₹ 200,000 or not. The Allotment in the Employee Reservation Portion will be on a proportionate basis in case of over-subscription in this category. Further, the value of Allotment to any Eligible Employee shall not exceed ₹ 200,000. Bidders in the Employee Reservation Portion have the option to Bid at the Cut-Off Price indicating their agreement to Bid and purchase at a discount of [●] to the Offer Price. A discount of [●] to the Offer Price shall be available to the Eligible Employees even if they make a price Bid instead of Bidding at the Cut-Off Price. The Offer Price will be determined at the end of the Book Building Process. Eligible Employees Bidding under the Employee Reservation Portion have an option to participate in the Offer through the ASBA process. Eligible Employees Bidding at the Cut-Off Price should ensure payment at the Cap Price less Employee Discount at the time of making a Bid. Eligible Employees should note that they can Bid at a price net of the Employee Discount and will be required to indicate the Bid price before adjustments for such Employee Discount, if any.However, for the purpose of filling in the "SCSB/Payment Details" block in the Application-Cum-Bidding Form, Eligible Employees must mention the amount actually paid *i.e.* the Bid Amount less Discount.

Payments made upon any revision of Bids shall be adjusted against the payment made at the time of the original Bid or the previously revised Bid.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus.

Information for the Bidders:

1. Our Company shall file the Red Herring Prospectus with the RoC at least three days before the Bid/Offer Opening Date.

2. Subject to Section 66 of the Companies Act, our Company shall, after registering the Red Herring Prospectus with the RoC, make a pre-Offer advertisement, in the form prescribed under the SEBI ICDR Regulations, in an English national daily newspaper and a Hindi national daily newspaper, each with wide circulation. In the pre-Offer advertisement, our Company and the BRLMs shall declare the Bid/Offer Opening Date, the Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 66 of the Companies Act, shall be in the format prescribed in Part A of Schedule XIII of the SEBI ICDR Regulations.

3. Our Company shall announce the Price Band at least two Working Days before the Bid/Offer Opening Date in an English national daily newspaper and a Hindi national daily newspaper, each with wide circulation. This announcement shall contain relevant financial ratios computed for both upper and lower end of the

Price Band.

4. The Bid/Offer Period shall be for a minimum of three Working Days. In case the Price Band is revised, the Bid/Offer Period shall be extended, by an additional three Working Days, subject to the total Bid/Offer Period not exceeding ten Working Days. The revised Price Band and Bid/Offer Period will be widely disseminated by notification to the SCSBs and Stock Exchanges, and by publishing in an English national daily newspaper and a Hindi national daily newspaper, each with wide circulation and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate.

5. The BRLMs shall dispatch the Red Herring Prospectus and other Offer material including Application-Cum-Bidding Form, to the Designated Stock Exchange, members of the Syndicate, Bankers to the Offer, investors' associations and SCSBs in advance.

6. Copies of the Application-Cum-Bidding Form will be available for all categories of Bidders, with the Designated Branches, members of the Syndicate (in the Syndicate ASBA Bidding Centres) and at our Registered and Corporate Office. Electronic Application-Cum-Bidding Form will be available on the websites of the SCSBs and on the websites of the Stock Exchanges at least one Working Day prior to the Bid/Offer Opening Date. Copies of the Application-Cum-Bidding Form will be available for the Retail Bidders and the Eligible Employees with the members of the Syndicate and at our Registered and Corporate Office.

7. **QIBs and Non-Institutional Bidders may participate in the Offer only through the ASBA process. Retail Individual Bidders and Eligible Employees have the option to Bid through the ASBA process. ASBA Bidders are required to submit their Bids to the members of the Syndicate at the Syndicate ASBA Bidding Centres or to the SCSBs. Bidders other than ASBA Bidders are required to submit their Bids to the members of the Syndicate.**

8. Application-Cum-Bidding Form submitted through the non-ASBA process should bear the stamp of the members of the Syndicate, otherwise they will be rejected. The Application-Cum-Bidding Form used by Bidders to apply through ASBA processshall bear the stamp of the SCSBs and/or the Designated Branch or the member of the Syndicate, if not, the same shall be rejected.

9. With effect from August 16, 2010, the beneficiary accounts of Bidders for whom PAN details have not been verified will be suspended for credit, and no credit of Equity Shares pursuant to the Offer will be made in the accounts of such Bidders.

Based on the information provided by the Depositories, the Company shall have the right to accept Bids belonging to an account for the benefit of a minor (under guardianship).

Additional information specific to ASBA Bidders

1. Application-Cum-Bidding Form in physical form will be available with the Designated Branches, members of the Syndicate at the Syndicate ASBA Bidding Centres and at our Registered and Corporate Office. Electronic Application-Cum-Bidding Forms will be available on the websites of the SCSBs and on the websites of the Stock Exchanges at least one Working Day prior to the Bid/ Offer Opening Date. Further, the SCSBs will ensure that a soft copy of the abridged Red Herring Prospectus is made available on their websites. The BRLMs shall ensure that adequate arrangements are made to circulate copies of the abridged Red Herring Prospectus and Application-Cum-Bidding Form to the SCSBs and the Syndicate.

2. The ASBA Bids should be submitted in the physical mode to the Syndicate on the prescribed Application-Cum-Bidding Format at the Syndicate ASBA Bidding Centres and either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained. **Application-Cum-Bidding Form in electronic mode can be submitted only to the SCSBs with whom the ASBA Account is maintained and not to the members of Syndicate.** SCSBs may provide the electronic mode of Bidding either through an internet enabled Bidding and banking facility or such other secured, electronically enabled mechanism for Bidding and blocking funds in the ASBA Account.

ASBA Bidders Bidding through a member of the Syndicate should ensure that the Application-Cum-Bidding Formis submitted to a member of the Syndicate at the Syndicate ASBA Bidding Centres and that the SCSB where the ASBA Account is maintained as specified in the Application-Cum-Bidding Form, has named at-least one branch in the relevant Syndicate ASBA Bidding Centres for the members of the Syndicate to deposit Application-Cum-Bidding Forms, as displayed on the website of SEBI (www.sebi.gov.in/pmd/scsb-asba.html). ASBA Bidders Bidding directly through the SCSBs should ensure that the Application-Cum-Bidding Form is submitted to a Designated Branch where the ASBA Account is maintained (www.sebi.gov.in/pmd/scsb.pdf**).**

3. For ASBA Bids submitted to the members of the Syndicate at the Syndicate ASBA Bidding Centres, the members of the Syndicate shall upload the ASBA Bid on to the electronic Bidding system of the Stock Exchanges and deposit the Application-Cum-Bidding Form with the relevant branch of the SCSB at the relevant Syndicate ASBA Bidding Centres authorized to accept such Application-Cum-Bidding Form from the members of the Syndicate (as displayed on the website of SEBI (www.sebi.gov.in/pmd/scsb-asba.html). The relevant branch of the SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the Application-Cum-Bidding Form. For ASBA Bids submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the Application-Cum-Bidding Form, before entering the ASBA Bid into the electronic Bidding system.

   ASBA Bidders should ensure that they have funds equal to the Bid Amount in the ASBA Account before submitting the Application-Cum-Bidding Form to the members of the Syndicate at the Syndicate ASBA Bidding Centres or the respective Designated Branch. An ASBA Bid where the corresponding ASBA Account does not have sufficient funds equal to the Bid Amount at the time of blocking the ASBA Account is liable to be rejected.

4. The members of the Syndicate at the Syndicate ASBA Bidding Centres and the SCSBs shall accept ASBA Bids only during the Bid/Offer Period and only from the ASBA Bidders. The SCSB shall not accept any Application-Cum-Bidding Form after the closing time of acceptance of Bids on the Bid/ Offer Closing Date.

5. The Application-Cum-Bidding Form shall bear the stamp of the SCSBs and/or the Designated Branch, member of the Syndicate at the Syndicate ASBA Bidding Centres (as displayed on the website of SEBI (www.sebi.gov.in/pmd/scsb-asba.html), if not, the same shall be rejected.

   Bidders may note that in case the DP ID, BAN and PAN mentioned in theApplication-Cum-Bidding Form, as the case may be and entered into the electronic Bidding system of the Stock Exchanges by the members of the Syndicate and the SCSBs, as the case may be, do not match with the DP ID, BAN and PAN available in the Depository database, the Application-Cum-Bidding Form is liable to be rejected and the Selling Shareholder, our Company and the members of the Syndicate shall not be liable for losses, if any.

For Application-Cum-Bidding Forms, the basis of allotment will be based on the Registrar's validation of the electronic Bid details with the Depository records, and the complete reconciliation of the final certificates received from the Escrow Collection Banks with the electronic Bid details in terms of the SEBI circular CIR/CFD/DIL/3/2010 dated April 22, 2010 and the SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011. The Registrar to the Offer will undertake technical rejections based on the electronic Bid details and the Depository database. In case of any discrepancy between the electronic Bid data and the Depository records, the Selling Shareholder and our Company in consultation with the Designated Stock Exchange, the BRLMs, the Registrar and the Company, reserves the right to proceed as per the Depository records or treat such Bid as rejected.

For ASBA Bids submitted to the SCSBs, in terms of the SEBI circular CIR/CFD/DIL/3/2010 dated April 22, 2010, the Registrar to the Offer will reconcile the compiled data received from the Stock Exchanges and all SCSBs, and match the same with the Depository database for correctness of DP ID, BAN and PAN. In cases where any DP ID, BAN and PAN mentioned in the Bid file for an ASBA Bidder does not match the one available in the Depository database the Selling Shareholder and our Company in consultation with the Designated Stock Exchange, the BRLMs, the Registrar, reserves the right to proceed as per the depository records on such ASBA Bids or treat such ASBA Bids as rejected. The Registrar to the Offer will reject multiple ASBA Bids based on common PAN as available on the records of the Depositories.

For ASBA Bids submitted to the members of the Syndicate at the ASBA Bidding Centres, the basis of allotment will be based on the Registrar's validation of the electronic Bid details with the depository records, and the complete reconciliation of the final certificates received from the SCSBs with the electronic Bid details in terms of the SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011. The Registrar to the Offer will undertake technical rejections based on the electronic Bid details and the depository database. In case of any discrepancy between the electronic Bid data and the depository records, the Selling Shareholder and our Company in consultation with the Designated Stock Exchange, the BRLMs, the Registrar and the Company, reserves the right to proceed as per the depository records or treat such Bid as rejected.

Based on the information provided by the Depositories, the Company shall have the right to accept Bids belonging to an account for the benefit of a minor (under guardianship).

Method and Process of Bidding

1. The Selling Shareholder and our Company in consultation with the BRLMsshall decide the Price Band and the minimum Bid Lot for the Offer and the same shall be advertised in an English national daily newspaper and a Hindi national daily newspaper, each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date. The members of the Syndicate and the SCSBs shall accept Bids from the Bidders during the Bid/Offer Period.

2. The Bid/Offer Period shall be for a minimum of three Working Days and shall not exceed ten working days. The Bid/Offer Period may be extended, if required, by an additional three Working Days, subject to the total Bid/Offer Period not exceeding ten Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be published in an English national daily newspaper and a Hindi national daily newspaper, each with wide circulation and also by indicating the change on the website of the BRLMs.

3. During the Bid/Offer Period, Bidders using the ASBA process shall approach the members of the Syndicate at the Designated Branches or Syndicate ASBA Bidding Centres to register their Bids. Please note that QIBs and Non-Institutional Bidders may participate in the Offer only through the ASBA process.

4. Bidders other than ASBA Bidders who are interested in Bidding for the Equity Shares should approach the members of the Syndicate to register their Bid. The members of the Syndicate or SCSBs, as the case may be, accepting Bids have the right to vet the Bids during the Bid/Offer Period in accordance with the terms of the Draft Red Herring Prospectus.

5. Each Application-Cum-Bidding Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph entitled "Bids at Different Price Levels" below) within the Price Band and specify the demand (*i.e.*, the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Application-Cum-Bidding Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Offer Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Offer Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

6. The Bidder cannot Bid on another Application-Cum-Bidding Form after Bids on one Application-Cum-Bidding Form have been submitted to the members of the Syndicate or SCSBs, as the case may be. Submission of a second Application-Cum-Bidding Form to the members of the Syndicate or SCSBs will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic Bidding system, or at any point of time prior to the approval of the Basis of Allotment. However, Eligible Employee Bidding under the Employee Reservation Portion may also Bid in the Net Offer and such Bids will not be treated as multiple Bids. However, the Bidder can revise the Bid through the Bid Revision Application Form, the procedure for which is detailed under the paragraph entitled "Build-up of the Book and Revision of Bids" on page 308 of this Draft Red Herring Prospectus.

7. The members of the Syndicate/the SCSBs, as the case may be, will enter each Bid option into the electronic Bidding system as a separate Bid and generate a Transaction Registration Slip ("**TRS**"), for each

price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Application-Cum-Bidding Form.

8. Along with the Application-Cum-Bidding Form, all Bidders (other than ASBA Bidders) will make payment in the manner described in "*Escrow Mechanism - Terms of payment and payment into the Escrow Accounts*" on page 302 of this Draft Red Herring Prospectus.

9. Upon submission of the Application-Cum-Bidding Forms with the members of the Syndicate at the Syndicate ASBA Bidding Centres, the concerned member of the Syndicate shall issue an acknowledgement by giving the counter foil of the Application-Cum-Bidding Formto the ASBA Bidder as proof of having accepted the Bid. Thereafter, the member of the Syndicate shall upload the details of the Bid in the electronic Bidding system of the Stock Exchanges and forward the Application-Cum-Bidding Formto the concerned SCSB. The SCSB shall carry out further action for such Application-Cum-Bidding Formsuch as signature verification and blocking of funds. If sufficient funds are not available in the ASBA Account, the SCSB shall reject such Bids. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Application-Cum-Bidding Formand generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.

10. For ASBA Bids submitted directly to the SCSBs, whether in physical or electronic mode, the respective Designated Branch shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in theApplication-Cum-Bidding Form, prior to uploading such Bids with the Stock Exchanges. If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such Bids and shall not upload such Bids with the Stock Exchanges. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Application-Cum-Bidding Form and will enter each Bid option into the electronic Bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS/ acknowledgement shall be furnished to the ASBA Bidder on request.

11. The Bid Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Offer Account, or until withdrawal/failure of the Offer or until withdrawal/rejection of the Application-Cum-Bidding Form, as the case may be. Once the Basis of Allotment is approved, the Registrar to the Offer shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful ASBA Bidders to the Public Offer Account. In case of withdrawal/failure of the Offer, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Offer.

INVESTORS ARE ADVISED NOT TO SUBMIT THE APPLICATION-CUM-BIDDING FORMS TO THE ESCROW COLLECTION BANKS. BIDS SUBMITTED TO THE ESCROW COLLECTION BANKS SHALL BE REJECTED AND SUCH BIDDERS SHALL NOT BE ENTITLED TO ANY COMPENSATION ON ACCOUNT OF SUCH REJECTION.

Bids at Different Price Levels

1. In accordance with SEBI ICDR Regulations, the Selling Shareholder and our Company in consultation with the BRLMs and without prior intimation to or approval from the Bidders, reserve the right to revise the Price Band during the Bid/Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side *i.e.* the Floor Price can move up or down to the extent of 20% of the Floor Price, disclosed at least one Working Day prior to the Bid/Offer Opening Date and the Cap Price will be revised accordingly.

2. The Selling Shareholder and our Company in consultation with the BRLMs will finalise the Offer Price within the Price Band, without the prior approval of or intimation to the Bidders.

3. The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion may Bid at the Cut-Off Price (net of Retail and Employee Discounts, respectively).

However, Bidding at Cut-Off Price is not permitted for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.

4. Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion who Bid at the Cut-Off Price (net of Retail and Employee Discounts, respectively) agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion shall submit the Application-cum-Bidding Form along with a cheque/demand draft for the Bid Amount based on the Cap Price (net of Retail and Employee Discount, respectively) with the Syndicate. In case of ASBA Bidders Bidding at the Cut-Off Price(net of Retail and Employee Discounts, respectively), the ASBA Bidders will instruct the SCSBs to block an amount based on the Cap Price(net of Retail and Employee Discounts, respectively).

5. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion who Bid at the Cut-Off Price, the Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion who Bid at the Cut-Off Price will receive refunds of the excess amounts in the manner provided in this Draft Red Herring Prospectus.

Escrow mechanism, terms of payment and payment into the Escrow Accounts

For details of the escrow mechanism and payment instructions, please see the sub section titled "***Payment Instructions***" on page 318 of this Draft Red Herring Prospectus.

Electronic Registration of Bids

1. The members of the Syndicate and SCSBs will register the Bids using the on-line facilities of the Stock Exchanges.

2. The Syndicate and the SCSBs will undertake modification of selected fields in the Bid details already uploaded within one Working Day from the Bid/Offer Closing Date.

3. There will be at least one on-line connection in each city, where a stock exchange is located in India and where Bids are being accepted.

4. Neither the BRLMs nor our Company nor the Selling Shareholder nor the Registrar to the Offer shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the Syndicate Members or the SCSBs, (ii) the Bids uploaded by the Syndicate Members or the SCSBs or (iii) the Bids accepted but not uploaded by the Syndicate Members or the SCSBs and (iv) with respect to Bids by ASBA Bidders, Bids accepted and uploaded without blocking the funds in the ASBA Accounts.

5. The SCSBs shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the SCSBs, (ii) the Bids uploaded by the SCSBs, (iii) the Bids accepted but not uploaded by the SCSBs and (iv) with respect to Bids by ASBA Bidders, Bids accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Bids uploaded by the SCSBs, the full Bid Amount has been blocked in the relevant ASBA Account.

6. In case of apparent data entry error by the members of the Syndicate or the collecting bank (for Bids other than ASBA Bids), or in entering the Application-Cum-Bidding Form number in their respective schedules other things remaining unchanged, the Application-Cum-Bidding Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange(s).

7. The Stock Exchanges will offer an electronic facility for registering Bids for the Offer. This facility will be available on the terminals of the members of the Syndicate and their authorised agents and the SCSBs during the Bid/Offer Period. The members of the Syndicate and the Designated Branches can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Book Building Process on a regular basis. On the

Bid/Offer Closing Date, the members of the Syndicate and the Designated Branches shall upload the Bids till such time as may be permitted by the Stock Exchanges. This information will be available with the members of the Syndicate on a regular basis. Bidders are cautioned that a high inflow of high volumes on the last day of the Bid/Offer Period may lead to some Bids received on the last day not being uploaded and such Bids will not be considered for allocation.

8. A member of the Syndicate shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by it, (ii) the Bids uploaded by it, and (iii) the Bids accepted but not uploaded by the member of the Syndicate, except, in relation to (i) and (ii), (iv) with respect to Bids by ASBA Bidders, Bids accepted and uploaded without blocking the funds in the ASBA Accounts,it shall not be responsible for ASBA Bids to the extent of payment of Bid Amounts.

9. Based on the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges, a graphical representation of consolidated demand and price would be made available at the Bidding centres during the Bid/Offer Period.

10. At the time of registering each Bid, other than ASBA Bids, the members of the Syndicate shall enter the following details of the Bidders in the on-line system:

    - Name of the Bidder: Bidders should ensure that the name given in the Application-Cum-Bidding Form is exactly the same as the name in which the BAN is held. Bids being submitted where there is more than one Bidder will be based on the name of the first Bidder. Bidders should ensure that the name of the first Bidder exactly matches the name of the First Holder for the BAN being submitted.
    - Application-Cum-Bidding Form number
    - PAN (of the first Bidder, in case of more than one Bidder)
    - Investor category and sub-category
    - DP ID
    - Bank Account Number
    - Number of Equity Shares Bid for
    - Price per Equity Share (price option)
    - Bid Amount
    - Cheque amount
    - Cheque number
    - Beneficiary Account Number

    With respect to Bids by ASBA Bidders, at the time of registering such Bids, the SCSBs shall enter the following information pertaining to the ASBA Bidders into the online system:

    - Name of the Bidder
    - Application-Cum-Bidding Form number
    - PAN(of the sole/first Bidder)
    - Investor category and sub-category
    - DP ID
    - Client ID
    - Number of Equity Shares Bid for
    - Price per Equity Share (price option)
    - Bank code for the SCSB where the ASBA Account is maintained
    - Name of the Specified City
    - Beneficiary Account Number

    With respect to ASBA Bids submitted to the members of Syndicate at the Specified Cities, at the time of registering each Bid, the members of Syndicate shall enter the following details on the on-line system:

    - Name of the Bidder
    - Application-Cum-Bidding Form number
    - PAN(of the first Bidder, in case of more than one Bidder)
    - Investor category and sub-category

- DP ID
- Client ID
- Number of Equity Shares Bid for
- Price per Equity Share (price option)
- Bank code for the SCSB where the ASBA Account is maintained
- Name of the Specified City (Location of Syndicate ASBA Bidding location)
- Beneficiary Account Number

11. A system generated TRS will be given to the Bidder as a proof of the registration of each of the Bidding options. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate or the Designated Branches, as the case may be. The registration of the Bid by the members of the Syndicate or the Designated Branches does not guarantee that the Equity Shares shall be allocated/Allotted.

12. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

13. In case of QIBs Bids, only the (i) SCSBs; and (ii) BRLMs and their affiliate Syndicate Members (only in the Syndicate ASBA Bidding Centres) have the right to accept the Bid or reject it. However, such rejection should be made at the time of receiving the Application-Cum-Bidding Form and only after assigning a reason for such rejection in writing. Further, QIB Bids can also be rejected on technical grounds listed herein. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids would not be rejected except only on the technical grounds listed on herein and if all the information required is not provided and the Application-Cum-Bidding Form submitted at the Syndicate ASBA Bidding Centresor the Application-Cum-Bidding Form is incomplete in any respect. The SCSBs shall have no right to reject Bids, except on technical grounds.

14. The permission given by the Stock Exchanges to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by the Selling Shareholder, our Companyand/or the BRLMsare cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of the Selling Shareholder (who is also our Promoter), our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus, Red Herring prospectus or the Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

15. Only Bids that are uploaded on the online system of the Stock Exchanges shall be considered for allocation/ Allotment. The members of the Syndicate and the SCSBs shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Bid data in the electronic Bidding systems of the Stock Exchanges. In order that the data so captured is accurate the members of the Syndicate and the SCSBs will be given up to one Working Day after the Bid/Offer Closing Date to modify/ verify certain selected fields uploaded in the online system during the Bid/Offer Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL. In case no corresponding record is available with depositories, which matches the three parameters, DP ID, Beneficiary Account No. and PAN, then such Bids are liable to be rejected.

16. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details.

