DRAFT RED HERRING PROSPECTUS
Dated September 22, 2009
Please read section 60B of the Companies Act, 1956
(The Draft Red Herring Prospectus will be updated upon filing with the ROC)
100% Book Building Issue

ASHOKA BUILDCON LIMITED

(The Company was incorporated as Ashoka Buildcon Private Limited on May 13, 1993 under the Companies Act, 1956. The word "private" was deleted on April 22, 2002 and the Company was converted into a public limited company. For details of changes in the name and registered office of the Company, please refer to "History and Certain Corporate Matters" on page 124 of this Draft Red Herring Prospectus)

Registered Office: Survey No. 861, Ashoka House, Ashoka Marg, Vadala, Nashik, Maharashtra - 422 011
Tel: (91 253) 3011705; **Fax:** (91 253) 2422704
Contact Person: Manoj A. Kulkarni, Company Secretary and Compliance Officer; **Website:** www.ashokabuildcon.com; **Email:** investors@ashokabuildcon.com

PROMOTERS OF THE COMPANY: ASHOK M. KATARIYA, SATISH D. PARAKH, ASHISH A. KATARIYA AND ADITYA S. PARAKH

PUBLIC ISSUE OF [●] EQUITY SHARES OF Rs. 10 EACH OF ASHOKA BUILDCON LIMITED ("ABL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE) AGGREGATING UP TO RS. 2,250 MILLION (THE "ISSUE"). THE ISSUE INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES OF RS. 10 EACH FOR THE ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). THE ISSUE LESS THE EMPLOYEE RESERVATION PORTION IS REFERRED TO AS THE "NET ISSUE". THE ISSUE WILL CONSTITUTE [●]% OF THE POST ISSUE PAID UP CAPITAL OF THE COMPANY AND THE NET ISSUE WILL CONSTITUTE [●]% OF THE POST ISSUE PAID UP CAPITAL OF THE COMPANY.

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

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY THE COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND THE CO-BOOK RUNNING LEAD MANAGER AND ADVERTISED AT LEAST TWO(2) WORKING DAYS PRIOR TO THE BID/ ISSUE OPENING DATE.

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

In terms of Rule 19(2)(b) of the Securities Contracts Regulations Rules, 1957 ("SCRR"), this being an issue for less than 25% of the post-Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers (QIB) Bidders. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 10% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. If at least 60% of the Net Issue cannot be allotted to QIBs, then the entire application money shall be refunded forthwith. Further, up to [●] Equity Shares shall be available for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received at or above the Issue Price. Potential investors may participate in this Issue through an Application Supported by Blocked Amount providing details about the bank account which will be blocked by the Self Certified Syndicate Bank for the same. Only Resident Retail Individual Investors can participate through this process. For details see section entitled 'Issue Procedure' on page 361 of this Draft Red Herring Prospectus.

RISK IN RELATION TO FIRST ISSUE

This being the first issue of Equity Shares of the Company, there has been no formal market for the Equity Shares of the Company. **The face value of the Equity Shares is Rs. 10 each. The Floor Price is [●] times of the face value and the Cap Price is [●] times of the face value.** The Issue Price (has been determined and justified by the Company, the BRLMs and the CBRLM as stated under the paragraph on "Basis for Issue Price") should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

IPO GRADING

This Issue has been graded by [●] as [●] (pronounced [●]) indicating [●]. For details see the section entitled "General Information" on page 19 of this Draft Red Herring Prospectus.

GENERAL RISKS

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

ISSUER'S ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to the Company and the Issue, which is material in the context of the Issue, 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 will 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.

LISTING ARRANGEMENT

The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on the NSE and BSE. The Company has received an 'in-principle' approval from the NSE and the BSE, for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Issue, the Designated Stock Exchange shall be [●].

BOOK RUNNING LEAD MANAGERS		CO-BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
IDFC-SSKI LIMITED 803-4 Tulsiani Chambers, 8th Floor, Nariman Point, Mumbai 400 021, India Tel: (91 22) 6638 3276 Fax: (91 22) 2282 6615 E-mail: ashoka.ipo@idfcsski.com Investor Grievance Email: complaints@idfcsski.com Website: www.idfcsski.com Contact Person: Hiren Raipancholia SEBI Reg. No. INM000011336	**ENAM SECURITIES PRIVATE LIMITED** 801/ 802, Dalamal Towers Nariman Point, Mumbai 400 021, India Tel: (91 22) 6638 1800 Fax: (91 22) 2284 6824 E-mail: abl.ipo@enam.com Investor Grievance Email: complaints@enam.com Website: www.enam.com Contact Person: Pranav Mahajani SEBI Reg. No. INM000006856	**MOTILAL OSWAL INVESTMENT ADVISORS PRIVATE LIMITED** 113/114, Bajaj Bhawan, 11th Floor Nariman Point, Mumbai 400 021, India Tel: (91 22) 3980 4380 Fax: (91 22) 3980 4315 E-mail: ashoka.ipo@motilaloswal.com Investor Grievance E-mail: moiaplredressal@motilaloswal.com Website: www.motilaloswal.com Contact Person: Rupesh Khant SEBI Registration No: INM000011005	**LINK INTIME INDIA PRIVATE LIMITED** C 13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400 078 Tel: (91 22) 2596 0320 Fax: (91 22) 2596 0329 Email: abl.ipo@linkintime.co.in Contact Person: Sachin Achar SEBI Reg. No. INM000003761

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

* *The Company may consider participation by Anchor Investors. The Anchor Investor Bid/ Issue Period shall be one day prior to the Bid/ Issue Opening Date.*

TABLE OF CONTENTS

DEFINITIONS AND ABBREVIATIONS

Term	Description
"ABL", "our Company", "the Company", or "the Issuer"	Unless the context otherwise requires, refers to Ashoka Buildcon Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Survey No. 861, Ashoka House, Ashoka Marg, Vadala, Nashik, Maharashtra - 422 011.
"we", "us", "our"	Unless the context otherwise requires, means Ashoka Buildcon Limited and its subsidiaries, joint ventures and associates.

Company Related Terms

Term	Description
Articles/Articles of Association	The articles of association of the Company
Auditors	The statutory auditors of the Company; M/s. M. P. Chitale & Co., Chartered Accountants
Board of Directors/Board	The board of directors of the Company or a committee constituted thereof
Director(s)	The Director(s) of the Company, unless otherwise specified
Group Companies	Companies, firms, ventures promoted by the Promoters, irrespective of whether such entities are covered under Section 370(1)(B) of the Companies Act or not
IDFC PE II	IDFC Infrastructure Fund 2, being a trust created under the Indian Trust Act, 1882 and a venture capital fund registered under SEBI (Venture Capital Funds) Regulations 1996 (of which IDFC PE II is a unit scheme)
IIF	IDFC Project Equity Company Limited – India Infrastructure Fund
Memorandum/ Memorandum of Association	The memorandum of association of the Company
Order Book	The unfinished or uncertified value of EPC contracts and work orders and includes the estimated cost of construction of the unfinished portions of the Company's BOT projects (these costs are capitalised on the date the Company starts collecting tolls for the projects)
Promoters	Our promoters being Ashok M. Katariya, Satish D. Parakh, Ashish A. Katariya and Aditya S. Parakh
Promoter Group Companies	Unless the context otherwise requires, refers to those companies mentioned in the section entitled "Our Promoters" on page 161 of this Draft Red Herring Prospectus
Registered Office of the Company	Survey No. 861, Ashoka House, Ashoka Marg, Vadala, Nashik, Maharashtra - 422 011
Scheme of Amalgamation	The scheme of amalgamation under the Companies Act approved by the Bombay High Court on December 3, 2004 of Ashoka Info Private Limited, Ashoka Infra Private Limited, Ashoka Vastu Private Limited, Ashoka Vastu Shilp Private Limited, Ashoka Shilp Vikas Private Limited and Ashoka Construction Engineers Private Limited with the Company
Share Subscription and Shareholders' Agreement	Share Subscription and Shareholders' Agreement dated July 11, 2006 as amended on December 10, 2007 between Ashoka Buildcon Limited, Ashok Katariya, Sunil Raisoni, Satish Parakh, Narendra Sakhadwipi, Ashoka Buildwell and Developers Private Limited, AP Equipment, Shubham Developers, Ashoka Township, Ashoka Bitucon Exim Private Limited, Ashoka Builders (Nasik) Private Limited, and other shareholders of the Company and IDFC Infrastructure Fund 2.

Issue Related Terms

Term	Description
Allotment/Allot/Allotted	Unless the context otherwise requires, means the allotment of Equity Shares pursuant to this Issue to the successful Bidders
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor category, with a minimum Bid of Rs. 100 million
Anchor Investor Bid/Issue Period	The day one day prior to the Bid/Issue Opening Date on which Bidding by Anchor Investors shall open and shall be completed
Anchor Investor Issue Price	The final price at which Equity Shares will be issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Issue Price will be decided by the Company in consultation with the BRLMs and the CBRLM
Anchor Investor Margin Amount	An amount representing 25% of the Bid Amount payable by the Anchor Investors at the time of submission of their Bid
Anchor Investor Portion	Up to 30% of the QIB Portion which may be allocated by the Company to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by a Resident Retail Individual Bidder to make a Bid authorizing a SCSB to block the Bid Amount in their specified bank account maintained with the SCSB
ASBA Bidder	Any Resident Retail Individual Bidder who intends to apply through ASBA and, (a) is bidding at Cut-off Price, with single option as to the number of shares; (b) is applying through blocking of funds in a bank account with the SCSB; (c) has agreed not to revise his/her bid; and (d) is not bidding under any of the reserved categories
ASBA Bid cum Application Form or ASBA BCAF	The form, whether physical or electronic, used by an ASBA Bidder to make a Bid, which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus
ASBA Public Issue Account	A bank account of the Company, under Section 73 of the Act where the funds shall be transferred by the SCSBs from the bank accounts of the ASBA Bidders
Banker(s) to the Issue/Escrow Collection Bank(s)	[●]
Basis of Allotment	The basis on which Equity Shares will be Allotted to Bidders under the Issue and which is described in "Issue Procedure – Basis of Allotment" on page 385 of this Draft Red Herring Prospectus
Bid	An indication to make an offer during the Bidding/Issue Period by a prospective investor to subscribe to the Equity Shares of the Company at a price within the Price Band, including all revisions and modifications thereto. For the purpose of ASBA Bidders, it means an indication to make an offer during the Bidding Period by a Retail Resident Individual Bidder to subscribe to the Equity Shares of the Company at Cut-off Price
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form
Bid /Issue Closing Date	The date after which the Syndicate and the SCSBs will not accept any Bids for this Issue, which shall be notified in an English national newspaper, a Hindi national newspaper and a Marathi newspaper each

Term	Description
	with wide circulation
Bid /Issue Opening Date	The date on which the Syndicate and the SCSBs shall start accepting Bids for the Issue, which shall be the date notified in an English national newspaper, a Hindi national newspaper and a Marathi newspaper, each with wide circulation
Bid cum Application Form	The form used by a Bidder to make a Bid and which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form
Bidding/Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids
Book Building Process/Method	Book Building process as provided under Schedule XI of the SEBI Regulations, in terms of which the Issue is being made
BRLMs/Book Running Lead Managers	The Book Running Lead Managers to the Issue, in this case being IDFC-SSKI Limited and Enam Securities Private Limited
BRLM Memorandum of Understanding	The agreement entered into on September 8, 2009 between the Company, the BRLMs and the CBRLM, pursuant to which certain arrangements are agreed to in relation to the Issue
Business Day	Any day on which commercial banks in Mumbai are open for business
CAN/Confirmation of Allocation Note	Note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process
CBRLM/Co-Book Running Lead Manager	The Co-Book Running Lead Manager to the Issue, in this case being Motilal Oswal Investment Advisors Private Limited
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalized and above which no Bids will be accepted
Controlling Branches	Such branches of the SCSB which coordinates with the BRLMs, the CBRLM, the Registrar to the Issue and the Stock Exchanges
Cut-off Price	Issue Price, finalised by the Company in consultation with the BRLMs and CBRLM. Only Retail Individual Bidders whose Bid Amount does not exceed Rs. 100,000 are entitled to Bid at the Cut Off Price. No other category of Bidders is entitled to Bid at the Cut-off Price
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Bid cum Application Form used by ASBA Bidders and a list of which is available on http://www.sebi.gov.in
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account or the amount blocked by the SCSB is transferred from the bank account of the ASBA Bidder to the ASBA Public Issue Account, as the case may be, after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Bidders
Designated Stock Exchange	[●]
Draft Red Herring Prospectus	The Draft Red Herring Prospectus dated September 22, 2009 issued in accordance with Section 60B of the Companies Act and the SEBI Regulations, filed with SEBI and which does not contain complete particulars on the price at which the Equity Shares are offered and the size (in terms of number of Equity Shares) of the Issue
Eligible Employees	Permanent and full-time employees of the Company and directors of the Company, excluding Promoters and their immediate relatives, as on [●], 2009 who are Indian nationals and are present in India on the date of submission of the Bid cum Application Form and who continues to be in the employment of the Company until submission of the Bid cum

Term	Description
	Application Form
Eligible NRI	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Draft Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein
Employee Reservation portion	The portion of the Issue being up to [●] Equity Shares available for allocation to Eligible Employees
Enam	Enam Securities Private Limited
Equity Shares	Equity shares of the Company of Rs. 10 each, unless otherwise specified
Escrow Account	Account opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidder (excluding the ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into by the Company, the Registrar to the Issue, the BRLMs, the CBRLM, the Syndicate Members and the Escrow Collection Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected to the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form or the ASBA Bid cum Application Form
Floor Price	The lower end of the Price Band, at or above which the Issue Price will be finalised and below which no Bids will be accepted
IDFC-SSKI	IDFC-SSKI Limited
IPO	Initial Public Offering
Issue	Public issue of [●] Equity Shares of Rs. 10 each of the Company for cash at a price of Rs. [●] per Equity Share aggregating Rs. 2,250 million. It comprises a Net Issue to the public aggregating to Rs. [●] million and a reservation for Eligible Employees aggregating Rs. [●] million
Issue Price	The final price at which Equity Shares will be issued and allotted in terms of the Red Herring Prospectus. The Issue Price will be decided by the Company in consultation with the BRLMs and the CBRLM on the Pricing Date
Issue Proceeds	The proceeds of the Issue that are available to the Company
Margin Amount	The amount paid by the Bidder at the time of submission of his/her Bid, being 10% to 100% of the Bid Amount
Motilal Oswal	Motilal Oswal Investment Advisors Private Limited
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Portion (excluding the Anchor Investor Portion), or [●] Equity Shares available for allocation to Mutual Funds only, out of the QIB Portion (excluding the Anchor Investor Portion)
Net Issue	The Issue less the Employee Reservation Portion
Net Proceeds	The Issue Proceeds less the Issue expenses. For further information about use of the Issue Proceeds and the Issue expenses see the section entitled "Objects of the Issue" on page 46 of this Draft Red Herring Prospectus
Non-Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs. 100,000 (but not including NRIs other than eligible NRIs)
Non-Institutional Portion	The portion of the Issue being not less than [●] Equity Shares available for allocation to Non-Institutional Bidders
Non-Resident	A person resident outside India, as defined under FEMA and includes a Non Resident Indian
Pay-in-Date	Bid/Issue Closing Date or the last date specified in the CAN sent to Bidders, as applicable

Term	Description
Pay-in-Period	The period commencing on the Bid/Issue Opening Date and extending until the closure of the Pay-in Date
Price Band	Price Band of a minimum price of Rs. [●] (Floor Price) and the maximum price of Rs. [●] (Cap Price) and includes revisions thereof. The Price Band and the minimum Bid Lot size for the Issue will be decided by the Company in consultation with the BRLMs and the CBRLM and advertised, at least two working days prior to the Bid/ Issue Opening Date, in [●] edition of [●] in the English language, [●] edition of [●] in the Hindi language and [●] edition of [●] in the Marathi language
Pricing Date	The date on which the Company, in consultation with the BRLMs and the CBRLM, finalizes the Issue Price
Prospectus	The Prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act, containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account on the Designated Date
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 sub-account registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with IRDA, provident fund with minimum corpus of Rs. 250 million, pension fund with minimum corpus of Rs. 250 million and National Investment Fund set up by Government of India. FVCIs registered with SEBI and multilateral and bilateral development financial institutions are not entitled to participate in the Issue
QIB Margin Amount	An amount representing at least 10% of the Bid Amount, paid by QIB bidders at the time of submission of their bid
QIB Portion	The portion of the Issue being at least [●] Equity Shares of Rs. 10 each to be Allotted to QIBs
Red Herring Prospectus or RHP	The Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The Red Herring Prospectus will be filed with the RoC at least three (3) days before the Bid Opening Date and will become a Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	The account opened with Escrow Collection Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding to the ASBA Bidder) shall be made
Refund Banker(s)	[●]
Refunds through electronic transfer of funds	Refunds through ECS, Direct Credit, NEFT, RTGS or the ASBA process, as applicable
Registrar /Registrar to the Issue	Link Intime India Private Limited
Resident Retail Individual Investor or RRII	Retail Individual Bidder who is a person resident in India as defined in the Foreign Exchange Management Act, 1999 and who has not Bid for Equity Shares for an amount more than Rs. 100,000 in any of the bidding options in the Issue
Retail Individual Bidders	Individual Bidders (including HUFs applying through their karta, Eligible NRIs and Resident Retail Individual Bidders) who have not Bid

Term	Description
	for Equity Shares for an amount more than Rs. 100,000 in any of the bidding options in the Issue
Retail Portion	The portion of the Issue being not less than [●] Equity Shares of Rs. 10 each available for allocation to Retail Individual Bidder(s)
Revision Form	The form used by the Bidders, excluding ASBA Bidders, to modify the quantity of Equity Shares or the Bid Price in any of their Bid cum Application Forms or any previous Revision Form(s)
SEBI Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time
Self Certified Syndicate Bank or SCSB	A banker to the Issue registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in.
Stock Exchanges	The NSE and the BSE
Syndicate	The BRLMs, the CBRLM and the Syndicate Members
Syndicate Agreement	The agreement to be entered into between the Syndicate and the Company in relation to the collection of Bids in this Issue (excluding Bids from the ASBA Bidders)
Syndicate Members	[●]
TRS or Transaction Registration Slip	The slip or document issued by a member of the Syndicate or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
Underwriters	The BRLMs, the CBRLM and the Syndicate Members
Underwriting Agreement	The agreement among the Underwriter and the Company to be entered into on or after the Pricing Date

Technical and Industry Terms

Term	Description
BOT	Build, Operate and Transfer
BOOT	Build, Own, Operate and Transfer
BOLT	Build, Operate, Lease and Transfer
BOQ	Bill of Quantities
COD	Commercial Operation Date
Cu. Mtr.	Cubic Meters
DBFO	Design-Build-Finance-Operate
EPC	Engineering, Procurement and Construction
Km.(s)	Kilometre(s)
MCGM	Municipal Corporation of Greater Mumbai
MHADA	Mumbai Housing and Area Development Authority
MMRDA	Maharashtra Metropolitan Road Development Authority
MoP	Ministry of Power
MPRDC	Madhya Pradesh Road Development Corporation
MTPA	Million tonnes per annum
NABARD	National Bank for Agricultural & Rural Development
NHAI	National Highways Authority of India
NHDP	National Highways Development Programme
O&M	Operations and Maintenance
PPP	Public Private Partnership
PWD	Public Works Department
RCC	Reinforced Concrete Construction
RFQ	Request for Qualification
RFP	Request for Proposal
RIDCOR	Road Infrastructure Development Company of Rajasthan Limited
RMC	Ready-Mix Concrete
SIDBI	Small Industries Development Bank of India

Term	Description
SPV(s)	Special Purpose Vehicle(s)

Conventional/General Terms

Term	Description
Act or Companies Act	Companies Act, 1956, as amended from time to time
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BSE	Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CESTAT	Central Excise and Service Tax Appellate Tribunal
CMPDI	Central Mine Planning and Design Institute Limited
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996 as amended from time to time
DER	Debt Equity Ratio
DP/Depository Participant	A depository participant as defined under the Depositories Act, 1996
DP ID	Depository Participant's Identity
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EIA Notification, 2006	Environmental Impact Assessment Notification, 2006
ECS	Electronic Clearing Service
EGM	Extraordinary General Meeting
EPS	Unless otherwise specified, Earnings Per Share, i.e., profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares during that fiscal year
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder and amendments thereto
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and amendments thereto
FII(s)	Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investor) Regulations, 1995 registered with SEBI under applicable laws in India
Financial Year/ fiscal/ FY	Period of twelve months ended March 31 of that particular year
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time
GDP	Gross Domestic Product
GoI/Government	Government of India
HNI	High Net worth Individual
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standards
Income Tax Act	The Income Tax Act, 1961, as amended from time to time
Indian GAAP	Generally Accepted Accounting Principles in India

Term	Description
IPO	Initial Public Offering
JV	Joint Venture
LIBOR	London Interbank Offered Rate
MMT	Million Metric Tons
Mn	Million
MoEF	Ministry of Environment and Forests
MoU	Memorandum of Understanding
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NR	Non Resident
NRE Account	Non Resident External Account
NRI	Non Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of up to 60% by NRIs including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in this Issue
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PIO	Persons of Indian Origin
RBI	The Reserve Bank of India
Re.	One Indian Rupee
Rs./ INR	Indian Rupees
RoC	The Registrar of Companies, Maharashtra situated at Everest 5th Floor, 100, Marine Drive, Mumbai 400 002
RONW	Return on Net Worth
Rs.	Indian Rupees
RTGS	Real Time Gross Settlement
SAT	Securities Appellate Tribunal
SBAR	State Bank of India Benchmark Advance Rate
SBI PLR	State Bank of India Prime Lending Rate
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEZ Policy	Special Economic Policy of the Government of India
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from

Term	Description
	time to time
SPV	Special Purpose Vehicle
Stamp Act	The Indian Stamp Act, 1899, as amended from time to time
State Government	The Government of a State of India
Stock Exchange(s)	BSE and/or NSE as the context may refer to
Takeover Code	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended
UIN	Unique Identification Number
U.S./USA	United States of America
UNCITRAL	United Nations Commission on International Trade Law
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
USD/US$	United States Dollars
VCFs	Venture Capital Funds as defined and registered with SEBI under the SEBI (Venture Capital Fund) Regulations, 1996, as amended from time to time

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Financial Data

Unless stated otherwise, the financial data in this Draft Red Herring Prospectus is derived from our financial statements prepared in accordance with Indian GAAP and included in this Draft Red Herring Prospectus. Our current fiscal year commences on April 1 and ends on March 31 of next 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.

There are significant differences between Indian GAAP, IFRS and U.S. GAAP. 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. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in "Risk Factors", "Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations on a Consolidated Basis" and elsewhere in this Draft Red Herring Prospectus, unless otherwise indicated, have been calculated on the basis of our restated consolidated and unconsolidated financial statements prepared in accordance with Indian GAAP.

Currency and units of presentation

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

All references to "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India. All references to "US$", "USD" or "US Dollars" are to United States Dollars, the official currency of the United States of America. In this Draft Red Herring Prospectus, the Company has presented certain numerical information in "million" units. One million represents 1,000,000.

For definitions, please see the section entitled "Definitions and Abbreviations" on page i of this Draft Red Herring Prospectus. In the section entitled "Main Provisions of Articles of Association" on page 406 of this Draft Red Herring Prospectus, defined terms have the meaning given to such terms in the Articles.

Industry and Market data

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

Currency of Presentation

In this Draft Red Herring Prospectus, all references to "Rupees" and "Rs." are to the legal currency of India, all references to "U.S. Dollars", and "US$" are to the legal currency of the United States of America.

SUMMARY OF PRINCIPAL DIFFERENCES BETWEEN IFRS AND INDIAN GAAP

The Company's financial statements are prepared in conformity with Indian GAAP, which differs in certain significant respects with IFRS. Such differences involve methods for measuring the amounts shown in the financial statements of the Company, as well as additional disclosures required by IFRS, which the Company has not prepared. The differences identified below are limited to those significant differences that are appropriate to the Company's financial statements. However, they should not be construed as being exhaustive and no attempt has been made to identify possible future differences between Indian GAAP and IFRS as a result of prescribed changes in accounting standards nor to identify future differences that may affect the Company's financial statements as a result of transactions or events that may occur in the future.

Potential invest construe this summary to be exhaustive or complete and should consult with their own professional advisors for a complete understanding and impact on the financial statements provided in this Draft Red Herring Prospectus.

Subject	Indian GAAP	IFRS
Contents of Financial statements	Two years' balance sheets, profit and loss account, schedules, accounting policies and notes. The format follows the requirement of the Companies Act, 1956. Only companies listed on Indian stock exchanges and non-listed enterprises whose turnover exceeds Rs. 500 million or borrowings exceeding Rs.100 million are required to furnish cash flow statements. Changes in shareholders equity are disclosed in schedules of 'Share Capital'. The presentation of these financial statements differs in certain respects compared to IFRS.	Two years' balance sheets, income statement, recognised gains and losses and cash flow statements, changes in equity, accounting policies and notes.
True and fair view override	Provisions of The Companies Act, 1956 make compliance with standards mandatory. However, based on facts & circumstances, true and fair view can be given with a suitable qualification in respect of non-compliance with Accounting Standards.	In rare cases, override standards to give "true and fair view".
Changes in accounting policies	Disclosure: Impact of and adjustments resulting from the change, if material, are to be shown in the financial statements of the period in which the change is made. If the effect of the change cannot be estimated that fact is to be disclosed. A change that has no material effect in the current period but is reasonably expected to have material effect in later periods is to be appropriately disclosed in the period in which change is	Either restates comparatives and prior year opening retained earnings or include effects (net of taxes) in current year income statement and provide proforma comparatives in the notes. Disclosure is required of the reasons for and the effect of the change

Subject	Indian GAAP	IFRS
	adopted.	
Correction of fundamental errors	The nature and amount of prior period items should be separately disclosed in the current year's profit and loss and the effect of the error must also be disclosed.	Restatement of comparatives is mandatory.
Reporting currency	Company law requires reporting in local (Indian) currency. Foreign currency transaction information is mandated in certain specified cases as additional information. AS 11 requires recognition of transactions in foreign currency in the reporting currency (local currency) by applying the exchange rate prevailing on the transaction day. It also requires recognition of exchange profit/loss to the revenue account. Does not permit the capitalisation of exchange differences in the carrying amount of assets. Though, Schedule VI requires such differences to be capitalised, clarification has been issued that treatment that accounting treatment prescribed under AS-11 needs to be followed.	Requires measurement of profit using the measurement currency; however entities may present financial statements in different currency. Does not permit the capitalisation of exchange differences in the carrying amount of assets.
Contents of financial statements – Disclosures Balance sheet and Income Statement format	Accounting standards do not prescribe formats for the balance sheet. Certain items are required to be disclosed on the face of the balance sheet. Balance sheet, profit and loss account Formats are prescribed by the Indian Companies Act and other regulatory bodies.	No particular format is prescribed for the income statement. However, expenditure must be prescribed in one of two formats (function or nature). Certain items must be presented on the face of the income statement. Similarly, no particular format is prescribed for the balance sheet; an entity may use a liquidity presentation of assets and liabilities, instead of a current/non-current presentation, only when a liquidity presentation provides more relevant and reliable information. Certain items must be presented on the face of the balance sheet.
Cash flow statement - formats and method	Headings are standardised. Indirect method to be used except, in cases specified by the regulator.	Standard headings, but flexibility over their contents. Use direct or indirect method.

Subject	Indian GAAP	IFRS
Cash flow statement – Definition of cash & cash equivalents	Bank borrowings are considered to be financing activities and not cash equivalents.	Cash includes and cash equivalents with short term maturities(less than three months) and bank overdrafts repayable on demand
Changes in accounting estimates	AS-5 states that changes in accounting estimates should be recognised in current or future periods depending on period affected by the change.	Account for in income statement in the current and future periods, as appropriate.
Group Reporting - Definition of subsidiary	Controlling interest through majority of voting shares or control of board of directors.	Based on voting control or power to govern financial and operating policies under a statute or an agreement.
Group Reporting - Exclusion of subsidiaries from consolidation	AS 21 does not mandate consolidation, but sets out the standards to be followed in the event that consolidated financial statements are presented or required by law or regulation. Standards for consolidation. A subsidiary should be excluded from consolidation when: • it operates under severe long-term restrictions that significantly impair its ability to transfer funds to the parent; or • control is intended to be temporary because the subsidiary is acquired and held exclusively with a view to its subsequent disposal in the near future (in the event of disposal not taking place due to some valid reason, the subsidiary will continue to be excluded from the consolidation). Under AS 21, in a parent's separate financial statements, investments in subsidiaries are carried at cost less any impairment loss recognised	As per IAS 27,consolidated financial statements must be prepared whenever there is a parent-subsidiary relation (with a few minor exceptions) Intermediate parent companies which are wholly owned or virtually wholly owned subsidiaries are exempted from preparing consolidated financial statements irrespective of their location, provided the parent publishes consolidated financial statements that comply with IAS. Under IAS 27, in a parent's separate financial statements investments in subsidiaries may be accounted for either at cost less any impairment, or as an available- for- sale investment under IAS 39. A subsidiary should be excluded from consolidation only when control is intended to be temporary because the subsidiary is acquired and held exclusively with a view to its subsequent disposal in the near future.
Definition of associate	Similar to IFRS. Twenty percent defined in the accounting standard.	Based on significant influence. Presumed if twenty percent or greater interest or participation in entity affairs.

Subject	Indian GAAP	IFRS
Manner of consolidation	Similar to IFRS. Not required to be consolidated if : ➢ it operates under severe long-term restrictions that significantly impair its ability to transfer funds to the parent; or ➢ control is intended to be temporary because the subsidiary is acquired and held exclusively with a view to its subsequent disposal in the near future (in the event of disposal not taking place due to some valid reason, the subsidiary will continue to be excluded from the consolidation)	Equity method of consolidation. Not required to be consolidated if control is intended to be temporary.
Internally Generated Intangible assets	Similar to IFRS.	Expense research costs as incurred. Capitalise and amortise development costs only if specific criteria are met.
Acquired Intangible assets	Capitalised if recognition criteria are met. AS-26 indicates that useful life of software is between three to five years and other assets are ten years.	Capitalised if recognition criteria are met. Amortisation is to be done over the useful life of the asset. .
Fixed Assets	Capital expenditure incurred on assets owned is capitalised and depreciated over useful life of the asset. Fixed Assets are stated at historical cost or re-valued amounts. Revaluation has to be made on an entire class of assets, or assets selected systematic basis. No current restriction on frequency of valuation.	Amounts. Frequent valuations of entire classes of assets necessary when revalued amounts used.
Depreciation	Rates prescribed in the Companies Act for the minimum depreciation provision. Where applicable, higher depreciation based on useful life of the asset should be provided. Asset lives are not prescribed by the Companies. Act but can be derived from the depreciation rates. A change in method of providing depreciation is treated as change in accounting policy requiring retrospective recomputation of depreciation from the date of	Allocated on a systematic basis to each accounting period during the useful life of the asset. Measure at depreciated cost or fair value and recognise changes in fair value in the income statement. A change in method of providing depreciation is treated as a change in accounting estimate.

Subject	Indian GAAP	IFRS
	asset coming into use.	
Impairment of assets	Similar to IAS, except reversal of impairment losses for goodwill is required in certain circumstances.	Impairment is assessed on discounted cash flows for assets other than held for sale. If impairment is indicated, assets are indicated, assets are written down to higher of fair value less costs to sell and value in use based on discounted cash flows. Reversal of impairment losses is required, other than goodwill; in certain circumstances.
Capitalisation of borrowing costs	Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the asset. Other borrowings cost are recognised as an expense in the period in which they are incurred.	The benchmark treatment is to expense all borrowings costs in the period in which they are incurred. Allowed alternative treatment is that borrowing costs in relation to the acquisition, construction and production of a qualifying asset should be treated as a part of the cost of the relevant asset. Where the allowed alternative method is adopted, that treatment should be applied consistently to all borrowing costs incurred for the acquisition, construction and production of qualifying asset. Borrowing costs include foreign exchange differences that are regarded as an adjustment to interest cost. Debt issuance costs and redemption premiums payable on the redemption of debt are treated as deferred charge and amortised using the effective interest rate method over the life of the debt.
Investments	Carry long-term investments at cost (with provision for permanent diminution in value). Current investments carried at lower of cost or fair value determined on individual basis or by category of investment but not on overall (or global) basis.	Carry long-term investments at cost or revalued amounts. Record revaluations consistently in income statement or equity. Carry current asset investments at lower of cost and market value or at market value. Record market value changes in income statement. Recent proposals to carry some financial assets at fair value.

Subject	Indian GAAP	IFRS
Inventories	Similar to IFRS. Specific identification method may be used in certain cases.	Carry at lower of cost and net realisable value; use FIFO, or weighted average method to determine cost. IAS 2 requires certain additional disclosures.
Construction contracts	Comparable to IFRS.	Recognise long-term contract revenues and profits using percentage of completion method when the stage of completion can be measured reliably. In case outcome cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred.
Revenue recognition	Comparable to IFRS. Except that criteria for revenue recognition is a negative assurance of no significant uncertainty of collection.	Revenue from sale of goods is recognised when significant risks and rewards have been transferred to the buyer. Criteria for revenue recognition are probability that economic benefits will flow to the entity.
Interim Financial Reporting	Similar to IFRS. However, publication of quarterly results is mandatory for listed entities as specified by the Securities and Exchange Board of India (SEBI). This reporting is not a full balance sheet reporting but specified information pertaining to Profit & Loss Account & Share Capital. These are subjected to a limited review by the statutory auditors. Companies may opt to publish audited results. Consolidation on quarterly basis is not required. Interim financial reporting is not otherwise mandatory under the accounting standards.	Not mandatory to prepare interim statements but must use standard if prepared. Basis should be consistent with the full-year statements and include comparatives.
Provisions – general	Comparable to IFRS except that There is no requirement for discounting the amount of provisions.	Record provisions relating to present obligations from past events if probable outflow of resources can be reliably estimated. Where the effect of time value of money is material, the amount of provision should be the present value of the expenditure required

Subject	Indian GAAP	IFRS
		to settle the obligation.
Contingencies	Contingent loss is provided in the profit and loss statement if it is probable that future events will confirm that, after taking into account any related probable recovery, an asset has been impaired or a liability has been incurred as at the balance sheet date and a reasonable estimate of the amount of the resulting loss can be made. In other cases, contingent losses are to be disclosed unless the possibility of occurrence is remote. Contingent gains are not recognised.	Disclose possible losses and probable gains.
Employee benefits - pension costs – defined benefit plans	Similar to IAS, except actuarial gains and losses are recognised upfront in the income statement.	Projected Unit Credit Method is used to determine benefit obligation and record plan assets at fair value. Actuarial gains and losses can be deferred.
Employee benefits – compensated absences	Similar to IAS.	It qualifies as short term or other long term employee benefits. The expected cost of accumulating short term compensated absences is recognised as an expense. Liability for long term compensated absences is measured using projected unit credit method.
Termination Benefits	Similar to IAS, however, timing of recognising liability could differ.	Termination benefits arising from redundancies are accounted for similarly to restructuring provisions. Termination indemnity schemes are accounted for based on actuarial present value of benefits.
Related party transactions - definition	Determined by ability to control or to exercise significant influence over the other party.	Determined by level of direct or indirect control and significant influence of one party over another or common control of both parties.
Related party transactions - disclosures	Similar to IFRS except the following additional disclosures: Volume of transactions · Amounts due from related parties outstanding at the balance sheet date together with provision for doubtful debts due from related parties. · Amounts written off or written back during the period in respect of debts due from	Disclose name of related party and nature of relationship and types of transactions. For control relationships, give disclosures regardless of whether transactions occur. Some exemptions available for separate financial statements of subsidiaries.

Subject	Indian GAAP	IFRS
	related parties.	
Earnings per share – diluted	Comparable to IFRS.	Entities to present basic and diluted earnings per share. Use weighted average potential dilutive shares as denominator for basic and diluted EPS.
Extraordinary and exceptional items	AS 5 requires disclosure of extraordinary items. The term exceptional items is not defined.-	Extraordinary items limited to a few events outside control of company. Does not use the term, but requires separate disclosure of items that are of such size and nature that requires separate disclosure to explain the performance of the entity. Exceptional items usually shown on the face of the income statement or in the notes.
Post balance sheet events	Non adjusting events are required to be disclosed in the report of the approving authority.	Adjust financial statements for subsequent events providing evidence of conditions at balance sheet date and materially affecting amounts in financial statements. Disclose non-adjusting events in the financial statements.
Segment reporting - scope and basis of formats	Comparable to IFRS.	Public entities. Report primary and secondary segment formats based on risks and returns and internal reporting structure.
Segment reporting – disclosures	Additional disclosures with respect to depreciation and other non-cash expenses. For secondary format sales, assets and capex to be disclosed. Other required disclosures include basis of pricing inter segment transfers, types of products and services and composition of each geographical segment. Basis for identifying individual business segment are related products or services.	Disclosures for primary segment format include sales, profits, capex, assets and liabilities. For secondary segment format, report sales, assets and capex. Two or more operating segments are allowed to be aggregated if economic characteristics are similar.
Deferred taxation	Deferred tax assets and liabilities should be recognized for all timing differences subject to consideration of prudence in respect of deferred tax assets. Where an enterprise has unabsorbed depreciation or carries forward losses under tax laws,	Full provision method must be used (with some exceptions), driven by balance sheet temporary differences. Recognise deferred tax assets if recovery is probable.

Subject	Indian GAAP	IFRS
	deferred tax assets should be recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized. Unrecognized deferred tax assets are reassessed at each balance sheet date and are recognized to the extent that it is certain that such previously unrecognized deferred tax assets will be realized. Deferred tax in respect of timing differences that reverse in a tax holiday period are not to be recognised.	
Deferred taxation – Measurement	Deferred tax assets and liabilities should be measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.	Deferred tax assets and liabilities should be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.
Dividends	A liability is recognised for dividends in the year to which they relate.	Dividends declared after the balance sheet date is not recognised as liability at the balance sheet date.
Government Grants – Disclosure	No such disclosure required.	Disclosure is required of the unfulfilled conditions and other contingencies attaching to government assistance that has been recognized.

FORWARD-LOOKING STATEMENTS

All statements contained in this Draft Red Herring Prospectus that are not statements of historical fact constitute "forward-looking statements." All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in this Draft Red Herring Prospectus regarding matters that are not historical facts. 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 our 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. Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "shall", "will", "will continue", "will pursue" or other words or phrases of similar import. 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.

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

1. Our inability to successfully bid for projects as expected;
2. Our inability to effectively manage larger projects and our growth;
3. Our inability to enter into financing arrangements for the proposed projects;
4. Our inability to complete projects within the estimated time frame;
5. Certain inherent construction, financing and operational risks in relation to our projects;
6. The monetary and interest policies of India, inflation, deflation, unanticipated turbulence in interest rates;
7. Foreign exchange rates, equity prices or other rates or prices;
8. The performance of the financial markets in India;
9. General economic and business conditions in India;
10. Changes in laws and regulations that apply to our clients and suppliers
11. Increasing competition in and the conditions of our clients and suppliers; and
12. Changes in political conditions in India.

For further discussion of factors that could cause our actual results to differ, see the section entitled "Risk Factors" beginning on page xxi of this Draft Red Herring Prospectus.

By their nature, certain 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. We, the members of the Syndicate and 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, we, the BRLMs and the CBRLM will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges.

RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not currently known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations and financial condition. To obtain a better understanding of our business, you should read this section in conjunction with the other sections of this Draft Red Herring Prospectus, including the sections entitled "Business" and "Management's Discussion and Analysis of Financial Conditions and Results of Operations" and "Financial Statements" beginning on pages 85, 278 and 189, respectively, of this Draft Red Herring Prospectus, together with all other financial information contained in this Draft Red Herring Prospectus. If any of the following risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our business, results of operations and financial condition could be materially and adversely affected and the price of our Equity Shares could decline, causing you to lose part or all of the value of your investment in our Equity Shares.

The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the effect is not quantifiable and, therefore, cannot be disclosed in such risk factors.
Unless otherwise stated, the financial information of the Company used in this section is derived from our audited consolidated financial statements under Indian GAAP, as restated.

Internal Risk Factors

1. There is an outstanding criminal litigation against the Company, which if determined adversely, could affect our operations.

There is a criminal complaint which has been filed by J. K. Varma against the Company in the court of Judicial Magistrate First Class, Dewas under Sections 107, 120B, 166, 167, 405, 415 of the Indian Penal Code, 1860. The main grievance of the complainant is that the accused has unauthorisedly collected the toll tax from the toll plaza situated at Km. 159/4 of S.H.-18 on Bhopal - Ujjain Road. The proceeding is pending.

An adverse outcome in this proceeding may have a material adverse affect on the Company's operations, business, financial condition and results of operations. Further, any adverse outcome in this proceeding may affect the reputation and standing of the Company and have an impact on future business prospects. The Company cannot assure you that this proceeding will be decided in favour of the Company or that no further liability will arise out of this proceeding. For further details of outstanding litigations against our Directors, please see the section entitled "Outstanding Litigations and Material Developments" on page 300 of this Draft Red Herring Prospectus.

2. There is a criminal proceeding outstanding against certain of our Directors, which if determined adversely, could affect our operations.

There is a criminal complaint which has been filed by Vadilal Milk Products Limited against Ashok Buildwell and Developers Private Limited, Ashok M. Katariya, Satish D. Parakh and Deepak M. Katariya under Section 420 of the Indian Penal Code, 1860, in the Court of the Metropolitan Magistrate, Mumbai. The complainant has alleged that the directors of the Ashok Buildwell and Developers Private Limited have cheated the complainant by not paying charges for management services provided by the complainant. The complainant has claimed a compensation of Rs. 1.38 million. The proceeding is pending.

An adverse outcome in this proceeding could have a material adverse effect on the Directors, as well as on our business, prospects, financial condition and results of operations. Further, any adverse outcome in this proceeding may affect the reputation and standing of the Company and may impact future business. No assurances can be given that this matter will be settled in favour of the relevant Directors entity or that no further liability will arise out of these claims.

For further details of outstanding litigations against our Directors, please see the section entitled "Outstanding Litigations and Material Developments" on page 300 of this Draft Red Herring Prospectus.

3. ***There are outstanding litigations against the Company, our Directors, our Promoters and our Group Companies.***

There are outstanding legal proceedings involving the Company, our Directors, our Promoters and Group Companies. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers and appellate tribunals. The brief details of such outstanding litigations are as follows:

Litigation against the Company

Sr. No.	Nature of the cases/ claims	No. of cases outstanding	Amount involved (In Rs. million)
1.	Civil	21	3.58
2.	Labour	10	3.65
3.	Motor Accidents Claims	8	9.87
4.	Income Tax	9	26.31
5.	Sales Tax	1	0.65
6.	Customs	2	25.37
7.	Arbitration	2	8.99
8.	Compounding	8	-
9.	Miscellaneous	3	-

Litigation against the Directors

Sr. No.	Nature of the cases/ claims	No. of cases outstanding	Amount involved (In Rs. million)
1.	Civil	4	-
2.	Motor Accidents Claims	1	0.125
3.	Income Tax	2	0.28
4.	Criminal complaints under Section 138 of the Negotiable Instruments Act	15	6.92
5.	Compounding	22	-
6.	Miscellaneous	1	-

For further details of outstanding litigations against our Promoters and our Group Companies, please see the section entitled "Outstanding Litigations and Material Developments" on page 300 of this Draft Red Herring Prospectus**.**

Litigation against the Promoters

Sr. No.	Nature of the cases/ claims	No. of cases outstanding	Amount involved (In Rs. million)
1.	Motor Accidents Claims	2	0.35

Litigation against the Subsidiaries

Sr. No.	Nature of the cases/ claims	No. of cases outstanding	Amount involved (In Rs. million)
1.	Civil	2	-
2.	Labour	1	-
3.	Income Tax	3	-
4.	Service Tax	2	143.00
5.	Sales Tax	3	5.2
6.	Compounding	9	-

Litigation against the Group Companies

Sr. No.	Nature of the cases/ claims	No. of cases outstanding	Amount involved (In Rs. million)
1.	Civil	14	106.24
2.	Labour	3	0.18
3.	Motor Accidents Claims	9	2.56
4.	Income Tax	4	-
5.	Arbitration	1	56.58
6.	Consumer	1	0.077
7.	Miscellaneous	3	1.17

4. Our business is substantially dependent on road and bridge projects in India undertaken or awarded by governmental authorities and other entities funded by the Government of India and/or State Governments or international and multilateral development finance institutions. Any change in government policies resulting in a decrease in the amount of road and bridge projects undertaken or a decrease in private sector participation in road and bridge projects may adversely affect our business and results of operations.

Our business is substantially dependent on road and bridge projects in India undertaken or awarded by governmental authorities and other entities funded by the Government of India and/or State Governments or international and multilateral development finance institutions. Contracts for the construction of roads and bridges awarded by the Central Government, state governments and municipalities in India accounted for approximately 98.72% of our Order Book as at June 30, 2009. Sustained increases in budgetary allocations by the Central Government and various state governments for investments in the infrastructure sector, the development of structured and comprehensive infrastructure policies that encourage greater private sector participation and increased funding by international and multilateral development financial institutions in infrastructure projects in India have resulted in and are expected to continue to result in increases in the amount of road and bridge projects undertaken in India. If there is any change in governmental policies that result in a slowdown in the development of road and bridge projects or a decrease in the participation of the private sector in such projects, our business and results of operations could be materially and adversely affected.