Build-up of the book and revision of Bids

1. Bids received from various Bidders through the members of the Syndicate and the SCSBs shall be electronically uploaded to the Stock Exchanges' mainframe on a regular basis.

2. The book gets built up at various price levels. This information will be available with the member of the Syndicate on a regular basis at the end of the Bid/Offer Period.

3. During the Bid/Offer Period, any Bidder who has registered his or her Bid at a particular price level is free to revise his or her Bid within the Price Band using the printed Bid Revision Application Form.

4. Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Bid Revision Application Form. Apart from mentioning the revised options in the Bid Revision Application Form, the Bidder must also mention the details of all the options in his or her Application-Cum-Bidding Form or earlier Bid Revision Application Form. For example, if a Bidder has Bid for three options in the Application-Cum-Bidding Form and such Bidder is changing only one of the options in the Bid Revision Application Form, he must still fill the details of the other two options that are not being revised, in the Bid Revision Application Form. The members of the Syndicate and the Designated Branches will not accept incomplete or inaccurate Bid Revision Application Form.

5. The Bidder can make this revision any number of times during the Bid/Offer Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the member of the Syndicate or the same SCSB through whom such Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Bid Revision Application Formand the revised Bid must be made only in such Bid Revision Formor copies thereof.

6. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion who had Bid at Cut-Off Price could either (i) revise their Bid or (ii), in case of ASBA Bids, issue instructions to block an additional amount based on cap of the revised Price Band to the same member of the Syndicate or the same Designated Branch (as the case may be) through whom such Bidder had placed the original Bid, or (iii) in case of Bids other than ASBA Bids, make additional payment based on the cap of the revised Price Band to the same member of the Syndicate through whom such Bidder had placed the original Bid (such that the total amount *i.e.*, original Bid Amount plus additional payment does not exceed ₹ 200,000 if the Bidder wants to continue to Bid at Cut-Off Price). In case the total amount (*i.e.*, original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Draft Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-Off Price.

7. In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion who have Bid at Cut-Off Price could either revise their Bid or the excess amount paid at the time of Bidding would be unblocked by the SCSBs in case of ASBA Bids or refunded from the Escrow Account in case of Bids other than ASBA Bids.

8. The Selling Shareholderand our Company in consultation with the BRLMs, shall decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹5,000to₹ 7,000.

9. Any revision of the ASBA Bid shall be accompanied by instructions to block the incremental amount, if any, on account of the upward revision of the ASBA Bid. The Bid Revision Application Formand upward revision of the ASBA Bid at the time of one or more revisions will be provided to the same member of the Syndicate or the same Designated Branch, as the case may be, through whom such ASBA Bidder had placed the original ASBA Bid. In such cases, the member of the Syndicate or the Designated Branch, as the case may be, will revise the earlier ASBA Bid details with the revised ASBA Bid and provide the revised Bid Amount in the electronic book.

   With respect to the Bids, other than ASBA Bids, any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. In case of Bids, other than ASBA Bids, the members of the Syndicate shall collect the payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions. In such cases, the members of the Syndicate will revise the earlier Bid details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book.

The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment.

10. When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and may get a revised TRS from the members of the Syndicate or the SCSB, as applicable. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.

Price Discovery and Allocation

1. Based on the demand generated at various price levels and the book built, the Selling Shareholderand our Company in consultation with the BRLMsshall finalise the Offer Price.

2. The Allotment to QIBs will be not more than 50% of the Offer, on a proportionate basis and the availability for allocation to Non-Institutional Bidders and Retail Individual Bidders will be not less than 15% and 35% of the Offer, respectively, on a proportionate basis, in a manner specified in the SEBI ICDR Regulations and the Draft Red Herring Prospectus and the Prospectus, in consultation with the Designated Stock Exchange, subject to valid Bids being received at or above the Offer Price.

3. Only Bids that are uploaded on the online system of the Stock Exchanges shall be considered for Allotment. The members of the Syndicate and the SCSBs shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Bid data in the electronic Bidding systems of the Stock Exchanges. In order that the data so captured is accurate, the members of the Syndicate and the SCSBs will be given up to one Working Day after the Bid Closing Date to modify/ verify certain selected fields uploaded in the online system during the Bidding Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

4. In case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, BAN and PAN, then such Bids are liable to be rejected.

5. In case of over-subscription in all categories, not more than 50% of the Offer shall be allotted on a proportionate basis to QIBs 5% of the QIB Portion shall be available for allocation to Mutual Funds. Mutual Funds participating in the 5% share in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. However, if the aggregate demand by Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares from the portion specifically available for allocation to Mutual Funds in the QIB Portion will first be added to the QIB Portion and beallocated proportionately to the QIBs in proportion to their Bids.

6. Any under-subscription in the Employee Reservation Portion may be added to the Offer. The Selling Shareholder and our Company in consultation with the BRLMs and the Designated Stock Exchange may allocate such Equity Shares to any category or combination of categories in the Offer. Subject to allocation of not less than 35% of the Net Offer to Retail Individual Bidders and not less than 15% of the Net Offer to Non Institutional Bidders, the under-subscription in the Employee Reservation Portion will first be allocated towards over-subscription in the Retail Portion (if any) and thereafter towards over-subscription (if any) in any other category, in the Offer, except if these categories are not adequately over-subscribed.

7. Any under-subscription in any category in the Offer will be allowed to be met with spill-over from any other category or combination of categories in the Offer, by the Selling Shareholder and our Company in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. In case of under-subscription in the Offer spill-over to the extent of under-subscription shall be permitted from the Employee Reservation Portion to the Net Offer. In the event of over-subscription in any category, allocation will be made on a proportionate basis, subject to valid Bids being received at or above the Offer Price.

8. Allocation to Non-Residents, including Eligible NRIs and FIIs registered with SEBI, applying on repatriation basis will be subject to applicable laws, rules, regulations, guidelines and approvals.

9. QIBs shall not be allowed to withdraw their Bid after the QIB Offer Closing Date.

10. The Basis of Allotment shall be put on the website of the Registrar to the Offer.

Signing of the Underwriting Agreement and the RoC Filing

The Selling Shareholder, our Company, the BRLMs and the Syndicate Members will enter into an underwriting agreement on or immediately after the finalisation of the Offer Price.

After signing the underwriting agreement, our Company will update and file the updated Red Herring Prospectus with the RoC in terms of Section 56, 60 and 60B of the Companies Act, and other provisions of applicable laws which then would be termed the 'Prospectus'. The Prospectus will contain details of the Offer Price, Offer size, underwriting arrangements and will be complete in all material respects.

Pre-Offer Advertisement

Subject to Section 66 of the Companies Act, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in an English national daily newspaper and a Hindi national daily newspaper, each with wide circulation. In the pre-Offer advertisement, we shall declare the Bid/Offer Opening Date and the Bid/Offer Closing Date.

Advertisement regarding Offer Price and Prospectus

Our Company will issue an advertisement after the filing of the Prospectus with the RoC. This advertisement, among other things, shall indicate the Offer Price. Any material updates between the date of the Draft Red Herring Prospectus and the date of Prospectus will be included in such an advertisement.

Issuance of Allotment Advice

1. Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Offer shall send to the members of the Syndicate and the SCSBs a list of the successful Bidders who have been or are to be Allotted Equity Shares in the Offer. Our Company shall issue instructions for demat credit of equity shares to all successful Bidders in this Offer on or after the date of allotment.

2. The Registrar to the Offer will send Allotment Advice to Bidders who have been Allotted Equity Shares in the Offer.

3. The dispatch of an Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Bidder for all the Equity Shares allotted to such Bidder.

Designated Date and Allotment

1. The Selling Shareholder and our Company will ensure that the Allotment and credit to the successful Bidder's depositary account will be completed within 12 Working Days of the Bid/ Offer Closing Date.

2. EquityShares will be offered and Allotment shall be made only in the dematerialized form to the Allottees.

3. Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them.

GENERAL INSTRUCTIONS

Do's:

1. Check if you are eligible to apply as per the terms of this Draft Red Herring Prospectus under applicable laws, rules and regulations;

2. Read all the instructions carefully and complete the prescribed Application-Cum-Bidding Form;

3. Ensure that you have Bid within the Price Band

4. Ensure that the details about PAN, Depository Participant and beneficiary account are correct and the beneficiary account is activated as allotment of Equity Shares will be in the dematerialised form only;

5. Ensure that the bank account details are entered only in the space provided specifically for this purpose. Bids submitted which do not have the bank details are liable to be rejected;

6. Ensure that the Bids are submitted at the Bidding centres only on forms bearing the stamp of a member of the Syndicate or with respect to ASBA Bidders, ensure that your Bid is submitted to a Syndicate (only in the case of Syndicate ASBA Bidders) or at a Designated Branch of the SCSB where the ASBA Bidder or the person whose bank account will be utilised by the Bidder for Bidding has a bank account;

7. With respect to Bids by ASBA Bidders, ensure that the Application-Cum-Bidding Form is signed by the account holder.In case the applicant is not the account holder, ensure that you have mentioned the correct bank account number in the Application-Cum-Bidding Form;

8. Ensure that you have collected TRSs for all options in your Bid;

9. Ensure that you submit revised Bids to the same member of the Syndicate/ SCSB through whom the original Bid was placed and obtain a revised TRS;

10. Ensure that you have mentioned your PAN allotted under the IT Act;

11. Ensure that the Demographic Details are updated, true and correct in all respects;

12. Ensure that the name(s) given in the Application-Cum-Bidding Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application-Cum-Bidding Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application-Cum-Bidding Form;

13. QIBs and Non Institutional Bidders should submit their Bids through the ASBA process only;

14. Ensure that full Bid Amount is paid for the Bids submitted to the Members of the Syndicate and funds equivalent to the Bid Amount are blocked in case of any Bids submitted through SCSBs;

15. Ensure that you have funds equal to the Bid Amount in your bank account maintained with the SCSB before submitting the Application-Cum-Bidding Form to the respective Designated Branch of the SCSB;

16. Instruct your respective banks to not release the funds blocked in the bank account under the ASBA process;

17. Ensure that DP ID, the client identification number and PAN mentioned in the Application-Cum-Bidding Form and entered into the electronic Bidding system of the Stock Exchanges by the Members of the Syndicate or Designated Branches of the SCSBs, as the case may be, matches with the DP ID, Client ID and PAN available in the Depository database. The Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Application-Cum-Bidding Form and entered into the electronic Bidding system of the Stock Exchanges by the Members of the Syndicate or the Designated Branches of the SCSBs, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected.

18. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same;

19. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

20. In addition, ASBA Bidders should ensure that:
    a. the authorization box in the Application-Cum-Bidding Form has been correctly checked, or an authorization to the SCSB through the electronic mode has been otherwise provided, for the Designated Branch to block funds equivalent to the Bid Amount mentioned in the Application-Cum-Bidding Form in the ASBA Account maintained with a branch of the concerned SCSB; and
    b. an acknowledgement from the Designated Branch of the concerned SCSB or from Members of Syndicate in case of ASBA Syndicate Bidders for the submission of the Application-Cum-Bidding Form has been obtained.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid or revise Bid to a price lesser than the Floor Price or higher than the Cap Price;

3. Do not Bid for allotment of Equity Shares in physical form;

4. Do not Bid on another Application-Cum-Bidding Form after you have submitted a Bid to a member of the Syndicate or their affiliates/ SCSBs;

5. Do not pay the Bid Price in cash, by money order or by postal order or by stockinvest;

6. Do not send Application-Cum-Bidding Forms by post; instead submit the same to a member of the Syndicate;

7. QIBs and Non-Institutional Bidders should not Bid at Cut-Off Price;

8. QIBs and Non-Institutional Bidders should not Bid via any mode other than ASBA;

9. QIBs and Non-Institutional Bidders should not Bid such that the Equity Shares Bid for exceeds the size of this Offer, subject to the applicable investment limits under the applicable laws or regulations;

10. Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground;

11. Do not submit the Bid without payment of the entire Bid Amount;

12. Do not Bid at Bid Amount exceeding ₹ 200,000 in case of a Bid by Retail Individual Bidders Bidding at Cut-Off Price;

13. Do not submit more than five Application-Cum-Bidding Forms per ASBA Account for the Offer;

14. Do not submit the Application-Cum-Bidding Form to Escrow Collection Bank(s); and

15. Do not submit Bids on plain paper or incomplete or illegible Application-Cum-Bidding Forms, or on Application-Cum-Bidding Formsin a colour prescribed for another category of Bidder.

ADDITIONAL INSTRUCTIONS SPECIFIC TO ASBA BIDDERS

Do's:

1. Ensure that you specify ASBA as the 'Mode of Application' and use the Application-Cum-Bidding Form bearing the stamp of the relevant SCSB or the members of the Syndicate (except in case of electronicApplication-Cum-Bidding Forms);

2. Read all the instructions carefully and complete the Application-Cum-Bidding Forms ;

3. Ensure that your Application-Cum-Bidding Form is submitted either at a Designated Branch or with the members of the Syndicate at the Syndicate ASBA Bidding Centres where the ASBA Account is maintained and not to the Escrow Collecting Banks (assuming that such bank is not a SCSB), to our Company, the Selling Shareholder or the Registrar to the Offer;

4. In case of Application-Cum-Bidding Forms submitted to a member of the Syndicate at the Syndicate ASBA Bidding Centres, ensure that the SCSB where the ASBA Account is maintained as specified in the Application-Cum-Bidding Forms , has named at-least one branch as displayed on the website of SEBI in the Syndicate ASBA Bidding Centres for the members of the Syndicate to deposit Application-Cum-Bidding Form;

5. Ensure that the Application-Cum-Bidding Form is signed by the ASBA Account holder in case the ASBA Bidder is not the account holder;

6. Ensure that you have mentioned the correct ASBA Account number in the Application-Cum-Bidding Form;

7. Ensure that you have funds equal to the Bid Amount in the ASBA Account before submitting the Application-Cum-Bidding Form to the respective Designated Branch or to the members of the Syndicate at the Syndicate ASBA Bidding Centres;

8. Ensure that you have correctly checked the authorisation box in the Application-Cum-Bidding Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Application-Cum-Bidding Form ;

9. Ensure that you receive an acknowledgement from the Designated Branch or from the members of the Syndicate at the Syndicate ASBA Bidding Centres, as the case may be, for the submission of your Application-Cum-Bidding Form

10. In case of revision of ASBA Bids, submit Bid Revision Application Form to the same Designated Branch or the member of the Syndicate at the Syndicate ASBA Bidding Centres through whom the original Application-Cum-Bidding Form was placed and obtain a revised acknowledgment;

11. Ensure that the name(s) given in the Application-Cum-Bidding Forms is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application-Cum-Bidding Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application-Cum-Bidding Forms.

12. In case you are submitting the Application-Cum-Bidding Form to a member of the Syndicate at the Syndicate ASBA Bidding Centres, please ensure that the SCSBs with whom the ASBA Account specified in the Application-Cum-Bidding Form is maintained, has a branch specified for collecting such Application-Cum-Bidding Forms in the location where the Application-Cum-Bidding Form is being submitted.

Don'ts:

1. Do not Bid on another Application-Cum-Bidding Form after you have submitted a Bid to a Designated Branch or to the members of the Syndicate at the Syndicate ASBA Bidding Centres;

2. Payment of Bid Amounts in any mode other than through blocking of Bid Amounts in the ASBA Accounts shall not be accepted under the ASBA;

3. Do not send your physical Application-Cum-Bidding Form by post. Instead submit the same to a Designated Branch or to a member of the Syndicate at the Syndicate ASBA Bidding Location;

4. Do not submit more than five Application-Cum-Bidding Forms per ASBA Account;

5. Do not submit the Application-Cum-Bidding Form with a member of the Syndicate at a location other than the Syndicate ASBA Bidding Centres; and

6. Do not submit ASBA Bids to a member of the Syndicate at the Syndicate ASBA Bidding Location unless the SCSB where the ASBA Account is maintained as specified in the Application-Cum-Bidding Form, has named at-least one branch, as displayed on the SEBI website (www.sebi.gov.in/pmd/scsb-asba.html) in the relevant Syndicate ASBA Bidding Centres for the members of the Syndicate to deposit Application-Cum-Bidding Forms.

INSTRUCTIONS FOR COMPLETING THE APPLICATION-CUM-BIDDING FORMS

Bidders can obtain Application-Cum-Bidding Forms and / or Bid Revision Application Forms from the BRLM or Syndicate Members or Registered Office of our Company or Registrar to the Offer.

1. QIBs and Non-Institutional Bidders may participate in the Offer only through the ASBA process. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion have the option to Bid through the ASBA process. ASBA Bidders are required to submit their Bids to the members of the Syndicate at the Syndicate ASBA Bidding Centres or to the SCSBs. Bidders other than ASBA Bidders are required to submit their Bids to the members of the Syndicate.

2. Bids and revisions of Bids must be made only in the prescribed Application-Cum-Bidding Form, Bid Revision Application Form, as applicable.

3. In case of Retail Individual Bidders (including Eligible NRIs) and Eligible Employees submitting Bids in the Employee Reservation Portion, Bids and revisions of Bids must be made for a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum Bid Amount of ₹ 200,000. In case the Bid Amount is more than ₹ 200,000 due to revision of the Bid or revision of the Price Band or on exercise of the option to Bid at the Cut-Off Price, the Bid will be considered for allocation in the Non-Institutional portion. The option to Bid at the Cut-Off Price is available only to Retail Individual Bidders and Eligible Employees indicating their agreement to Bid and purchase at the Offer Price as determined at the end of the Book Building Process.

4. In case of Non-Institutional Bidders and QIB Bidders, Bids and revisions of Bids must be made for a minimum of such number of Equity Shares in multiples of [●] such that the Bid Amount exceeds ₹ 200,000.

5. Application-Cum-Bidding Forms, Bid Revision Application Forms are to be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in this Draft Red Herring Prospectus and in the Application-Cum-Bidding Forms, Bid Revision Application Forms, as the case may be. Incomplete Application-Cum-Bidding Forms or Bid Revision Application Forms are liable to be rejected. Bidders should note that the Selling Shareholder, our Company and the members of the Syndicate and / or the SCSBs, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Application-Cum-Bidding Forms, Bid Revision Application Forms.

6. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate

under official seal. Bids must be in single name or in joint names (not more than three, and in the same order as their Depository Participant details).

7. Bidders must provide details of valid and active DP ID, BAN and PAN clearly and without error. On the basis of the Bidder's active DP ID, BAN and PAN provided in the Application-Cum-Bidding Form, and as entered into the electronic Bidding system of the Stock Exchanges by the Syndicate and the SCSBs, as the case may be, the Registrar to the Offer will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment.

8. Information provided by the Bidders will be uploaded in the online system by the members of the Syndicate and the SCSBs, as the case may be, and the electronic data will be used to make allocation/ Allotment. The Bidders should ensure that the details are correct and legible.

9. Bids through ASBA must be:

   a. made only in the prescribed Application-Cum-Bidding Form or Bid Revision Application Forms (if submitted in physical mode) or the electronic mode.

   b. made in single name or in joint names (not more than three, and in the same order as their details appear with the Depository Participant).

   c. completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in this Draft Red Herring Prospectus and in the Application-Cum-Bidding Form.

10. If the ASBA Account holder is different from the ASBA Bidder, the Application-Cum-Bidding Form should be signed by the ASBA Account holder, in accordance with the instructions provided in the Application-Cum-Bidding Forms.

11. For ASBA Bidders, the Bids in physical mode should be submitted to the SCSBs or to the member of the Syndicate at the Syndicate ASBA Bidding Centres on the prescribed Application-Cum-Bidding Form. SCSBs may provide the electronic mode of Bidding either through an internet enabled Bidding and banking facility or such other secured, electronically enabled mechanism for Bidding and blocking funds in the ASBA Account. The member of the Syndicate will upload the Bid in electronic book and forward it to concerned SCSB for blocking the Bid Amount.

Bidder's PAN, Depository Account and Bank Account Details

Bidders should note that on the basis of the DP ID, BAN and PAN provided by them in the Application-Cum-Bidding Form, the Registrar to the Offer will obtain from the Depository the Demographic Details of the Bidders including PAN and MICR code. These Demographic Details would be used for giving Allotment Advice to the Bidders, refunds (including through physical refund warrants, direct credit, NECS, NEFT and RTGS). Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch/ credit of refunds to Bidders or unblocking of ASBA Account at the Bidders sole risk and neither the members of the Syndicate northe Registrar to the Offer nor the Escrow Collection Banks nor the SCSBs nor our Company nor the Selling Shareholder shall have any responsibility and undertake any liability for the same.Hence, Bidders should carefully fill in their Depository Account details in the Application-Cum-Bidding Form, as the case may be.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALIZED FORM. ALL BIDDERS SHOULD MENTION THEIR DP ID, BAN AND PAN IN THE APPLICATION-CUM-BIDDING FORM. INVESTORS MUST ENSURE THAT THE DP ID, BAN AND PAN GIVEN IN THE APPLICATION-CUM-BIDDING FORMIS EXACTLY THE SAME AS THE DP ID, BAN AND PAN AVAILABLE IN THE DEPOSITORY DATABASE. IN CASE THE APPLICATION-CUM-BIDDING FORMIS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION-CUM-BIDDING FORM.

Bidders may note that in case the DP ID, BAN and PAN mentioned in the Application-Cum-Bidding Form, as the case may be and entered into the electronic Bidding system of the stock exchanges by the members of the Syndicate or the SCSBs, as the case may be, do not match with the DP ID, BAN and PAN available in the Depository database or in case PAN is not available in the Depository database, the application Application-Cum-Bidding Form, as the case may be is liable to be rejected and the Selling Shareholder, our Company and the members of the Syndicate shall not be liable for losses, if any.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Application-Cum-Bidding Form would not be used for any other purpose by the Registrar to the Offer except in relation to the Offer.

By signing the Application-Cum-Bidding Form, the Bidder would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Offer, the required Demographic Details as available on its records.

Allotment Advice and Refund orders, if any, would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/ Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder (other than ASBA Bidders) in the Application-Cum-Bidding Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at such Bidders sole risk and neither our Company, the Selling Shareholder, Escrow Collection Banks, Registrar to the Offer nor the members of the Syndicate shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Draft Red Herring Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, BAN and PAN of the sole/first Bidder, then such Bids are liable to be rejected.

Submission of Application-Cum-Bidding Forms

All Application-Cum-Bidding Forms or Bid Revision Application Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid. With respect to ASBA Bidders, the Application-Cum-Bidding Form or the Bid Revision Application Forms shall be submitted to the Designated Branches of the SCSBs / members of the Syndicate (at Syndicate ASBA Bidding Centres).