5. Due to the often long-period between the submission of our tender and completing the construction of a project, our actual cost in executing a fixed-price contract or in constructing a project the subject of a BOT agreement may vary substantially from the assumptions underlying our bid. We may be unable to recover all or some of the additional expenses, which may have a material adverse effect on our results of operations and financial condition.

The construction of projects undertaken by us generally takes one year to five years to complete. In addition, for BOT projects, there is often a delay of more than 180 days between the submission of our tender and the commencement of construction.

Under the terms and conditions of fixed-price contracts, we generally agree to construct a project for a fixed price, subject to contract variations covering changes in the client's project requirements. Under the terms and conditions of agreements for BOT projects, we generally agree to pay to, or receive from, the client awarding the concession an agreed sum of money, subject to contract variations covering changes in the client's project requirements. Many of our fixed-price contracts and agreements for the construction phase of BOT projects contain limited or no price escalation clauses covering increases in the cost of construction materials, fuel, labour and other inputs, and we expect to enter into more such contracts in the future.

Our actual expense in executing a fixed-price contract or in constructing a project the subject of a BOT agreement may vary substantially from the assumptions underlying our bid for several reasons, including:

- unanticipated increases in the cost of construction materials, fuel, labour or other inputs;
- unforeseen construction conditions, including the inability of the client to obtain requisite environmental and other approvals, resulting in delays and increased costs;
- delays caused by local weather conditions; and
- suppliers' or subcontractors' failures to perform.

Depending on the size of a project, variations from estimated contract performance could have a material adverse effect on our results of operations and financial condition.

6. Any unexpected increases in the price of labour, construction materials, or other inputs which we are unable to pass on to our clients or, in the case of a BOT project, recoup through increasing the toll or concession may have a material adverse effect on our results of operations and financial condition.

The cost of labour, materials and other inputs constitutes a significant part of our operating expenses for our EPC division. Labour charges and sub-contracting charges related to EPC work constituted 37.69% of our total expenditure for EPC work in fiscal 2009. Labour costs for skilled personnel, such as engineers, have increased in the past year and the cost of unskilled construction labour has increased in the same period by approximately 15%. The purchase of construction materials related to EPC work constituted 10.32% of our total expenditure for EPC work in fiscal 2009. We expect that percentage to increase in future fiscal years as we expect to undertake an increasing amount of EPC power work. Construction material costs for our EPC power work typically range between 55-60% of our total costs for a power project. Our ability to pass on unanticipated increases in the price of construction materials, fuel, labour and other inputs may be limited in the case of EPC fixed-price contracts, contracts with limited price escalation provisions and BOT projects. If we are unable to pass on such unanticipated price increases to our clients or, in the case of a BOT project, recoup such price increases through increasing the toll or concession period, it may have a material adverse effect on our results of operations and financial condition.

7. The timely and cost effective construction of our projects is dependent on the adequate and timely supply of key raw materials such as steel, aggregate, bitumen and concrete.

The timely and cost effective construction of our projects is dependant on the adequate and timely supply of key materials, such as steel, aggregate, bitumen and concrete. We have not entered into any long-term supply contracts. We cannot assure you that we will be able to procure adequate supplies of key materials in the future, as and when we need them on commercially acceptable terms. Additionally, we typically use third-party transportation providers for the supply of most of our construction materials, except for concrete and bitumen, which is typically supplied by our RMC and bitumen division. Transportation strikes by members of various Indian truckers' unions and various legal or regulatory restrictions placed on transportation providers have had in the past, and could have in the future, an adverse effect on our receipt of supplies. If we are unable to procure the requisite quantities of construction materials, our business, results of operations and financial condition may be adversely affected.

8. Our RMC business is dependent on the adequate and timely supply of cement.

Our RMC and bitumen division sales were approximately 15.16% of our total income for fiscal 2009. The production of RMC is dependent on the adequate and timely supply of cement. We have not entered into any long-term supply contracts with our suppliers of cement. In the past, we have experienced some difficulties and delays in obtaining adequate supplies of cement. If we cannot obtain adequate supplies of cement not only could it have an adverse effect on our EPC business but we may be unable to sell RMC to third parties, which could have a material adverse effect on our RMC business and our results of operations and financial condition.

9. Our business is substantially dependent on us accurately forecasting traffic volumes for toll-based BOT projects and contracts to collect tolls. Any material decrease between the actual traffic volume and our forecast traffic volume for a toll-based BOT project or a contract to collect tolls could have a material adverse effect on our cash flows, results of operations and financial condition.

Projects that we undertake on a BOT basis involve agreements that are long-term in nature, normally involving a concession period ranging from five to 25 years. When preparing our tender for a toll-based BOT project (a road or a bridge) or a contract to collect tolls, we need to forecast the traffic volume for the road or bridge in order to work out our expected revenue over the concession period or the contract period, as applicable, in order to arrive at the price we are going to bid to pay or be paid for taking on such BOT project or contract. In addition, on completing the construction of a toll-based BOT project, we generally refinance the loan on the project and increase the amount of debt outstanding on the project. As part of the refinancing of the loan, we are required to submit new updated traffic forecasts to the lender or lenders. In such instances, if the traffic volume is less than our forecasted traffic volume, the revenue from the BOT project may be less than the interest payable on the outstanding loan. Therefore, if our forecast for traffic volume on a toll-based BOT project is more than the actual traffic volume, it could have a material adverse effect on our cash flows, results of operations and financial condition. In addition, the awarding of a BOT project is subject to a competitive tender and if we are too conservative in our forecast of traffic volumes, we may under bid and will not be awarded the BOT project. We rely on our in-house traffic forecasting department to forecast traffic volumes for toll-based BOT projects and tenders for toll collection contracts. The forecasting of traffic volumes is not an exact science, and we cannot assure you that our forecasts will be accurate.

10. Our ability to increase tolls on a BOT project is limited by the terms of the contract governing the BOT project and future increase in tolls may be inadequate to meet increases in maintenance and operating costs and debt payments over the project's life.

The tolls we are permitted to charge with respect to a BOT project are established in the project contract by the client and are subject to escalation over the life of the project based on the increase in the Indian consumer price index (CPI), a fixed percentage or the amounts set forth in the agreement itself. If the increases in tolls do not keep pace with increases in costs of materials and labour for maintaining and operating the project or increases in interest rates payable on the loan or loans for the project, it could have a material adverse effect on our results of operations and financial condition.

11. Projects included in our Order Book could be delayed, cancelled or not fully paid for by our clients.

Our Order Book as at June 30, 2009 was Rs. 17,849.99 million, which comprised Rs. 12,673.26 million in work to be carried for third parties and associates and Rs. 5,176.73 million in estimated construction costs for our BOT projects. Construction costs for our BOT projects still under construction are shown in our financial statements as capital works in progress in our statement of assets and liabilites and as such Rs. 5,176.73 million of our Order Book as at June 30, 2009 does not represent potential revenue for our EPC division. Our Order Book with respect to third parties and associates does not necessarily indicate future earnings related to the performance of that work. Order Book projects represent business that is considered firm, but cancellations or scope or schedule adjustments could occur. We could also encounter problems executing the project as ordered, or executing it on a timely basis. Moreover, factors beyond our control or the control of our clients could postpone a project or cause its cancellation, including delays or failures to obtain necessary permits, authorizations, permissions, right-of-way, and other types of difficulties or obstructions. Due to the possibility of cancellations or changes in project scope and schedule, as a result of exercises of our clients' discretion, problems we encounter in project execution, or reasons outside our control or the control of our clients, we cannot predict with certainty when, if or to what extent an Order Book project will be performed. Delays in the completion of a project can lead to clients delaying or refusing to make payment to us of some or all of the amounts we expect to be paid in respect of the project. Even relatively short delays or surmountable difficulties in the execution of a project could result in our failure to receive, on a timely basis or at all, the final payments due to us on a project. These payments often represent an important portion of the margin we expect to earn on the project. In addition, even where a project proceeds as scheduled, the contracting parties could default or otherwise fail to pay amounts owed. Any delay, reduction in scope, cancellation, execution difficulty, payment postponement or payment default in regard to Order Book projects or any other uncompleted projects, or disputes with clients in respect of any of the foregoing, could materially harm our business, results of operations and financial condition.

12. We have substantial working capital requirements and require significant debt to finance our infrastructure projects. If we experience insufficient cash flows to allow us to make required payments on our debt or fund working capital requirements, there may be an adverse effect on our results of operations.

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

We normally fund the construction of our BOT projects with approximately 30% of equity capital and 70% of debt. In some cases, a portion of our equity capital is funded through the issuance of fixed return obligations to third parties making that portion of the equity effectively mezzanine debt. Normally, we would not fund a project with more than 10% in mezzanine debt. Therefore, funding our working capital requirements requires access to debt at reasonable interest rates. If interest rates increase, our ability to service our debt and our ability to obtain additional debt for future projects could be adversely affected with a concurrent adverse effect on our financial position and results of operations.

Our working capital requirements may increase if, under certain contracts, payment terms do not include advance payments or such contracts have payment schedules that shift payments toward the end of a project or otherwise increase our working capital burdens. In addition, our working capital requirements have increased in recent years because we have undertaken a growing number of large projects and more projects with an overlapping timeframe and due to the growth of our business generally. All of these factors have resulted and will continue to result in increases in our working capital needs.

It is customary in the industry in which we operate to provide bank guarantees or performance bonds in favour of clients to secure obligations under contracts. In addition, letters of credit are often required to satisfy payment obligations to suppliers and sub-contractors. If we are unable to provide sufficient collateral to secure the letters of credit, bank guarantees or performance bonds, our ability to enter into new contracts or obtain adequate supplies could be limited. Providing security to obtain letters of credit, bank guarantees and performance bonds increases our working capital needs. We may not be able to continue obtaining new letters of credit, bank guarantees and performance bonds in sufficient quantities to match our business requirements.

We will need significant additional working capital to finance our future business plans. Due to various factors, including certain extraneous factors such as changes in interest rates or borrowing and lending restrictions, we may not be able to finance our working capital needs or secure other financing when needed on acceptable commercial terms. Any such situation would adversely affect our business and growth prospects.

13. Out of the 20 BOT projects we have constructed, we have leveraged 15 of these by borrowing additional amounts in order to generate additional working capital. If we are unable to secure additional debt on reasonable interest rates and terms on completing the construction of a BOT project, it could have a material adverse effect on our ability to grow our business.

In order to generate additional working capital, on completion of the construction of 15 out of 20 of our BOT projects (including those developed by our affiliates), we have refinanced the debt taken for the construction of the project and increased the debt outstanding on the project to as much as 150% of the cost of the project. After we have completed the construction of a BOT project there is no longer a construction risk on the project and lenders are more willing to lend more money on a project – generally more than the contract value of the EPC construction portion of the project. If credit markets tighten and we are unable to obtain additional working capital through this financing method or if interest rates increase, our ability to obtain additional working capital to meet our growth needs on reasonable terms will be negatively impacted.

14. Delays associated with the collection of receivables from our clients may adversely affect our business and results of our operations.

There may be delays associated with the collection of receivables from our clients, including government owned, controlled or funded entities and related parties. As at March 31, 2009, on a consolidated basis, Rs. 95.08 million, or 27.20%, of our accounts receivable (considered good) were outstanding for a period of more than six months. Our operations involve significant working capital requirements and delayed collection of receivables could adversely affect our liquidity and results of operations. In addition, we may be subject to additional regulatory or other scrutiny associated with commercial transactions with government owned, controlled or funded entities.

15. Our BOT projects enjoy certain benefits under Section 80IA of the Income Tax Act, 1961 and any change in these tax benefits applicable to us may adversely affect our results of operations.

Presently, infrastructure development projects, including BOT projects, enjoy certain benefits under Section 80IA of the Income Tax Act, 1961. As a result of these incentives, most of the SPVs for our BOT projects are subject to relatively low tax liabilities. The income tax exemptions for various BOT projects expire at various points of time. There is no assurance that the BOT projects will continue to enjoy the tax benefits under Section 80IA in future. When the tax incentives expire or terminate, our tax expense will materially increase, which may reduce our profitability to the extent that we are not compensated for changes in tax laws under the terms of our concession agreements.

16. ***Our business is subject to a significant number of tax regimes and changes in legislation governing the rules implementing them or the regulator enforcing them in any one of those jurisdictions could negatively and adversely affect our results of operations.***

We currently have operations and staff spread across nine states and Union Territories in India. Consequently, we are subject to the jurisdiction of a number of tax authorities and regimes. The revenues recorded and income earned in these various jurisdictions are taxed on differing bases, including net income actually earned, net income deemed earned and revenue-based tax withholding. The final determination of our tax liabilities involves the interpretation of local tax laws and related regulations in each jurisdiction as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. We are involved in various disputes with tax authorities. For details of these disputes, please see the section entitled "Outstanding Litigation and Material Developments" on page 300 of this Draft Red Herring Prospectus. Changes in the operating environment, including changes in tax law, could impact the determination of our tax liabilities for any given tax year.

Taxes and other levies imposed by the Central or state governments in India that affect our industry include customs duties, excise duties, VAT, income tax, service tax and other taxes, duties or surcharges introduced from time to time. The Central and state tax scheme in India is extensive and subject to change from time to time. Although most of our BOT agreements provide for compensation due to changes in law, which includes changes in tax laws, any adverse changes in any of the taxes levied by the Central or state governments could adversely affect our competitive position and profitability.

17. ***We plan to bid for larger projects and grow our business and if we fail to effectively manage larger projects and our growth generally, it could disrupt our business and reduce our profitability.***

We are continually bidding for and being awarded larger BOT projects. We expect our business to continue to grow as we gain greater access to financial resources and are awarded larger and potentially more profitable projects by our clients. While larger projects provide the opportunity for greater profitability, they also pose greater challenges and risk. We expect our strategy of bidding for larger projects and our growth generally to place significant demands on us and require us to continuously evolve and improve our operational, financial and internal controls across our organization. In particular, taking on larger projects and continued expansion increases the challenges involved in:

- preserving a uniform culture, values and work environment across our projects;
- developing and improving our internal administrative infrastructure, particularly our financial, operational, communications, internal control and other internal systems;
- recruiting, training and retaining sufficient skilled management, technical and marketing personnel;
- requirements for increased amount of working capital and, therefore, increasing amounts of debt financing;
- maintaining high levels of client satisfaction; and
- adhering to health, safety, and environmental standards.

If we fail to effectively manage larger projects or our growth generally, it could have an adverse effect on our business, results of operations and financial condition.

18. The development of two shopping malls exposes us to risks with which we are unfamiliar and to which we have not previously been exposed.

In September 2008, we entered into two agreements to develop two shopping malls in Kalyan, Maharashtra, construction of which has not yet begun. These two malls will have an estimated total leaseable area of 12,453 sq. metres. The success of the retail shopping mall projects will depend substantially on our ability to implement our business strategy effectively. Even if we have successfully executed our business strategies in the past, there is no guarantee that we can implement the same on time and within the estimated budget.

The development of the retail shopping mall projects may require us to use significant amounts of cash, issue potentially dilutive equity securities or incur debt. In addition, new business development involves numerous risks, any of which could harm our business, results of operations and financial condition, including:

- increased cash outflows, including increased development costs;
- the diversion of management's attention from other business concerns; and
- increased fixed costs.

Further, due to our inexperience in developing retail shopping mall projects, such new undertakings may not be successful, which may also lead to a loss of our reputation.

19. Any inability to attract, recruit and retain skilled personnel could adversely affect our business and results of operations.

Our ability to meet future business challenges depends on our ability to attract, recruit and retain talented and skilled personnel. We are highly dependent on our senior management, our Directors and other key personnel, including skilled project management personnel. A significant number of our employees are skilled engineers, and we face strong competition to recruit and retain skilled and professionally qualified staff. Due to the limited pool of available skilled personnel, competition for senior management and skilled engineers in our industry is intense. We could experience difficulties in attracting, recruiting and retaining an appropriate number of managers and engineers for our business needs. In the last year, wages for skilled personnel have increased by as much as double. We may need to further increase our pay structures to attract and retain such personnel. Our future performance will depend upon the continued services of these persons. The loss of any of the members of our senior management, our Directors or other key personnel or an inability to manage the attrition levels in different employee categories may materially and adversely impact our business, results of operations and financial condition.

20. Contracts awarded to us by governments or government-backed entities may be unilaterally terminated if it is in the public interest.

One of the standard conditions in contracts typically awarded by governments or government-backed entities is that the government or entity, as the client, has the right to terminate the contract if it is in the public interest, at any time after providing us with notice that may vary from a period of 30 to 90 days. In addition, governmental clients retain certain rights to terminate BOT contracts prior to the expiration of the concession period. However, the amount of compensation received under the terms of the contract may be less than the amount of profit we would have made had we retained the right to operate the concession until the end of the concession period. The amount of compensation we would receive in such circumstances is based in part on our traffic volume forecasts we made at the time of the submission of our tender for a BOT project. Out of the 20 BOT projects we have constructed, we have leveraged 15 of these by borrowing additional amounts in order to generate additional working capital. We were able to borrow more money on these BOT projects based in part on updated forecasts for traffic volume, which may be higher than that originally forecast. If that was the case, the amount of compensation could be less than the outstanding loan on the project. Therefore, the termination of a BOT contract prior to the expiration of the concession period could have a material adverse effect on our results of operations and financial condition.

21. Our agreements for our toll-based BOT projects contain limited protection against new roads and bridges being built to compete against them.

The agreements for the toll-based BOT projects awarded to us by the NHAI provide that the NHAI will not build or award a contract to build a competing project for a period of eight years from the appointment date (180 days from the date of the concession agreement) of the project. However, for those projects we may be subject to competition from new roads or bridges, as the case may be, developed by the relevant state governments, which are not subject to the control of the NHAI. Our toll-based BOT projects awarded to us by various state governments typically do not provide such protection. If a new road or bridge is built that competes with one of our toll-based BOT projects, the volume of traffic on that project may decrease, resulting in a decrease in toll revenue from that project, which could have a material adverse effect on our results of operations and financial condition.

22. We face significant competition.

We operate in a competitive environment. The competition for EPC contracts and BOT projects varies depending on the size, nature and complexity of the project and on the geographical region in which the project is to be executed. Some of the EPC businesses and BOT project businesses we compete against have greater financial resources, economies of scale and operating efficiencies. We also face competition for sales of ready-mix concrete and bitumen and in winning contracts for collecting tolls on roads/bridges owned and constructed by third parties. There can be no assurance that we can continue to effectively compete with our competitors in the future, and the failure to compete effectively may have an adverse effect on our business, financial condition and results of operations. For more information concerning our competitors, please see "Our Business" beginning on page 85 of this Draft Red Herring Prospectus.

23. Due to requirements with respect to capital adequacy, technical or other requirements, we may be unable to qualify to bid for certain larger EPC contracts and BOT projects unless we team up with a third party and bid for the project through a joint venture or special purpose vehicle.

In order to be able to bid for certain larger scale projects, we enter into memoranda of understanding or joint venture agreements with various other companies to meet capital adequacy, technical or other requirements that may be required as part of the bidding process or execution of the contract. In cases where we are unable to forge an alliance with appropriate companies to meet such requirements, we may lose out on opportunities to bid, which could have an adverse effect on our growth prospects.

24. Our portfolio is increasingly concentrated in large-scale projects.

Large contracts may take up an increasingly large part of our portfolio, increasing the potential volatility of our results through increased exposure to individual contract risks. Managing large-scale integrated projects may also increase the potential relative size of cost overruns and negatively affect our operating margins. In addition, we may need to execute large-scale projects through joint ventures with other companies, which expose us to the risk of default by our joint venture partners. If we do not achieve our expected margins or suffer losses on large contracts, this could have an adverse effect on our results of operations.

25. Our business is relatively concentrated in projects in the states of Maharashtra, Madhya Pradesh and Chhattisgarh.

Our project portfolio has historically been concentrated in projects in and around the states of Maharashtra, Madhya Pradesh and Chhattisgarh. As at June 30, 2009, approximately 65.34%, 15.15% and 18.80% of our Order Book was comprised of projects in the states of Maharashtra, Madhya Pradesh and Chhattisgarh, respectively. Should there be a regional slowdown in construction or infrastructure projects in those states, then our business, financial condition and results of operations could suffer.

26. Our insurance coverage may not adequately protect us against all losses we incur in our business operations or otherwise.

Our significant insurance policies consist of coverage for risks relating to physical loss or damage as well as business interruption loss. In addition, we have obtained separate insurance coverage for personnel related risks, motor vehicle risks and loss of movable assets risks. Under certain of our contracts, we are required to obtain insurance for the project undertaken by us. We maintain insurance which we believe is typical in our industry and in amounts which we believe are commercially appropriate. However, such insurance may not be adequate to cover all losses or liabilities that may arise from our operations, particularly when the loss suffered is not easily quantifiable. Even if we have obtained adequate insurance coverage, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. Further, we may not have obtained insurance cover for some of our projects that do not require us to maintain insurance. Additionally, there may be various other risks and losses for which we are not insured either because such risks are uninsurable or not insurable on commercially acceptable terms. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, that is not covered by insurance or exceeds our insurance coverage, the loss would have to be borne by us and it could have a material adverse effect on our results of operations and financial condition.

27. Timely and successful completion of our projects is dependent upon our performance and, in the case of some of our projects, the cooperation of our joint venture partners, other members of special purpose vehicles and sub-contractors. If our joint venture partners, members of special purpose vehicles and sub-contractors default on their obligations and they do not have adequate financial resources to meet their indemnity obligations to us, it could have a material adverse effect on our results of operations and financial condition.

We often enter into joint ventures or special purpose vehicles to take on a project or sub-contract part of the work in a project to various sub-contractors. In those instances, the completion of the contract for our client depends in part on the performance of our joint venture partners, other members of the special purpose vehicle and sub-contractors. Delay or failure on the part of a joint venture partner, member of the special purpose vehicle or sub-contractor to complete its work on a project on time, for any reason, could result in delayed payment to us or termination of the contract, which in turn may affect our cash flow and results of operations. Furthermore, failure to adhere to contractually agreed timelines for any reason could result in our being required to pay damages, lead to forfeiture of security deposits or invocation of performance guarantees and damage our reputation. Damage to our reputation could adversely affect our ability to pre-qualify for projects, which in turn could adversely affect our business and results of operations.

The liability of joint venture partners is joint and several. Therefore, we would be liable for completion of the entire project if a joint venture partner were to default on its duty to perform. The special purpose vehicle is liable to complete the entire project and if another member of the special purpose vehicle did not perform as agreed, we may need to fund the completion of the entire project.

If a joint venture partner, member of a special purpose vehicles or sub-contractor defaults on their obligations and they do not have adequate financial resources to meet their indemnity obligations to us, it could have a material adverse effect on results of operations and financial condition.

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

As at March 31, 2009, we had total secured and unsecured loans of Rs. 7,226.01 million on a consolidated basis. We may incur additional indebtedness in the future. Our indebtedness could have several important consequences, including but not limited to the following:

- a portion of our cash flow will be used towards repayment of our existing debt, which will reduce the availability of cash to fund working capital needs, capital expenditures, and other general corporate requirements;
- our ability to obtain additional financing in the future at reasonable terms may be restricted;
- fluctuations in market interest rates may affect the cost of our borrowings, as some of our loans are at variable interest rates; and
- we may be more vulnerable to economic downturns, may be limited in our ability to withstand competitive pressures and may have reduced flexibility in responding to changing business, regulatory and economic conditions.

Most of our financing arrangements are secured by our movable assets and by certain immovable assets of our Group Companies. Our accounts receivable and inventories, including in some instances the projected revenues from our BOT projects, are subject to charges created in favour of specific secured lenders. Many of our financing agreements also include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or obtain these consents could have significant consequences for our business. The major corporate actions for which the Company requires the prior written consent of its lenders comprise the following: effecting any change in its capital structure; formulating any scheme of amalgamation or reconstruction; implementing or undertaking any new project/scheme or acquisition; making any corporate investments or investment by way of share capital or debentures or lend or advance funds to or place deposits with, any other concern except give normal trade credits or place on security deposits in the normal course of business or make advances to employees; provided that the Company may make such investments by way of deposits or advances that are required statutorily to be made as per existing laws of the country or the rules or regulations or guidelines issued from time to time by the authorities concerned; undertaking guarantee obligations on behalf of any third party or any other company; declaring dividends for any year except out of the profits relating to that year; any drastic change in the management set-up of the Company; permitting any transfer of the controlling interest in the Company.

Compliance with the various terms of our loans is subject to interpretation and we cannot assure you that we have requested or received all consents from our lenders that would be advisable under our financing documents. As a result, it is possible that a lender could assert that we have not complied with all the terms under our financing documents. Any failure to service our indebtedness, comply with a requirement to obtain a consent or perform any condition or covenant could lead to a termination of one or more of our credit facilities, acceleration of amounts due under such facilities and cross-defaults under certain of our other financing agreements, any of which may adversely affect our ability to conduct our business and have a material adverse effect on our financial condition and results of operations.

29. The Company, Promoters, and Group Companies and associates of the Company have unsecured debt that is repayable on demand.

The Company, Promoters, and Group Companies and associates of the Company have availed of certain unsecured loans that are repayable on demand. In the event that the lenders of such loans call in these loans, we would need to find alternative sources of financing, which may not be available on commercially reasonable terms or at all.

30. The Company has pledged or has agreed to pledge and will continue to pledge a portion of its shares in its BOT project companies in favour of lenders, who may exercise their rights under the respective pledge agreements in events of default.

The Company has pledged, or has agreed to pledge, a portion of its shares in its BOT project companies in accordance with loan agreements in favour of the lenders as security for the loans provided to these companies. If these companies default on their obligations under the relevant financing documents, the lenders may exercise their rights under the share pledges, have the shares transferred to their names and take management control over the pledged companies. If this happens, the Company will lose the value of any such pledged shares and it will no longer be able to recognize any revenue attributable to them.

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

While construction companies, including us, conduct various scientific and site studies during the course of bidding for projects, there are always anticipated or unforeseen risks that may come up due to adverse weather conditions, geological conditions, specification changes and other reasons. Additionally, our operations are subject to hazards inherent in providing engineering and construction services, such as risk of equipment failure, work accidents, fire or explosion, including hazards that may cause injury and loss of life, severe damage to and destruction of property and equipment, and environmental damage.

We may also be subject to claims resulting from defects arising from engineering, procurement and/or construction services provided by us within the warranty periods stipulated in our contracts, which typically range from 12 to 60 months from the date of commissioning. Actual or claimed defects in equipment procured and/or construction quality could give rise to claims, liabilities, costs and expenses, relating to loss of life, personal injury, damage to property, damage to equipment and facilities, pollution, inefficient operating processes, loss of production or suspension of operations. Our policy of covering these risks through contractual limitations of liability, indemnities and insurance may not always be effective. In some of the jurisdictions in which we operate, environmental and workers' compensation liability may be assigned to us as a matter of law. As per AS 7 of the Indian Accounting Standards, construction companies are required to recognize, in the respective accounting period, potential losses that may be incurred in the foreseeable future. These liabilities and costs could have a material adverse effect on our business, results of operations and financial condition.

32. If we fail to keep pace with technical and technological developments in the construction industry, it could adversely affect our business and results of operations.

Our recent experience indicates that clients are increasingly developing larger, more technically complex projects in the civil construction and infrastructure sector. To meet our clients' needs, we must regularly update existing technology and acquire or develop new technology for our engineering construction services. 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. Our failure to anticipate or to respond adequately to changing technical, market demands and/or client requirements could adversely affect our business and results of operations.

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

Our operations are subject to numerous environmental protection laws and regulations, which are complex and stringent. We regularly perform work in and around sensitive environmental areas such as rivers, lakes, coastlines and forests. Sanctions for failure to comply with these laws, rules and regulations, many of which may be applied retroactively, may include administrative, civil and criminal penalties, revocation of permits and corrective action orders. Certain environmental laws provide for strict liability for remediation of hazardous substances released on a site. In addition, we incur significant expenditure relating to operating methodologies and standards in order to comply with applicable environmental laws and regulations. Furthermore, we believe environmental regulations in India will become more stringent in the future. The scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with certainty. The costs and management time required to comply with these requirements could be significant.

Our clients are generally responsible for obtaining environmental permits required to proceed with the project. Any failure or inability by our clients to retain the requisite permits may have an adverse effect on our business and results of operations.

34. ***Our inability to obtain, renew or maintain the statutory and regulatory permits and approvals required to operate our business could have a material adverse effect on our business.***

We require certain statutory and regulatory permits and approvals for our business. Additionally, we may need to apply for more approvals in the future including renewal of approvals that may expire from time to time. There can be no assurance that the relevant authorities will issue such permits or approvals in the timeframe anticipated by us or at all. Failure by us to renew, maintain or obtain the required permits or approvals at the requisite time may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations. Further, we cannot assure that the approvals, licenses, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any failure to renew the approvals that have expired or apply for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us, may impede our operations. For details, please refer to the section entitled “Government Approvals” on page 335 of this Draft Red Herring Prospectus.

35. ***Failure by us to recover adequately on our claims made by us against our clients for payment or extension of concession periods could have a material adverse effect on our financial condition.***

Project claims are claims brought by us against our clients for additional work and costs incurred in excess of the contract price or amounts not included in the contract price. These claims typically arise from changes in the initial scope of work or from delays caused by the client. These claims are often subject to lengthy arbitration, litigation or other dispute resolution proceedings. The costs associated with these changes or client caused delays include additional direct costs, such as labour and material costs associated with the performance of the additional work, as well as indirect costs that may arise due to delays in the completion of the project, such as increased labour costs resulting from changes in labour markets. We have used significant additional working capital in projects with cost overruns pending the resolution of the relevant project claims. For further information, please refer to the section entitled "Outstanding Litigation and Material Developments" on page 300 of this Draft Red Herring Prospectus.

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

As at March 31, 2009, we had an aggregate amount of Rs. 14,659.53 million as contingent liabilities outstanding on a consolidated basis, of which Rs. 2,472.29 million was for bank guarantees and letters of credit issued by banks in favour of third parties. Clients of construction companies usually demand performance guarantees from construction companies as a safety net against potential defaults. Additionally, construction companies are usually required to have letters of credit issued by their lenders in favour of their suppliers and other vendors. Hence, construction companies often carry substantial contingent liabilities for the projects they undertake. We cannot assure you that our clients will not execute on any of our guarantees or letters of credit as a result of default in the future.

Our contingent liabilities and commitments as of March 31, 2009, were as follows:

(In Rs. Million)

Contingent Liabilities	As of March 31, 2009
Bank Guarantees and Letters of Credit issued by bankers in favour of third parties	2,472.29
Corporate Guarantee issued by the Company in favour of Banks/ Financial Institutions for finance raised by Companies under the same management	12,151.46
Claims against the Company not acknowledged as debts.	9.47
Disputed tax demands (net of taxes paid)	26.31
Total	**14,659.53**

We cannot assure you that any or all of these contingent liabilities and commitments will not become direct liabilities. In the event any or all of these contingent liabilities and commitments become direct liabilities, it may have an adverse effect on our business, financial condition and results of operations.

37. Our results of operations could be adversely affected by disputes with our employees.

As at June 30, 2009, we employed 2,379 full-time employees. There can be no assurance that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and results of operations.

38. We have entered into certain related party transactions and we expect that we will continue to do so in the future.

We have entered into certain transactions with related parties, including our Group Companies, associates and joint ventures, Directors and their relatives, key management personnel and enterprises in which key management personnel/ Directors have significant influence. For detailed information on our related party transactions, please see the section entitled "Related Party Transactions" on page 180 of this Draft Red Herring Prospectus. While we believe that all our related party transactions have been conducted on, and have commercial terms consistent with, an arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, financial condition and results of operations.

39. ***We have not entered into definitive agreements to use a portion of the net proceeds of the Issue. Further, the deployment of the net proceeds is entirely at our discretion and is not subject to any monitoring by any independent agency.***

We intend to use the net proceeds of the Issue as described in the section entitled "Objects of the Issue" beginning on page 46 of this Draft Red Herring Prospectus. We have not entered into definitive agreements to utilize certain portions of the net proceeds of the Issue. The purposes for which the net proceeds of the Issue are to be utilized have not been appraised by any independent entity and are based on our estimates and on third-party quotations. In addition, our capital expenditure plans and working capital estimates are subject to a number of variables, including possible cost overruns and changes in management's views of the desirability of current plans, among others.

Pending utilization of the proceeds out of the Issue for the purposes described in this Draft Red Herring Prospectus, we intend to temporarily invest the funds in high quality interest bearing liquid instruments, including deposits with banks and investments in money market mutual funds and other financial products and investment grade interest bearing securities. Such investments would be in accordance with the investment policies or investment limits approved by our Board from time to time. Our management will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may include rescheduling of our capital expenditure programmes, an increase or decrease in capital expenditure for a particular purpose and/ or revision of our working capital requirements.

Further, as the Issue size is less than Rs. 5,000 million, there is no requirement for appointment of a monitoring agency. Our Board shall monitor the utilization of the net proceeds of the Issue, which shall not be subject to any monitoring by any independent agency.

40. ***The grant of stock options under our employee stock option plan may result in a charge to our profit and loss account and may adversely impact our results of operations. In addition, the exercise of options to purchase Equity Shares may dilute existing shareholders.***

We established our employee stock option plan in December, 2007, in which select employees of the Company can participate. If the exercise price of any option is lower than the fair value of the Equity Shares as certified by qualified accountants or market price at the time of grant, such grant will result in a charge to the Company's profit and loss account equal to the product of the number of Equity Shares granted and the difference between the exercise price and the fair value, which will be amortized over the vesting period of the stock option.

Holders of the Equity Shares may experience dilution of their shareholding to the extent that we issue Shares pursuant to any stock options.

41. ***Our Promoters, certain of our Directors and certain Group Companies are engaged in business activities similar to ours.***

Our Promoter Directors and certain Group Companies are engaged in business activities similar to those undertaken by us, such as construction and civil engineering and this could be a potential source of conflict of interest. There are no non-compete agreements in place between us and our Group Companies. There may be conflicts of interest between us and our Group Companies, such as bidding for the same projects or contracts. While in the past we believe that we have not faced any actual conflict, we cannot assure you that no such conflict will arise in the future that may affect our financial condition and prospects. Further, we cannot assure you that if any actual conflict of interest does arise, we will be able to resolve the conflict of interest in our favour.

Our Promoters and certain of our Directors are also on the board of directors of some of our Group Companies. In case of a conflict of interest between one of our Group Companies and us, our Promoters or such directors may favour our Group Company over us. Further, our Promoters and Directors may need to devote time to our Group Companies and may, consequently, not be able to dedicate the time and attention necessary to fulfill their obligations as Promoters/Directors in the Company.

42. Two of our Promoters do not have adequate experience in various business activities undertaken by the Company.

Two of our Promoters, Ashish A. Katariya and Aditya S. Parakh do not have adequate experience in the various business activities undertaken by us. Ashish A. Katariya, who heads the RMC division, has prior experience of about six years. His experience, including the experience garnered while working in our RMC division, may not be adequate for the various other business activities undertaken by us, such as EPC, BOT and toll collection contracts. Aditya S. Parakh has appeared for the final year examination for bachelor's degree in civil engineering and does not have any prior experience in our various business activities. For further details of our Promoters, please see the section entitled "Our Promoters" on page 161 of this Draft Red Herring Prospectus. The Company cannot assure you that the lack of adequate prior experience of Ashish A. Katariya and Aditya S. Parakh in our business will not have any adverse impact on the management and/ or operations of the Company.

43. The Company is required to advance zero interest unsecured loans to two of its subsidiaries.

The Company has entered into two share subscription and shareholders agreements (the "SSAs"), both dated April 17, 2009, in relation to its subsidiaries Ashoka Highways (Bhandara) Limited ("AHBL") and Ashoka Highways (Durg) Limited ("AHDL"). In terms of the SSAs, the Company is required to lend up to Rs. 347.57 million and Rs. 393.49 in AHBL and AHDL, respectively. For further details of the SSAs, please see the section entitled "History and certain Corporate Matters" on page 124 of this Draft Red Herring Prospectus. The Company cannot assure you that these amounts could not have been invested in instruments, which would have yielded higher returns for the Company. Further, the Company cannot assure you whether these loans will be repaid by the subsidiaries in accordance with the repayment schedule or at all.

44. We are subject to restrictive covenants under the shareholders' agreement entered into with IDFC PE II that could limit our flexibility in managing our business.

The Company, certain shareholders of the Company and the Promoters have entered into a Share Subscription and Shareholders Agreement (the "IDFC Agreement") with IDFC PE Fund II. The IDFC Agreement contains certain restrictive covenants, including:

- Appointment of a director to be nominated by IDFC PE Fund II to the Board of Directors of the Company;
- The constitution of a project committee, consisting of two independent directors and the investor director, to evaluate any proposed bid for a project by the Company and/or any project entities;
- IDFC PE Fund II's right of first refusal and tag-along rights;
- IDFC PE Fund II's affirmative voting rights with respect to certain matters as specified in the exhibit to the Agreement; and
- Restriction on issuance or transfer of shares of key shareholding companies/project entities.

The restrictive covenants in the IDFC Agreement may limit our flexibility in managing our business. For further details regarding the IDFC Agreement, please refer to the section entitled "History and Certain Corporate Matter–Summary of Key Agreements" beginning on page 129 of this Draft Red Herring Prospectus.

45. Some of our Subsidiaries and Group Companies have incurred losses and/or have had negative net worth during the last three financial years.

Some of our Subsidiaries have incurred losses during last three fiscal years (as per their respective standalone financial statements), as set forth below:

Sr. No.	Name of the Subsidiary	Profit/(Loss) after tax (In Rs. million)		
		Fiscal 2009	Fiscal 2008	Fiscal 2007
1.	Ashoka Infraways Private Limited	20.70	17.54	(4.52)
2.	Ashoka Infrastructure Limited	25.22	8.40	(54.95)
3.	Ashoka-DSC Katni Bypass Road Private Limited	(25.12)	(2.49)	0.00
4.	Ashoka Technologies Private Limited	(0.03)	-	-

Some of our Group Companies have incurred losses during last three fiscal years (as per their respective standalone financial statements), as set forth below:

Sr. No.	Name of the Group Company	Profit/(Loss) after tax (In Rs. million)		
		Fiscal 2008	Fiscal 2007	Fiscal 2006
1.	Ashoka Bitucon International Private Limited	(0.01)	0.03	0.01
2.	Ashoka Builders (Nashik) Private Limited	4.94	12.28	(7.75)
3.	Ashoka Buildwell and Developers Private Limited	(0.05)	(0.37)	(0.78)
4.	Ashoka City Towers Constructions Private Limited	0.00	0.00	(0.01)
5.	Ashoka Construwell Private Limited	(0.36)	0.81	(5.04)
6.	Ashoka Erectors Private Limited	0.14	0.00	(0.01)
7.	Ashoka Estate Developers Private Limited	(0.03)	0.00	(0.01)
8.	Ashoka Housing Constructions Private Limited	0.00	0.00	(0.01)
9.	Ashoka Nirmiti Private Limited	(0.21)	(0.12)	(0.01)
10.	Ashoka Path Nirman (Nashik) Private Limited	0.00	0.00	(0.01)
11.	Ashoka Premises Private Limited	(0.48)	(0.12)	(0.01)
12.	Ashoka Promoters Private Limited	(0.48)	(0.12)	(0.01)
13.	Ashoka Shilp Akruti Private Limited	0.00	0.00	(0.01)
14.	Ashoka Universal Academy Private Limited	(0.03)	(0.03)	0.00
15.	Ashoka Vanrai Developments Private Limited	(0.07)	0.01	0.02
16.	Ashoka Vastu Akruti Private Limited	0.00	0.00	(0.01)
17.	Ashoka Vastukala Nirman Private Limited	0.00	0.00	(0.01)
18.	Hotel Evening Inn Private Limited	(0.01)	(0.02)	(0.02)
19.	A.P. Equipments & Co.	(0.01)	(0.02)	(0.01)
20.	Ashoka Builders and Developers	(2.78)	(1.22)	(1.16)
21.	Ashoka Con Creations	0.00	0.00	(0.02)
22.	Ashoka Engineering Company	(0.64)	2.79	6.46
23.	Shweta Agro Farm	(0.46)	3.65	0.50
24.	Shubham Developers	(0.01)	(0.01)	0.01

For further details on these Group Companies, please see section entitled "Our Group Companies" beginning on page 165 of this Draft Red Herring Prospectus.

46. The Company is unable to determine whether there are dues payable to any small sector undertaking.

In view of the significant number of creditors of the Company, the information whether the creditors are Small Scale and Ancillary Industrial Undertaking as defined by the "The Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertaking Act, 1992" is not ascertainable by the Company.

47. There have been complaints in the past, and litigation is currently outstanding against the Company, objecting to initial public offering of Equity Shares. Any adverse outcome in such outstanding litigation may restrain the Company from undertaking the Issue.

The Company had filed a draft red herring prospectus dated January 16, 2008 with SEBI in relation to proposed initial public offering of Equity Shares (the "Proposed IPO"). Deepak M. Katariya and Hema Katariya filed letters of objection dated April 9, 2008 in relation to the Proposed IPO, which were replied to by the book running lead managers for the Proposed IPO ("Lead Managers") through letters dated May 6, 2008 and informed by the book running lead managers to SEBI of their reply through a letter dated May 7, 2008. Thereafter, Deepak M. Katariya filed a letter dated May 10, 2008 with SEBI ("Objection Letter") which was forwarded to the Lead Managers by SEBI through letter dated May 21, 2008, whereby he had, inter alia, objected to the Proposed IPO. The Lead Managers replied to the Objection Letter through a letter dated August 11, 2008 and informed SEBI of their reply through a letter dated August 11, 2008.

Additionally, Hema Katariya filed a suit (no. 451/2007) (the "Civil Suit") against the Company, Ashok M. Katariya and others before the court of Civil Judge, Senior Division, Nashik (the "CJSD, Nashik"). Further, Hema Katariya filed an application for temporary injunction dated April 23, 2008 (the "Temporary Injunction Application") in the Civil Suit inter alia demanding that the Company be restrained from going forward with the IPO until the final disposal of the Civil Suit. The CJSD, Nashik through an order dated April 24, 2008 directed both parties to maintain the status-quo until further orders are issued by the court. Hema Katariya through a letter dated April 24, 2008 informed SEBI of the status quo order. SEBI through letter dated April 24, 2008 sought complete details in this regard from the Lead Managers. The Lead Managers through a letter dated April 30, 2008 informed SEBI of the complete details regarding the Order. The CJSD, Nashik through an order dated May 2, 2008 (the "Vacation Order") rejected the application of the Complainant for a temporary injunction and vacated the status quo order, which was notified to SEBI by the Lead Managers through a letter dated May 8, 2008. Hema Katariya filed an appeal (no. 58/08) dated June 12, 2008 (the "Appeal") in the Court of District and Sessions Judge, Nashik, which is currently pending. Hema Katariya filed a copy of the appeal with SEBI through a letter dated August 25, 2008, which was intimated by SEBI to the Lead Managers through letter dated August 27, 2008. The Appeal is currently pending.

There can be no assurance that the civil suit and the appeal will be decided in favour of the Company. Any adverse outcome in these outstanding proceedings may have a material adverse effect on our business. Any adverse outcome may also result in the Company being restrained from undertaking the Issue.

External Risk Factors

1. Political instability or changes in the Government could adversely affect economic conditions in India generally and our business in particular.

The Indian Government has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Since 1991, successive Indian Governments have pursued policies of economic liberalization and financial sector reforms. However, there can be no assurance that such policies will be continued in the future.

Since the present government is a multi-party coalition depending upon the support of other parties, there can be no assurance that it will be able to generate sufficient cross-party support to implement any liberalization policies adopted by the previous central government or that such policies will continue in the future. Protests against privatizations, which have occurred in the past, could slow the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India generally and adversely affect our business, prospects, financial condition and results of operations.

2. Significant increases in the price of or shortages in the supply of crude oil could adversely affect the volume of traffic on our toll-based build, operate and transfer ("BOT") projects and the Indian economy in general, including the construction industry, which could have a material adverse effect our business and results of operations.

India imports a significant majority of its requirements of crude oil. Crude oil prices are volatile and are subject to a number of factors, including the level of global production and political factors, such as war and other conflicts, particularly in the Middle East, where a substantial proportion of the world's oil reserves are located. Any significant increase in the price of or shortages in the supply of crude oil could adversely affect the volume of traffic on our toll-based BOT projects and adversely affect the Indian economy in general, including the construction industry, which could have a material adverse effect on our business and results of operations.

3. Civil unrest, acts of violence including terrorism or war involving India and other countries could materially and adversely affect the financial markets and our business.

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Terrorist attacks and other acts of violence may adversely affect the Indian stock markets, where our Equity Shares will trade, and the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our business and profitability.

India, the United States or other countries may enter into armed conflict or war with other countries or extend pre-existing hostilities. South Asia has, from time to time, experienced instances of civil unrest, political tensions and hostilities among neighboring countries. Military activity or terrorist attacks could adversely affect the Indian economy by, for example, disrupting communications and making travel more difficult. Such events could also create a perception that investments in Indian companies involve a higher degree of risk. This, in turn, could adversely affect client confidence in India, which could have an adverse impact on the economies of India and other countries, on the markets for our products and services and on our business. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

4. ***Our operations are sensitive to weather conditions.***

We have business activities that could be materially and adversely affected by severe weather. Severe weather conditions may require us to evacuate personnel or curtail services and may result in damage to a portion of our fleet of equipment or to our facilities, resulting in the suspension of operations, and may further prevent us from delivering materials to our project sites in accordance with contract schedules or generally reduce our productivity. Our operations are also adversely affected by difficult working conditions and extremely high temperatures during summer months and during monsoon, which restrict our ability to carry on construction activities and fully utilize our resources.