No separate receipts shall be issued for the money payable on the submission of Application-Cum-Bidding Form or Bid Revision Application Form. However, the collection centre of the members of the Syndicate or the SCSB, as the case may be, will acknowledge the receipt of the Application-Cum-Bidding Forms or Bid Revision Application Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application-Cum-Bidding Form or Bid Revision Application Form, as the case may be, for the records of the Bidder.

PAYMENT INSTRUCTIONS

Escrow Mechanism for Retail Individual Bidders and Eligible Employees Bidding through the non-ASBA process

The Selling Shareholder, our Company and the Syndicate shall open Escrow Account(s) with one or more Escrow Collection Bank(s) in whose favour the Retail Bidders and Eligible Employees Bidding through the non-ASBA process shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders in a certain category would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Banks, for and on behalf of the Bidders, shall maintain the monies in the Escrow Account. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders until the Designated Date. On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by Allotment of Equity Shares (other than in respect of Allotment to successful ASBA Bidders) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Offer Account. The balance amount after transfer to the Public Offer Account shall be transferred to the Refund Account. Payments of refund to the relevant Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Banks and the Registrar to the Offer to facilitate collections from the Bidders. Under the terms of the escrow mechanism for this Offer, the Selling Shareholder will be entitled to benefits accruing from monies lying to the credit of the Escrow Accounts and Refund Accounts at such terms as may be mutually agreed between the Escrow Collection Banks and the Selling Shareholder. Bidders expressly agree that they will not be entitled to any benefits on such monies lying to the credit of the Escrow Accounts and Refund Accounts and that such benefit may be transferred to the Selling Shareholder as may be agreed by the Selling Shareholder with the Escrow Collection Banks and provided under the escrow arrangement.

Payment mechanism for ASBA Bidders

For ASBA Bids submitted to the members of the Syndicate at the Syndicate ASBA Bidding Centres, the members of the Syndicate shall upload the ASBA Bid on to the electronic Bidding system of the Stock Exchanges and deposit the Application-Cum-Bidding Form with the relevant branch of the SCSB at the Syndicate ASBA Bidding Centres authorized to accept such Application-Cum-Bidding Forms from the members of the Syndicate as displayed on the SEBI website (www.sebi.gov.in/pmd/scsb-asba.html). The relevant branch of the SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the Application-Cum-Bidding Form.

For ASBA Bids submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the Application-Cum-Bidding Form, before entering the ASBA Bid into the electronic Bidding system. SCSBs may provide the electronic mode of Bidding either through an internet enabled Bidding and banking facility or such other secured, electronically enabled mechanism for Bidding and blocking funds in the ASBA Account.

ASBA Bidders should ensure that they have funds equal to the Bid Amount in the ASBA Account before submitting the Application-Cum-Bidding Formto the members of the Syndicate at the Syndicate ASBA Bidding Centres or the respective Designated Branch. An ASBA Bid where the corresponding ASBA Account does not have sufficient funds equal to the Bid Amount at the time of blocking the ASBA Account is liable to be rejected.

In the event of withdrawal or rejection of the Application-Cum-Bidding Form or for unsuccessful Application-Cum-Bidding Forms, the Registrar to the Offer shall give instructions to the SCSB to unblock the application money in the relevant bank account within 12 Working Days of the Bid/ Offer Closing Date. The Bid Amount shall remain blocked in the ASBA Account until transfer of the Bid Amount to the Public Offer Account, or until withdrawal/ failure of the Offer or until rejection of the ASBA Bid, as the case may be.

Payment into Escrow Account for Bidders other than ASBA Bidders

Each Bidder shall draw a cheque or demand draft for the entire Bid Amount as per the following terms:

1. All Bidders would be required to pay the full Bid Amount at the time of the submission of the Application-Cum-Bidding Form.

2. The Bidders shall, with the submission of the Application-Cum-Bidding Form, draw a payment instrument

for the Bid Amount in favour of the Escrow Account and submit the same to the members of the Syndicate. If the payment is not made favouring the Escrow Account along with the Application-Cum-Bidding Form, the Bid will be rejected. Application-Cum-Bidding Forms accompanied by cash, stockinvest, money order or postal order will not be accepted.

3. The payment instruments for payment into the Escrow Account should be drawn in favour of:

   - In case of resident Retail: [•]
   - In case of Non-Resident Retail: [•]
   - In case of Eligible Employees: [•].

4. In case of Bids by Eligible NRIs applying on repatriation basis, only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs who intend to make payment through freely convertible foreign exchange and are Bidding on a repatriation basis must make the payments through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of NRO Account of Non-Resident Bidder Bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.

5. In case of Bids by Eligible NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a NRO Account of a Non-Resident Bidder Bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE Account or FCNR Account or NRO Account.

6. In case of Bids by FIIs, the payment should be made out of funds held in a 'Special Rupee Account' along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the 'Special Rupee Account'.

7. The monies deposited in the Escrow Account will be held for the benefit of the Bidders (other than ASBA Bidders) till the Designated Date.

8. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Accounts as per the terms of the Escrow Agreement into the Public Offer Accounts with the Bankers to the Offer.

9. No later than 12 Working Days from the Bid/ Offer Closing Date, the Registrar to the Offer shall dispatch all refund amounts payable to unsuccessful Bidders (other than ASBA Bidders) and also the excess amount paid on Bidding, if any, after adjusting for Allotment to such Bidders.

10. Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Application-Cum-Bidding Formis submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ stockinvest/money orders/postal orders will not be accepted.

11. Payments made through cheques without the Magnetic Ink Character Recognition ("MICR") code will be rejected.

12. Bidders are advised to provide the number of the Application-Cum-Bidding Formon the reverse of the

cheque or bank draft to avoid misuse of instruments submitted with the Application-Cum-Bidding Form.

Payment by cash/ stockinvest/ money order

Payment through cash/ stockinvest/ money order shall not be accepted in this Offer.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Application-Cum-Bidding Form or Bid Revision Application Form. All communications will be addressed to the first Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or first Bidder is one and the same. In this regard, all Bids will be checked for common PAN as per Depository records and all such Bids will be treated as multiple Bids and are liable to be rejected.

In this regard, the procedures which would be followed by the Registrar to the Offer to detect multiple Bids include the following:

- All Bids will be checked for common PAN as per Depository records. For Bidders other than Mutual Funds and FII Sub-Accounts, Bids bearing the same PAN will be treated as multiple Bids and are liable to be rejected.

- For Bids from Mutual Funds and FII Sub-Accounts, which are submitted under the same PAN, as well as Bids for whom the submission of PAN is not mandatory such as on behalf of the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Bids will be scrutinized for DP ID and BAN. In case such Bids bear the same DP ID and BAN, these will be treated as multiple Bids and are liable to be rejected.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

Bids made by Eligible Employees both under the Employee Reservation Portion as well as in the Offer shall not be treated as multiple Bids.

After submitting an Application-Cum-Bidding Form either in physical or electronic mode, where such ASBA Bid is uploaded with the Stock Exchanges, an ASBA Bidder cannot Bid, either in physical or electronic mode, on another Application-Cum-Bidding Form. Submission of a second Application-Cum-Bidding Form to either the same or to another Designated Branch of the SCSB or to any member of the Syndicate, will be treated as multiple Bids and will be liable to be rejected either before entering the Bid into the electronic Bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in the Offer. Duplicate copies of Application-Cum-Bidding Formsavailable on the website of the Stock Exchanges bearing the same application number will be treated as multiple Bids and are liable to be rejected. More than one ASBA Bidder may Bid for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application-Cum-Bidding Forms from such ASBA Bidders with respect to any single ASBA Account. However, an ASBA Bidder may revise the Bid through the Bid Revision Application Form, the procedure for which is detailed in the section titled "***Offer Procedure***" on page 291 of this Draft Red Herring Prospectus.

The Selling Shareholder and our Company reserve the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

Permanent Account Number or PAN

Except for Bids by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of a Bid in joint names, each of the Bidders, should mention his/ her PAN allotted under the Income Tax Act. In accordance with the SEBI ICDR Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. **Any Application-Cum-Bidding Form without the PAN is liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground**.

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Bids, the Registrar will check under the Depository records for the appropriate description under the PAN field*i.e.* either Sikkim category or exempt category.

With effect from August 16, 2010, the beneficiary accounts of Bidders for whom PAN details have not been verified will be "suspended for credit" and no credit of Equity Shares pursuant to the Offer will be made in the accounts of such Bidders.

Withdrawal of ASBA Bids

ASBA Bidders can withdraw their ASBA Bids during the Bid/Offer Period by submitting a request for the same to the member of the Syndicate or the Designated Branch, as the case may be, through whom the ASBA Bid had been placed. In case of ASBA Bids submitted to the members of the Syndicate at the Syndicate ASBA Bidding Centres, upon receipt of the request for withdrawal from the ASBA Bidder, the relevant Syndicate Member shall do the requisite, including deletion of details of the withdrawn Application-Cum-Bidding Form from the electronic Bidding system of the Stock Exchanges and forwarding instructions to the relevant branch of the SCSB for unblocking of the funds in the ASBA Account. In case of ASBA Bids submitted to the Designated Branch, upon receipt of the request for withdrawal from the ASBA Bidder, the relevant Designated Branch shall do the requisite, including deletion of details of the withdrawn Application-Cum-Bidding Form from the electronic Bidding system of the Stock Exchanges and unblocking of the funds in the ASBA Account directly.

In case an ASBA Bidder (other than a QIB) wishes to withdraw the Bid after the Bid/ Offer Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Offer prior to the finalisation of Allotment. The Registrar to the Offer shall delete the withdrawn Bid from the Bid file and give instruction to the SCSB for unblocking the ASBA Account after approval of the 'Basis of Allotment'. QIBs cannot withdraw their Bids after the Bid/ Offer Closing Date.

REJECTION OF BIDS

In case of QIBs, the Selling Shareholder and our Company in consultation with the BRLMsmay reject Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion, Bids would be rejected on the technical grounds listed on page 313 and if all the information required is not provided and the Application-Cum-Bidding Formis incomplete in any respect. Additionally, with respect to ASBA Bids, the Designated Branches shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the ASBA Account, the respective Designated Branch ascertains that sufficient funds are not available in the Bidder's ASBA Account.

In case the DP ID, BAN and PAN provided in the Application-Cum-Bidding Formand as entered into the electronic Bidding system of the Stock Exchanges by the members of the Syndicate and the SCSBs, as the case may be, do not match with the DP ID, BAN and PAN available in the depository database, the Bid is liable to be rejected.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected on technical grounds including:

1. DP ID and Client ID not mentioned in the Application-Cum-Bidding Form

2. Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to ASBA Bids, the amounts mentioned in the Application-Cum-Bidding Form does not tally with the amount payable for the value of the Equity Shares Bid for;

3. Application on plain paper;

4. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply. However a limited liability partnership firm can apply in its own name;

5. Bids by persons not competent to contract under the Indian Contract Act, 1872, as amended, including minors and insane persons;

6. PAN not mentioned in the Application-Cum-Bidding Form, except for Bids by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim provided such claims have been verified by the Depository Participants;

7. GIR number furnished instead of PAN;

8. Bids by OCBs;

9. Bids by FVCIs;

10. Bids by Multilateral and bilateral development financial institutions;

11. Bids by Bidders whose demat accounts have been suspended for credit pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;

12. Bids for lower number of Equity Shares than the minimum specified for that category of investors;

13. Submission of more than five Application-Cum-Bidding Form per ASBA Account;

14. Bids at a price less than the Floor Price;

15. Bids at a price more than the Cap Price;

16. Bids at Cut-Off Price by Non-Institutional Bidders and QIBs;

17. Bids for a value of more than ₹ 200,000 by Bidders falling under the category of Retail Individual Bidders and Eligible Employees;

18. Bids for a Bid Amount of more than ₹200,000 by Bidders applying through the non-ASBA process;

19. Bids by persons who are not Eligible Employees and have submitted their Bids under the EmployeeReservation Portion;

20. Bids by Company's Directors, Key Managerial Personnel and employees involved in the decision making process for price fixation and their family members or any person acting on their behalf;

21. Bids by persons who are not eligible to acquire Equity Shares of our Company in terms of all applicable laws, rules, regulations, guidelines and approvals;

22. Bids for number of Equity Shares which are not in multiples of [•];

23. Bidder category not ticked in the Application-Cum-Bidding Form;

24. Multiple Bids as defined in this Draft Red Herring Prospectus;

25. In case of Bids under power of attorney or by limited companies, corporate, trust *etc.*, relevant documents are not submitted;

26. Bids accompanied by stockinvest/money order/postal order/cash;

27. Signature of Bidders missing. In case of joint Bidders, the Application-Cum-Bidding Formsnot being signed by each of the joint Bidders and not appearing in the same sequence as appearing in the depository's records;

28. Application-Cum-Bidding Forms not being signed by the ASBA account holder, if the account holder is different from the Bidder;

29. Application-Cum-Bidding Forms does not have the stamp of the members of the Syndicate or the SCSB and/or the Designated Branch (except for electronic ASBA Bids), as the case may be;

30. Application-Cum-Bidding Forms not having details of the ASBA Account to be blocked.

31. Application-Cum-Bidding Forms does not have Bidder's depository account details;

32. Application-Cum-Bidding Forms not delivered by the Bidders within the time prescribed as per the Application-Cum-Bidding Forms, Bid/ Offer Opening Date advertisement and this Draft Red Herring Prospectus and as per the instructions in this Draft Red Herring Prospectus and the Application-Cum-Bidding Forms;

33. In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, BAN and PAN or if PAN is not available in the Depository database;

34. With respect to ASBA Bids, inadequate funds in the ASBA Account to enable the SCSB to block the Bid Amount specified in the Application-Cum-Bidding Format the time of blocking such Bid Amount in the ASBA Account;

35. Application-Cum-Bid-Forms not containing the authorizations for blocking the Bid Amount in the bank account specified in the Application-Cum-Bid-Form;

36. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations and applicable law;

37. Bids where clear funds are not available in Escrow Accounts as per final certificates from Escrow Collection Banks;

38. Bids by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;

39. Bids by any person outside India if not in compliance with applicable foreign and Indian laws;

40. Bids not uploaded on the terminals of the Stock Exchanges;

41. Bids by QIB Bidders uploaded after 4.00 p.m. on the Bid/ Offer Closing Date, Bids by Non-Institutional Bidders uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, and Bids by Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion uploaded after 5.00 p.m. on the Bid/ Offer Closing Date.

42. Bids by QIBs or Non Institutional Bidder not submitted through the ASBA process.

43. Bids by QIB Bidders and Non Institutional Bidders accompanied by cheque(s) or demand draft(s);

44. Application-Cum-Bidding Form submitted to a member of the Syndicate at locations other than the Syndicate ASBA Bidding Centres or at a Designated Branch where the ASBA Account is not maintained, and Application-Cum-Bidding Formssubmitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB), to our Company, the Selling Shareholder or the Registrar to the Offer.

45. In case of Application-Cum-Bidding Formssubmitted to a member of the Syndicate at the Syndicate ASBA Bidding Centres, the SCSB where the ASBA Account is maintained as specified in the Application-Cum-Bidding Form, has not named at least one branch in the relevant Syndicate ASBABidding Centres for the members of the Syndicate to deposit Application-Cum-Bidding Forms, as displayed on the website of SEBI (www.sebi.gov.in/pmd/scsb-asba.html).

IN CASE THE DP ID, BAN AND PAN MENTIONED IN THE APPLICATION-CUM-BIDDING FORM AND ENTERED INTO THE ELECTRONIC BIDDING SYSTEM OF THE STOCK EXCHANGES BY THE SYNDICATE/THE SCSBs DO NOT MATCH WITH THE DP ID, BAN AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITARIES THE APPLICATION IS LIABLE TO BE REJECTED AND THE SELLING SHAREHOLDER, OUR COMPANY AND THE MEMBERS OF THE SYNDICATE SHALL NOT BE LIABLE FOR LOSSES, IF ANY.

EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL OR CDSL

As per the provisions of Section 68B of the Companies Act, the Allotment shall be only in a de-materialised form, (*i.e.*, not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated February 7, 2012, between NSDL, our Company and the Registrar to the Offer;

- Agreement dated February 7, 2012, between CDSL, our Company and the Registrar to the Offer.

All Bidders can seek Allotment only in dematerialized mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

1. A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

2. The Bidder must necessarily fill in the details (including the DP ID, BAN and PAN) appearing in the Application-Cum-Bidding Form andBid Revision Application Form.

3. Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

4. Names mentioned in the Application-Cum-Bidding Form, Bid Revision Application Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

5. If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Application-Cum-Bidding Form, Bid Revision Application Form, it is liable to be rejected.

6. The Bidder is responsible for the correctness of his or her Demographic Details given in the Application-Cum-Bidding Form vis-à-vis those with his or her Depository Participant.

7. Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

8. The trading of the Equity Shares would be in dematerialized form only for all investors in the demat segment of the respective Stock Exchanges.

9. Non-transferable Allotment Advice or refund orders will be directly sent to the Bidders by the Registrar to the Offer.

Communications

All future communications in connection with Bids made in this Offer should be addressed to the Registrar to the Offer quoting the full name of the sole or first Bidder, Application-Cum-Bidding Form number, Bidders' DP ID, BAN, PAN, number of Equity Shares applied for, date of Application-Cum-Bidding Form, name and address of the member of the Syndicate or the Designated Branch, as the case may be, where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

Bidders can contact the Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of Allotment Advice, credit of Allotted Equity Shares in the respective beneficiary accounts, refund orders *etc.*In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders can contact the relevant Designated Branch. The SCSB or the Syndicate/ Sub-syndicate Member, as applicable, shall be responsible for any damage or liability resulting from any errors, fraud or wilful negligence on the part of any employee of the concerned SCSB or the Syndicate/ sub-syndicate member, as applicable, including its Designated Branches and the branches where the ASBA Accounts are held. The Selling Shareholder, our Company, the BRLMs, the Syndicate Members and the Registrar accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

PAYMENT OF REFUND

Within 12 Working Days of the Bid/ Offer Closing Date, the Registrar to the Offer will dispatch the refund orders for all amounts payable to unsuccessful Bidders (other than ASBA Bidders) and also any excess amount paid on Bidding, after adjusting for allocation/ Allotment to Bidders

In the case of Bidders other than ASBA Bidders, the Registrar to the Offer will obtain from the Depositories the Bidders' bank account details, including the nine-digit Magnetic Ink Character Recognition ("**MICR**") code, on the basis of the DP ID, BAN and PAN provided by the Bidders in their Application-Cum-Bidding Forms. Accordingly, Bidders are advised to immediately update their bank account and other details as appearing on the records of their Depository Participants. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay will be at the Bidders' sole risk and neither our Company, the Selling Shareholder, the Registrar to the Offer, the Escrow Collection Banks, or the Syndicate, will be liable to compensate the Bidders for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

In the case of Bids from Eligible NRIs and FIIs, refunds, dividends and other distributions, if any, will normally be payable in Indian Rupees only and net of bank charges and/or commission. Where so desired, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Mode of making refunds for Bidders other than ASBA Bidders

The payment of refund, if any, for Bidders other than ASBA Bidders would be done through any of the following modes:

1. NECS – Payment of refund would be done through NECS for applicants having an account at any of the Locations where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code from the Depositories.

2. Direct Credit – Applicants having bank accounts with the Refund Bank (s), as per Demographic Details received from the Depositories, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.

3. RTGS – Applicants having a bank account at any of the Locations where such facility has been made available and whose refund amount is or exceeds ₹0.2 million, have the option to receive refund through RTGS provided the Demographic Details downloaded from the Depositories contain the nine digit MICR code of the Bidder's bank which can be mapped with the RBI data to obtain the corresponding IFSC. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

4. NEFT – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the IFSC, which can be linked to a MICR, if any, available to that particular bank branch. IFSC will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR code and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage, hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in this section.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched through Speed Post or Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other Locations will be payable by the Bidders.

Mode of making unblocking funds for ASBA Bidders

In case of ASBA Bidders, the Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the Application-Cum-Bidding Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid/ Offer Closing Date.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

With respect to Bidders other than ASBA Bidders, the Selling Shareholder and our Company shall ensure dispatch of Allotment Advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants within 12 Working Days of the Bid/ Offer Closing Date.

In case of applicants who receive refunds through NECS, direct credit or RTGS or NEFT, the refund instructions will be given to the clearing system within 12 Working Days from the Bid/ Offer Closing Date. A suitable communication shall be sent to the Bidders receiving refunds through this mode within 12 Working Days of Bid/ Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for commencement of trading at all the Stock Exchanges where the Equity Shares are listed are taken within 12 Working Days from the Bid/ Offer Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI ICDR

Regulations, our Company further undertakes that:

- Allotment shall be made only in dematerialized form, including the credit of Allotted Equity Shares to the beneficiary accounts of the Depository Participants, within 12 Working Days of the Bid/ Offer Closing Date; and

- With respect to Bidders other than ASBA Bidders, dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 12 Working Days of the Bid/ Offer Closing Date would be ensured. With respect to the ASBA Bidders, instructions for unblocking of the ASBA Bidder's ASBA Account shall be made within 12 Working Days from the Bid/ Offer Closing Date.

The Selling Shareholder shall pay interest at 15% per annum, if Allotment is not made or refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within 12 Working Days from the Bid/ Offer Closing Date. If such money is not repaid within 8 Working Days after our Company becomes liable to repay it, *i.e.* from the date of refusal of permission from the Stock Exchanges or within 15 days from the Bid/ Offer Closing Date, whichever is earlier, our Company and every Director of our Company who is an officer in default shall, be jointly and severally liable to repay the money with interest as prescribed under sub-section (2) and (2A) of section 73 of the Companies Act.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"*Any person who:*

(a) ***makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or***

(b) ***otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,***

***shall be punishable with imprisonment for a term which may extend to five years.*"**

BASIS OF ALLOTMENT

1. **For Retail Individual Bidders**

   a) Bids received from the Retail Individual Bidders at or above the Offer Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Offer Price less retail discount.

   b) The Net Offer size less Allotment to Non-Institutional Bidders and QIBs shall be available for Allotment to Retail Individual Bidders who have Bid at a price that is equal to or greater than the Offer Price.

   c) If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

   d) If the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares. For the method of proportionate Basis of Allotment, refer below.

2. **For Non-Institutional Bidders**

a) Bids received from Non-Institutional Bidders at or above the Offer Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Offer Price.

b) The Net Offer size less Allotment to QIBs and Retail Individual Bidders shall be available for Allotment to Non-Institutional Bidders who have Bid in the Offer at a price that is equal to or greater than the Offer Price.

c) If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

d) In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate Basis of Allotment refer below.

3. **For QIBs in the QIB Portion**

a) Bids received from the QIBs Bidding in the QIB Portion at or above the Offer Price shall be grouped together to determine the total demand under this portion. The Allotment to all the QIBs will be made at the Offer Price.

b) The QIB Portion shall be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price.

c) Allotment shall be undertaken in the following manner:

i. In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion shall be determined as follows:

(a) In the event that Bids by Mutual Fund exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion

(b) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Offer Price;

(c) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds shall be available for Allotment to all QIBs as set out in (b) below;

(ii) In the second instance Allotment to all QIBs shall be determined as follows:

(a) In the event of oversubscription in the QIB Portion, all QIBs who have submitted Bids above the Offer Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB;

(b) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs;

(c) Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIBs on a proportionate basis.

(iii) The aggregate Allotment to QIBs Bidding in the QIB Portion may be upto [●] Equity Shares.

4. **For Employee Reservation Portion**

a) The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employees does not exceed ₹200,000. The allotment in the Employee Reservation Portion will be on a proportionate basis. Bidders under the Employee Reservation Portion may Bid at Cut-Off Price.

b) The value of Allotment to any Eligible Employee shall not exceed ₹ 200,000.

c) Bids received from the Eligible Employees at or above the Offer Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Eligible Employees will be made at the Offer Price less Employee Discount.

d) If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand. The maximum Bid under Employees Reservation Portion by an Eligible Employee cannot exceed ₹ 200,000.

e) If the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate Basis of Allotment, refer below.

f) Only Eligible Employees are eligible to apply under the Employee Reservation Portion.

The BRLMs, the Registrar to the Offer and the Designated Stock Exchange shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the SEBI ICDR Regulations. The drawing of lots (where required) to finalise the Basis of Allotment shall be done in the presence of a public representative on the Governing Board of the Designated Stock Exchange.

Method of Proportionate Basis of Allotment in the Offer

In the event of the Offer being over-subscribed, the Selling Shareholder and our Company shall finalise the Basis of Allotment in consultation with the Designated Stock Exchange. The executive director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLMs and the Registrar to the Offer shall be responsible for ensuring that the Basis of Allotment is finalised in a fair and proper manner in accordance with the SEBI ICDR Regulations.

The allocation shall be made in marketable lots, on a proportionate basis as explained below:

1. Bidders will be categorised according to the number of Equity Shares applied for.

2. The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

3. The number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

4. In all Bids where the proportionate Allotment is less than [•] Equity Shares per Bidder, the Allotment shall be made as follows:

    a) The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with 2 above; and

    b) Each successful Bidder shall be allotted a minimum of [•] Equity Shares.

5. If the proportionate Allotment to a Bidder is a number that is more than [•] but is not a multiple of one (which is the marketable lot), the decimal would be rounded offto the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5it would be rounded off to the lower whole number. Allotment to all in such categories would be arrived at after such rounding off.

6. If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

Illustration of Allotment to QIBs and MFs

1. **Offer Details**

Sr. No.	Particulars	Offer details
1.	Offer size	202 million equity shares
2.	Employee Reservation Portion	2 million equity shares
3.	Net Offer Size	200 million equity shares
4.	Portion available to QIBs (50%)	100 million equity shares
	Of which:	
	a. Allocation to MF (5%)	5 million equity shares
	b. Balance for all QIBs including MFs	95 million equity shares
5.	No. of QIB applicants	10
6.	No. of shares applied for	500 million equity shares

2. **Details of QIB Bids**

Sr. No.	Type of QIBs #	No. of shares Bid for (in million)
1.	A1	50
2.	A2	20
3.	A3	130
4.	A4	50
5.	A5	50
6.	MF1	40
7.	MF2	40
8.	MF3	80
9.	MF4	20
10.	MF5	20
	Total	**500**

A1-A5: (QIBs other than MFs), MF1-MF5 (QIBs which are Mutual Funds)

3. **Details of Allotment to QIBs / Applicants**

(Number of equity shares in million)

Type of QIBs	Shares Bid for	Allocation of 5 million equity shares to MF proportionately (please see note 2 below)	Allocation of balance 95 million equity shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	(II)	(III)	(IV)	(V)
A1	50	0	9.60	0
A2	20	0	3.84	0

Type of QIBs	Shares Bid for	Allocation of 5 million equity shares to MF proportionately (please see note 2 below)	Allocation of balance 95 million equity shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
A3	130	0	24.95	0
A4	50	0	9.60	0
A5	50	0	9.60	0
MF1	40	1	7.48	8.48
MF2	40	1	7.48	8.48
MF3	80	2	14.97	16.97
MF4	20	0.50	3.74	4.24
MF5	20	0.50	3.74	4.24
	500	**5**	**95**	**42.42**

Please note:

1. The illustration presumes compliance with the requirements specified in this Draft Red Herring Prospectus in "Offer Structure" beginning on page 283 of this DRHP.

2. Out of 100 million equity shares allocated to QIBs, 5 million (*i.e.* 5%) will be allocated on proportionate basis among five Mutual Fund applicants who applied for 200 million equity shares in QIB category.

3. The balance 95 million equity shares (*i.e.* 100 - 5 (available for MFs)) will be allocated on proportionate basis among 10 QIB applicants who applied for 500 million equity shares (including five MF applicants who applied for 200 million equity shares).

4. The figures in the fourth column entitled "Allocation of balance 95 million equity shares to QIBs proportionately"in the above illustration are arrived as under:

   a) For QIBs other than Mutual Funds (A1 to A5) = No. of equity shares Bid for (*i.e.* in column II) X 95 / 495

   b) For Mutual Funds (MF1 to MF5) = [(No. of shares Bid for (*i.e.* in column II of the table above) less equity shares Allotted (*i.e.*, column III of the table above)] X 95 / 495

   c) The numerator and denominator for arriving at allocation of 95 million equity shares to the 10 QIBs are reduced by 5 million equity shares, which have already been Allotted to Mutual Funds in the manner specified in column III of the table above.

Letters of Allotment or Refund Orders or instructions to the SCSBs

The Registrar to the Offer shall give instructions for credit to the beneficiary account with depository participants within 12 Working Days of the Bid/ Offer Closing Date. Applicants residing at the Locations where clearing houses are managed by the RBI, will get refunds through NECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit, RTGS and NEFT. The Selling Shareholder and our Company shall ensure dispatch of refund orders by registered post or speed post at the sole or first Bidder's sole risk within 12 Working Days of the Bid/ Offer Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 12 Working Days of the Bid/ Offer Closing Date. In case of ASBA Bidders, the Registrar to the Offer shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the Application-Cum-Bidding Formfor withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid/ Offer Closing Date.

Interest in case of delay in Allotment or Refund Orders/ instruction to SCSB by the Registrar to the Offer

Our Company agrees that Allotment and credit to the successful Bidders' depository accounts will be completed within 12 Working Days of the Bid/ Offer Closing Date.

The Selling Shareholder shall pay interest at 15% per annum, if Allotment is not made or refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within 12 Working Days from the Bid/ Offer Closing Date.

The Selling Shareholder will provide adequate funds required for dispatch of refund orders or Allotment Advice to the Registrar to the Offer.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by the Selling Shareholder and our Company as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other Locations will be payable by the Bidders.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

1. That the complaints received in respect of this Offer shall be attended to by our Company expeditiously and satisfactorily;

2. That all steps for completion of the necessary formalities for commencement of trading at all the Stock Exchanges where the Equity Shares are listed are taken within 12 Working Days of the Bid/ Offer Closing Date;

3. That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 Working Days of the Bid/ Offer Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

4. That the certificates of the securities/ refund orders to the non-resident Indians shall be despatched within specified time;

5. That no further issue of securities shall be made till final trading approvals from all the Stock Exchanges have been obtained for the Equity Shares offered through the Offer; and

6. Those adequate arrangements shall be made to collect all Application-Cum-Bidding Form and to consider them similar to non-ASBA applications while finalising the Basis of Allotment.

UNDERTAKINGS BY THE SELLING SHAREHOLDER

1. That the Equity Shares are free and clear of all liens or encumbrances and shall be transferred to the successful Bidders within the specified time;

2. The funds required for making refunds to unsuccessful Bidders or despatch of Allotment Advice as per modes prescribed in this Draft Red Herring Prospectus shall be made available to the Registrar to the Offer;

3. That the transfer of Equity Shares shall be made and the refund orders shall be dispatched within 12 Working Days of the Bid/ Offer Closing Date, as far as possible, and that the Selling Shareholder shall pay interest of 15% per annum if allotment has not been made and refund orders have not been dispatched within the aforesaid period;

4. If the Selling Shareholder does not proceed with the Offer after the Bid/ Offer Opening Date, the reason thereof shall be given as a public notice within two days of the Bid/ Offer Closing Date. The public notice

shall be issued in the same newspapers where the pre-Offer advertisement had appeared. The stock exchanges where the Equity Shares are listed shall also be informed promptly;

5. The Selling Shareholder shall not further transfer Equity Shares during the period commencing from submission of this Draft Red Herring Prospectus with the SEBI until the final trading approvals from all the Stock Exchanges have been obtained for the Equity Shares Allotted/ to be Allotted pursuant to the Offer

6. The Selling Shareholder will not sell, transfer, dispose of in any manner or create any lien, charge or encumbrance on the Equity Shares available in the Offer for Sale;

7. The Selling Shareholder will take all such steps as may be required to ensure that the Equity Shares are available for transfer in the Offer for Sale;

8. The Selling Shareholder has authorized the Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Offer for Sale;

9. The Selling Shareholder shall not have recourse to the proceeds of the Offer for Sale until the final trading approvals from all the Stock Exchanges have been obtained.

Withdrawal of the Offer

In accordance with the SEBI ICDR Regulations, the Selling Shareholder in consultation with the Company and the BRLMs, reserves the right not to proceed with the Offer at anytime including after the Bid/ Offer Opening Date, without assigning the reasons thereof. Provided, if the Selling Shareholder and our Company withdraw the Offer after the Bid/ Offer Closing Date, our Company will give the reason thereof within two days of the Bid/ Offer Closing Date by way of a public notice in the same newspapers where the pre-Offer advertisement had appeared. The Stock Exchanges shall also be informed promptly and the BRLMs, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts specified by the ASBA Bidders within one Working Day from the date of receipt of such notification.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for only after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

In the event the Selling Shareholder and our Company, in consultation with the BRLMs, withdraws the Offer after the Bid / Offer Closing Date, a fresh offer document will be filed with SEBI in the event we subsequently decide to proceed with the initial public offering.

SECTION VIII- MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Capitalised terms used in this chapter have the meaning that has been given to such terms in the Articles of Association of the Company. Pursuant to Schedule II of the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association of the Company are detailed below:

No regulations contained in Table 'A', in the first schedule to the Companies Act shall apply to the Company. The regulations for the management of the Company and for the observance of the members thereof and their representatives shall, subject to any exercise of the statutory powers of the Company in reference to the repeal or alteration of or addition to its regulations as prescribed or permitted by the Companies Act, be such as are contained in these Articles.

All Articles except for Article 1,2 and 3 are reproduced below:

4. **SHARE CAPITAL**

(A) The Authorised Capital of the Company shall be as per Capital Clause of the Memorandum of Association of the Company with power to increase or reduce the capital of the Company and/or the nominal value of the shares and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions with or without voting rights as may be determined by or in accordance with the Articles of Association of the Company or as may be decided by the Board of Directors or by the Company in General Meeting, as applicable, in conformity with the provisions of the Act, and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions and to consolidate or sub-divide the shares and issue shares of higher or lower denominations.

(B) Subject to the rights of the holders of any other shares entitled by the terms of issue to preferential repayment over the Equity Shares in the event of winding up of the Company, the holders of the Equity Shares shall be entitled to be repaid the amounts of capital paid up or credited as paid up on such Equity Shares and all surplus assets thereafter shall belong to the holders of the Equity Shares in proportion to the amount paid up or credited as paid up on such Equity Shares respectively at the commencement of the winding up.

(C) Subject to the provisions of the Act and all other applicable provisions of law, the Company may issue shares either equity or any other kind with non-voting rights and the resolutions authorising such issue shall prescribe the terms and conditions of the issue.

5. PREFERENCE SHARES

(A) **Redeemable Preference Shares** :-The Board shall subject to the provisions of the Act and the consent of the Company have power to issue on a cumulative or non-cumulative basis Preference Shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the provisions of the Act, exercise such power in any manner as they deem fit and provide for redemption of such Shares on such terms including the right to redeem at a premium or otherwise as they deem fit.

(B)**Convertible Redeemable Preference Shares** :-The Board shall subject to the provisions of the Act and the consent of the Company have power to issue on a cumulative or non-cumulative basis Convertible Redeemable Preference Shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the provisions of the Act, exercise such power in any manner as they deem fit and provide for redemption at a premium or otherwise and/or conversion of such Shares into such Securities on such terms as they may deem fit.

6. PROVISIONS IN CASE OF PREFERENCE SHARES

Upon the issue of Preference Shares pursuant to Article 5 above, the following provisions shall apply:

(A) No such shares shall be redeemed except out of profits of the Company which would otherwise be available for Dividend or out of the proceeds of a fresh issue of Shares made for the purposes of the redemption;

(B) No such Shares shall be redeemed unless they are fully paid;

(C) The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's Securities Premium Account before the Shares are redeemed;

(D) Where any such Shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of the profits which would otherwise have been available for Dividend, be transferred to a reserve fund, to be called "The Capital Redemption Reserve Account" a sum equal to the nominal amount of the Share redeemed; and the provisions of the Act relating to the reduction of the Share Capital of the Company shall, except as provided in the Act, apply as if the Capital Redemption Reserve Account were Paid up Share Capital of the Company;

(E) The redemption of Preference Shares under this Article by the Company shall not be taken as reduction of Share Capital;

7. SHARE EQUIVALENT

The Company shall subject to the provisions of the Act, compliance with all applicable laws, rules and regulations, have power to issue Share Equivalents on such terms and in such manner as the Board deems fit including their conversion, repayment, and redemption whether at a premium or otherwise.

8. **ALTERATION OF SHARE CAPITAL**

(A) Subject to provision of the Act, the Company may, by Ordinary Resolution in General Meeting from time to time alter the conditions of its Memorandum as follows:

(i) increase its Share Capital by such amount as it thinks fit and expedient by issuing new Shares of such amount as may be deemed expedient and the new Shares shall be issued on such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct and if no direction be given, the Board of Directors shall determine, and in particular such Shares maybe issued with a preferential right to Dividends and in the distribution of the assets of the Company;

(ii) consolidate and divide all or any of its Share Capital into Shares of larger amount than its existing Shares;

(iii) convert all or any of its fully Paid up Shares into stock and reconvert that stock into fully Paid up Shares of any denomination;

(iv) sub-divide its Shares, or any of them, into Shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in the case of the Share from which the reduced Share is derived;

(v) cancel Shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its Share Capital by the amount of the Shares so cancelled. A cancellation of Shares in pursuance of this Article shall not be deemed to be a reduction of Share Capital within the meaning of the Act.

(B) The Board will have power, from time to time, to divide or classify any unclassified shares forming part of the authorized capital for the time being into several classes and to attach thereto respectively such equity, preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may be for the time being be provided in the Articles of Association of the Company.

9. REDUCTION OF SHARE CAPITAL

Subject to the provisions of Sections 78, 80 and 100 to 105 (both inclusive) of the Act, the Company from time to time by Special Resolution, reduce its Capital, any Capital Redemption Reserve Account and the Securities Premium Account in any manner for the time being authorized by law, and in particular, Capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate any power the Company would have, if it were omitted.

10. POWER OF COMPANY TO PURCHASE ITS OWN SHARES

The Company may purchase its own Shares by way of a buy-back arrangement, in accordance with Section 77A of the Act and the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998, subject to compliance with all applicable Requirements of Law.

11. POWER TO MODIFY RIGHTS

Where, the Capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of Shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Act, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any Person purporting to contract on behalf of that class, provided the same is affected with the sanction of a Special Resolution passed at a separate meeting of the holders of the issued Shares of that class and all the provisions hereafter contained as to General Meetings (including the provisions relating to quorum at such meetings) shall mutatis mutandis apply to every such meeting.

12. REGISTERS & SHARE CERTIFICATES

(A) The Company shall cause to be kept a Register and Index of Members in accordance with Sections 150 and 151 of the Act and Register and Index of Debentureholders in accordance with Section 152 of the Act. The Company shall also be entitled to keep in any State or Country outside India, a foreign register or a branch Register of Members and Debentureholders in accordance with Section 157 of the Act. The Board may make and vary such regulations as it may think fit in respect of keeping of any such register(s).

(B) The Shares in the Capital shall be numbered progressively according to their denominations, provided however, that the provisions relating to progressive numbering shall not apply to the Shares of the Company which are dematerialized or may be dematerialized in future or issued in future in a dematerialized form except in the manner hereinbefore mentioned, no Share shall be sub-divided. Every forfeited or surrendered Share held in material form shall continue to bear the number by which the same was originally distinguished.

(C) The Company shall be entitled to dematerialize its existing Shares, rematerialize its Shares held in the Depository and/or to offer its fresh Shares in a dematerialized form pursuant to the Depositories Act, 1996, and the rules framed thereunder, if any.

13. FURTHER ISSUE OF SHARES

(A) Where at anytime after expiry of two(2) years from the formation of the Company or at any time after the expiry of one(1) year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by the allotment of further shares then:

(i) Such further shares shall be offered to the person who, at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid-up on those shares at that date;

(ii)The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;

(iii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (ii) shall contain a statement of this right;

(iv) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the Company.

(B) Notwithstanding anything contained above, the further shares aforesaid may be offered to any persons whether or not those persons include the persons referred to above in any manner whatsoever:

(a) If a special resolution to that effect is passed by the Company in general meeting; or

(b) Where no such resolution is passed, if the votes cast (whether on a show of hands or poll as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.

(C) Nothing in sub-clause (iv) of (A) hereof shall be deemed:

(a) To extend the time within which offer should be accepted; or

(b) To authorize any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

(D) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued by the Company:

(i) To convert such debentures or loans into shares in the Company; or

(ii) To subscribe for shares in the Company;

Provided that the terms of issue of such debentures or terms of such loans include a term providing for such options and such term:

(i) Either has been approved by the Central Government before the issue of debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and

(ii) In the case of debentures or loans or other than debentures issued to, or loans obtained from the Government or any institution specified by the Central Government in this behalf, has been approved by the special resolution passed by the Company in General Meeting before the issue of the loans.

(E) Any increase in the subscribed Capital of the Company by allotment of further Shares, whether out of un-issued Share Capital or out of increased Share Capital or otherwise, shall be effected in accordance with the applicable requirements of Law.

(F) Any acquisition of Shares or other Securities of the Company by the persons who can acquire Securities of a company incorporated in India, shall be in compliance with any applicable laws, regulations or guidelines or any requirements of Law.

14. **SHARES AT THE DISPOSAL OF THE DIRECTORS**

(A) Subject to the provisions of Section 81 of the Act, if applicable, and these Articles, the Shares in the Capital of the Company for the time being shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such Persons, in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of Section 78 and 79 of the Act) at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any Person or Persons the option or right to apply for any Shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the Capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up Shares and if so issued, shall be deemed to be fully paid Shares, provided however, notwithstanding the foregoing, the option or right to call on Shares shall not be given to any Person or Persons without the sanction of the Company in the General Meeting.

(B) In addition to and without derogating from powers for that purpose conferred on the Board under these Articles, the Members may, subject to the provisions of Section 81 of the Act, determine that any Shares (whether forming part of the original capital or of any increased Capital of the Company), shall be offered to such Persons, (whether Members or holders of Debentures or any other Securities or not), in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount, as the Members shall determine and with full power to give any person, (whether a Member or holders of Debentures or any other Securities or not), the option to call for or be allotted Shares of any class of the Company, either (subject to compliance with the provisions of Sections 78 and 79 of the Act), at a premium or at par or at a discount, such option being exercisable at such time and for such consideration as may be directed by the Members or the Members make any other provision whatsoever for the issue, allotment or disposal of any Shares.

(C) Any application signed by or on behalf of an applicant for Shares in the Company, followed by an allotment of any Shares therein, shall be an acceptance of Shares within the meaning of these Articles and every person who thus or otherwise accepts any Shares and whose name is on the Register of Members shall for the purposes of these Articles be a Member.

(D) The money, (if any), which the Board shall, on the allotment of any Shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any Shares allotted by them, shall immediately on the insertion of the name of the allottee, in the Register of Members as the name of the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

(E) Every Member, or his heirs, Executors, or Administrators shall pay to the Company, the portion of the Capital represented by his Share or Shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board shall from time to time in accordance with the Articles require or fix for the payment thereof.

(F) If any Share stands in the names of two or more Members, the Member first named in the Register of Members shall as regards receipt of dividend or bonus, or service of notices and all or any other matters connected with the Company except voting at Meetings and the transfer of Shares, be deemed the sole holder thereof, but the joint holders of a Share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such Shares, and for all incidents thereof according to these Articles.

(G) Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall be entitled to treat the Member whose name appears on the Register of Members as the holder of any Share or whose name appears as the Beneficial Owner of Shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such Share on the part of any other Person whether or not he shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any Shares in the joint names of any two or more Persons or the survivor or survivors of them.

15. ISSUE OF SHARE CERTIFICATES

(A) The issue of certificates of shares or of duplicate or renewal of certificates of shares shall be governed by the provisions of Section 84 and other provisions of the Act, as may be applicable and by the Rules or notifications or orders, if any, which may be prescribed or made by competent authority under the Act or Rules or any other law. The Directors may also comply with the provisions of such rules or regulations of any stock exchange where the shares of the Company may be listed for the time being. The certificate of title to shares shall be issued under the Seal of the Company and shall be signed by such Directors, provided that, notwithstanding what is stated above, the Directors shall comply with such rules or regulations or requirements of any stock exchange or the rules made under the Act or the rules made under the Securities Contracts (Regulation) Act, 1956 or any other act or rules applicable in this behalf.

(B) Limitation of Time for Issue of Certificates:

Every member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fees as the Directors may determine) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two months of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificates of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and approve, provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one or several joint holders shall be sufficient delivery to all such holder.

(C) Issue of New Certificate in place of one defaced, lost or destroyed:

If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding ₹ 2/- for each certificate) as the Directors shall prescribe.

Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer. Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirement of any Stock Exchange or the rules

made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.
The provisions of this Article shall mutatis mutandis apply to Debentures of the Company.

16. UNDERWRITING AND BROKERAGE

(A) Subject to Section 76 of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscription, (whether absolutely or conditionally), for any Shares, Debentures or other Securities in the Company. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid Shares or partly in one way and partly in the other. Commission shall however be payable to any Person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any Shares in, Securities or Debentures of the Company, in accordance with the provisions of the Act.