We record contract revenues for those stages of a project that we complete, after we receive certification from the client that such stage has been successfully completed. Since revenues are not recognized until we make progress on a contract and receive such certification from our clients, revenues recorded in the first half of our financial year between April and September are traditionally substantially lower compared to revenues recorded during the second half of our financial year. During periods of curtailed activity due to adverse weather conditions, we may continue to incur operating expenses, but our revenues from operations may be delayed or reduced.

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

India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in the past few years. Natural calamities could have a negative impact on the Indian economy and may cause suspension, delays or damage to our current projects and operations, which may adversely affect our business and our results of operations.

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

Changes in interest rates could significantly affect our financial condition and results of operations. As at March 31, 2009, Rs. 6,664.91 million or 95.71% of our borrowings were at floating rates of interest. If the interest rates for our existing or future borrowings increase significantly, our cost of servicing such debt will increase. This may adversely impact our results of operations, planned capital expenditures and cash flows.

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

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may materially and adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures.

8. ***If more stringent labour laws or other industry standards in the jurisdictions in which we operate become applicable to us, our profitability may be adversely affected.***

We are subject to a number of stringent labour laws and restrictive contractual covenants related to levels of employment. India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes financial obligations on employers upon retrenchment. In addition, the Government of India is considering introducing a reservation policy to the private sector in India, pursuant to which all private sector companies operating in India would be required to reserve a certain percentage of jobs for the economically underprivileged population in the states where such companies are incorporated. If this policy is adopted, our ability to hire employees of our choice may be affected due to restrictions on our pool of potential employees and competition for these employees. Our employees may also in the future form unions.

If labour laws or industry standards become more stringent or are more strictly enforced or if our employees unionise, it may become difficult for us to maintain flexible human resource policies, discharge employees or downsize, any of which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

Risk Factors Related to the Equity Shares

1. ***Our Promoters will continue to retain majority control in the Company after the Issue, which will enable them to influence the outcome of matters submitted to shareholders for approval.***

   Upon completion of the Issue, the Promoters will beneficially own [●]% of our post-Issue equity share capital. As a result, the Promoters will have the ability to control our business including matters relating to any sale of all or substantially all of our assets, the timing and distribution of dividends and the election or termination of appointment of our officers and Directors. This control could delay, defer or prevent a change in control of the Company, impede a merger, consolidation, takeover or other business combination involving the Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company even if it is in the Company's best interest.

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

2. ***IDFC PE II has the right to nominate a director on our Board of Directors in certain circumstances.***

   In terms of the Share Subscription and Shareholders Agreement dated July 11, 2006 (the "IDFC Agreement") entered into by the Company, certain shareholders and Promotors of the Company with IDFC PE Fund II; IDFC PE Fund II is entitled to nominate one non-retiring Director on the Board of the Company and also on the board of directors of the project entities (as defined in the IDFC Agreement). The director nominated on the Board by IDFC PE Fund II is entitled to affirmative voting rights with respect to certain matters as specified in the IDFC Agreement. This may affect our ability to manage and operate our business in a flexible manner.

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

   Any future issuance of our Equity Shares by the 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. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares. Upon completion of the Issue, the entire post-Issue paid-up capital held by our Promoters and other existing shareholders other than IDFC PE II will be locked up for a period of one year and 20% of our post-Issue paid-up capital held by our Promoters will be locked up for a period of three years from the date of allotment of Equity Shares in the Issue. For further information relating to such Equity Shares that will be locked in, please see Notes to the Capital Structure in the section "Capital Structure" beginning on page 28 of this Draft Red Herring Prospectus.

4. We have not paid dividends in the past and may not pay dividends in the future.

The Company has never paid dividends to its Equity shareholders in the past**.** Whether or not the Company pays dividends in the future and the amount of any such dividends, if declared, will depend upon a number of factors, including our results of operations and financial condition, contractual restrictions (including the terms of some of our financing arrangements that currently restrict our ability to pay dividends) and other factors considered relevant by our Board of Directors and shareholders. There is no assurance that the Company will declare and pay, or have the ability to declare and pay, any dividends on Equity Shares at any point in the future.

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

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

6. You will not be able to sell immediately any of the Equity Shares you purchase in this Issue on the Stock Exchanges.

The Equity Shares will be listed on the National Stock Exchange of India Limited (the "NSE") and the Bombay Stock Exchange Limited (the "BSE", and together with the NSE, the "Stock Exchanges"). As required by Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Investors' book entries or dematerialised accounts with depository participants in India are expected to be credited within two working days of the date on which the basis of allotment is approved by the Designated Stock Exchange. Thereafter, upon receipt of final approval of the Stock Exchanges, trading in the Equity Shares is expected to commence within seven working days of the date on which the basis of allotment is approved by the Designated Stock Exchange. There can be no assurance that the Equity Shares allocated earlier to investors will be credited to their dematerialised accounts or that trading will commence within the time periods specified above. If the permissions to deal in and for an official quotation of the Equity Shares are not granted by the Stock Exchanges, the Company will 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 Company becomes liable to repay it, i.e. from the date of refusal or within 70 days from the Bid/Issue Closing Date, whichever is earlier, then the Company and every Director of the Company who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest at the rate of 15% p.a. on application money, as prescribed under Section 73 of the Companies Act.

Prominent Notes:

- The Company's net worth on a standalone basis as at March 31, 2009 was Rs. 3,308.75 million and the Company's net worth on a consolidated basis as at March 31, 2009 was Rs. 3,472.80 million.

- The net asset value per Equity Share was Rs. 72.41 as at March 31, 2009 as per our standalone financial statements and the net asset value per Equity Share was Rs. 76.01 as at March 31, 2009 as per our consolidated financial statements.

- The average cost of acquisition of per Equity Share by our Promoters, which has been calculated by taking the average amount paid by them to acquire our Equity Shares, is as follows:

Sr. No.	Name of the Promoter	Cost of acquisition (Rs.)
1.	Ashok M. Katariya	2.63
2.	Satish D. Parakh	1.48
3.	Ashish A. Katariya	0.81
4.	Aditya S. Parakh	0.50

- For details of the related party transaction entered into by the Company, please see the section entitled "Related Party Transactions" on page 180 of this Draft Red Herring Prospectus.

- Investors may contact any of the BRLMs and CBRLM complaints, information or clarifications pertaining to the Issue.

SUMMARY

SUMMARY OF INDUSTRY

Infrastructure Sector

The fast growth of the economy in recent years has placed increasing stress on physical infrastructure such as electricity, railways, roads, ports, airports, irrigation, water supply and sanitation, all of which already suffer from a substantial deficit in terms of capacities and efficiencies in their delivery. Whilst there has been some improvement in infrastructure development in transport, communication and energy sectors in the recent years, there are still significant gaps that need to be bridged.

We believe India will require a sustained momentum in infrastructure investment in order to maintain its current pace of growth. The 11th Five Year Plan envisages an infrastructure investment of Rs. 20,561 billion (at FY 2007 prices), equaling US$ 514 billion, to be shared between the Centre, states and private sector in the ratio of 37.2%, 32.6% and 30.1%. Set forth below is the estimated level of investment in the infrastructure sector over XI plan:

(Figures in Rs. Billion)

Sector	Xth Plan (Anticipated Exp.)	2007-08	2008-09	2009-10	2010-11	2011-12	Total XI Plan
Electricity	2,918	820	1,016	1,264	1,579	1,986	6,665
Roads and Bridges	1,448	518	548	592	684	800	3,142
Telecommunications	1,034	314	381	486	616	787	2,584
Railways (incl. MRTS)	1,197	342	410	495	604	767	2,618
Irrigation (incl. Watershed)	1,115	275	359	472	623	804	2,533
Water Supply & Sanitation	648	193	228	273	333	411	1,437
Ports	141	124	148	174	200	234	880
Others	213	117	126	137	152	170	702
Total	**8,714**	**2,703**	**3,216**	**3,893**	**4,791**	**5,959**	**20,561**
Total (US$ billion) @Rs. 40/$	**217.86**	**67.57**	**80.39**	**97.32**	**119.78**	**148.98**	**514.04**

(Source: Annual Plans and other documents of the Planning Commission and Central Statistical Organization for the Tenth Plan period)

In our view, the current economic slowdown provides an opportunity for countries like India that have a substantial degree of unmet infrastructure requirements. The Government's focus, sustained increased budgetary allocation and increased funding by international and multilateral development finance institutions for infrastructure development in India may result in development of several infrastructure projects across India. The Government of India has also undertaken/ proposed various initiatives to encourage private sector participation, such as tax breaks for investments in infrastructure.

The Role of the Private Sector in Infrastructure Development

Historically, the government has played a key role in supplying and regulating infrastructure services in India and private sector has not participated in infrastructure development. However, due to the public sector's limited ability to meet the massive infrastructure funding requirements, private sector investment in infrastructure is critical. Therefore, the Indian government is actively encouraging private investments in infrastructure. According to World Bank, India needs to invest an additional 3-4 % of GDP on infrastructure to sustain its current levels of growth in the medium term and to spread the benefits of growth more widely. *(Source: India Country Overview 2009, World Bank)*

Despite the critical role played by infrastructure development in growth, there still exists a very wide gap of US$10-15 billion between the current and required levels of private investments in infrastructure. Over the

15-year period from 1990 to 2005, total private investments stood at around US$ 51 billion or US$ 3.4 billion per year, of which US$ 30 billion has come in the five-year period FY 2002- FY 2006. *(Source: Private Participation in Infrastructure Database, World Bank Group)*

Roads Sector

India has one of the largest road networks in the world, aggregating to 3.32 million kms, consisting of National Highways, expressways, state highways, major district roads, other district roads and village roads. The road network comprises 66,590 kms of National Highways, 131,899 kms of State Highways, 467,763 kms of Major District Roads and about 2,650,000 kms of Rural and other roads. National Highways comprise only about 2% of the total length of roads and carry about 40% of the total traffic across the length and breadth of the country. *(Source: NHAI Website)*

The number of vehicles grew at an average pace of 10.10% per annum over the period from FY 2000 to FY 2004. In FY 1999, 54% of total freight was transported by roads, which increased to 62% in 2008. Passenger traffic on roads as a percentage of total passenger traffic has also witnessed a huge increase from 30% in 1951 to 86% in 2008. *(Source: CRISIL Research, Road Network in India, June 30, 2009)*. The expansion and strengthening of the road network, therefore, is imperative to provide for both present and future traffic volumes and for improving accessibility to less developed parts of the country. Additionally, road transport needs to be regulated for better energy efficiency, lesser pollution and enhanced road safety. The Central Government is mandated to develop National Highways and the responsibility for the development of other categories of roads vests with the States/Union Territories.

Public Private Partnership ("PPP")

Historically, investments in infrastructure, particularly in the highways, were being made by the government mainly due to the huge volume of resources required, the long gestation period, uncertain returns and various external risks. The enormous resource requirements, the significance of infrastructure development for economic growth and significant deficit in infrastructure requirements have led to an active involvement of the private sector also in recent years. To encourage participation of the private sector, the Ministry of Road Transport & Highways has laid down comprehensive policy guidelines for private sector participation in the highway sector. The Government has also announced several incentives such as tax exemptions and duty free import of road building equipments and machinery to encourage private sector participation.

The Government has taken initiatives to improve and strengthen the road network by implementing the National Highway Development Program ("NHDP"). The NHDP is the largest highway project ever undertaken in India and is being implemented by the National Highways Authority of India ("NHAI"). It was started in 1998 and is supported by revenues derived from cess tax on fuel and toll collection.

The total length proposed to be developed under NHDP has been split into the different contact models:

- Toll-based BOT projects ("BOT (Toll)");
- Annuity-based BOT projects ("BOT (Annuity)"); and
- Engineering, procurement and construction ("EPC") contracts.

Under all three contract models, the contractor is responsible for the engineering of the project, the procuring of materials for the project and the construction of the project. For BOT (Toll) and BOT (Annuity), the contractor is also responsible for maintaining the project. The difference between BOT (Toll) and BOT (Annuity) is that in the case of BOT (Toll), the traffic/commercial risks are borne by the concessionaire and the investment is sustained by toll revenues, while in BOT (Annuity) projects, all costs are borne by the Government in the form of deferred budgetary payments. In the case of BOT (Toll), government budgetary support, if any, is restricted to an upfront grant, while in some cases the concessionaire may even pay the granting authority a one off fee as part of the concession grant. In the case of BOT (Annuity), the concessionaire relies on annuity payments determined by competitive bidding and made out of budgetary allocations spread over time.

Based on interactions as well as data available for select stretches, returns vary from contract to contract. Typically, in an annuity, the project IRR would be in the range of 12-14 % and equity IRR would be in the range of 14 -16 %. For toll, where the concessionaire assumes the traffic risk, the project IRR would be in the range of 14- 16 % and equity IRR would be in the range of 18-20 %. *(Source: CRISIL Research, Project Economics, Roads and Highways, Oct 22, 2008)*

The table below sets forth the proposed breakdown of contract models for the NHDP:

NHDP Phase	Item	EPC	BOT (Toll)	BOT (Annuity)	Total
NHDP-I (Balance Work)	Length (in kms) Cost (in Rs. billions)	1,711 81.45	20 5.81	7 0.85	1,738 88.11
NHDP-II (Balance Work)	Length (in kms) Cost (in Rs. billions)	4,569 294.93	1,237 80.65	930** 60.64	6,736 436.22
NHDP-III	Length (in kms) Cost (in Rs. billions)	- -	10,000 651.97	- -	10,000 651.97
NHDP-IV	Length (in kms) Cost (in Rs. billions)	- -	5,000 69.50	15,000** 208.50	20,000 278.00
NHDP-V	Length (in kms) Cost (in Rs. billions)	- -	6,500 412.10	- -	6,500 412.10
NHDP-VI	Length (in kms) Cost (in Rs. billions)	- -	1,000 166.80	- -	1,000 166.80
NHDP-VII	Length (in kms) Cost (in Rs. billions)	* 25.94	* 96.38	* 44.48**	* 166.80
Total	**Length (in kms)** **Cost (in Rs. billions)**	**6,280** **402.32**	**23,757** **1,483.21**	**15,937** **314.47**	**45,974***** **2,200.00**

** Length to be covered under NHDP-VII was not finalized when the report was published.*
*** To be determined based on budgetary resources and the tolling policy for two-lane highways.*
**** Does not include the length to be covered under NHDP-VII.*
(Source: Report of the Core Group on Financing of the National Highway Development Program, February 6, 2006)

In order to boost the participation of the private sector in road development, the Government has planned the following initiatives:

- The Government will carry out all preparatory work, including land acquisition and utility removal. Right of way will be made available to concessionaires, free from all encumbrances;
- NHAI/the Government will provide a capital grant of up to 40% of the project cost to enhance viability on a case-by-case basis evaluation;
- The concessionaries will receive a 100% tax exemption for five years and 30% relief for the following five years, which may be utilized in 20 years;
- Permitted concession period of up to 30 years;
- Arbitration and Conciliation Act, 1996 based on UNCITRAL provisions applicable to contracts;
- In BOT projects, concessionaries are permitted to collect and retain tolls; and
- Duty free importation of specified modern high capacity equipment for highway construction.

(Source: Public Partnerships in India, Ministry of Finance, Government of India)

National Highway Development Program

The Government has taken initiatives to improve and strengthen the road network by implementing the NHDP. The NHDP is the largest highway project ever undertaken in India and is being implemented by the NHAI. It was started in 1998 and is supported by revenues derived from cess tax on fuel and toll collection. NHDP consists of the following components:

- NHDP Phase I & II envisages four/six laning of about 14,234 kms of National Highways at an estimated cost of Rs. 650.00 billion at 2004 prices. These two phases comprise Golden Quadrilateral ("GQ"), North-South and East-West ("NSEW") corridors, port connectivity and other projects. The GQ consisting of 5,846 kms length connects the four major cities of Delhi, Mumbai, Chennai and Kolkata. The NSEW corridors, comprising a length of 7,300 kms, connecting Srinagar in the North to Kanyakumari in the South, including a spur from Salem to Kochi and Silchar in the East to Porbandar in the West, respectively. The NHDP also includes the Port Connectivity Project, which comprises a length of 380 kms for improvement of roads connecting 12 major ports in India and other projects involving a length of 945 kms.

- The Government of India has approved upgrading 12,109 kms under NHDP Phase III. As on July 31, 2009, 9017 kms of roads are still to be awarded. *(Source: NHAI Website)* Due to various policy changes with respect to request for proposals and litigations raised by National Highways Builders Federation ("NHBF") against NHAI, the bidding process was delayed.
- The Government of India has approved the six laning of 6,500 kms of National Highways comprising 5,700 kms of the GQ and the balance of 800 kms of other sections of National Highways under NHDP Phase V at a cost of Rs. 412.10 billion.

- The Government of India has also approved the construction of 1,000 kms of expressways with full access control on new alignments at a cost of Rs. 166.80 billion under NHDP Phase VI.

The table below sets forth the status of the NHDP as at June 30, 2009:

	GQ	**NSEW & Phase - I & II**	**NHDP Phase III**	**NHDP Phase - V**	**NHDP Phase - VI**	**NHDP Phase – VII**	**NHDP Total**
Total Length (kms)	5,846	7,300	12,109	6,500	1000	700	**33,455**
Already 4-laned (kms)	5,729	3,762	890	130	-	-	**10,511**
Under Implementation (kms)	117	2,648	2,037	904	-	19	**5,966**
Number of Contracts under implementation	15	123	27	3	-	-	**168**
Balance to be awarded (kms)	-	732	9,181	5,466	-	-	**15,379**

(Source: National Highways Authority of India)

The targets for completion of the various components of the NHDP are as follows:

NHDP Component	Target for Completion
Completion of NS-EW Corridors, Port Connectivity & other projects under NHDP-Phase-I&II	December 2009
Completion of NHDP-Phase-III	December 2013
Completion of NHDP-Phase-V	December 2012
Completion of NHDP-Phase-VI	December 2015

(*Source: Plan Document, 11th Five Year Plan; CRISIL Research, NHDP Review & Outlook, Feb 23, 2009*)

The estimated cost of the various components of the NHDP is as follows:

Name of Project	Estimated Cost (Rs. in Billion)
Completion of GQ and EW-NS corridors	524.34
4-laning of 11,113 kms under NHDP Phase-III	724.54
2-laning with paved shoulders of 20,000 kms of National Highways under NHDP Phase-IV	278.00
6-laning of selected stretches of National Highways under NHDP Phase-V	412.10
Development of 1,000 kms of expressways under NHDP Phase-VI	166.80
Construction of ring roads, flyovers and bypasses on selected stretches under NHDP Phase-VII.	166.80
Total	2,272.58

(*Source: Plan Document for 11th Five Year Plan*)

All the above mentioned projects will be financed through various sources of funds including cess, loan assistance from the World Bank and Asian Development Bank, borrowings by NHAI, estimated surplus amount available from the users' fee and private sector investment. Various sources of funding to finance these projects have been finalised and the financing plan implementation by the year 2015 has been approved. The requirement of funds during the 11th Five Year Plan (FY 2008- FY 2012) for implementation of NHDP has been established at Rs. 1,735.01 billion. (*Source: Plan Document for 11th Five Year Plan*)

The projected availability of funds from various sources during the 11th Five Year Plan is set forth below:

Funding Source	Amount (Rs. in Billion)
Cess	365.89
External Assistance	44.54
Borrowings by NHAI	416.15
Surplus from the user fee	31.08
Share of private sector	877.35
Total	**1,735.01**

(*Source: Plan Document for 11th Five Year Plan*)

National Highways – It has been estimated by the Planning Commission that Rs. 1,217.58 billion would be required for the Ministry of Road Transport & Highways during the 11th Five Year Plan. Further, it has been estimated by the Planning Commission that Rs. 31.08 billion would be available for implementation of the NHDP from the surplus of the users' fees collected by the NHAI during the 11th Five Year Plan. The share of private sector investment during the 11th Five Year Plan is estimated to be Rs. 877.35 billion. *(Source: Plan Document for 11th Five Year Plan)*

State Roads – The proposed programme envisages a financial outlay of Rs. 10.00 billion for the 11th Five Year Plan with the possible element of private finance estimated at Rs. 3.20 billion. *(Source: Plan Document for 11th Five Year Plan)*

SUMMARY OF BUSINESS

Overview

We build and operate roads and bridges in India on a build, operate and transfer ("BOT") basis. We believe we currently operate one of the highest number of toll-based BOT projects in India. In addition, to BOT projects, we also (1) engineer and design, procure the raw materials and equipment for and construct roads, bridges, distribution transformers, electricity substations, commercial buildings, industrial buildings and institutional buildings, for third parties as well as perform maintenance for third parties, (2) manufacture and sell ready-mix concrete ("RMC") and bitumen, (3) collect tolls on roads and bridges owned and constructed by third parties.

Our business is organised into four divisions:

- the BOT division;
- the engineering, procurement and construction ("EPC") division;
- the RMC and bitumen division; and
- the toll collection contract division.

We can trace our origins back to 1976. Prior to fiscal 1997, we were engaged solely in the engineering and construction of residential, commercial, industrial and institutional buildings. In fiscal 1997, having acquired EPC skills, we also turned our attention to bidding for contracts for toll roads and toll bridges on a BOT basis. We were awarded our first BOT project, the Dhule bypass in Maharashtra, in fiscal 1997 and completed the construction of the road in the same fiscal year. In fiscal 2000 we began manufacturing RMC solely for use by our EPC division. In fiscal 2002 we began to manufacture RMC to sell to third parties as well as for use by our EPC division. In fiscal 2005 we began processing bitumen to a higher grade at our facility in Pune for use in road projects. Having developed systems and procedures for collecting tolls on our BOT projects, including developing our own proprietary computerised toll revenue auditing system, we tendered for and were awarded our first contract to collect the tolls on a road owned and constructed by a third party. In fiscal 2009, we began undertaking EPC work in the power sector when we were awarded a contract by Maharashtra State Electricity Distribution Company Limited for, among other things, the construction and commissioning of sub-transmission lines, distribution lines, power transformers and new sub-stations. In September 2008, we entered into agreements for constructing and developing two shopping malls on a BOT basis.

Our head office is in Nashik, Maharashtra and our operations currently reach across the states of Maharashtra, Madhya Pradesh, Chhattisgarh and Rajasthan. In the past, we have also undertaken work in Gujarat, Goa and Tamil Nadu, Uttaranchal, the National Capital Territory of Delhi and the union territories of Dadra and Nagar Haveli and Daman and Diu.

BOT Division. We currently operate or have an interest in 21 BOT road projects totalling approximately 2,523 kilometres of lanes in Maharashtra, Madhya Pradesh and Chhattisgarh, the concessions for which were awarded on a BOT basis. In order to meet specific eligibility requirements for certain larger BOT projects, including requirements relating to particular types of experience and financial resources, we have entered into project-specific joint ventures or special purpose vehicles with other companies. Out of the 21 BOT projects mentioned above, 17 are in operation and three are under construction and we have yet to begin construction of one. Of the 17 BOT projects in operation:

- four are operated by the Company;
- 11 are operated by the subsidiaries of the Company/joint ventures controlled by the Company;
- one is operated by an associate company in which the Company has a 50% interest; and
- one is operated by a joint venture in which the Company has a 5% interest.

Of the four BOT projects under construction/yet to begin construction:

- two are being developed by subsidiaries of the Company; and
- one is being developed through an associate of the Company; and
- one is being developed by a company in which the Company has an 14.47% beneficial interest.

In addition, we have built, operated and successfully transferred three BOT projects at the end of the concession periods, thereby experiencing the complete life cycle of a BOT project.

EPC Division. Our EPC division primarily engineers and designs, procures the raw material and equipment for and constructs roads and bridges for our BOT division and third parties. Our EPC division also (a) maintains and repairs existing roads for our BOT division, (b) constructs and modernises power distribution networks, comprising distribution transformers and electricity substations, for third parties and (c) constructs commercial, industrial and institutional buildings for third parties. We own a large fleet of construction equipment. As at June 30, 2009, the Company, its subsidiaries and its predecessor entities had constructed 44 roads and bridges and built over 5.4 million square feet of commercial, industrial and institutional projects. As at June 30, 2009, our Order Book, which comprises the unfinished and uncertified portion of projects that we have been awarded, was Rs. 17,849.99.00 million. Our Order Book as at June 30, 2009 does not include the value of the EPC contract for the construction of part of the 452 lane kms Maharashtra Pimpalgaon-Nashik-Gonde section of NH-3, the concession for which was awarded to L&T PNG Tollway Private Limited pursuant to an agreement dated July 8, 2009. The Company has a 26% interest in L&T PNG Tollway Private Limited. In August 2009, the Company received a letter of intent from L&T PNG Tollway Private Limited for appointing the Company to provide the EPC services for the construction of the road, except for an elevated corridor, for a total of Rs. 5,805.40 million.

We received an ISO 9002 in 1998 and an ISO 9001:2000 in 2001 for Certificate for Quality Assurance, an ISO 14001:2004 in 2005 for environmental and QHSAS18001:2007 in 2007 for safety. According to ISC, we are the first Indian infrastructure construction company to receive the ISC certification for Quality (ISO 9001:2000), Environment (ISO 14001:2004) and Occupational Health and Safety Management System (OHSAS 18001:1999) upgraded to (OHSAS 18001:2007) for Integrated System Management in relation to the design, development, construction of roads, bridges, industrial buildings, residential and commercial complexes, production and sale of ready-mix concrete, operation and maintenance of road infrastructure projects, and power transmission and distribution projects. We have also received numerous construction awards, including the Nasik Industries and Manufacturers' Association 'Excellence Award 2001' - First Prize in 'Large Scale Industries' and the Indian Institute of Bridge Engineers 'Most Outstanding Bridge - National Award 2001'.

RMC and Bitumen Division. Our RMC and bitumen division sells ready-mix concrete and bitumen and supports the EPC division by ensuring that it has an adequate and timely supply of high-quality RMC and bitumen. We have 13 RMC plants with a total production capacity of 590 cubic metres per hour and 71 concrete transit trucks and 18 concrete pumps. This division also sells and processes bitumen to a higher grade for use in road projects and supports our EPC division by supplying it with bitumen. We have one plant in Pune for the processing of bitumen with a capacity of 60 metric tonnes per day.

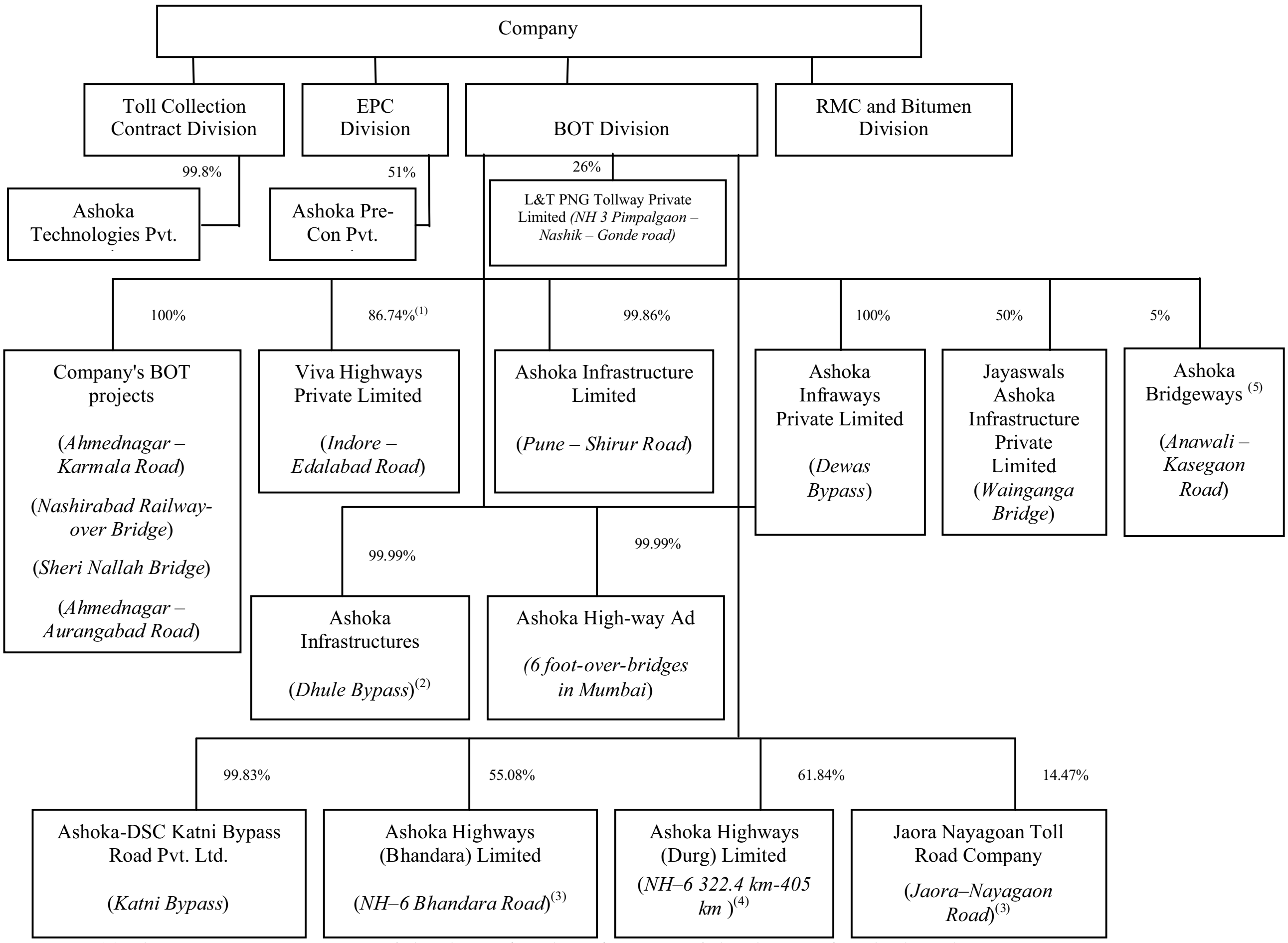
Toll Collection Contract Division. We set up our toll collection contract division to leverage our experience of collecting tolls on our BOT projects and our proprietary computerised toll revenue auditing system. To date, we have entered into four agreements to collect tolls on roads/bridges owned and constructed by third parties, although our last contract expired in February 2007.

In order to capitalize on our EPC commercial building experience, we entered into two agreements in September 2008 to develop two shopping malls in Kalyan, Maharashtra on a BOT basis, The construction of these projects has not yet begun. These two malls will have an estimated total developable area of 13,421.65 sq. metres and leaseable area of 12,453 sq. metres. These two shopping malls will be the first commercial buildings we will have built to lease out to third parties. We do not currently plan to undertake any further development of commercial property.

As at June 30, 2009, our work force consisted of 2,379 full-time employees, including 1,271 technical staff.

For fiscal 2009, we had a consolidated total income of Rs. 5,333.61 million and a consolidated net profit attributable to shareholders of Rs. 383.02 million.

Set forth below is our organisational chart, including the name of each concession operator, the Company's beneficial interest in the concession operator and the name of the BOT project in parentheses and italics:



(1) The Company owns 74.00% of the shares directly and 12.76% of the shares indirectly through its 49.00% interest in Viva Infrastructure Private Limited, the legal owner of 26% of the shares of Viva Highways Private Limited
(2) Concession expires September 20, 2009.
(3) The road is still being constructed.
(4) Construction is not yet complete. The road will go from the end of the Durg Bypass, Chattisgarh to the Maharashtra border.
(5) The Company has a 14.47% beneficial interest in Jaora Nayagaon Toll Road Company through its 49.00% ownership of Viva Infrastructure Private Limited, which owns 14.54% of the shares in Jaora Nayagaon Toll Road Company, and through its 86.74% interest in Viva Highways Pvt. Ltd., which owns 8.47% of the shares in Jaora Nayagaon Toll Road Company Private Limited.

Our Strengths

We believe the following are our key strengths.

Well-established player in toll-based BOT projects in India with a proven ability to partner with other well-established players in the industry

We were an early mover in India in the BOT project sector. We were awarded our first BOT project, the Dhule bypass in Maharashtra, in fiscal 1997 and completed the construction of the road in the same fiscal year. The Dhule Bypass was amongst the first toll-based BOT projects in Maharashtra. We believe we operate one of the highest number of toll-based BOT projects in India. We currently own or have an interest in a total of 17 BOT projects in operation comprising approximately 1,100 kilometres of lanes. Two of the Company's subsidiaries, one of its associate companies and one company in which it has an 14.47% investment interest have been awarded the concessions for four additional BOT projects, comprising 1,423 kilometres of lanes, the construction of which has not been completed. Our early-mover status and continued presence in the toll-based BOT project sector provides us with a platform to further develop our BOT presence and to win EPC contracts for road and bridge construction projects. In addition, other well-established players, such as Larsen & Toubro Limited, SREI Infrastructure Finance Limited and Infrastructure Development Finance Company Limited, have chosen us to partner with them for BOT projects.

Integrated business model, including our own traffic study expertise and proprietary toll collection audit system

We are able to undertake all activities related to a BOT road project in-house - from tendering for the project through to the collection of tolls. This helps to ensure the timely completion of projects, reduces our reliance on subcontractors and decreases our costs.

We prepare all tendering documents. Our ability to tender appropriately for BOT projects depends heavily on the assessment of the future traffic patterns on the proposed road or bridge and the amount of tolls to be collected. Over the course of our more than 12 years in toll-based BOT projects, we have developed an in-house traffic study team, which has the dual responsibility of conducting pre-bidding traffic surveys and monitoring toll collections. Our in-house traffic study team has an in-depth knowledge of traffic patterns not only in Maharashtra, Madhya Pradesh and Chhattisgarh, where we currently have BOT projects, but also in Tamil Nadu, Karnataka, Andhra Pradesh, Gujarat, Rajasthan, Uttar Pradesh and Punjab. We believe our in-house traffic forecasting capacity and expertise strengthens our ability to tender effectively for BOT projects and toll collection contracts.

Our EPC division, with its experienced team of engineers and skilled workman and its fleet of construction equipment (with a net block value of Rs. 703.32 million as at March 31, 2009), constructs and maintains the projects. Our RMC and bitumen division manufactures and supplies the concrete and bitumen, depending on the type of road.

As tolls are paid in cash, we utilise our own toll collection audit system, which includes cameras installed at toll booths and our own proprietary software, to minimise the chance of cash pilferages. The system enables us to monitor our toll collection on a real-time basis.
Our integrated structure enables us to bid for a BOT project with confidence in our ability to complete and operate the project on a profitable basis. It also allows us to capture the entire value in the BOT development business, including EPC margins, developer returns and operation and maintenance margins.

Long standing history of timely execution of projects

Most of our projects have been executed on time or prior to the scheduled completion date. We constructed a 90-metre long bridge on the Mahad-Pandharpur state highway in 38 days compared with the scheduled construction time of 12 months. The construction of a 100-metre long bridge called the Pargaon Bridge, a

BOT project, was completed in 65 days compared with the scheduled construction time of 18 months. Both of these construction feats are recorded in *Limca Book of Records.* Our EPC contracts generally provide for bonus payments if we complete construction of a project prior to the scheduled completion date. For example, we received Rs. 19.00 million for the early completion of the construction of the Phalodi to Puchpadra road, an EPC contract, which was completed 95 days prior to the scheduled completion date. If we complete the construction of a road or bridge the subject of a BOT agreement before the scheduled completion date, we generally get the benefit of collecting tolls on that project earlier than anticipated, which increases the total period for collecting tolls, thereby increasing our revenue from the project. There have been no instances where our performance guarantees have been invoked by our clients.

Healthy Order Book position

As at June 30, 2009, our Order Book totalled Rs. 17,849.99.00 million. Our Order Book as at June 30, 2009 does not include the value of the EPC contract for the construction of part of the 452 lane kms Maharashtra Pimpalgaon-Nashik-Gonde section of NH-3, the concession for which was awarded to L&T PNG Tollway Private Limited pursuant to an agreement dated July 8, 2009. The Company has a 26% interest in L&T PNG Tollway Private Limited. In August 2009, the Company received a letter of intent from L&T PNG Tollway Private Limited for appointing the Company to provide the EPC services for the construction of the road, except for an elevated corridor, for a total of Rs. 5,805.40 million. In our industry, the Order Book is considered an indicator of potential future performance since it represents a significant portion of our potential EPC revenue stream.

Proven track record of being able to leverage BOT projects on completion of construction.

We have been able to leverage off certain of our completed BOT projects to expand our business. On completion of the construction of 15 out of 20 of our BOT projects, we have refinanced the debt taken for the construction of the project and increased the debt outstanding on the project to as much as 150% of the cost of the project. This provides us with increased cash, which enables us to bid for more BOT projects.

Experienced management and a well-trained employee base

Ashok Katariya, our Chairman, has over 33 years of experience in the construction industry and is a first generation entrepreneur. Satish D. Parakh, our Managing Director, has over 28 years in the construction industry. Sunil B. Raisoni, a director of the Company, has over 26 years experience in the construction industry. Messrs. Parakh and Raisoni both joined the Company as employees and they have been working with Katariya for more than 26 years.

We believe we have a well-trained employee base, which enables us to construct various kinds of projects with different technical requirements. As at June 30, 2009, we employed 2,379 full-time employees, 1,271 of which are technical staff.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our restated stand-alone and consolidated financial statements as of and for the years ended March 31, 2009, 2008, 2007, 2006 and 2005. These financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations and presented under the section entitled "Financial Statements" beginning on page 189 of this Draft Red Herring Prospectus. The summary financial information presented below should be read in conjunction with our restated stand-alone and consolidated financial statements, the notes thereto and the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 278 of this Draft Red Herring Prospectus.

SUMMARY STAND-ALONE STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

Particulars	As At (All figures in Rupee millions)				
	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
ASSETS :					
Tangible Assets					
Fixed assets - Gross block	1,306.22	1,106.47	889.35	566.09	497.06
Less: Depreciation Reserve	430.33	331.85	221.01	152.40	121.59
Net block (1)	875.89	774.62	668.34	413.69	375.47
Intangible Assets					
Fixed assets - Gross block	2,208.76	1,182.12	1,256.37	1,259.68	1,235.65
Less: Amortisation Reserve	753.01	537.77	461.23	318.60	251.99
Net block (2)	1,455.75	644.35	795.14	941.08	983.66
Add : Capital Work in Progress (3)	179.40	982.62	263.74	48.17	9.47
Total (1 + 2 + 3)	**2,511.04**	**2,401.59**	**1,727.22**	**1,402.94**	**1,368.60**
INVESTMENTS (B)	**1,935.33**	**1,653.62**	**1,607.57**	**916.84**	**816.64**
CURRENT ASSETS, LOANS & ADVANCES:					
Inventories	670.02	905.47	588.58	297.19	191.04
Sundry debtors	727.80	654.76	290.42	477.43	172.73
Cash & bank balances	479.07	525.06	1,050.32	448.63	256.10
Loans and advances	2,275.97	684.72	629.61	565.18	349.26
Total (C)	**4,152.86**	**2,770.01**	**2,558.93**	**1,788.42**	**969.13**
TOTAL ASSETS (A + B +C)	**8,599.23**	**6,825.22**	**5,893.72**	**4,108.20**	**3,154.37**
LIABILITIES AND PROVISIONS:					
Unsecured loans	976.88	804.60	812.11	887.49	420.54
Secured Loans	2,277.99	2,287.04	1,726.03	1,222.48	719.19
Deferred tax liability	18.39	12.84	24.46	26.81	11.83
Current liabilities & provisions:					
Current liabilities	1,856.76	778.37	560.09	375.41	502.99
Provisions - Staff Unencashed	4.82	4.91	5.54	2.29	1.19

Particulars	As At (All figures in Rupee millions)				
	March 31, 2009	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**	**March 31, 2005**
Leave & Gratuity					
Provisions for taxation	155.64	71.07	39.24	17.46	8.25
Total (D)	**5,290.48**	**3,958.83**	**3,167.47**	**2,531.94**	**1,663.99**
NET WORTH					
Represented by:					
Share capital	587.25	587.25	224.21	211.40	211.40
Security premium (Net of Share Issue Expenses)	1,393.32	1,446.69	1,858.90	893.86	918.61
Preference Share redemption Reserve	159.33	141.62	176.39	151.64	126.88
Profit and loss account	1,168.86	690.82	466.74	319.36	233.49
Less: Preliminary / share issue expenses not written off	-	-	-	-	-
Total (E)	**3,308.75**	**2,866.39**	**2,726.25**	**1,576.26**	**1,490.38**
TOTAL LIABILITIES (D + E)	**8,599.23**	**6,825.22**	**5,893.72**	**4,108.20**	**3,154.37**

Notes: In the financial year 2007-2008 balance of Profit and loss Account increased by Rs 3.59 million due to effect of transitional provision of A.S. 15

SUMMARY STAND-ALONE STATEMENT OF PROFITS AND LOSSES, AS RESTATED

Particulars	Year Ended (All figures in Rupee millions)				
	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
INCOME :					
Turnover					
- Construction Revenue	6,223.02	2,246.62	2,445.41	1,181.32	777.60
- Sales	811.78	679.71	481.86	247.38	296.25
- Toll Income – BOT	387.82	337.75	280.50	218.72	219.45
- Toll Income – Contract	-	-	345.40	20.42	-
Total Turnover	7,422.62	3,264.08	3,553.17	1,667.84	1,293.30
Other Income	137.42	155.54	158.44	129.17	102.73
TOTAL INCOME	**7,560.04**	**3,419.62**	**3,711.61**	**1,797.01**	**1,396.03**
EXPENDITURE :					
Contract / O & M Expenses	5,305.68	1,881.52	2,191.80	959.97	661.36
Cost of Material Sold	581.56	525.22	374.02	221.90	240.59
Toll Expenses – Contract	-	-	316.87	17.92	-
Staff Expenses	171.54	125.58	102.37	63.73	48.85
Administrative Expenses	152.46	141.65	112.10	70.95	53.52
Finance Costs	449.17	254.04	240.00	160.09	113.47
Depreciation	115.79	99.93	73.64	59.79	37.67
Amortisation	215.24	150.80	142.63	123.66	130.11
TOTAL EXPENDITURE	**6,991.44**	**3,178.74**	**3,553.43**	**1,678.01**	**1,285.57**
Profit before tax , prior period items and Adjustments	**568.60**	**240.88**	**158.18**	**118.99**	**110.46**
Provision for taxation :					
Current Tax (Net)	82.80	29.18	12.74	15.80	6.12
Deferred Tax	5.55	(11.62)	(2.35)	14.98	(7.95)
Fringe Benefit Tax	2.22	2.83	1.41	2.03	-
Profit before prior period items and Adjustments	478.03	220.49	146.38	86.18	112.28
ADJUSTMENT (see Annexure IV)					
ADJUSTMENTS (see Note 1 of Annexure IV)	-	-	(1.49)	0.79	(1.44)
Current Tax Impact of Adjustments	-	-	0.49	(0.50)	0.26
Net Profit After Adjustments	478.03	220.49	147.38	85.89	113.46
Profit of Merged Entities					
Net Profit attributable to Shareholders	478.03	220.49	147.38	85.89	113.46
Profit Brought Forward from Previous years	690.82	466.74	319.36	233.48	120.02
Profit of Merged Entities					
Balance carried to Balance sheet	**1,168.86**	**687.23**	**466.74**	**319.36**	**233.48**

Notes: Profit Brought Forward from Previous years in financial year 2008 - 2009 is increased by Rs. 3.59 million due to transitional provision of A.S. 15

SUMMARY CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

Particulars	As At (All figures in Rupee millions)				
	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
ASSETS :					
Fixed assets - Gross block	1,349.72	1,131.86	910.92	568.66	498.43
Less: Depreciation Reserve	443.91	341.09	227.48	149.16	124.98
Net block (1)	905.81	790.77	683.44	419.50	373.45
Intangible Assets*					
Fixed assets - Gross block	6,143.55	5,098.65	4,561.03	1,856.55	1,831.26
Less: Amortisation Reserve	2,143.89	1,566.47	1,184.96	427.04	299.38
Net block (2)	3,999.66	3,532.18	3,376.07	1,429.51	1,531.88
Add : Capital Work in Progress (3)	3,730.22	1,293.30	617.13	48.17	9.96
Total (1 + 2 + 3)	**8,635.69**	**5,616.25**	**4,676.64**	**1,897.18**	**1,915.29**
INVESTMENTS (B)	**910.95**	**716.54**	**662.32**	**755.29**	**709.43**
CURRENT ASSETS, LOANS & ADVANCES :					
Inventories	670.02	905.47	588.59	297.21	191.04
Sundry debtors	349.50	333.68	226.85	466.35	144.17
Cash & bank balances	691.83	993.77	1,389.87	473.39	275.03
Loans and advances	1,349.22	674.85	490.98	526.51	348.45
Total (C)	**3,060.57**	**2,907.77**	**2,696.29**	**1,763.46**	**958.69**
TOTAL ASSETS (A + B +C)	**12,607.21**	**9,240.56**	**8,035.25**	**4,415.93**	**3,583.41**
LIABILITIES AND PROVISIONS :					
Unsecured loans	262.22	202.17	190.29	888.06	440.51
Secured Loans	6,963.79	4,918.61	4,185.30	1,569.76	1,095.96
Minority Interest	237.49	162.35	126.04	56.32	65.58
Deferred tax liability	18.39	12.84	31.85	26.81	11.82
Current liabilities & provisions :					
Current liabilities	1,429.37	718.40	569.95	384.18	530.28
Provisions - Staff benefits	5.14	5.30	5.88	2.28	1.19
Provisions for taxation	218.01	107.67	52.37	17.02	8.26
Total (D)	**9,134.41**	**6,127.34**	**5,161.70**	**2,944.43**	**2,153.60**
NET WORTH					
Represented by:					
Share capital	587.25	587.25	224.21	211.40	211.40
Share Application Money	49.82	0.10	0.00	0.00	0.00
Security premium (Net of Share Issue Expenses)	1,379.63	1,435.60	1,858.90	856.01	904.96
Preference Share redemption Reserve	159.33	141.62	176.39	211.25	163.20
Profit and loss account	1,296.77	948.65	614.09	192.84	150.25