(B) The Company may also, on any issue of Shares or Debentures, pay such brokerage as may be lawful.

17. INTEREST OUT OF CAPITAL

Where any Shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provision of any plant, which cannot be made profitable for a lengthy period, the Company may with the previous sanction of the Central Government, pay interest on so much of that Share Capital as is for the time being Paid up, for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act, and may charge the same to Capital as part of the cost of construction of the work or building or the provision of plant.

18. CALLS

(A) Subject to the provisions of Section 91 of the Act, the Board may, from time to time, subject to the terms on which any Shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, (and not by circular resolution), make such call as it thinks fit upon the Members in respect of all moneys unpaid on the Shares held by them respectively and each Member shall pay the amount of every call so made on him to the Person or Persons and at the times and places appointed by the Board. A call may be made payable by instalments.

(B) Thirty days' notice in writing at the least of every call (otherwise than on allotment) shall be given by the Company specifying the time and place of payment and if payable to any Person other than the Company, the name of the person to whom the call shall be paid, provided that before the time for payment of such call the Board may by notice in writing to the Members revoke the same.

(C) A call shall be deemed to have been made at the time when the resolution of the Board authorizing such call was passed and may be made payable by the Members whose names appear on the Register of Members on such date or at the discretion of the Board on such subsequent date as shall be fixed by the Board.

(D) A call may be revoked or postponed at the discretion of the Board.

(E) The joint holder of a Share shall be jointly and severally liable to pay all instalments and calls due in respect thereof.

(F) The Board may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Members, but no Members shall be entitled to such extension save as a matter of grace and favour.

(G) If any Member or Allottee fails to pay the whole or any part of any call or instalment, due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board.

(H) Any sum, which by the terms of issue of a Share or otherwise, becomes payable on allotment or at any fixed date or by instalments at a fixed time whether on account of the nominal value of the Share or by way of premium shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue or otherwise the same became payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of call, interest, expenses, forfeiture or otherwise shall apply as if such sum became payable by virtue of a call duly made and notified.

(I) On the trial or hearing of any action or suit brought by the Company against any Member or his Legal Representatives for the recovery of any money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of the Member in respect of whose Shares the money is sought to be recovered appears entered on the Register of Members as the holder, or one of the holders at or subsequently to the date at which the money sought to be recovered is alleged to have become due on the Shares in respect of which such money is sought to be recovered; that the resolution making the call is duly recorded in the minute book; and that notice of such call was duly given to the Member or his representatives so sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.

(J) Neither a judgement or decree in favour of the Company for calls, nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his Shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.

(K) **Payment in Anticipation of call may carry interest:**
The Board may, if it thinks fit (subject to the provisions of Section 92 of the Act) agree to and receive from any Member willing to advance the same, the whole or any part of the amounts due upon the Shares held by him beyond the sums actually called up, and upon the amount so paid or satisfied in advance or upon so much thereof as from time to time and at any time thereafter as exceeds the amount of the calls then made upon the Shares in respect of which such advance has been made, the Company may pay interest at such rate , as the Member paying such sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three (3) months' notice in writing. Provided that the money paid in advance of calls on any Shares may carry interest but shall not in respect thereof confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.
No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same become presently payable.
The provisions of these Articles shall mutatis mutandis apply to the calls on Debentures of the Company.

19. COMPANY'S LIEN ON SHARES/DEBENTURES

(A) The Company shall have a first and paramount lien upon all the Shares/Debentures (other than fully paid-up Shares/Debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/Debentures and no equitable interest in any Share shall be created except upon the condition that this Article will have full effect, and such lien shall extend to all Dividends and bonuses from time to time declared in respect of such Shares and interest in respect of Debentures. Unless otherwise agreed, the registration of a transfer of Shares/Debentures shall operate as a waiver of the Company's lien, if any, on such Shares/Debentures. The Directors may at any time declare any Shares/Debentures wholly or in part to be exempt from the provisions of this Article.

(B) For the purpose of enforcing such lien the Board may sell the Shares subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such Shares and may authorise one of their member to execute a transfer thereof on behalf of and in the name of such Member. No sale shall be made until such period as aforesaid shall have elapsed and until notice in writing of the intention to sell shall have been served on such Member or his Legal Representative, and default shall have been made by him or them in payment, fulfillment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.

(C) The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue if any shall (subject to a like lien for sums not presently payable as existed upon the Shares before the sale) be paid to the Person entitled to the Shares at the date of the sale.

20. FORFEITURE OF SHARES

A) If any Member fails to pay any call or installment or any part thereof or any money due in respect of any Shares either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or installment or any part thereof or other moneys remain unpaid or a judgment or decree in respect thereof remain unsatisfied, give notice to him or his Legal Representatives requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

(B) The notice shall name a place or places and a day, (not being less than fourteen days from the date of the notice), on or before which such call or installment or such part or other moneys as aforesaid and interest thereon, (at such rate as the Board shall determine and payable from the date on which such call or installment ought to have been paid), and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment on or before the time and at the place appointed, the Shares in respect of which the call was made or installment is payable, will be liable to be forfeited.

(C) If the requirements of any such notice as aforesaid shall not be complied with, any Share in respect of which such notice has been given, may at any time thereafter before payment of all calls, installments, other moneys due in respect thereof, interest and expenses as aforesaid, be forfeited by a Resolution of the Board to that effect. Such forfeiture shall include all Dividends declared or any other moneys payable in respect of the forfeited Share and not actually paid before the forfeiture.

(D) When any Share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture or if any of his Legal Representatives or to any of the Persons entitled to the Shares by transmission, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice to make any such entry as aforesaid.

(E) Any Share so forfeited shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of either to the original holder thereof or to any other Person upon such terms and in such manner as the Board shall think fit.

(F) Any Member whose shares have been forfeited shall, not withstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, amounts, installments, interest and expenses and other moneys owing upon or in respect of such Shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Board may determine and the Board may enforce, (if it thinks fit), payment thereof as if it were a new call made at the date of forfeiture.

(G) The forfeiture of a Share shall involve extinction at the time of the forfeiture of all interest in all claims and demands against the Company, in respect of the Share and all other rights incidental to the Share, except only such of these rights as by these Articles are expressly saved.

(H) A declaration in writing that the declarant is a Director or Secretary of the Company and that a Share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the Shares.

(I) Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some Person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

(J) Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the related Shares shall, (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member), stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in respect of the said Shares to the person or persons entitled thereto.

(K) The Board may at any time before any Share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

21. SURRENDER OF SHARES/DEBENTURES

The Board may accept from any shareholder/ debenture-holder on such terms and conditions as shall be agreed a surrender of all or any of his shares/ debentures.

22. TRANSFER AND TRANSMISSION OF SHARES

(A) The Company shall keep a "Register of Transfers".

(B) The Company's "Register of Transfers" shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any Share, Debenture or other Security held in a material form.

(C) **Instrument of Transfer**:

The instrument of transfer shall be in writing and all provisions of Section 108 of the Act and statutory modification thereof for the time being shall be only complied with, in respect of all transfer of shares and registration thereof. A common transfer form of transfer shall be used.

(D) (i) An application for the registration of a transfer of the Shares in the Company may be made either by the transferor or the transferee.

(ii) Where the application is made by the transferor and relates to partly paid Shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.

(E) Every such instrument of transfer shall be executed both by the transferor and the transferee and witnessed and the transferor shall be deemed to remain the holder of such Share until the name of the transferee shall have been entered in the Register of Members in respect thereof.

(F) The Board shall have power on giving not less than seven days previous notice by advertisement in a newspaper circulating in the city, town or village in which the Office of the Company is situated to close the transfer books, the Register of Members and/or Register of Debenture-holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days (45) in each year, as it may deem expedient.

(G) **Directors may refuse to Register Transfer:**

Subject to the provisions of Sections 111A of the Act, or any statutory modification of the said provisions for the time being in force and any other Requirements of Law, the Board may refuse to register or acknowledge any transfer of Shares and in particular may so decline in any case in which:

(i) the proposed transferee is a Person who is not permitted by any applicable law, regulation or guideline or any Requirements of Law, to acquire securities of the Company; or

(ii) if the Company has a lien upon the Shares or any of them; or

(iii) whilst any moneys in respect of the Shares desired to be transferred or any of them has remained unpaid or unless the transferee is approved by the Board and such refusal shall not be affected by the fact that the proposed transferee is already a Member. But in such cases it shall, within one (1) month from the date on which the instrument of transfer was lodged with the Company send to the transferee and the transferor notice of refusal to register such transfer giving reasons for refusal.

The registration of a transfer shall be conclusive evidence of the approval of the Board of the Directors.

Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever.

(H) Subject to the provisions of the Act and these Articles, the Directors shall have the absolute and uncontrolled discretion to refuse to register a Person entitled by transmission to any Shares or his nominee as if he were the transferee named in any ordinary transfer presented for registration, and shall be bound to give any reason for such refusal and in particular may also decline in respect of Shares upon which the Company has a lien.

(I) Transfer of Shares in whatever lot should not be refused, though there would be no objection to the Company refusing to split a share certificate into several scrips of any small denominations or to consider a proposal for transfer of Shares comprised in a share certificate to several Members, involving such splitting, if on the face of it such splitting/transfer appears to be unreasonable or without a genuine need. The Company should not, therefore, refuse transfer of Shares in violation of the stock exchange listing requirements on the ground that the number of Shares to be transferred is less than any specified number.

(J) In the case of the death of any one or more of the Members named in the Register of Members as the joint-holders of any Share, the survivors shall be the only Member or Members recognized by the Company as having any title to or interest in such Share, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on Shares held by him jointly with any other Person.

(K) The Executors or Administrators or holder of the Succession Certificate or the Legal Representatives of a deceased Member, (not being one of two or more joint-holders), shall be the only Members recognized by the Company as having any title to the Shares registered in the name of such Member, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representatives unless such Executors or Administrators or Legal Representatives shall have first obtained Probate or Letters of Administration or Succession Certificate, as the case may be, from a duly constituted court in the Union of India, provided that the Board may in its absolute discretion dispense with production of Probate or Letters of Administration or Succession Certificate, upon such terms as to indemnity or otherwise as the Board may in its absolute discretion deem fit and may under these Articles register the name of any Person who claims to be absolutely entitled to the Shares standing in the name of a deceased Member, as a Member.

(L) The Board shall not knowingly issue or register a transfer of any share to a minor or insolvent or Person of unsound mind.

(M) Subject to the provisions of Articles, any Person becoming entitled to Shares in consequence of the death, lunacy, bankruptcy of any Member or Members, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board, (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title, as the Board thinks sufficient, either be registered himself as the holder of the Shares or elect to have some Person nominated by him and approved by the Board, registered as such holder; provided nevertheless, that if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the Shares.

(N) A Person becoming entitled to a Share by reason of the death or insolvency of a Member shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the Shares, except that he shall not, before being registered as a Member in respect of the Shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company; PROVIDED THAT the Directors shall, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the shares, and if the notice is not complied with within ninety days, the Directors may thereafter withhold payment of all Dividends, bonuses or other moneys payable in respect of the Shares until the requirements of the notice have been complied with.

(O) Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the Shares and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.

(P) In case of transfer and transmission of Shares or other marketable securities where the Company has not issued any certificates and where such Shares or Securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.

(Q) Before the registration of a transfer, the certificate or certificates of the Share or Shares to be transferred must be delivered to the Company along with (save as provided in Section 108 of the Act) a properly stamped and executed instrument of transfer.

(R) **No Fee on Transfer or Transmission:**

No fee shall be charged for registration of transfer, transmission, power of attorney, probate, letters of administration, succession certificate, certificate of death or marriage or other similar documents.

(S) The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof, (as shown or appearing in the Register of Members), to the prejudice of a Person or Persons having or claiming any equitable right, title or interest to or in the said Shares, notwithstanding that the Company may have had any notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in books of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.

(T) The provision of these Articles shall subject to the provisions of the Act and any Requirements of Law mutatis mutandis apply to the transfer or transmission by operation of law to other Securities of the Company.

23. DEMATERIALISATION OF SECURITIES

(A) **Dematerialisation:**
Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its existing Securities, rematerialise its Securities held in the Depositories and/or to offer its fresh Securities in a dematerialised form pursuant to the Depositories Act, and the rules framed there under, if any.

(B) **Options for Investors**:
(i) Subject to Section 68B of the Act, every Person subscribing to Securities offered by the Company shall have the option to receive security certificates or to hold the Securities with a Depository. Such a Person who is the Beneficial Owner of the Securities can at any time opt out of a Depository, if permitted by law, in respect of any Securities in a manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the Beneficial Owner the required Certificate of Securities.
(ii) If a Person opts to hold his Securities with a Depository, the Company shall intimate such Depository the details of allotment of the Securities and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities.

(C) **Securities in Depositories to be in fungible form:**

All Securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

(D) **Rights of Depositories & Beneficial Owners:**

(i) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the Registered Owner for the purposes of effecting transfer of ownership of Securities on behalf of the Beneficial Owner.
(ii) Save as otherwise provided in (i) above, the Depository as the Registered Owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

(iii) Every person holding Shares of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Member of the Company.

(iv) The Beneficial Owner of Securities shall, in accordance with the provisions of these Articles and the Act, be entitled to all the rights and subject to all the liabilities in respect of his Securities, which are held by a Depository.

(E) **Service of Documents:**
Notwithstanding anything contained in the Act or these Articles to the contrary, where Securities are held in a Depository, the records of the Beneficial Ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

(F) **Transfer of Securities:**

(i) Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of Securities effected by transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

(ii) In the case of transfer or transmission of Shares or other marketable Securities where the Company has not issued any certificates and where such Shares or Securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act shall apply.

(G) **Allotment of Securities dealt with in a Depository:**
Notwithstanding anything in the Act or these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details of allotment of relevant Securities thereof to the Depository immediately on allotment of such Securities.

(H) **Certificate No. of Securities in Depository:**
Nothing contained in the Act or these Articles regarding the necessity of having certificate number/distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.

(I) **Register and Index of Beneficial Owners:**
The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act, shall be deemed to be the Register and Index (if applicable) of Members and Security-holders for the purposes of these Articles.

24. NOMINATION OF SHARES

(A) Every holder of Shares in, or holder of Debentures of, the Company may, at any time, nominate, in the manner prescribed under the Act, a Person to whom his Shares in, or Debentures of, the Company shall vest in the event of his death.

(B) Where the Shares in, or Debentures of, the Company are held by more than one Person jointly, the joint holders may together nominate, in the manner prescribed under the Act, a Person to whom all the rights in the Shares or Debentures of the Company shall vest in the event of death of all the joint holders.

(C) Notwithstanding anything contained in any other law for the time being in force or in any deposition, whether testamentary or otherwise, in respect of such Shares in or Debentures of, the Company, where a nomination made in the manner prescribed under the Act, purports to confer on any Person the right to vest the Shares in, or Debentures of, the Company, the nominee shall, on the death of the Member or debenture holder of the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in the Shares or Debentures of the Company or, as the case may be, all the joint holders, in relation to such Shares or Debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner under the Act.

(D) Where the nominee is a minor, the holder of the Shares or Debentures concerned, can make the nomination to appoint in prescribed manner under the Act, any Person to become entitled to the Shares or Debentures of the Company in the event of his death, during the minority.

25. TRANSMISSION IN CASE OF NOMINATION

(A) Notwithstanding anything contained in other Articles, any Person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, 1956, upon the production of such evidence as may be required by the Board and subject as hereinafter provided, elect either:

(i) to be registered himself as holder of the Share or Debenture, as the case may be, or

(ii) to make such transfer of the Share or Debenture, as the case may be, as the decased shareholder or debenture holder, as the case may be, could have made.

(B) If the person being a nominee, so becoming entitled, elects to be registered as holder of the Share or Debenture, himself, as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased Member or debenture holder, as the case may be.

(C) All the limitations, restrictions and provisions of the Act relating to the right to transfer and the registration or transfer of Shares or Debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the Member had not occurred.

(D) A Person, being a nominee, becoming entitled to a Share or Debenture by reason of the death of the holder shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the Share or Debenture except that he shall not, before being registered a Member in respect of his Share or Debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board may, at any time, give notice requiring any such Person to elect either to be registered himself or to transfer the Share or Debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all Dividends, bonuses or other moneys payable in respect of the Share or Debenture until the requirements of the notice have been complied with.

26. NOMINATION FOR FIXED DEPOSITS

A depositor may, at any time, make a nomination and the provisions of Sections 109A and 109B shall, as far as may be, apply to the nominations made pursuant to the provisions of Sections 58A(11) of the Act.

27. **NOMINATION IN CERTAIN OTHER CASES**

Subject to the provisions of the Act and these 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 Articles, may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Shares or elect to have some Person nominated by him and approved by the Board registered as such holder; provided nevertheless that, if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the Shares.

28. RESTRICTED RIGHT OF TRANSFER

No Person shall exercise any rights or privileges of Members until he shall have paid all sums (whether in respect of call or otherwise) for the time being due in respect of the Shares held by him or due in any manner whatsoever to the Company.

29. EMPLOYEES STOCK OPTIONS SCHEME/PLAN

Subject to the approval of the Company in General Meeting, the Directors shall have the power to offer, issue and allot Equity Shares in or Debentures (Whether fully/ partly convertible or not into Equity Shares) of the Company with or without Equity Warrants to such of the Officers, Employees, Workers of the Company or of its Subsidiary and / or Associate Companies or Managing and Whole Time Directors of the Company (hereinafter in this Article collectively referred to as "the Employees") as may be selected by them or by the trustees of such trust as may be set up for the benefit of the Employees in accordance with the terms and conditions of the Scheme, trust, plan or proposal that may be formulated, created, instituted or set up by the Board of Directors or the Committee thereof in that behalf on such terms and conditions as the Board may in its discretion deem fit.

30. SWEAT EQUITY

Subject to the approval of the Company in General Meeting and to the provisions of the Act (including any statutory modification or re-enactment thereof, for the time being in force), shares of the Company may be issued at a discount or for consideration other than cash to Directors or employees who provide know-how to the Company or create an intellectual property right or other value addition.

31. COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS

Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 39 of the Act shall be sent by the Company to every Member at his request within seven days of the request on payment of the sum of Rupee One for each copy.

32. BORROWING POWERS

(A) Subject to the provisions of Section 58A, 292 and 293 of the Act the Board may, from time to time at its discretion by resolution passed at the meeting of a Board:

(i) accept or renew deposits from Directors, their relatives, Members or the public;

(ii) borrow moneys otherwise than on Debentures;

(iii) accept deposits from Members either in advance of calls or otherwise; and

(iv) generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.

Provided, however, that where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the Paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such moneys without the consent of the Company in General Meeting.

(B) Subject to the provisions of these Articles, the payment or repayment of moneys borrowed or other monies in relation thereto, as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the resolution of the Board shall prescribe including by the issue of bonds,perpetual or redeemable Debentures or debenture–stock, or any mortgage, charge, hypothecation, pledge, lien or other security on the undertaking of the whole or any part of the property of the Company, both present and future.

Provided however that the Board shall not, except with the consent of the Company in General Meeting mortgage, charge or otherwise encumber, the Company's uncalled Capital for the time being or any part thereof and Debentures and other Securities may be assignable free from any equities between the Company and the Person to whom the same may be issued.

(C) **Term of issue of Debenture:**

Any Debentures, debenture-stock or other Securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, drawing, allotment of Shares attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to allotment of or conversion into Shares shall be issued only with, the consent of the Company in General Meeting by a Special Resolution.

(D) Subject to the provisions of the Act and these Articles, if any uncalled Capital of the Company is included in or charged by any mortgage or other security, the Board shall make calls on the Members in respect of such uncalled Capital in trust for the Person in whose favour such mortgage or security is executed, or if permitted by the Act, may by instrument under seal authorize the Person in whose favour such mortgage or security is executed or any other Person in trust for him to make calls on the Members in respect of such uncalled Capital and the provisions hereinafter contained in regard to calls shall mutatis mutandis apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally or either presently or contingently and either to the exclusion of the Board's power or otherwise and shall be assignable if expressed so to be.

(E) The Board shall cause a proper Register to be kept in accordance with the provisions of Section 143 of the Act of all mortgages, Debentures and charges specifically affecting the property of the Company; and shall cause the requirements of Section 118, 125 and 127 to 144 (both inclusive) of the Act in that behalf to be duly complied with within the time prescribed by the said Sections or such extensions thereof as may be permitted by the Central Government, The Company Law Board/The National Company Law Tribunal or any other authority as may be prescribed or the Court or the Registrar, as the case may be, so far as they are required to be complied with by the Board.

(F) The Company shall, if at any time it issues Debentures, keep a Register and Index (if applicable) of Debenture–holders in accordance with Section 152 of the Act. The Company shall have the power to keep in any State or Country outside India, a Branch Register of Debenture-holders resident in that State or Country.

(G) Any capital required by the Company for its working capital and other capital funding requirements may be obtained in such form as decided by the Board of Directors from time to time.

33. SHARE WARRANTS

(A) The Company may issue share warrants subject to, and in accordance with, the provisions of Sections 114 and 115; and accordingly the Board may in its discretion, with respect to any Share which is fully Paid-up, on application in writing signed by the Persons registered as holder of the Share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the Person signing the application, and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.

(B) (i) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending, and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposited warrant.

(ii) Not more than one person shall be recognized as depositor of the share warrant.

(iii) The Company shall, on two days' written notice, return the deposited share warrant to the depositor.

(C) (i) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notices from the Company.

(ii) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Shares included in the warrant, and he shall be a Member of the Company.

(D) The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

34. CONVERSION OF SHARES INTO STOCK AND RECONVERSION

(A) The Company in General Meeting may convert any Paid-up Shares into stock and when any Shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interests, in the same manner and subject to the same regulations as those subject to which Shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may at any time reconvert any stock into Paid-up shares of any denomination.

(B) The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards Dividends, voting at meetings of the Company, and other matters, as if they held the Shares from which the stock arose, but no such privileges or advantages, (except participation in the Dividends and profits of the Company and in the assets on winding-up), shall be conferred by an amount of stock which would not, if existing in Shares, have conferred that privilege or advantage.

35. MANAGEMENT OF COMPANY'S AFFAIRS

Subject to the provisions of the Act and these Articles, the entire management of the Company's affairs including all decisions and resolutions shall be entrusted by the Members of the Company to its Board of Directors. All matters arising at a meeting of the Board of Directors, other than those otherwise specified in these Articles if any shall be decided by a majority vote, subject to any casting vote of the Chairman in the event of a tie.

36. ANNUAL GENERAL MEETING

The Company shall in each year hold a General Meeting specified as its Annual General Meeting in addition to any other meeting in that year. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.

37. WHEN ANNUAL GENERAL MEETING TO BE HELD

The Annual General Meeting shall be held within six months after the expiry of each Financial Year, provided that not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 166(1) of the Act to extend the time within which any Annual General Meeting may be held.

38. VENUE, DAY AND TIME FOR HOLDING ANNUAL GENERAL MEETING

Every Annual General Meeting shall be called for at a time during business hours, on a day that is not a public holiday, and shall be held at the Registered Office of the Company or at some other place within the city, town or village in which the Registered Office of the Company is situated, as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting.

Every Member of the Company shall be entitled to attend the Annual General Meeting either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table, the Directors' Report and Audited Statement of Accounts, Auditors' Report, (if not already incorporated in the Audited Statement of Accounts), the proxy Register with proxies and the Register of Directors' shareholdings which Register shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the Annual Return and forward the same to the concerned Registrar of Companies, in accordance with Sections 159, 161, and 220 of the Act. The Directors are also entitled to attend the Annual General Meeting.

39. NOTICE OF GENERAL MEETINGS

(A) Number of days notice of general meeting to be given: A General Meeting of the Company may be called by giving not less than twenty one (21) days clear notice in writing, but a General Meeting may be called after giving shorter notice if consent is accorded thereto:

(i) In case of an Annual General Meeting, by all the Members entitled to vote thereat; and

(ii) In the case of any other meeting, by the Members of the Company holding not less than 95 per cent of such part of the Paid up Share Capital of the Company as gives a right to vote at the meeting.

(B) Notice of meeting to specify place, *etc.*, and to contain statement of business :

Notice of every meeting of the Company shall specify the place, date and hour of the meeting, and shall contain a statement of the business to be transacted thereat.

(C) Contents and manner of service of notice and persons on whom it is to be served: Every notice may be served by the Company on any Member thereof either personally or by sending it by post to their/its registered address in India and if there be no registered address in India, to the address supplied by the Member to the Company for giving the notice to the Member.

(D) Special Business: Where any items of business to be transacted at the meeting are deemed to be special, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business including any particular nature of the concern or interest if any therein of every Director and where any item of special business relates to or affects any other company, the extent of shareholding interest in that other company of every Director of the first mentioned company shall also be set out in the statement if the extent of such interest is not less than 2 per cent of the paid up share capital of that other company. All business transacted at any meeting of the Company shall be deemed to be special and all business transacted at the Annual General Meeting of the Company with the exception of the business specified in Section 173(1)(a) of the Act shall be deemed to be special.

(E) Resolution requiring special notice: With regard to resolutions in respect of which special notice is required to be given by the Act, a special notice shall be given as required by Section 190 of the Act.

(F) Notice of adjourned meeting when necessary: When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(G) Notice when not necessary: Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

40. REQUISITION OF EXTRAORDINARY GENERAL MEETING

(A) The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any Member or Members holding in the aggregate not less than one-tenth of such of the Paid-up Share Capital as at that date carries the right of voting in regard to the matter in respect of which the requisition has been made, and such meeting shall be held at the Office of the Company or at such place and at such time as the Board thinks fit.

(B) Any valid requisition so made by Members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the Office; provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.

(C) Upon the receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within twenty-one days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than forty-five days from the date of deposit of the requisition, the requisitionists or such of their number as represent either a majority in value of the Paid-Up Share Capital held by all of them or not less than one-tenth of such of the Paid-up Share Capital of the Company as is referred to in Section 169(4) of the Act, whichever is less, may themselves call the Meeting, but in either case any Meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.

(D) Any Meeting called under the foregoing sub-Articles by the requisitionists, shall be called in the same manner, as nearly as possible, as that in which a Meeting is to be called by the Board.

(E) The accidental omission to give any such notice as aforesaid to any of the Members, or the non-receipt thereof, shall not invalidate any resolution passed at any such Meeting.

(F) No General Meeting, Annual or Extraordinary shall be competent to enter into, discuss or transact any business which has not been mentioned in the notice or notices by which it was convened.

41. QUORUM OF GENERAL MEETING

Five Members present in person shall be the quorum.

42.ADJOURNED MEETING

If, at the expiration of half an hour from the time appointed for holding a Meeting of the Company, a quorum is not present, the meeting if convened by or upon the requisition of Members shall stand dissolved but in any other case the Meeting shall stand adjourned for 7 days after the original meeting or to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day and such other time and place within the city, town or village in which the Registered Office of the Company is situated, as the Board may determine and if at such adjourned meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the Meeting, the Members present shall be a quorum, and may transact the business for which the meeting was called. It shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

43.CHAIRMAN OF THE GENERAL MEETING

The Chairman of the Board of Director shall be entitled to take the chair at every general meeting or if there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or is unwiling to act as the Chairman, the members present shall choose another Director as the Chairman, and, if no Director shall be present, or if all the Directors present decline to take the chair then, the members present shall choose one of their member to be Chairman.

44. CHAIRMAN CAN ADJOURN THE GENERAL MEETING

The Chairman may adjourn the General Meeting from time to time and from place to place within the city, town or village in which the Office of the Company is situated but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

45. QUESTIONS AT GENERAL MEETING HOW DECIDED

(A) At any General Meeting, a resolution put to the vote of the Meeting shall, unless a poll is demanded, be decided on a show of hands. 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 of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any Member or Members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution, or in which an aggregate sum of not less than fifty thousand rupees has been Paid-up. Unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.

(B) In the case of an equality of votes, the Chairman shall both on a show of hands and at a poll, (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a Member.

(C) If a poll is demanded as aforesaid, the same shall subject to anything stated in these Articles save and except otherwise than in the Extra-Ordinary General Meeting be taken at such time, (not later than forty-eight hours from the time when the demand was made), and place within the city, town, village in which the Office of the Company is situated and either by a show of hands or by ballot or by postal ballot, as the Chairman shall direct and either at once or after an interval or adjournment, or otherwise and the result of the poll shall be deemed to be the decision of the Meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.

(D) Where a poll is to be taken, the Chairman of the Meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a Member, (not being an officer or employee of the Company), present at the Meeting provided such a Member is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared, to remove a scrutineer from office and fill vacancies in the office of scrutineer arising from such removal or from any other cause.

(E) Any poll duly demanded on the election of a Chairman of a Meeting or any question of adjournment, shall be taken at the Meeting forthwith.

(F) The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a Meeting for the transaction of any business other than the question on which the poll has been demanded.

(G) No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles or Section 193 of the Act to be contained in the Minutes of the proceedings of such Meeting.

(H) The Members will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.

46. VOTES OF MEMBERS AND APPOINTMENT OF PROXY

(A) No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of Members either upon a show of hands or upon a poll in respect of any Shares registered in his name on which calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.

(B) Subject to the provisions of these Articles, without prejudice to any special privilege or restrictions as to voting for the time being attached to any class of shares for the time being forming a part of the Capital of the Company, every Member not disqualified by the last preceding Article, shall be entitled to be present, and to speak and vote at such Meeting, and on a show of hands, every Member present in person shall have one vote and upon a poll, the voting right of such Member present, either in person or by proxy, shall be in proportion to his share of the Paid Up Share Capital of the Company held alone or jointly with any other Person or Persons.

Provided however, if any Member holding Preference Shares be present at any Meeting of the Company, save as provided in Clause (b) of Sub-Section (2) of Section 87 of the Act, he shall have a right to vote only on resolutions placed before the Meeting, which directly affect the rights attached to his Preference Shares.

(C) On a poll taken at a Meeting of the Company, a Member entitled to more than one vote, or his proxy, or any other Person entitled to vote for him (as the case may be), need not, if he votes, use or cast all his votes in the same way.

(D) A Member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, through a committee or through his legal guardian; and any such committee or guardian may, on a poll vote by proxy. If any Member be a minor his vote in respect of his Share(s) shall be exercised by his guardian(s), who may be selected (in case of dispute), by the Chairman of the meeting.

(E) If there be joint registered holders of any shares, any one of such Persons may vote at any Meeting or may appoint another Person, (whether a Member or not) as his proxy in respect of such Shares, as if he were solely entitled thereto; but the proxy so appointed shall not have any right to speak at the Meeting and if more than one of such joint-holders be present at any Meeting, then one of the said Persons so present whose name stands higher in the Register of Members shall alone be entitled to speak and to vote in respect of such Shares, but the other joint- holders shall be entitled to be present at the Meeting. Several Executors or Administrators of a deceased Member in whose name Shares stand shall for the purpose of these Articles be deemed joint-holders thereof.

(F) Subject to the provision of these Articles, votes may be given personally or by an attorney or by proxy. A body corporate, whether or not a Company within the meaning of the Act, being a Member may vote either by a proxy or by a representative duly authorised in accordance with Section 187 of the Act and such representative shall be entitled to exercise the same rights and powers, (including the right to vote by proxy), on behalf of the body corporate which he represents as that body could have exercised if it were an individual Member.

(G) Any Person entitled to transfer any Shares of the Company may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such Shares, provided that forty-eight hours at least before the time of holding the Meeting or adjourned Meeting as the case may be at which he proposes to vote, he shall satisfy the Board of his right to such Shares and give such indemnity (if any) as the Board may require unless the Board shall have previously admitted his right to vote at such Meeting in respect thereof.

(H) Every proxy, (whether a Member or not), shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the Common Seal of such corporation or be signed by an officer or an attorney duly authorised by it, and any committee or guardian may appoint proxy. The proxy so appointed shall not have any right to speak at a Meeting.

(I) A member may appoint a proxy either for (i) the purposes of a particular Meeting (as specified in the instrument) or (ii) for any adjournment thereof or (iii) it may appoint a proxy for the purposes of every Meeting of the Company, or (iv) of every Meeting to be held before a date specified in the instrument for every adjournment of any such Meeting.

(J) A Member present by proxy shall be entitled to vote only on a poll.

(K) An instrument appointing a proxy and a power of attorney or other authority (including by way of a Board Resolution, (if any),) under which it is signed or a notarially certified copy of that power or authority or resolution as the case may be, shall be deposited at the Office not later than forty-eight hours before the time for holding the Meeting at which the Person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. An attorney shall not be entitled to vote unless the power of attorney or other instrument or resolution as the case may be appointing him or a notarially certified copy thereof has either been registered in the records of the Company at any time not less than forty-eight hours before the time for holding the Meeting at which the attorney proposes to vote, or is deposited at the Office of the Company not less than forty-eight hours before the time fixed for such Meeting as aforesaid. Notwithstanding that a power of attorney or other authority has been registered in the records of the Company, the Company may, by notice in writing addressed to the Member or the attorney, given at least 48 hours before the Meeting, require him to produce the original power of attorney or authority or resolution as the case may be and unless the same is deposited with the Company not less than forty-eight hours before the time fixed for the Meeting, the attorney shall not be entitled to vote at such Meeting unless the Board in their absolute discretion excuse such non production and deposit.

(L) Every instrument of proxy whether for a specified Meeting or otherwise should, as far as circumstances admit, be in any of the forms set out in Schedule IX of the Act or a form as near thereto as circumstances admit.

(M) If any such instrument of appointment be confined to the object of appointing an attorney or proxy for voting at Meetings of the Company it shall remain permanently or for such time as the Directors may determine in the custody of the Company; if embracing other objects a copy thereof, examined with the original, shall be delivered to the Company to remain in the custody of the Company.

(N) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the Office before the Meeting.

(O) No objection shall be made to the validity of any vote, except at the Meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such Meeting or poll shall be deemed valid for all purposes of such Meeting or poll whatsoever.

(P) The Chairman of any Meeting shall be the sole judge of the validity of every vote tendered at such Meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

(Q) The Members shall vote (whether in person or by proxy) on all of the Shares owned or held on record by them at any Annual or Extraordinary General Meeting of the Company called for the purpose of filling positions to the Board of Directors, appointed as a Director of the Company under Section 274(1) of the Act in accordance with these Articles.

(i) The Members will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.

(ii) All matters arising at a General Meeting of the Company, other than a specified in the Act or these Articles if any, shall be decided by a majority vote.

(iii) The Members shall exercise their voting rights as shareholders of the Company to ensure that the Act and/or these Articles are implemented and acted upon by the Members, and by the Company and to prevent the taking of any action by the Company or by any Member, which is contrary to or with a view or intention to evade or defeat the terms as contained in these Articles.

(R) The Company may pass such resolution by postal ballot in the manner prescribed by Section 192A of the Act and such other applicable provisions of the Act and any future amendments or re-enactment thereof. Notwithstanding any thing contained in the provisions of the Act, the Company shall in the case of a resolution relating to such business, as the Central Government may, by notification, declare to be conducted only by postal ballot, get such resolution passed by means of postal ballot instead of transacting such business in a general meeting of the Company.

47. RIGHT OF PRESIDENT TO APPOINT ANY PERSON AS HIS REPRESENTATIVE

(1) The President so long as he is a shareholder of the Company, may, from time to time, appoint one or more persons (who need not be a member or members of the Company) to represent him at all or any meetings of the Company.

(2) Any one of the persons appointed under sub-clause (1) of this Article who is personally present at the meeting shall be deemed to be a member entitled to vote and be present in person and shall be entitled to represent the President at all or any such meetings and to vote on his behalf whether on a show of hands or on a poll.

(3) The President may, from time to time cancel any appointment made under sub-clause (1) of this Article and make fresh appointments.

(4) The production at the meeting of an order of the President evidenced as provided in the Constitution of India shall be accepted by the Company as sufficient evidence of any such appointment or cancellation as aforesaid.

(5) Any person appointed by the President under this Article may, If so authorised by such order, appoint a proxy whether specially or generally.

48. MINUTES OF THE MEETINGS

(a) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such Meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.

(b) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each Meeting in such book shall be dated and signed by the Chairman of the same Meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for that purpose.

(c) In no case the minutes of proceedings of a Meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(d) The Minutes of each Meeting shall contain a fair and correct summary of the proceedings thereat.

(e) All appointments of Directors of the Company made at any Meeting aforesaid shall be included in the minutes of the Meeting.

(f) Nothing herein contained shall require or be deemed to require the inclusion in any such Minutes of any matter which in the opinion of the Chairman of the Meeting (i) is or could reasonably be regarded as, defamatory of any person, or (ii) is irrelevant or immaterial to the proceedings, or (iii) is deterimental to the interests of the Company. The Chairman of the Meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the Minutes on the aforesaid grounds.

(g) Any such Minutes shall be evidence of the proceedings recorded therein.

(h) The book containing the Minutes of proceedings of General Meetings shall be kept at the Registered Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the Board determines, for the inspection of any Member without charge.

(i) The Company shall cause minutes to be duly entered in books provided for the purpose of names of the Directors and Alternate Directors present at each General Meeting and all resolutions and proceedings of General Meeting.

49. DIRECTORS

Unless otherwise determined by the Company in the General Meeting, the number of Directors shall not be less than 3 (three) and not more than 20.

50. APPOINTMENT OF CHAIRMAN/MANAGING DIRECTOR/CHAIRMAN-CUM-, MANAGING DIRECTOR AND OTHER WHOLE TIME DIRECTORS

(A) The President shall have the right to appoint Chairman/Managing Director/Chairman-cum-Managing Director and whole time Directors.

(B) The President shall appoint one of the Directors as the Chairman and the same or any other Director as the Managing Director either for a fixed term or without any limitation as to the period for which he is to hold office. The President shall appoint other whole time Directors in consultation with the Chairman provided that no such consultation would be necessary in respect of Government representatives on the Board of Directors of the Company.

(C) The Chairman/Managing Director/Chairman-cum-Managing Director and other whole time Directors appointed by the President shall hold office until removed by him (the power of removal being in the absolute discretion of the President) and in the event of such removal or in the event of any vacancy in their offices either by resignation, death or otherwise, the President shall be entitled to appoint other as Chairman, Managing Director and whole time Directors in their places.

(D) All the Directors shall exercise their voting rights to ensure that these Articles are implemented and acted upon by them to prevent the taking of any action by the Company or by any Member, which is contrary to or with a view or intention to evade or defeat the terms as contained in these Articles.

51. APPOINTMENT OF INDEPENDENT DIRECTOR

The Board of Directors of the Company shall have an optimum combination of executive and non-executive directors, small shareholder's directors and Board should also comprise of independent directors keeping in view of the requirements of Corporate Governance, rules & regulations of SEBI and Stock Exchange.

52. APPOINTMENT OF NOMINEE DIRECTOR

a) Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any Finance Corporation or Credit Corporation or to any Financing Company or body, (which corporation or body is hereinafter in this Article referred to as “the corporation”) out of any loans granted or to be granted by them to the Company or so long as the Corporation continue to hold Debentures in the Company by direct subscription or private placement, or so long as the Corporation holds Shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time any person or persons as a Director, whole time or non-whole time (which Director or Directors is/are hereinafter referred to as “Nominee Director(s)”) on the Board of the Company and to remove from such office any persons so appointed and to appoint any person or persons in his/ their places.

b) The Board of Directors of the Company shall have no power to remove from office the Nominee Director(s). Such Nominee Director(s) shall not be required to hold any Share qualification in the Company.

Further Nominee Director shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director(s) shall be entitled to the same rights and privileges and be subject to the obligations as may be applicable to other Director of the Company.

c) The Nominee Director(s) so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation and the Nominee Director(s) so appointed in exercise of the said power, shall ipso facto vacate such office immediately on the moneys owing by the Company to the Corporation being paid off.

d) The Nominee Director(s) appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and all the Meetings of the Committee of which the Nominee Director(s) is/are Member(s) as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.

e) The sitting fees in relation to such Nominee Director(s) shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any other fees, commission, moneys or remuneration in any form is payable to the Nominee Director of the Company, such fees, commission, moneys and remuneration in relation to such Nominee Director(s) shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director(s), in connection with their appointment or Directorship, shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director(s) provided that if any such Nominee Director(s) is/are an officer(s) of the Corporation.

Provided also that in the event of the Nominee Director(s) being appointed as Whole-time Director(s); such Nominee Director(s) shall exercise such power and duties as may be approved by the lenders and have such rights as are usually exercised or available to a whole-time Director in the management of the affairs of Company. Such Nominee Director shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Corporation(s) nominated by him.

53. APPOINTMENT OF ALTERNATE DIRECTORS

Subject to Section 313 of the Act, any Director shall be entitled to nominate an alternate director to act for him during his absence for a period of not less than 3 months (subject to such person being acceptable to the Chairman). The Board may appoint such a person as an Alternate Director to act for a Director (hereinafter called “the Original Director”) (subject to such person being acceptable to the Chairman) during the Original Director’s absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to the State. If the term of the office of the Original Director is determined before he so returns to the State, any provisions in the Act or in these Articles for automatic re-appointment shall apply to the Original Director and not to the Alternate Director.

54. CASUAL VACANCY AND ADDITIONAL DIRECTORS

Subject to the provisions of the Act and these Articles, the Board shall have the power at any time and from time to time to appoint any qualified Person to be a Director either as an addition to the Board or to fill a casual vacancy but so that the total number of Directors shall not at any time exceed the maximum number fixed under these Articles. Any Person so appointed as an addition shall hold office only up to the date of the next Annual General Meeting. Any person appointed to fill a casual vacancy shall hold office only up to the date to which the Original Director in whose place he is appointed would have held office if it had not been vacated but shall be eligible for election.

55. DEBENTURE OR LENDER DIRECTORS

If it is provided by a Trust Deed, securing or otherwise, in connection with any issue of Debentures of the Company, that any Person/ Lender or Persons/ Lenders shall have power to nominate a Director of the Company, then in the case of any and every such issue of Debentures, the Person/ Lender or Persons/ Lenders having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as a Debenture Director. A Debenture Director may be removed from office at any time by the Person/ Lender or Persons/ Lenders in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares.

56. NO QUALIFICATION SHARES FOR DIRECTORS

A Director shall not be required to hold any qualification Shares of the Company.

57. ROTATION OF DIRECTORS

Not less than two third of the total number of Directors shall (a) be persons whose period of the office is liable to termination by retirement by rotation and (b) save as otherwise expressly provided in the Articles be appointed by the Company in General Meeting.

58. PROCEDURE IF PLACE OF RETIRING DIRECTORS IS NOT FILLED UP

(A) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.

(B) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting, unless:

(i) at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;

(ii) retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so reappointed;

(iii) he is not qualified or is disqualified for appointment;

(iv) a resolution whether special or ordinary is required for the appointment or reappointment by virtue of any provisions of the Act;

(v) the proviso to subsection (2) of Section 263 of the Act is applicable to this case.

59. REMUNERATION OF CHAIRMAN, MANAGING DIRECTOR & OTHER DIRECTORS

The Chairman, Managing Director and other Directors shall be paid such salary and/or allowances as the President may, from time to time, determine.

60. TRAVEL EXPENSES OF DIRECTORS

The Board may allow and pay to any Director who is not a bonafide resident of the place where the meetings of the Board/Committee Meetings are ordinarily held and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation for boarding, lodging and/ or other expenses, in addition to his fee for attending such Board Meetings /Committee Meetings as above specified; and if any Director be called upon to go or reside out of his ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed other expenses incurred in connection with the business of the Company.

61. CONTINUING DIRECTORS

The Continuing Directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the minimum number fixed by Article 49 hereof, the continuing Directors not being less than two may act for the purpose of increasing the number of Directors to that number, or of summoning a General Meeting, but for no other purpose.

62. REMOVAL OF DIRECTORS

Subject to the approval of the President, the Members may by passing a special resolution remove a director, before the expiry of his period of office.

63. DIRECTORS MAY CONTRACT WITH COMPANY

(A) A Director or his relative, a firm in which such Director or relative is a partner, any other Person in such firm, or a private company of which the Director is a member or director may enter into any contract with the Company for the sale, purchase or supply of any goods, materials or services or for underwriting the subscription of any shares in, or Debentures of the Company, provided that the prior sanction of the Board and the Central Government is obtained in accordance with Section 297 of the Act.

(B) No sanction however shall be necessary to:

(i) any purchase of goods and materials from the Company, or the sale of goods or materials to the Company, by any such Director, relative, firm, partner or private Company as aforesaid for cash at prevailing market prices; or

(ii) any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private company on the other, for sale, purchase or supply of any goods, materials and services, in which either the Company or the Director, relative, firm, partner or private company, as the case may be, regularly trades or does business, where the value of the goods and materials or the cost of such services do not exceed ₹5,000 in the aggregate in any year comprised in the period of the contract or contracts.