Particulars	As At (All figures in Rupee millions)				
	March 31, 2009	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**	**March 31, 2005**
Less: Preliminary / share issue expenses not written off	-	-	0.04	0.00	0.00
Total (E)	**3,472.80**	**3,113.22**	**2,873.55**	**1,471.50**	**1,429.81**
TOTAL LIABILITIES (D + E)	**12,607.21**	**9,240.56**	**8,035.25**	**4,415.93**	**3,583.41**

Notes: In the financial year 2007-2008 balance of Profit and loss Account increased by Rs 3.71 million due to effect of transitional provision of A.S. 15

** Includes Goodwill arising on consolidation aggregating to Rs. 6.30 million*

ASHOKA

SUMMARY CONSOLIDATED STATEMENT OF PROFITS AND LOSSES, AS RESTATED

Particulars	Year Ended (All figures in Rupee millions)				
	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
INCOME :					
Turnover					
- Construction Revenue	2,930.55	1,376.92	2,229.00	1,165.26	725.98
- Sales	808.58	677.83	480.18	247.38	296.25
- Toll Income - BOT	1,444.56	1,172.93	976.31	358.30	349.64
- Toll Income - Contract	-	-	345.40	20.42	-
Total Turnover	5,183.69	3,227.68	4,030.89	1,791.36	1,371.87
Other Income	149.92	175.69	158.80	66.85	57.83
TOTAL INCOME	**5,333.61**	**3,403.37**	**4,189.69**	**1,858.21**	**1,429.70**
EXPENDITURE :					
Contract / O & M Expenses *	2,647.32	1,198.01	2,050.84	965.37	628.24
Cost of Material Sold	581.56	525.22	373.89	221.90	240.59
Toll Expenses	-	-	316.88	17.92	-
Staff Expenses	158.80	129.39	112.18	65.86	51.15
Administrative Expenses	155.80	141.74	122.48	68.18	49.58
Finance Costs	646.22	473.97	451.64	212.24	162.49
Depreciation	119.31	102.68	79.04	61.44	38.56
Amortisation	525.44	429.23	420.74	181.49	179.94
****TOTAL EXPENDITURE**	**4,834.45**	**3,000.24**	**3,927.69**	**1,794.40**	**1,350.55**
Profit before tax , prior period items and Adjustments	499.16	403.13	262.00	63.81	79.15
Provision for taxation :					
Current Tax (Net)	108.00	53.52	23.64	15.90	6.12
Deferred Tax	5.55	(19.01)	(6.72)	14.98	(7.95)
Fringe Benefit Tax	2.59	3.47	1.88	2.11	-
Profit before prior period items and Adjustments	383.02	365.15	243.20	30.82	80.98
ADJUSTMENTS (see Note 1 of Annexure IV)	-		(1.54)	0.67	(1.41)
Current Tax Impact of Adjustments	-	-	0.49	(0.50)	0.26
Net Profit before Minority Interest	383.02	365.15	244.25	30.65	82.13
Profit / Loss transferred to Minority Interest	34.88	34.31	1.87	(11.94)	(11.96)
Net Profit attributable to Shareholders	348.14	330.83	242.38	42.59	94.09
Profit Brought Forward from Previous years	948.63	614.09	192.84	150.25	56.16
Profit of Merged Entities	-	-	-	-	-
Profit Brought Forward from Previous years of subsidiaries added	-	-	178.87	-	-

Particulars	Year Ended (All figures in Rupee millions)				
	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
Balance carried to Balance sheet	**1,296.78**	**944.93**	**614.09**	**192.84**	**150.25**

Notes :

** Profit Brought Forward from Previous years in financial year 2008 - 2009 is increased by Rs. 3.71 million due to transitional provision of A.S. 15*

*** Net of all expenditure transferred to capital work in progress*

THE ISSUE

Issue of Equity Shares		Rs. 2,250 million
Employee Reservation Portion		Rs. [●] million
Therefore		
Net Issue to the Public		Rs. [●] million
Of which		
A) Qualified Institutional Buyers (QIB) portion#		At least Rs. [●] million
Of which		
	Available for allocation to Mutual Funds only	Rs. [●] million
	Balance for all QIBs including Mutual Funds	Rs. [●] million
B) Non-Institutional Portion*		Not less than Rs. [●] million
C) Retail Portion*		Not less than Rs. [●] million
Pre and post Issue Equity Shares		
Equity Shares outstanding prior to the Issue		45,691,702 Equity Shares
Equity Shares outstanding after the Issue		[●] Equity Shares
Use of Issue Proceeds by the Company		See the section entitled "Objects of the Issue" on page 46 of this Draft Red Herring Prospectus for information about the use of the Issue Proceeds.

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

 # The Company may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors. For further details, please see the section entitled "Issue Procedure" on page 361 of this Draft Red Herring Prospectus.

** Under subscription, if any, in any category, except in QIB portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of the Company, in consultation with the BRLMs, the CBRLM and the Designated Stock Exchange. Under subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue Portion, at the discretion of the BRLMs, the CBRLM and the Company. In case of under subscription in the Net Issue, spill over to the extent of under subscription shall be permitted from the Employee Reservation Portion subject to the Net Issue constituting 10% of the post Issue capital of the Company. If at least 60% of the Net Issue cannot be allocated to QIBs, the entire application money shall be refunded.*

GENERAL INFORMATION

Registered Office of the Company

Ashoka Buildcon Limited
Survey No. 861, Ashoka House
Ashoka Marg, Vadala
Nashik, Maharashtra - 422 011
Tel No: (91 253) 3011705
Fax: (91 253) 2422704
Registration No: U45200MH1993PLC071970
Website: ashokabuildcon.com

Address of the ROC

We are registered with the RoC situated at Everest 5th Floor, 100, Marine Drive, Mumbai 400 002.

Board of Directors of the Company

Our Board of Directors consists of:

Name	Designation
Ashok M. Katariya	Chairman
Satish D. Parakh	Managing Director
Sunil B. Raisoni	Whole Time Director
Shyam Sundar S. G.	Non – Executive Director
Michael Pinto	Independent Director
Milap R. Bhansali	Independent Director
Anant D. Narain	Independent Director
Sharad D. Abhyankar	Independent Director

For further details of our Directors, see section entitled "Our Management" on page 145 of this Draft Red Herring Prospectus.

Company Secretary and Compliance Officer

Manoj A. Kulkarni is the Company Secretary and Compliance Officer of the Company. His contact details are as follows:

Manoj A. Kulkarni
Survey No. 861, Ashoka House
Ashoka Marg, Vadala
Nashik, Maharashtra - 422 011
Tel No: (91 253) 3011943
Fax: (91 253) 2422704
Email: investors@ashokabuildcon.com

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

Auditors to the Company
M/s. M. P. Chitale & Co.
Hamam House, Ambalal Doshi Marg,
Fort, Mumbai – 400 001

Tel: (91 22) 2265 1186
Fax: (91 22) 2265 5334
Email: ashu01@mpchitale.com

Book Running Lead Managers

IDFC -SSKI Limited

803-4 Tulsiani Chambers
8th Floor, Nariman Point
Mumbai 400 021
India
Tel: (91 22) 6638 3276
Fax: (91 22) 2282 6615
E-mail: ashoka.ipo@idfcsski.com
Investor Grievance Email: complaints@idfcsski.com
Website: www.idfcsski.com
Contact Person: Hiren Raipancholia
SEBI Reg. No. INM000011336

Enam Securities Private Limited

801/ 802, Dalamal Towers
Nariman Point
Mumbai 400 021
India
Tel: (91 22) 6638 1800
Fax: (91 22) 2284 6824
E-mail: abl.ipo@enam.com
Investor Grievance Email: complaints@enam.com
Website: www.enam.com
Contact Person: Pranav Mahajani
SEBI Reg. No. INM000006856

Co-Book Running Lead Managers

Motilal Oswal Investment Advisors Private Limited

113/114, Bajaj Bhawan, 11th Floor
Nariman Point
Mumbai 400 021
Tel: (91 22) 3980 4380
Fax: (91 22) 3980 4315
E-mail: ashoka.ipo@motilaloswal.com
Investor Grievance E-mail: moiaplredressal@motilaloswal.com
Website: www.motilaloswal.com
Contact Person: Rupesh Khant
SEBI Registration No: INM000011005

Syndicate Members

[•]

Legal Advisors to the Issue

Domestic Legal Counsel to the Issue

Amarchand Mangaldas & Suresh A. Shroff & Co.
5th Floor, Peninsula Chambers
Peninsula Corporate Park
Ganpatrao Kadam Marg, Lower Parel
Mumbai 400 013
India
Tel: (91 22) 2496 4455
Fax: (91 22) 2496 3666

International Legal Counsel to the Underwriters

Dorsey & Whitney
21, Wilson Street
London EC2M 2TD
England
United Kingdom
Tel: (044) (0) 20 7588 0800
Fax: (044) (0) 20 7588 0555

Registrar to the Issue

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound
LBS Marg, Bhandup (W)
Mumbai 400 078
Tel: (91 22) 2596 0320
Fax: (91 22) 2596 0329
E-mail: abl.ipo@linkintimespectrum.co.in
Website: www.linkintimespectrum.co.in
Contact Person: Sachin Achar
SEBI Reg. No. INM000003761

Bankers to the Issue and Escrow Collection Banks

[●]

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCFB for the ASBA process are provided on www.sebi.gov.in and for details on designated branches of SCSB collecting as per Bid cum Application Form, please refer to the abovementioned link.

Bankers to the Company

Axis Bank
Janmabhoomi Bhavan,
Janmabhoomi Marg, 1st Floor
Fort
Mumbai 400 001,
India
Tel: (91 22) 66107208
Fax: (91 22) 66107241

Corporation Bank
Bharat House,
104, Bombay Samachar Marg, Fort
Mumbai 400 023
India
Tel: (91 22) 22677088
Fax: (91 22) 22675309

Bank of India
28, S.V. Road
1st Floor, M.D.I. Building
Andheri (West)
Mumbai 400 058
India
Tel: (91 22) 26718565
Fax: (91 22) 26247655

Federal Bank
Nariman Bhavan
12/227, Nariman Point, 1st Floor
Mumbai 400 021
India
Tel: (91 22) 22812335
Fax: (91 22) 22675309

Bankers to the Company

Bank of Maharashtra
Shalimar, Nashik 422 001
Maharashtra
India
Tel: (91 253) 2502951
Fax: (91 253) 2596935

Indian Bank
Sir P. M. Road, Fort,
Mumbai 400 001
India
Tel: (91 22) 22661847
Fax: (91 22) 22660769

Canara Bank
Deccan Gymkhana
Pune 411 005
India
Tel: (91 20) 25533712
Fax: (91 20) 25533712

State Bank of India
NGN Vaidya Marg, Fort
Mumbai 400 023
India
Tel: (91 22) 22664100
Fax: (91 22) 22665915

Monitoring Agency

There is no requirement to appoint a Monitoring Agency for the Issue as the Issue size is less than Rs. 5,000 million (Rs. 500 crores).

Statement of inter se allocation of Responsibilities for the Issue

The following table sets forth the distribution of responsibility and co-ordination for various activities amongst the BRLMs and the CBRLM:

Sr. No.	Activity	Responsibility	Coordinator
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, etc.	IDFC-SSKI; Enam; Motilal Oswal	IDFC-SSKI
2.	Due diligence of the Company's operations/ management/ business plans/ legal etc. Drafting and design of the Red Herring Prospectus and of statutory advertisement including memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, the RoC and SEBI including finalisation of the Prospectus and RoC filing of the same.	IDFC-SSKI; Enam; Motilal Oswal	IDFC-SSKI
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (2) above including corporate advertisement, brochure, corporate films, etc.	IDFC-SSKI; Enam; Motilal Oswal	IDFC-SSKI
4.	Appointment of intermediaries Lawyers, Printers, Advertising Agency	IDFC-SSKI; Enam; Motilal Oswal	IDFC_SSKI
5.	Appointment of Registrar and Bankers to the Issue	IDFC-SSKI; Enam; Motilal Oswal	Enam
6.	International institutional marketing of the Issue, which will cover, *inter alia:* • Preparing road show presentation and frequency asked questions; • Finalising the list and division of investors for one to one meetings; and • Finalising road show schedule and investor meeting schedules;	IDFC-SSKI; Enam; Motilal Oswal	Enam
7.	Domestic institutional marketing of the Issue, which will cover, *inter alia*:	IDFC-SSKI; Enam; Motilal	IDFC-SSKI

Sr. No.	Activity	Responsibility	Coordinator
	• Finalising the list and division of investors for one to one meetings; and	Oswal	
8.	Non-Institutional & Retail Marketing of the Issue, which will cover, *inter alia*: • Formulating marketing strategies, preparation of publicity budget; • Finalising media and PR strategy; • Finalising centres for holding conferences for brokers etc.; • Finalising collection centres; and • Follow-up on distribution of publicity and Issue material including form, prospectus and deciding on the quantum of the Issue material.	IDFC-SSKI; Enam; Motilal Oswal	Enam
9.	Managing the book, co-ordination with the Stock Exchanges for book building software, bidding terminals and mock trading, and finalisation of pricing and institutional allocation in consultation with the Company.	IDFC-SSKI; Enam; Motilal Oswal	Enam
10.	The Post-Bidding activities including management of escrow accounts, follow-up with bankers to the issue, co-coordination non-institutional allocation, intimation of allocation and dispatch of refunds to Bidders etc. The post Issue activities will involve essential follow up steps, which include the finalisation of listing of instruments and dispatch of certificates and demat delivery of shares, with the various agencies connected with the work such as the Register to the Issue and Bankers to the Issue and the bank handling refund business. The merchant banker shall be responsible for ensuring that these agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with the Company.	IDFC-SSKI; Enam; Motilal Oswal	Enam

Credit Rating

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

IPO Grading

This Issue has been graded by [●] as [●] (pronounced [●]) indicating [●] indicating [●]. The rationale/description furnished by the IPO grading agency will be updated at the time of filing the Red Herring Prospectus with the Designated Stock Exchange.

Experts

Except the report of [●] in respect of the IPO grading of this Issue annexed herewith, the Company has not obtained any expert opinions.

Trustees

As this is an issue of Equity Shares, the appointment of Trustees is not required.

Book Building Process

Book building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Issue Price is finalized after the Bid/ Issue Closing Date. The principal parties involved in the Book Building Process are:

1. The Company;

2. BRLMs;

3. CBRLM;

4. Syndicate Member who is an intermediary registered with SEBI or registered as brokers with BSE/NSE and eligible to act as Underwriters. The Syndicate Member is appointed by the BRLMs and the CBRLM;

5. Escrow Collection Bank(s); and

6. Registrar to the Issue.

This being an issue for less than 25% of post issue equity capital of the Company, the SEBI Regulations read with rule 19(2) (b) of the SCRR, have permitted an issue of securities to the public through the 100% Book Building Process, wherein at least 60% of the Net Issue shall be allocated on a proportionate basis to QIBs. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs including the Mutual Funds subject to valid bids being received at or above the Issue Price. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Net Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. We will comply with the SEBI Regulations and any other ancillary directions issued by SEBI for this Issue. In this regard, we have appointed the BRLMs and the CBRLM to manage the Issue and to procure subscriptions to the Issue.

QIB Bidders are not allowed to withdraw their Bid(s) after the Bid /Issue Closing Date. For further details, please see the section entitled "Terms of the Issue" on page 353 of this Draft Red Herring Prospectus.

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

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

Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 20 to Rs. 24 per share, offer size of 3,000 equity shares and receipt of five bids from bidders out which one bidder has bid for 500 shares at Rs. 24 per share while another has bid for 1,500 shares at Rs. 22 per share. A graphical representation of consolidated demand and price would be made available at the bidding centers during the bidding period. The illustrative book given below shows the demand for the shares of the Company at various prices and is collated from bids from various investors.

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

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

Steps to be taken by the Bidders for bidding:

- Check eligibility for bidding (please refer to the section entitled “Issue Procedure - Who Can Bid” on page 362 of this Draft Red Herring Prospectus);

- Ensure that you have an active demat account and the demat account details are correctly mentioned in the Bid cum Application Form;

- Ensure that you have mentioned your PAN and attached copies of your PAN card to the Bid Cum Application Form. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction (see section entitled “Issue Procedure” on page 361 of this Draft Red Herring Prospectus;

- Ensure that the Bid cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid Cum Application Form; and

- Bids by QIBs will only have to be submitted to the BRLMs and the CBRLM.

Withdrawal of the Issue

The Company, in consultation with the BRLMs and the CBRLM, reserves the right not to proceed with the Issue anytime after the Bid/Issue Opening Date but before the Allotment of Equity Shares. In such an event the Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue. The Company shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed.

Any further issue of Equity Shares by the Company shall be in compliance with applicable laws.

Bid/ Issue Programme

BID/ISSUE OPENS ON	**[●], 2009***
BID/ISSUE CLOSES ON	**[●], 2009**

**The Company may consider participation by Anchor Investors. The Anchor Investor Bid/ Issue Period shall be one day prior to the Bid/ Issue Opening Date.*

Bids and any revision in Bids shall be accepted **only between 10 a.m. and 3 p.m**. (Indian Standard Time) during the Bidding/ Issue Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form. On the Bid / Issue Closing Date, the Bids (excluding the ASBA Bidders) shall be uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders, Non-Institutional Bidders and Eligible Employees bidding under the Employee Reservation Portion where the Bid Amount is in excess of Rs. 100,000 and (ii) until 5.00 p.m. or such extended time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders and Employees bidding under the Employee Reservation Portion, where the Bid Amount is up to Rs. 100,000. It is clarified that the Bids not uploaded in the book would be rejected. Bids by the ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the NSE and the BSE.

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

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

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

The Company, in consultation with the BRLMs and the CBRLM, reserves the right to revise the Price Band during the Bidding/ Issue 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 two (2) days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.

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

Underwriting Agreement

After the determination of the Issue Price but prior to filing of the Prospectus with the RoC, we will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through this Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs and the CBRLM shall be responsible for bringing in the amount devolved in the event that their respective Syndicate Members do not fulfill their underwriting obligations. The underwriting shall be to the extent of the Bids uploaded by the Underwriters including through its Syndicate/Sub Syndicate. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.

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

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

Name and Address of the Underwriter	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. in Million)
[●]	[●]	[●]

The above mentioned amount is indicative underwriting and this would be finalized after the pricing and actual allocation.

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

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

Certain Information in relation to IDFC-SSKI Limited ("IDFC-SSKI") and IDFC Private Equity Fund II (the "Fund") and the Issuer Company

Based on the following, IDFC-SSKI, a BRLM to the Issue is in compliance with Regulation 21A of the SEBI (Merchant Bankers) Regulations, 1992, as amended (the "SEBI Merchant Bankers Regulations"):

(i) IDFC Infrastructure Fund 2 ("Trust") is a trust created under the Indian Trust Act, 1882 and a venture capital fund registered under SEBI (Venture Capital Funds) Regulations, 1996 of which IDFC Limited is the Settlor. The Fund is a unit scheme of the Trust. IDFC Trustee Company Limited ("Trustee"), a wholly owned (100%) subsidiary of IDFC Limited is the trustee for the Fund.

(ii) IDFC-SSKI is a wholly owned (100%) subsidiary of IDFC-SSKI Securities Limited. IDFC Limited holds 100% of the paid up capital of IDFC-SSKI Securities Limited.

(iii) IDFC Limited as a Class A investor has contributed towards 6.79% of the capital commitments of the Fund along with other Class A investors aggregating to 24.65% of the total capital commitments of the Fund. The balance capital commitments of the Fund aggregating to 75.09% of the total capital commitments of the Fund have been received from various foreign institutional investors through IDFC Private Equity (Mauritius) Fund II, a public limited and limited liability company incorporated in Mauritius which was sponsored by IDFC Limited for incorporation purposes. The Mauritius Company is a Board controlled company.

(iv) On consummation of the Issue, the shareholding of the Fund in the Company will reduce to [●]% of the post-Issue fully diluted paid up capital of the Company.

(v) Further, IDFC Limited, the Company and IIF have entered into a share subscription and shareholders' agreements, both dated April 17, 2009, (the "SSSAs") in relation to Ashoka Highways (Bhandara) Limited ("AHBL") and Ashoka Highways (Durg) Limited ("AHDL"). Pursuant to the SSSA's, IDFC Limited and IIF are required to provided debt and equity financing to AHBL and AHDL. For further details of the SSSAs, please see the section entitled "History and Certain Corporate Matters" on page 124 of this Draft Red Herring Prospectus. As on date, 2009, IDFC Limited held 6.12% and 6.87% of the paid up capital of in AHBL and AHDL, respectively. Further, IIF held 38.80% and 31.29% of AHBL and AHDL, repectively. The balance shareholding is held by the Company and its associate/ group companies. IDFC Limited or IIF do not exercise control over the Company by the virtue of providing debt finance to its projects and by holding equity shares in AHBL and AHDL, respectively, which are project SPVs formed to execute such projects. For further details in relation to the SPVs please see the section entitled "History and Certain Corporate Matters – Our Subsidiaries" on page 138 of this Draft Red Herring Prospectus.

CAPITAL STRUCTURE

The Equity Share capital of the Company as at the date of filing of this Draft Red Herring Prospectus is set forth below:

		Aggregate Value at Face Value (Rs.)	Aggregate Value at Issue Price (Rs.)
A.	**Authorized Capital***	**811,000,000**	[●]
	64,000,000 Equity Shares	640,000,000	[●]
	1,710,000 0% Redeemable Cumulative Preference Shares of Rs. 100 each	171,000,000	[●]
B.	**Issued, Subscribed Capital and Paid-Up Capital before the Issue**	**587,252,020**	[●]
	45,691,702 Equity Shares of Rs. 10 each fully paid-up before the Issue	456,917,020	[●]
	1,303,350 0% Redeemable Cumulative Preference Shares of Rs. 100 each fully paid up	130,335,000	[●]
C.	**Present Issue in terms of this Draft Red Herring Prospectus**		
	[●] Equity Shares **	[●]	2,250,000,000
D.	**Employee Reservation Portion** Up to [●] Equity Shares	[●]	[●]
	Therefore		
E.	**Net Issue to the Public** [●] Equity Shares	[●]	[●]
F.	**Equity Capital after the Issue** [●] Equity Shares	[●]	[●]
G.	**Share Premium Account**		
	Before the Issue	1,384,492,838	[●]
	After the Issue	[●]	[●]

* **Details in relation to the change in authorized capital of the Company:**

Date	Details of change
July 8, 1997	Increase in authorised capital from Rs. 0.5 million to Rs.5 million.
September 2, 1997	Increase in authorised capital from Rs. 5 million to Rs. 10 million.
February 29, 2000	Increase in authorised capital from Rs. 10 million to Rs. 30 million.
October 5, 2000	Increase in authorised capital from Rs. 30 million to Rs. 65 million.
March 17, 2005	Increase in authorised capital from Rs. 65 million to Rs. 215 million.
March 28, 2006	Increase in authorised capital from Rs. 215 million to Rs. 365 million.
December 15, 2007	Increase in authorised capital from Rs. 365 million to Rs. 811 million.