Provided that in circumstances of urgent necessity, the Company may without obtaining the consent of the Board enter into any such contract or contracts with the Director, relative, firm, partner or private company, even if the value of such goods or materials or the cost of such services exceeds ₹5,000 in the aggregate in any year comprised in the period of the agreement, if the consent of the Board shall be obtained to such contract or contracts at a Meeting within three months of the date on which the contract was entered into.

(C) The Director, so contracting or being so interested shall not be liable to the Company for any profit accrued by any such contract or the fiduciary relation thereby established.

64. DISCLOSURE OF INTEREST

(A) A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement, or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a Meeting of the Board in the manner provided in Section 299(2) of the Act; Provided that it shall not be necessary for a Director to disclose his concern or interest in any such contract or arrangement entered into or to be entered into with any other company where any of the Director of the company or two or more of them together holds or hold not more than 2 per cent of the paid-up share capital in the other company or the Company as the case may be. A general notice given to the Board by the Director, to the effect that he is a director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the Financial Year in which it is given but may be renewed for a further period of one Financial Year at a time by a fresh notice given in the last month of the Financial Year in which it would have otherwise expired. No such general notice, and no renewal thereof shall be of effect unless, either it is given at a Meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first Meeting of the Board after it is given.

(B) No Director shall as a Director, take any part in the discussion of, vote on any contract or arrangement entered into or to be entered into by or on behalf of\ the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangements; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void; provided however that nothing herein contained shall apply to:

(i) any contract or indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company;

(ii) any contract or arrangement entered into or to be entered into with a public company, or a private company which is a subsidiary of a public company, in which the interest of the Director consists solely, a director of such company, and the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by the Company, or

(iii) In his being a member holding not more than 2 per cent of its Paid-up Share Capital.

(C) Subject to the provisions of Section 314 and other applicable provisions, if any, of the Act, any Director of the Company, any partner or relative of such Director, any firm in which such Director or a relative of such Director is a partner, any private company of which such Director is a director or member, and any director or manager of such private company, may hold any office or place of profit in the Company.

(D) The Company shall keep a Register in accordance with Section 301(1) of the Act and shall within the time specified in Section 301(2) of the Act enter therein such of the particulars as may be relevant having regard to the application thereto of Section 297 or Section 299 of the Act, as the case may be. The Register aforesaid shall also specify, in relation to each Director of the Company, the names of the bodies corporate and firms of which notice has been given by him under Article 64 (A). The Register shall be kept at the Registered Office of the Company and shall be open to inspection at such Office, and extracts may be taken there from and copies thereof may be required by any Member of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 163 of the Act shall apply accordingly.

(E) A Director may be or become a Director of any Company promoted by the Company, or on which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as director or shareholder of such Company except in so far as Section 309(6) or Section 314 of the Act may be applicable.

65. COMPANY MAY INCREASE OR REDUCE THE NUMBER OF DIRECTORS

Subject to Article 49 and Section 252, 255, 258 and 259 of the Act and these Articles, the Company may, by Ordinary Resolution, from time to time, increase or reduce the number of Directors, and may alter their qualifications and the Company may, (subject to the provisions of Article 62), remove any Director before the expiration of his period of office and appoint another qualified in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

66. REGISTER OF DIRECTORS ETC

(A) The Company shall keep at its Office, a Register containing the particulars of its Directors, Managing Directors, Manager, Secretaries and other Persons mentioned in Section 303 of the Act, and shall otherwise comply with the provisions of the said Section in all respects.

(B) The Company shall in respect of each of its Directors also keep at its Office a Register, as required by Section 307 of the Act, and shall otherwise duly comply with the provisions of the said section in all respects.

67. DISCLOSURE BY DIRECTOR OF APPOINTMENT TO ANY OTHER BODY CORPORATE

(A) Every Director, (including a person deemed to be a Director by virtue of the Explanation to Sub-Section (1) of Section 303 of the Act), a Managing Director, Manager, or Secretary of the Company shall, within thirty days of his appointment to any of the above offices or as the case may be, relinquishment of, such offices, in any other body corporate disclose to the Company, the particulars relating to his office in the other body corporate which are required to be specified under Sub-Section (1) of Section 303 of the Act.

(B) Every Director and every person deemed to be a Director of the Company by virtue of sub-section (10) of Section 307 of the Act, shall give notice to the Company of such matters relating to himself as may be necessary for the purposes of enabling the Company to comply with the provisions of that Section.

68. PROCEEDINGS OF THE BOARD OF DIRECTORS

The Board may meet for the dispatch of the business, adjourn and otherwise regulate its meetings on a date, time and venue as indicated by the Chairman, provided however, the Board shall meet once in every three calendar months and at least four times in a year in accordance with Section 285 of the Act or any statutory modifications thereof.

(a) The Company Secretary shall as and when directed by the Chairman, convene a meeting of the Board by giving a notice in writing to every Director.

(b) The Board of Directors may meet either at the Office of the Company, or at any other location in India or outside India as the Chairman may determine.

(c) Prior notice of every meeting of the Board shall be given in writing to every Director for the time being at his usual address in India and in the case of a Director resident outside India, at his address outside India and to his alternate, if any in India at his usual address in India.

69. QUORUM FOR BOARD MEETING

Subject to Section 287 of the Act, the quorum for a Meeting of the Board shall be presence of at least one-third of its total strength or two directors, whichever is higher.
Provided that where at any time the number of interested directors exceeds or is equal to two thirds of the total strength, the number of the remaining directors, that is to say, the number of directors who are not interested, present at the meeting being not less than two shall be the quorum.

70. ADJOURNED BOARD MEETING FOR WANT OF QUORUM

(A) If any duly convened Board Meeting cannot be held for want of a quorum, in terms of Article 69 above then such a meeting shall automatically stand adjourned till the same day in the next week, after the original Meeting at the same time and place, or if that day is a public holiday, on the next succeeding day which is not a public holiday to the same time and place, provided however, the adjourned meeting may be held on such other date and such other place as may be unanimously agreed by all the Directors.

(B) If in the event of a quorum once again not being available at such an adjourned meeting, the Directors present shall constitute the quorum and may transact business for which the meeting has been called.

71. QUESTIONS AT BOARD MEETINGS HOW DECIDED

(A) Questions arising at any meeting of the Board, other than as specified in these Articles, if any, shall be decided by a majority vote. In the case of an equality of votes, the Chairman shall have a second or casting vote.

(B) No regulation made by the Company in General Meeting, shall invalidate any prior act of the Board, which would have been valid if that regulation had not been made.

72. GENERAL POWER OF COMPANY VESTED IN DIRECTORS.

(1) Subject to the provisions of section 291 of the Act, the Board of Directors of the Company shall be entitled to exercise all such powers, and to do all such acts and things, as the Company is authorized to exercise and; do provided that the Board shall not exercise any power or do any act or thing which is directed or required whether by the Act or any other Act or by the Memorandum and Articles of the Company or otherwise to be exercised or done by the Company in general meeting.

Provided further that in exercising any such power or doing any such act or thing, the Board shall subject to the provisions contained in that behalf in the Act or any other Act or in the memorandum and articles of the Company, or in any regulations not inconsistent there with and duly made there under, including regulations made by the Company in general meeting.

(2) No regulation made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

(3) Without prejudice to the generality of the above provisions, the Directors shall reserve for the decision of the Central Government to sell lease or disposal otherwise of whole or substantially the whole of the undertaking of the company.

73. SPECIFIC POWERS OF THE BOARD

Without prejudice to the general powers conferred by the last proceedings Articles and the other powers conferred by these Articles, the Directors shall have following powers, that is to say powers:

1. **To acquire property:** to purchase, take, on lease or otherwise acquire for the Company, Property, rights or privileges which the company is authorized to acquire at such price, and generally on such terms and conditions as they think fit.

2. **Works of capital nature**: To undertake works of capital nature, including incurring capital expenditure on new projects, modernization, purchase of equipment *etc.* subject to the directions/guidelines (if any) issued by the Government of India from time to time.

3. **To pay for property in debentures etc:** to pay for any property, rights, or privileges acquired by, or services rendered to the Company either, wholly or partially in cash or in shares,

bonds, debentures or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the company and its uncalled capital or not so charged.

4. **To secure contracts by mortagage:** subject to provisions of section 292 of the Act to secure the fulfillment of any contracts or engagement entered into by the Company by mortagage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such other manner as they may think fit.

5. **To appoint officers etc:** To appoint and at their discretion, remove or suspend such managers, secretaries, officers, clerks, agents and servants, for permanent, temporary or special services as they may ,from time to time, think fit, and to determine their powers and duties and fix their salaries or emoluments and to require security in such instances and to such amount as they think fit provided that that no appointment of any person who has attained the age of 60 years and above in a post carrying a maximum basic pay ,as may be determined by the Government from time to time under IDA pay scales or such other equivalent pay attached to the highest post below the Board level and above shall be made except only with the approval of the President.

Provided further that no post below the Board level would be created in the scales of pay equivalent to those in the Board level.

6. **To appoint trustees:** To appoint any person or persons (whether incorporated or not) to accept and hold in trust of the company, any property belonging to the Company or in which it is interested or for any other purposes, and to execute and do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.

7. **To bring and defend action, etc:** To institute, conduct, defend, compound or abandon any legal proceedings by or against the company or its officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any claims or demands by or against the Company.

8. **To refer to arbitration**: To refer any claims or demands by or against the Company to arbitration and observe and perform the awards.

9. **To give receipt:** To make and give receipt, releases and other discharges for money payable to the Company, and for the claims and demands of the Company.

10. **To authorize acceptance etc:** To determine who shall be entitled to sign on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts and other documents.

11. **To appoint attorneys:** From time to time to provide for the management of the affairs of the Company in such manners they think fit and in particular to appoint any person to be the attorneys or agents of the Company with such powers (including power to sub delegate) and upon such terms as may thought fit.

12. **To invest moneys:** Subject to the provisions of Section 292 of the Act, to invest in the Reserve Bank of India or in such securities as may be approved by the Board of Directors keeping in view the guidelines and subject to the directions issued by the Government of India from time to time and deal with moneys of the Company upon such investment authorized by the Memorandum of Associations of the Company (not being shares in this Company) and in such manner as they think fit and from time to time to vary or realize such investments.

13. **To give security by way of indemnity:** To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any liability for the benefits of the Company, such mortgage of the Company's property (present and future) as they think fit and any such mortgage may contain a power of sale and such other powers, covenants, and provisions as shall be agreed on.

14. **To give percentage**: Subject to the approval of the President ,to give to any person employed by the Company a commission on the profits of any particular business transaction, or a share in the general profits of the Company and such commission, share of profits shall be treated as part of the working expense of the company.

15. **To make bye-laws:** From time to time to make,vary and repeal bye-laws for the regulation of the business of the Company, its officers and servants.

16. **To give bonus :** To give ,awards or allow any bonus, pension, gratuity or compensations to any employee of the company, or his widow, children or dependents, that may appear to the Directors just or proper ,whether such employee, his widow, children or dependents have or have not a legal claim upon the company.

17. **To create Provident Fund:** Before declaring any dividends, to set aside such portion of the profits of the Company as they think fit, to form a fund to provide for such pensions, gratuities or compensations or to create any provident or benefit fund in such manner as the Directors may deem fit.

18. **To establish Local Board :** From time to time and at any time to establish any local board for managing any of the affairs of the company in any specified locality in India, or out of India, and to appoint any persons to be member of such local board and fix their remuneration and from time to time and at any time to delegate to any person so appointed any of the powers, authorities and discretion for the time being vested in the Directors other than their power to make calls ,and to authorize the members for the time being of any such local board or any of them to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made in such terms, and subject to such conditions as the directors may think fit, and the Directors may at any time remove any persons so appointed and may annul or vary any such delegations.

19. **To make contracts etc:** To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts,deeds and things in the name and on behalf of the Company as they may consider expedient for in relation to any of the matters aforesaid or otherwise for the purposes of the Company.

20. **To sub-delegate powers etc:** Subject to the provisions of section 292 of the Act, to sub delegate all or any of the powers, authorities and discretion for the time being vested in them, subject however to the ultimate control and authority being retained by them.

21. **To borrow moneys:** Subject to the provisions of the Companies Act, 1956 to borrow money on behalf of the Company.

22. **To execute mortgages:** To execute, mortgage and charges on its properties.

23. **To establish joint venture and subsidiaries:** To establish Joint Venture and Subsidiaries in India and opening of offices abroad subject to the directions/ guidelines (if any) issued by Government of India from time to time.

24. **To enter into technological joint ventures**: To enter into technological Joint venture, strategic alliance for obtaining technology and know how by purchase or other arrangement subject to the Government of India directions/guidelines (if any) issued from time to time.

25. **To follow regulations for Mini Ratna/Nav Ratna Companies:** The Board/ Chairman shall exercise such powers as are applicable to Mini Ratna/Nav Ratna Companies, as and when such status is bestowed upon the company, subject to adherence to stipulations, guidelines, notifications, circulars as may be issued from time to time by the Department of Public enterprises or any other Department of the Government of India governing the status of Mini Ratna/Nav Ratna Companies.

74. COMMITTEES AND DELEGATION BY THE BOARD

(A) Without prejudice to the powers conferred by other Articles and so as not to in any way to limit or restrict those powers, the Board may, subject to the provisions of Section 292 of the Act, delegate any of their powers to the Managing Director(s), Executive Director(s) or Manager or Chief Executive Officer of the Company. The Managing Director(s), the Executive Director(s) or the Manager or the Chief Executive Officer(s) as aforesaid shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on them by the Board and all acts done by them in exercise of the powers so delegated and in conformity with such regulations shall have the like force and effect as if done by the Board.

(B) Subject to the provisions of the Act, any requirements of law and anything stated in these Articles, the Board may delegate any of their powers to Committees of the Board consisting of such member or members of the Board as it thinks fit, and it may from time to time revoke and discharge any such Committee of the Board either wholly or in part and either as to persons or purposes, but every Committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

(C) The Meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under the last **preceding Article.**

75. ACTS OF BOARD OR COMMITTEE VALID NOTWITHSTANDING INFORMAL APPOINTMENT

All acts done at any Meeting of the Board or of a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be valid as if every such person had been duly appointed, and was qualified to be a Director and had not vacated his office or his appointment had not been terminated. Provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

76. RESOLUTION BY CIRCULATION

Subject to Sections 289 and 292 of the Act and the provisions as contained in these Articles, no resolution shall be deemed to have been passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft together with the necessary papers, if any, to all Directors, or to all members of the Committee, whether in India or not (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be), and to all other Directors or members of the Committee at their usual address in India or elsewhere, and has been approved by all such Directors or members of the Committee, or by a majority of such of them as are entitled to vote on the resolution.

77. THE SECRETARY

Subject to the provisions of Section 383A of the Act, the Board may from time to time appoint any individual as Secretary of the Company to perform such function, which by the Act or these Articles for the time being of the Company are to be performed by the Secretary and to execute any other duties which may from time to time be assigned to him by the Board.

78. DIRECTORS' & OFFICERS' LIABILITY INSURANCE

Subject to applicable Indian laws, the Company may procure, at the Company's cost, comprehensive directors and officers liability insurance from an authorized insurer approved by the Board for each Director for a coverage for claims of an amount as may be decided by the Board from time to time.

79. SEAL

(A) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board, previously given.

(B) The Company shall also be at liberty to have an official Seal(s) in accordance with Section 50 of the Act, for use in any territory, district or place outside India.

(C) Every deed or other instrument to which the Seal of the Company is required to be affixed, shall unless the same is executed by a duly constituted attorney, be signed by a Director or the Secretary or the Manager or any other person as may be authorized by the Board / Committee of the Board may appoint for that purpose.

80. ACCOUNTS

(A) The Company shall keep at its Office or at such other place in India as the Board thinks fit proper books of account in accordance with Section 209 of the Act with respect to –

(i) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place;

(ii) all sales and purchase of goods by the Company;

(iii) the assets and liabilities of the Company.

(B) Where the Board decides to keep all or any of the books of account at any place other than the Office of the Company, the Company shall within seven days of the decision file with the Registrar, a notice in writing giving the full address of that other place.

(C) The Company shall preserve in good order the books of account relating to a period of not less than eight years preceding the current year.

(D) When the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper books of account relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns made up to dates at intervals of not more than three months, are sent by the branch office to the Company at its office or at the other place in India, at which the Company's books of account are kept as aforesaid.

(E) The Directors shall, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the

Company or any of them shall be open to the inspection of member (not being Directors) and no member (not being Director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorized by the Directors or by the Company in general meeting.

(F) The Board of Directors shall from time to time in accordance with Sections 210, 211, 212, 216,217and 219 of the Act, cause to be prepared and laid before each Annual General Meeting a profit and loss account for the financial year of the Company and a balance sheet made up as at the end of the financial year which shall be a date which shall not precede the day of the Meeting by more than six months or such extended period as shall have been granted by the Registrar under the provisions of the Act.

(G) The copies of every balance sheet including the Profit & loss Account, the Auditors' Report and every other document required to be laid before the Company in General Meeting shall be made available for inspection at the Registered Office of the Company during working hours for a period of 21 days before the Annual General Meeting.

(H) A statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid, as the Company may deem fit will be sent to every Member of the Company and to every trustee of the holders of any Debentures issued by the Company not less than 21 days before the date of the Meeting.

81. AUDIT

Accounts to be audited annually: Once at least in every year the accounts of the Company shall be examined and the correctness of the profit and loss account and balance sheet ascertained by one or more auditors.

Appointment of Auditors: In regard to the appointment of auditors the provisions contained in section 619 of the Act shall apply.

Power of the Comptroller and Auditor General : The Comptroller and Auditor General of India shall have power:

A. To direct the manner in which the Company's accounts shall be audited by the auditor/ auditors appointed in pursuance of Article 81 hereof and to give such auditor/auditors instructions in regard to any matter relating to the performance of his/their function as such.

B. To conduct a supplementary or test audit of the Company's accounts by such person or persons as he may authorise in this behalf ; and for the purposes of such audit, to have access, at all reasonable times, to all accounts, account books, vouchers, documents and other papers of the Company and to require information or additional information to be furnished to any person or persons so authorised, on such matters, by such person or persons and in such form, as the Comptroller and Auditor General may, by general or special order direct.

Comments upon or supplement to audit report by the Comptroller and Auditor General to be placed before Ordinary Meetings: The auditor/auditors aforesaid shall submit a copy of his /their audit report to the Comptroller and Auditor General of India who shall have the right to comment upon or supplement the audit report in such manner as he may think fit. Any such comments upon or supplement to the audit report shall be placed before the ordinary meetings of the Company at the same time and in the same manner as the audit report.

When accounts to be deemed finally settled: Every account when audited and approved by a general meeting, shall be conclusive.

82. AUDITOR'S RIGHT TO ATTEND MEETING

The auditors of the Company shall be entitled to receive a notice of and to attend any general meeting of the Company at which any accounts which have been examined or reported on by them are to be laid before the Company and make any statement or explanation they desire with respect to the accounts and supplementary report and the comments, if any of the Comptroller and Auditor General of India.

83. RIGHT OF THE PRESIDENT

Notwithstanding anything contained in any of these Articles, the President may, from time to time, issue such directives as he may consider necessary in regards to the conduct of the affairs of the Company or Directors thereof and matters involving National Security of substantial public interests and in like manner may vary and annul any such directive. The Directors shall give immediate effect to the directives so issued.

Provided that all directives issued by the President shall be in writing addressed to the Chairman /Chairman –cum-Managing Director. The Board shall, except where the President consider that the interest of the national security requires otherwise, incorporate the contents of directive issued by the President in the annual report of the company and also indicate its impact on the financial position of the Company.

84. DOCUMENTS AND NOTICES

(A) A document or notice may be given or served by the Company to or on any Member whether having his registered address within or outside India either personally or by sending it by post to him to his registered address.

(B) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a Member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due or by cable or telegram and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall be deemed to be effected unless it is sent in the manner intimated by the Member. Such service shall be deemed to have effected in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the document or notice is posted or after a telegram has been dispatched and in any case, at the time at which the letter would be delivered in the ordinary course of post or the cable or telegram would be transmitted in the ordinary course.

(C) A document or notice may be given or served by the Company to or on the joint-holders of a Share by giving or serving the document or notice to or on the joint-holder named first in the Register of Members in respect of the Share.

(D) Every person, who by operation of law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which previous to his name and address being entered on the register of Members, shall have been duly served on or given to the person from whom he derives his title to such Share.

(E) Any document or notice to be given or served by the Company may be signed by a Director or the Secretary or some person duly authorised by the Board for such purpose and the signature thereto may be written, printed, photostat or lithographed.

(F) All documents or notices to be given or served by Members on or to the Company or to any officer thereof shall be served or given by sending the same to the Company or officer at the Office by post under a certificate of posting or by registered post or by leaving it at the Office.

85. **DIVIDEND POLICY**

(A) The divisible profits of the Company, subject to any special rights relating thereto being created or authorised to be created by the Memorandum or these Articles and subject to the provisions of these Articles shall be divisible among the Members in proportion to the amount of Capital Paid-up or credited as Paid-up and to the period during the year for which the Capital is Paid-up on the Shares held by them respectively. Provided always that, (subject as aforesaid), any Capital Paid-up on a Share during the period in respect of which a Dividend is declared, shall unless the Directors otherwise determine, only entitle the holder of such Share to an apportioned amount of such Dividend as from the date of payment.

(B) Subject to the provisions of Section 205 of the Companies Act, 1956 the Company in General Meeting may declare Dividend, to be paid to Members according to their respective rights and interests in the profits but no Dividend shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller Dividend, and may fix the time for payments not exceeding 30 days from the declaration thereof.

(i) No Dividend shall be declared or paid otherwise than out of profits of the Financial Year arrived at after providing for depreciation in accordance with the provisions of Section 205 of the Act or out of the profits of the Company for any previous Financial Year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both provided that:

(i)(a) if the Company has not provided for depreciation for any previous Financial Year or years it shall, before declaring or paying a Dividend for any Financial Year provide for such depreciation out of the profits of that Financial Year or out of the profits of any other previous Financial Year or years,

(i)(b) if the Company has incurred any loss in any previous Financial Year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the Dividend is proposed to be declared or paid or against the profits of the Company for any previous Financial Year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act or against both.

(i)(c) The decision of the Board as to the amount of the divisible profits shall be conclusive.

(ii) The Board may from time to time, pay to the Members such interim Dividend as in their judgement the position of the Company justifies.

(iii) Where Capital is paid in advance of calls upon the footing that the same shall carry interest, such Capital shall not whilst carrying interest, confer a right to participate in profits or Dividend.

(iv)(a) Subject to the rights of persons, if any, entitled to Shares with special rights as to Dividend, all Dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof Dividend is paid but if and so long as nothing is paid upon any Shares in the Company, Dividends may be declared and paid according to the amount of the Shares.

(iv)(b) No amount paid or credited as paid on Shares in advance of calls shall be treated for the purpose of this regulation as paid on Shares.

(iv)(c) All Dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the Dividend is paid, but if any Shares are issued on terms providing that it shall rank for Dividend as from a particular date such Shares shall rank for Dividend accordingly.

(v) Subject to the provisions of the Act and these Articles, the Board may retain the Dividend payable upon Shares in respect of any person, until such person shall have become a Member, in respect of such Shares or until such Shares shall have been duly transferred to him.

(vi) Any one of several persons who are registered as the joint-holders of any Share may give effectual receipts for all Dividends or bonus and payments on account of Dividend or bonus or sale proceeds of fractional certificates or other moneys payable in respect of such Shares.

(vii) Subject to the provisions of the Act, no Member shall be entitled to receive payment of any interest or Dividend in respect of his Share(s), whilst any money may be due or owing from him to the Company in respect of such Share(s); either alone or jointly with any other person or persons; and the Board may deduct from the interest or Dividend payable to any such Member all sums of money so due from him to the Company.

(viii) A transfer of share shall not pass the right to any Dividend declared thereon before the registration of the transfer.

(ix) Unless otherwise directed any Dividend may be paid by cheque or warrant or by a pay slip or receipt (having the force of a cheque or warrant or ECS or any other electronic mode) and sent by post or courier or by any other legally permissible means to the registered address of the Member or Person entitled or in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent and in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission, or for any Dividend lost to a Member or Person entitled thereto, by a forged endorsement of any cheque or warrant or a forged signature on any pay slip or receipt of a fraudulent recovery of Dividend. If two or more Persons are registered as joint holders of any Share(s) any one of them can give effectual receipts for any moneys payable in respect thereof. Several Executors or Administrators of a deceased Member in whose sole name any Share stands shall for the purposes of this Article be deemed to be joint holders thereof.

(x) Unpaid Dividend shall bear interest as against the Company.

(xi) Any General Meeting declaring a Dividend may on the recommendation of the Board, make a call on the Members of such amount as the Meeting fixes, but so that the call on each Member shall not exceed the Dividend payable to him, and so that the call will be made payable at the same time as the Dividend; and the Dividend may, if so arranged as between the Company and the Members, be set off against such calls.

86. UNPAID OR UNCLAIMED DIVIDEND

(A) If the Company has declared a Dividend but which has not been paid or claimed within 30 days from the date of declaration, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days to a special account to be opened by the Company in that behalf in any scheduled bank to be called "Unpaid Dividend Account".

(B) Any money transferred to the unpaid dividend account of the Company which remain unpaid or unclaimed for a period of 7 years from the date of such transfer, shall be transferred by the Company to be fund known as "Investors Education and Protection Fund" established under Section 205 C of the Act.

(C) No unpaid or unclaimed dividend shall be forfeited by the Board before the claim becomes barred by law.

87. RESERVE FUND

Subject to such directions as may, from time to time, be issued by the President in this behalf ,the Directors may ,before recommending any dividend set aside out of profits of the Company such sums as they think proper as a reserve fund ,to meet contingencies or for equalizing dividend or for special dividends ,or for repairing, improving and maintaining any of the property of the company and for such other purposes as the Directors shall in their absolute discretion thinks conducive to the interest of the company and may invest the several sums so set aside in such investments (other than shares of the company) as they may think fit and may from time to time with and vary such investments and dispose of all or any part thereof for the benefit of the company and may divide the reserve fund into such special business of the company and that they without being bound to keep the same separate from the other assets.

88. IPO

The Company has been given power by this Article to take all necessary steps to give effect to the IPO and ensure that all actions necessary or required in accordance with applicable Law, to complete the IPO are taken, including the following;

(a) taking all actions necessary or required to be taken (including without limitation, providing all information as may be required to be disclosed);
(b) reorganizing the capital structure of the Company and determining the number of Shares to be issued;
(c) changing the composition of the Board;
(d) instructing a syndicate of underwriters, and legal and other advisers in connection with the listing;
(e) meeting the financial reporting requirements of the Recognised Stock Exchange (for example as to trading history, extracts from audited accounts of prior years, cash flow and profit forecasts, working capital report and indebtedness statement);
(f) establishing or amending employee/executive share option schemes if necessary;
(g) constituting such committees of the Board as may be required under applicable Law; and
(h) procuring that their appointees to the Board provide any other confirmations or consents which are reasonably necessary to secure the listing of the Company.

The IPO may be by way of (i) an offer for sale by the Shareholders; or (ii) an issue of new Shares; or (iii) an issue of new Shares together with an offer for sale of some or all of the Shares of the Shareholders, provided that if the IPO constitutes, in whole or in part, an offer for sale by the Shareholders, each of the Shareholders shall have the right but not the obligation to sell its Shares in such offer for sale proportionate to its Percentage Interest.

Unless prohibited by applicable Laws, the Company shall bear all expenses incurred in connection with such an IPO, including all registration, filing and qualification fees, and printers, legal and accounting fees and disbursements. The Company hereby agrees that it shall take all action on decisions of the Board and/or otherwise permitted under applicable Laws to ensure that it is able to bear such expenses. Notwithstanding the foregoing, it is agreed that in case of an offer for sale by shareholders of existing Shares, the brokerage fees, underwriting commission and similar expenses shall be borne pro-rata by the shareholders selling their Shares in such offer for sale.

Notwithstanding anything contained in these Article, in the event of the Company undertaking an IPO in accordance with these Article, (a) the Parties hereto shall, acting in good faith, agree on such actions and amendments to these Article, as are, based on a written opinion from the Company's legal advisors to the IPO necessary to comply with applicable law and regulations, the requirements of the relevant Recognized Stock Exchanges where the Shares are proposed to be listed, and applicable SEBI regulations and which amendments shall become effective on the date of filing of a draft offer document with the SEBI in respect of an initial public offering of the securities of the Company; (b) the Parties hereto shall work together in good faith to give effect to the provisions of these Article until the consummation of an IPO; and (c) if the proposed IPO is abandoned or not consummated within six months of such amendment to the Article, the Article shall again be amended to once again reflect the provisions of the Article prior to the amendment mentioned in (a) above.

89. CAPITALISATION OF PROFITS

The Company in General Meeting may, upon the recommendation of the Board, resolve:

(A) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the Company's profit and loss account or otherwise, as available for distribution, and

(B) that such sum be accordingly set free from distribution in the manner specified herein below in clause (C) as amongst the Members who would have been entitled thereto, if distributed by way of Dividends and in the same proportions.

(C) The sum aforesaid shall not be paid in cash but shall be applied either in or towards:

(i) paying up any amounts for the time being unpaid on any Shares held by such Members respectively;
(ii) paying up in full, un-issued Shares of the Company to be allotted, distributed and credited as fully Paid up, to and amongst such Members in the proportions aforesaid; or
(iii) partly in the way specified in sub-article (i) and partly in the way specified in sub-article (ii).

(D) A Security Premium Account and Capital Redemption Reserve Account may, for the purpose of this Article, only be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus shares.

(E) The Board shall give effect to the resolution passed by the Company in pursuance of above Article.

90. DISTRIBUTION OF ASSETS IN SPECIE OR KIND UPON WINDING UP

(a) If the Company shall be wound up, the Liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, divide amongst the Members, in specie or kind the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(b) For the purpose aforesaid, the Liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.

91. DIRECTORS' AND OTHERS' RIGHTS TO INDEMNITY

Subject to the provisions of Section 201 of the Act, every Director, Manager and other officer or employee of the Company shall be indemnified by the Company against any liability incurred by him and it shall be the duty of the Directors to pay out of the funds of the Company all costs, losses and expenses which any Director, Manager, officer or employee may incur or become liable to by reason of any contract entered into by him on behalf of the Company or in any way in the discharge of his duties and in particular, and so as not to limit the generality of the foregoing provision, against all liabilities incurred by him as such Director, Manager, officer or employee in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or he is acquitted or in connection with any application under Section 633 of the Act in which relief is granted by the Court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the Members over all claims.

92. DIRECTORS *ETC.* NOT LIABLE FOR CERTAIN ACTS

Subject to the provisions of Section 201 of the Act, no Director, Manager, officer or employee of the Company shall be liable for the acts, defaults, receipts and neglects of any other Director, Manager, officer or employee or for joining in any receipts or other act for the sake of conformity or for any loss or expenses happening to the Company through the insufficiency, or deficiency of any security in or upon which any of the monies of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any Person with whom any moneys, Securities or effects shall be deposited or for any loss occasioned by an error of judgement or oversight on his part, or for any other loss, damage or misfortune whatsoever which shall happen in the execution thereof unless the same shall happen through his own negligence, default, misfeasance, breach of duty or breach of trust.

93. SECRECY

Every director, manager, committee member, auditor, trustee, officer, servant, agent, accountant or other Person employed in the business of the Company shall, if so required by the Board before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company and in matters relating there to and shall by such declaration, pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Board or by law or by the Person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these Articles contained.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts which are or may be deemed material have been entered or to be entered into by the Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus delivered to the RoC for registration, and also the documents for inspection referred to hereunder may be inspected at the Registered Office from 10.00 am to 4.00 pm on Working Days during the Bidding Period.

Material Contracts in relation to the Offer

1. Letter of appointment dated June 28, 2011 to the BRLMs from the Department of Disinvestment, Ministry of Finance, GoI, for appointment as BRLMs;

2. Offer Agreement dated January 27, 2012 amongst our Company, the Selling Shareholder and the BRLMs;

3. Agreement dated January 27, 2012 amongst our Company, the Selling Shareholder and Registrar to the Offer;

4. Escrow Agreement dated **[●]** amongst our Company, the Selling Shareholder, the BRLMs, Escrow Collection Banks, and the Registrar to the Offer;

5. Syndicate Agreement dated **[●]** amongst our Company, the Selling Shareholder, the BRLMs and Syndicate Members;

6. Underwriting Agreement dated [●] amongst our Company, the Selling Shareholder, the BRLMsand Syndicate Members;

7. Agreement dated February 7, 2012 between NSDL, our Company and Bigshare Services Private Limited;

8. Agreement dated February 7, 2012 between CDSL, our Company and Bigshare Services Private Limited.

Material Documents

1. Our Memorandum and Articles of Association as amended from time to time;

2. Our certificate of incorporation dated November 15, 1960;

3. Resolutions of the Board passed in circulation dated August 23, 2011 noting the Letter no. 4(7)/2010-DOD from CCEA dated August 19, 2011;

4. Letter no. O-17034/8/2009-PS dated August 24, 2011 from the MoUD conveying the approval granted by the Cabinet Committee on Economic Affairs for the Offer;

5. RBI letter FE.CO.FID.No.5604/10.21.259/2010-11 dated September 6, 2011 confirming that it has no objection to the transfer of 9,000,000 Equity Shares by the President of India, acting through the Ministry of Urban Development, Government of India;

6. RBI letter no. FE.CO.FID.No.17838/10.21.259/2011-12 dated February 1, 2012 confirming increase in size of IPO subsequent to issue of Bonus Shares;

7. Resolution passed by circulation by the Board of Directors dated February 8, 2012 approving the Draft Red Herring Prospectus respectively;

8. Letter No. O-17034/8/2009-PS(Vol.II) dated January 27, 2012 from the MoUD to our Company authorising Mr. D. Diptivilasa, Additional Secretary, MOUD to, *inter alia,* execute, sign and deliver such deeds,

documents and agreements and to do all such acts, deeds required for the purpose for effecting the offer for sale by the GoI of its shareholding in our Company;

9. MoUD Order No.O-17034/8/2010 dated April 8, 2011 for appointment of Mr. Vishnu Pada Das as the CMD, prescribing the terms and conditions of his employment;

10. MoUD Order No.O-17031/13/2002-PSdated April 9, 2007 and July 30, 2007, for appointment of Mr. Ajay Kumar Gargas the Director (Finance), prescribing the terms and conditions of his employment;

11. MoUD Order No.O-17034/3/2011-PS dated December 3, 2011, for appointment of Mr. Anoop Kumar Mittal as the Director (Project);

12. Joint venture agreement dated February 27, 2001 between our Company and M/s Jamal Trading Company Private Limited;

13. Joint venture agreement dated June 10, 2009 between our Company and Mahavir Hanuman Group;

14. Memorandum of Understanding dated January 11, 2005 between our Company and Agartala Municipal Council;

15. Joint venture agreement dated March 11, 2010 with BCC Builders Private Limited and Ahinsha Builders Private Limited;

16. Statement of Tax Benefits dated January 30, 2012 and the Report of the Auditors, M/s Amit Ray & Co,dated January 30, 2012, prepared as per Indian GAAP and mentioned in this Draft Red Herring Prospectus;

17. Copies of annual reports of our Company for the past five financial years;

18. Consents of the Auditors, M/s Amit Ray & Co, Chartered Accountants, for inclusion of their report on accounts and Statement of Tax Benefits in the form and context in which they appear in this Draft Red Herring Prospectus;

19. Consents of Bankers to our Company, BRLMs, Syndicate Members, Registrar to the Offer, Banker to the Offer, IPO Grading Agency, Refund Bankers, Domestic Legal Counsel to our Company Directors of our Company, Company Secretary and Compliance Officer, as referred to, in their respective capacities;

20. Applications dated [●] for in-principle listing approvals from BSE and NSE, respectively;

21. In-principle listing approvals from BSE and NSE dated [●] and [●], respectively;

22. Due diligence certificate to SEBI from BRLMs, dated February 8, 2012;

23. SEBI observation letter no. [●] dated [●];

24. IPO Grading Report and Rationale by [●]dated [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, the Directors, certify that all relevant provisions of the Companies Act and the regulations or guidelines issued by the GoI or SEBI, as applicable, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SEBI Act or the rules or regulations issued thereunder. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHAIRMAN CUM MANAGING DIRECTOR	SIGNED BY THE WHOLE TIME DIRECTOR (FINANCE)
Mr. Vishnu Pada Das	**Mr. Ajay Kumar Garg**

SIGNED BY THE OTHER DIRECTORS OF THE COMPANY

Mr. Anoop Kumar Mittal	**Ms. Sudha Krishnan**
Mr. Kishan Lal Mehrotraa	**Mr. Kalyana Chandrashekhar Iyer**
Mr. Brijeshwar Singh	**Mr. Vinod Kumar Gupta**
Mr. Subhash Chandra Saraf	

SIGNED BY THE SELLING SHAREHOLDER

On behalf of the Selling Shareholder, I certify that the statements made in this Draft Red Herring Prospectus about or in relation to the Selling Shareholder and the Equity Shares offered pursuant to the Offer for Sale are true and correct.

(**Mr.Deverakonda Diptivilasa**)
Additional Secretary, Ministry of Urban Development, Government of India
Signed on behalf of the Selling Shareholder

Date: February 08, 2012
Place: New Delhi, India

ANNEXURE A

Table 1: Price Information of Previous Issue(s) handled by **IDBI Capital Market Services Limited**

Sr. No.	Issue Name	Issue Size (₹Cr)	Issue Price (₹)	Listing Date	Opening Price on listing date (₹)	Closing Price on listing date (₹)	% Change in price on listing date (Closing) vs Issue Price	Benchmark Index on listing date (Closing)	Closing price as on 10th calendar day from listing day	Benchmark Index as on 10th calendar days from listing day (Closing)	Closing Price as on 20th calendar day from listing day	Benchmark Index as on 20th calendar days from listing day (Closing)	Closing Price as on 30th calendar day from listing day	Benchmark index as on 30th calendar days from listing day (Closing)	% Change in price after 30 days vs Issue Price
1	SRS Limited	203.00	58.0	16/9/2011	68.00	33.25	-42.67%	5084.25	33.85	4835.40	30.10	4751.30	35.60	5132.30	-39%
2	Aanjaneya Lifecare Limited	117.00	234.0	27/5/2011	218.00	311.10	32.95%	5526.60	355.25	5625.45	364.40	5581.10	376.55	5574.85	61%
3	MOIL Limited	1237.95	375.0	15/12/2010	565.00	465.05	24.01%	5892.30	448.85	6011.60	453.95	6157.60	442.15	5751.90	18%
4	Gujarat Pipavav Port Limited	553.85	46.0	9/9/2010	56.10	54.05	17.50%	5640.05	54.00	5884.95	54.70	6029.50	59.75	6103.45	30%
5	SJVN Limited	1043.91	26.0	20/5/2010	27.10	25.10	-3.46%	4947.60	24.20	5066.55	24.10	4987.10	24.10	5262.60	-7%
6	ARSS Infrastructure Projects Limited	103.00	450.0	3/3/2010	630.00	737.45	63.88%	5088.10	750.40	5137.00	908.90	5205.20	991.75	5290.50	120%
7	JSW Energy Limited	2651.00	100.0	4/1/2010	106.00	100.85	0.85%	5232.20	117.70	5233.95	111.60	5036.00	107.35	4830.10	7%

Sr. No.	Issue Name	Issue Size (₹Cr)	Issue Price (₹)	Listing Date	Opening Price on listing date (₹)	Closing Price on listing date (₹)	% Change in price on listing date (Closing) vs Issue Price	Benchmark Index on listing date (Closing)	Closing price as on 10th calendar day from listing day	Benchmark Index as on 10th calendar days from listing day (Closing)	Closing Price as on 20th calendar day from listing day	Benchmark Index as on 20th calendar days from listing day (Closing)	Closing Price as on 30th calendar day from listing day	Benchmark index as on 30th calendar days from listing day (Closing)	% Change in price after 30 days vs Issue Price
8	Astec Lifesciences Limited	61.50	82.0	25/11/2009	83.00	84.00	2.44%	5108.15	86.90	5108.90	87.70	5105.70	82.05	5178.40	0%
9	Rishabhdev Technocable Limited	22.62	33.0	29/6/2009	42.00	27.20	-17.58%	14785.74	17.45	13769.15	20.30	14744.92	18.40	15331.94	-44%

Notes:

In case of discounts given to certain categories of investors, the undiscounted issue price has been taken as the issue price.

Issue size has been taken net of promoter's contribution, if any.

If the Xth calendar day from listing day is not a working day, closing price on previous working day is taken.

All prices are according to trades on NSE and the benchmark index is the Nifty. If the stock is not listed on the NSE (Rishabhdev), the BSE prices are taken and SENSEX is the benchmark.

Table 1a: Summary Statement of Disclosures for **IDBI Capital Market Services Limited**

Financial Year	Total No. of IPOs	Total Funds Raised (₹Cr)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30th calendar day from listing day			No. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	**Between 25%-50%**	**Less than 25%**	**Over 50%**	**Between 25-50%**	**Less than 25%**	**Over 50%**	**Between 25%-50%**	**Less than 25%**	**Over 50%**	**Between 25%-50%**	**Less than 25%**
2011-2012	2	320		1			1			1		1		
2010-2011	3	2835.71			1			2			1		1	1
2009-2010	4	2838.12			1	1		2		1		1		2

Note:

Total Funds raised is taken as the sum of individual Issue Size

Table 2: Price Information of Previous Issue handled by **Enam Securities Private Limited**

Sr No	Issue Name	Issue Size Rs. (Cr.)	Issue price (Rs)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar days from listing day (Closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar days from listing day (Closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar days from listing day (Closing)
1	TD POWER SYSTEMS LTD.	227.00	256.00	08-Sep-11	260.00	275.25	7.52%	5153.25	287.30	5031.95	260.75	4945.90	256.05	4979.60

Sr No	Issue Name	Issue Size Rs. (Cr.)	Issue price (Rs)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar days from listing day (Closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar days from listing day (Closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar days from listing day (Closing)
2	FUTURE VENTURES INDIA LTD.	750.00	10.00	10-May-11	9.00	8.20	-18.00%	5541.25	8.30	5486.35	8.10	5473.10	9.30	5521.05
3	PUNJAB & SIND BANK	470.82	120.00	30-Dec-10	144.00	127.15	5.96%	6101.85	118.85	5762.85	119.75	5691.05	105.45	5505.90
4	A2Z MAINTENANCE & ENGINEERING SERVICES LTD.	776.25	400.00	23-Dec-10	500.00	328.55	-17.86%	5980.00	327.15	6157.60	304.25	5863.25	302.35	5743.25
5	CLARIS LIFESCIENCES LTD.#	300.00	228.00	20-Dec-10	224.40	205.85	-9.71%	19888.88	204.85	20389.07	199.10	19224.12	185.35	18978.32
6	COAL INDIA LTD.	15,199.44	245.00	04-Nov-10	291.00	342.55	39.82%	6281.80	317.20	6121.60	310.80	5865.75	320.40	5992.25
7	PRESTIGE ESTATES PROJECTS LTD.	1,200.00	183.00	27-Oct-10	190.00	193.15	5.55%	6012.65	202.50	6273.20	187.85	5988.70	160.15	5751.95
8	OBEROI REALTY LTD.	1,028.61	260.00	20-Oct-10	271.10	282.90	8.81%	5982.10	275.80	6117.55	289.15	6301.55	262.35	5890.30
9	ASHOKA BUILDCON LTD.	225.00	324.00	14-Oct-10	342.00	330.75	2.08%	6177.35	315.57	6105.80	306.70	6160.50	306.15	6121.60
10	VA TECH WABAG LTD.	472.59	1310.00	13-Oct-10	1500.00	1707.95	30.38%	6233.90	1641.30	6105.80	1667.20	6119.00	1683.70	6071.65

Price information for the above issues, except for Claris Lifesciences Ltd., is that on NSE (source: www.nseindia.com) and Benchmark Index considered is NIFTY

Claris Lifesceinces Ltd. being listed only on BSE, the price information is that on BSE (source: www.bseindia.com) and the Benchmark Index considered is Sensex

Sr No	Issue Name	Issue Size Rs. (Cr.)	Issue price (Rs)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar days from listing day (Closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar days from listing day (Closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar days from listing day (Closing)

Note: Wherever 10th, 20th, 30th calendar day from listing day is a holiday, the closing data of the next trading date / day has been considered

Table 2a: Summary Statement of Disclosures for **Enam Securities Private Limited**

Financial Year	Total No. of IPOs	Total Funds Raised (₹Cr)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30th calendar day from listing day			No. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2011-2012	2	977.00	0	0	1	0	0	1	0	0	1	0	0	1
2010-2011	15	24025.61	0	0	6	0	3	6	0	1	8	0	2	4
2009-2010	8	12641.30	0	0	3	0	1	4	0	0	4	0	0	4
Note: Wherever 30th calendar day from listing day is a holiday, the closing data of the next trading date / day has been considered														

Note: Total Funds raised is taken as the sum of individual Issue Size