** The Issue in terms of this Draft Red Herring Prospectus has been authorized pursuant to a resolution passed at the EGM dated September 7, 2009.

Notes to Capital Structure

1.

(a). Equity Share Capital History of the Company

Date of Allotment	No. of Equity Shares Issued	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment of Consideration	Name of the Allottees	Cumulative no. of Equity Shares	Cumulative Paid-Up Equity Capital (Rs.)	Cumulative Equity Share Premium (Rs.)
May 13, 1993	70	10	10	Cash	Ashok Motilal Katariya, Ramanlal Bansilal Parakh, Narendra Ramswarup Shakadwipi, Satish Dhondulal Parakh, Sunil Bansilal Raisoni, Vimal Ramswarup Shakadwipi and Sushil Ramanlal Parakh as subscribers to Memorandum of Association	70	700	Nil
June 12, 1993	130	10	10	Cash	Ashok Motilal Katariya, Ramanlal Bansilal Parakh, Narendra Ramswarup Shakadwipi, Vimal Ramswarup Shakadwipi and Sushil Ramanlal Parakh	200	2,000	Nil
March 24, 1995	49,800	10	10	Cash	Ashok Motilal Katariya, Ashok Motilal Katariya (HUF), Asha Ashok Katariya, Ashish A. Katariya, Shweta Ashok Katariya, Padmabai Fakirchand Pofaliya, Lilabai Kantilal Hiran, Satish Dhondulal Parakh, Shobha Satish Parakh, Aditya Satish Parakh. Snehal Satish Parakh, Ramanlal Bansilal Parakh, Aruna Ramanlal Parakh, Milind Ramanlal Parakh, Narendra Ramswarup Shakadwipi, Vimal Narendra Shakadwipi, Nishant Narendra Shakadwipi, Komal Narendra Shakadwipi, Sunil Bansilal Raisoni, Rajendra Bansilal Raisoni, Pravin Bansilal Raisoni and Pradeep Bansilal Raisoni	50,000	500,000	Nil

Date of Allotment	No. of Equity Shares Issued	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment of Consideration	Name of the Allottees	Cumulative no. of Equity Shares	Cumulative Paid-Up Equity Capital (Rs.)	Cumulative Equity Share Premium (Rs.)
March 2, 2000	350,000	10	10	Cash	Ashoka Builders (Nasik) Private Limited, Ashoka Vastu Private Limited and Ashoka Construwell Private Limited.	400,000	4,000,000	Nil
June 27, 2005	3,965,784	10	10	-	Allotted pursuant to the Scheme of Amalgamation*	4,326,784	43,267,840	1,045,490,000
June 30, 2006	261,480	10	10	Cash	Ashok Motilal Katariya (HUF), Asha Ashok Katariya, Ashish A. Katariya, Shweta Ashok Katariya, Astha Ashish Katariya, Satish Dhondulal Parakh, Ashoka Bitucon International Private Limited, A.P. Equipments & Co. through Partners and Shubham Developers through its members.	4,588,264	45,882,640	1,045,492,851
August 1, 2006	1,019,617	10	980.76	Cash	Allotted in accordance with the terms of share subscription cum shareholders agreement, dated July 11, 2006, entered into with IDFC Infrastructure Fund 2 ("Shareholder Agreement")	5,607,881	56,078,810	2,035,296,250
December 15, 2007	919,505	10	10	Cash	Ashok Motilal Katariya, Ashish A. Katariya, Astha Ashish Katariya, Satish Dhondulal Parakh, Shobha Satish Parakh, Snehal Satish Parakh, Sunil Bansilal Raisoni and Sanjay Prabhakar Londhe in accordance with the Shareholder Agreement and the addendum cum amendment thereto dated December 10, 2007	6,527,386	65,273,860	1,848,087,826**
December 24, 2007	39,164,316	10	10	Other than cash	Bonus in the ratio of 1:6	45,691,702	456,917,020	1,456,444,666***

** 39,000 Equity Shares out of 3,965,784 Equity Shares allotted in accordance with the order of the Bombay High Court pursuant to a Scheme of Amalgamation dated December 3, 2004 have been cancelled.*

***Rs.176,392,217 was transferred to the preference shares redemption reserve on March 31, 2007 and Rs. 10,816,207 was transferred to the preference shares redemption reserve on September 30, 2007.*

**** Out of the share premium account aggregating Rs. 1,858,904,033 as on March 31, 2007, the Company capitalised Rs. 391,643,160 to issue 39,164,316 bonus shares of face value Rs. 10 each to the shareholders of the Company on December 24, 2007.*

(b). Equity Shares allotted for consideration other than cash

c ' '9 &J t jj&w9–'	[&C&J a $ZX "6' @+ m+Z98	f ZwZj' 'Xa9 –&C&J a $ZX "6' @+	x ' ; 9 2 ' jZ9 I(+CN	m+Z9] @X9 I(+CN	[' 'Z@ &J] ' w9–' &J f &-+X89@'X&-	(9' +&-+ J&@ t jj&w9–'
June 27, 2005	3,965,784*	4,326,784	10	10	-	Allotted pursuant to the Scheme of Amalgamation to Ashok Motilal Katariya, Satish Dhondulal Parakh, Asha Ashok Katariya, Sunil Bansilal Raisoni, Ashoka Builders (Nasik) Private Limited, Ashoka Buildwell & Developers Private Limited, Ashish A. Katariya, Shweta Ashok Katariya, Bansilal Balchand Raisoni, Pradeep Bansilal Raisoni, Pravin Bansilal Raisoni, Rajendra Bansilal Raisoni, Vimalabai Bansilal Raisoni, Surekha Pradeep Raisoni, Hemlata Pravin Raisoni, Sapana Rajendra Raisoni, Kalpana Sunil Raisoni, Kunal Pradeep Raisoni, Piyush Pravin Raisoni, Sagar Sunil Raisoni, Ashok Motilal Katariya (HUF), Shobha Satish Parakh, Snehal Satish Parakh, Aditya Satish Parakh, Satish Dhondulal Parakh (HUF), Padambai Fakirchand Pofaliya, Leelabai Kantilal Hiran, Gulabbai Dhondulal Parakh, Beena Ratanlal Lalwani, Narendra Ramswarup Shakadwipi, Rajdeep Buildcon Private Limited, Vimal Narendra Shakadwipi and Ashoka Bitucon Exim Private Limited**
December 24, 2007	39,164,316	45,691,702	10	10	Other than cash	Bonus in the ratio of 1:6

* *39,000 Equity Shares out of 3,965,784 Equity Shares allotted in accordance with the order of the Bombay High Court pursuant to the Scheme of Amalgamation have been cancelled.*

***For more details of the Scheme of Amalgamation, please see the section entitled "History and Certain Corporate Matters - Scheme of Amalgamation" on page 124 of this Draft Red Herring Prospectus.*

(c). Preference Share Capital History of the Company

c ' '9 &J t jj&w9–'	[&C&J] @J9@–; 9 "6' @+	f ZwZj' 'Xa9 [&C&J] @J9@–; 9 "6' @+	x ' ; 9 2 ' jZ9 I(+CN	m+Z9] @X9 I(+CN	[' 'Z@ &J] ' w9–' &J f &-+X89@'X&-	(9' +&-+ J&@ t jj&w9–'	f ZwZj' 'Xa9] ' X8S) z] @J9@–; 9 "6' @ f ' zX' j I(+CN
November 25, 1997	53,500*	53,500	100	100	Cash	Allotted to Ashoka Buildwell & Developers Private Limited, Ashoka Construwell Private Limited and Ashoka Builders (Nasik) Private Limited.	5,350,000
March 3, 2000	106,500*	160,000	100	100	Cash	Allotted to Ashoka Buildwell & Developers Private Limited, Ashoka Vastu Private Limited, Ashoka Construwell Private Limited and Ashoka Builders (Nasik) Private Limited.	16,000,000
November	450,000*	610,000	100	100	Cash	Allotted to	61,000,000

Date of Allotment	No. of Preference Shares	Cumulative No. of Preference Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment of Consideration	Reasons for Allotment	Cumulative Paid-Up Preference Share Capital (Rs.)
11, 2000						Ashoka Builders (Nasik) Private Limited and Ashoka Vastu Private Limited.	
December 3, 2004	-	313,000**	N.A.	N.A.	N.A.	297,000 preference shares were cancelled pursuant to the Scheme of Amalgamation	31,300,000
June 27, 2005	1,368,320***	1,681,320	100	100	Other than cash	Issued pursuant to the Scheme of Amalgamation to Ashok Motilal Katariya, Asha Ashok Katariya, Sunil Bansilal Raisoni, Ashoka Builders (Nasik) Private Limited, Ashish A. Katariya, Shweta Ashok Katariya, Bansilal Balchand Raisoni, Pradeep Bansilal Raisoni, Pravin Bansilal Raisoni, Rajendra Bansilal Raisoni, Vimalabai Bansilal Raisoni, Surekha Pradeep Raisoni, Hemlata Pravin Raisoni, Sapana Rajendra Raisoni, Kalpana Sunil Raisoni, Kunal Pradeep Raisoni, Piyush Pravin Raisoni, Sagar Sunil Raisoni, Ashok Motilal Katariya (HUF), Ashok C Luniya, Asrar Investments Limited, Paresh C Mehta, Piyush C Mehta, Kantilal Rupchand Bora and Geeta Kantilal Bora.	168,132,000

** The Company issued 610,000 6% redeemable, non-cumulative, non-convertible preference shares in three tranches. The preference shares shall be redeemed on the date following 10 years from the date of allotment or any other earlier date which the Board of Directors may deem fit subject to the to the approval of the preference shareholders and approval of any other institution/bank if required, to be obtained in the general meeting of the Company. A redemption premium of 100% of the face value of the preference shares will be paid at the time of the redemption subject to the permission of the Reserve Bank of India and any other applicable permission. The terms of the preference shares were modified at an EGM held on March 18, 2003 such that, the preference shares do not carry any dividend and the preference shares will be paid a redemption premium of Rs. 175 per share on the date of their maturity. The Company redeemed 28,500 preference shares on July 6, 2007. The RBI through letter no. FE.CO.FID/24989/10.78.000/2006-07 dated May 9, 2007 approved the redemption of such preference shares.*

*** 297,000 preference shares held by Ashoka Vastu Private Limited were cancelled in accordance with the Scheme of Amalgamation such that the total number of preference shares was reduced to 313,000.*

****The Company issued 1,368,320 6% redeemable, non-cumulative, non-convertible preference shares. The terms of the preference shares were modified at an EGM held on March 28, 2006 such that the preference shares will not carry any divided with effect from April 1, 2005 and will carry a redemption premium of 150% of the face value of the preference shares. The redemption schedule for these preference shares is as follows:*

- *349,470 preference shares were scheduled to be redeemed in December 2007. The Company prematurely redeemed 109,500 preference shares on July 6, 2007. The RBI through letter no. FE.CO.FID/28031/10.78.000/2006-2007 dated May 9, 2007 approved the premature redemption of the preference shares. The Company is in the process of redeeming the remaining 239,970 preference shares;*
- *488,350 preference shares shall be redeemed in December 2011;*
- *273,500 preference shares shall be redeemed in September 2011; and*
- *257,000 preference shares shall be redeemed in October 2012.*

2. **History of Equity Share Capital held by the Promoters**

Date of Allotment / Transfer	No. of Equity Shares Issued	Cumulative No. of Equity Shares	Face Value (Rs.)	Issue / Acquisition Price (Rs.)	Nature of Consideration	Nature of Transaction
Ashok M. Katariya						
May 15, 1993	10	10	10	10	Cash	Allotted to subscribers to Memorandum of Association
July 6, 1993	45	55	10	10	Cash	Purchase
March 24, 1995	3,000	3,055	10	10	Cash	Purchase
March 4, 2000	35,000	38,055	10	10	Cash	Purchase
June 27, 2005	594,661	632,716	10	-	-	In accordance with the Scheme of Amalgamation*
October 15, 2005	(173,200)	459,516	10	-	-	Gift
October 15, 2005	(25,590)	433,926	10	-	-	Gift
October 15, 2005	(7,961)	425,965	10	-	-	Gift
December 15, 2007	130,000	555,965	10	10	Cash	Allotment
December 24, 2007	3,335,790	3,891,755	10	-	-	Bonus Issue
May 25, 2009	338,030	4,229,785	10	5.16	Cash	Purchase
May 25, 2009	21,175	4,250,960	10	1.43	Cash	Purchase
Satish D. Parakh						
May 15, 1993	10	10	10	10	Cash	Allotted to subscribers to Memorandum of Association
March 24, 1995	125	135	10	10	Cash	Purchase
September 21, 2997	(1)	134	10	10	Cash	Transfer
March 4, 2000	20,000	20,134	10	10	Cash	Purchase

Date of Allotment / Transfer	No. of Equity Shares Issued	Cumulative No. of Equity Shares	Face Value (Rs.)	Issue / Acquisition Price (Rs.)	Nature of Consideration	Nature of Transaction
November 26, 2001	1	20,135	10	10	Cash	Purchase
June 27, 2005	165,120	185,255	10	-	-	In accordance with the Scheme of Amalgamation*
June 30, 2006	106,380	291,635	10	10	Cash	Allotment
December 15, 2007	210,195	501,830	10	10	Cash	Allotment
December 24, 2007	3,010,980	3,512,810	10	-	-	Bonus Issue in the ratio 1:6
May 25, 2009	276,570	3,789,380	10	5.16	Cash	Purchase
May 25, 2009	17,325	3,806,705	10	1.43	Cash	Purchase
May 25, 2009	122,850	3,929,555	10	1.43	Cash	Purchase
Ashish A. Katariya						
March 24, 1995	4,500	4,500	10	10	Cash	Allotment
March 4, 2000	17,525	22,025	10	10	Cash	Transfer/ Purchase
June 27, 2005	224,450	246,475	10	-	-	In accordance with the Scheme of Scheme of Amalgamation*
October 15, 2005	173,200	419,675	10	-	-	Gift
May 20, 2006	51	419,726	10	19.61	Cash	Purchase
June 30, 2006	15,100	434,826	10	10	Cash	Allotment
December 15, 2007	130,000	564,826	10	10	Cash	Allotment
December 24, 2007	3,388,956	3,953,782	10	10	-	Bonus Issue in the ratio 1:6
May 25, 2009	150,150	4,103,932	10	1.43	Cash	Purchase
Aditya S. Parakh						
March 24, 1995	2,000	2,000	10	10	Cash	Allotment
March 4, 2000	5,000	7,000	10	10	Cash	Transfer / purchase
June 27, 2005	164,800	171,800	10	-	-	In accordance with the Scheme of Amalgamation*
May 20, 2006	7,5190	246,990	10	-	-	Gift
December 24, 2007	1,481,940	1,728,930	10	-	-	Bonus Issue in the ratio 1:6

**For details please refer to section "Scheme of Amalgamation" in the "History and Certain Corporate Matters chapter on page 124 of this Draft Red Herring Prospectus.*

3. **Details of transactions in Equity Shares by the Directors, Promoters and Promoter Group entities during six months preceding the filing of this Draft Red Herring Prospectus with SEBI**

(a). Details of transactions in Equity Shares undertaken by Directors/ Promoters during six months preceding the filing of this Draft Red Herring Prospectus with SEBI:

Sr. No.	Name of the Director/ Promoter	Date of the Transaction	No. of Equity Shares	Transaction Price (Rs.)	Nature of Transaction
Promoters and Directors					
1.	Ashok M. Katariya	May 25, 2009	338,030	5.16	Purchase
2.	Satish D. Parakh	May 25, 2009	276,750	5.16	Purchase
3.	Ashok M. Katariya	May 25, 2009	21,175	1.43	Purchase
4.	Satish D. Parakh	May 25, 2009	17,325	1.43	Purchase
5.	Satish D. Parakh	May 25, 2009	122,850	1.43	Purchase
Promoters					
1.	Ashish A. Katariya	May 25, 2009	150,150	1.43	Purchase

(b). Details of transactions in Equity Shares undertaken by Promoter Group entities during six months preceding the filing of this Draft Red Herring Prospectus with SEBI:

Sr. No.	Name of the Promoter Group entity	Date of the Transaction	No. of Equity Shares	Transaction Price (Rs.)	Nature of Transaction
1.	A.P. Equipments through its nominee Ashok M. Katariya	May 25, 2009	(338,030)	5.16	Transfer
2.	A.P. Equipments through its nominee Satish D. Parakh	May 25, 2009	(276,570)	5.16	Transfer
3.	Ashoka Bitucon Exim Private Limited	August 6, 2009	(449,017)	2.80	Transfer
4.	Ashoka Bitucon Exim Private Limited	August 6, 2009	(548,978)	2.80	Transfer
5.	Ashoka Bitucon International Private Limited	August 6, 2009	(19,250)	1.43	Transfer
6.	Ashoka Bitucon International Private Limited	August 6, 2009	(15,750)	1.43	Transfer
7.	Ashoka Premises Private Limited as nominee of Ashoka Township	August 6, 2009	(2,414,082)	5.36	Transfer
8.	Ashoka Premises Private Limited as nominee of Ashoka Township	August 6, 2009	(1,975,158)	5.36	Transfer
9.	Ashish A. Katariya (HUF)	August 6, 2009	2,414,082	5.36	Purchase
10.	Ashok Motilal Katariya (HUF)	August 6, 2009	548,978	2.80	Purchase
11.	Ashok Motilal Katariya (HUF)	August 6, 2009	19,250	1.43	Purchase
12.	Satish Dhondulal Parakh (HUF)	August 6, 2009	449,017	2.80	Purchase
13.	Satish Dhondulal Parakh (HUF)	August 6, 2009	15,750	1.43	Purchase
14.	Satish Dhondulal Parakh (HUF)	August 6, 2009	1,975,158	5.36	Purchase
15.	Shubham Developers	May 25, 2009	(21,175)	1.43	Transfer

Sr. No.	Name of the Promoter Group entity	Date of the Transaction	No. of Equity Shares	Transaction Price (Rs.)	Nature of Transaction
	through its nominee Ashok M. Katariya				
16.	Shubham Developers through its nominee Satish D. Parakh	May 25, 2009	(17,325)	1.43	Transfer
17.	Ashoka Engineering Co. through its nominee Ashish A. Katariya	May 25, 2009	(150,150)	1.43	Transfer
18.	Ashoka Engineering Co. through its nominee Satish D. Parakh	May 25, 2009	(122,850)	1.43	Transfer
19.	Ayush A. Katariya*	May 25, 2009	41,090	-	Gift
20.	Ayush A. Katariya*	May 25, 2009	14,000	-	Gift
21.	Ayush A. Katariya*	May 25, 2009	14,350	-	Gift
22.	Ayush A. Katariya*	May 25, 2009	385	-	Gift
23.	Ayush A. Katariya*	August 6, 2009	548,978	2.80	Purchase
24.	Ayush A. Katariya*	August 6, 2009	19,250	1.43	Purchase

**Under guardianship of Astha Ashish Katariya.*

4. **Details of transactions in Preference Shares by the Promoters and Promoter Group Companies**

No Preference Shares have been sold or purchased by the Promoter and the Promoter Group Companies, during the period of six months preceding the date on which the Draft Red Herring Prospectus is filed with SEBI.

5. **Promoter Contribution and Lock-in**

(a). Details of Equity Shares Locked-in

The Promoters' shall contribute Equity Shares in the Issue constituting not less than 20% of the post-Issue capital, which shall be locked in for a period of three years from the date of Allotment in the Issue. The Equity Shares constituting Promoters' contribution are eligible therefor in terms of the SEBI Regulations.

The details of the Equity Shares held by Promoters, which are locked in for a period of three years from the date of allotment in the Issue are given below:

Sr. No.	Name of the Promoter	No. of Equity Shares	Date of Transfer/ Allotment	Face Value (Rs.)	Issue/ Acquisition Price per Equity Share (Rs.)	Nature of allotment	% of post-Issue paid-up capital
1.	Ashok M. Katariya	[●]	[●]	10	[●]	[●]	[●]
2.	Satish D. Parakh	[●]	[●]	10	[●]	[●]	[●]
3.	Ashish A. Katariya	[●]	[●]	10	[●]	[●]	[●]
4.	Aditya S. Parakh	[●]	[●]	10	[●]	[●]	[●]
Total		[●]	-	-	-	-	20.00

In addition to 20% of the post-Issue shareholding of the Company held by the Promoters and locked in for three years as specified above, the entire pre-Issue share capital of the Company will be locked in for a period of one year from the date of Allotment in this Issue. However, 7,137,319 Equity Shares held by IDFC PE II as on the date of this Draft Red Herring Prospectus shall not be subject to any lock-in as IDFC PE II is a venture capital fund and they have been holding the said Equity Shares for a period of more than one year prior to the date of this Draft Red Herring Prospectus.

Any Equity Shares allotted to Anchor Investors in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment of Equity Shares in the Issue.

(b). Other requirements in respect of lock-in

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

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

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

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

6. **Shareholding Pattern of the Company**

The shareholding pattern of the Company before and after the Issue is as under:

Category code	Category of shareholder	No. of shareholders	Pre-Issue		Post-Issue		Shares Pledged or otherwise encumbered	
			Total no. of Equity Shares	Shareholding percentage	Total no. of Equity Shares	Shareholding percentage	No. of Equity Shares	As a percentage
(A)	Shareholding of Promoter and Promoter Group							
(1)	Indian							
(a)	Individuals/ Hindu Undivided Family							
(i)	Ashok Motilal Katariya	-	4,250,960	9.30	4,250,960	[●]	-	-
(ii)	Ashish A. Katariya	-	4,103,932	8.98	4,103,932	[●]	-	-
(iii)	Astha Ashish Katariya	-	3,039,757	6.65	3,039,757	[●]	-	-
(iv)	Asha Ashok Katariya	-	2,635,080	5.77	2,635,080	[●]	291,650	0.64
(v)	Ashok Motilal Katariya (HUF)	-	2,060,030	4.51	2,060,030	[●]	55,800	0.12
(vi)	Ashish A. Katariya (HUF)	-	3,651,862	7.99	3,651,862	[●]	-	-
(vii)	Shweta Ashok Katariya	-	425,000	0.93	425,000	[●]	24,800	0.05
(viii)	Ayush Ashish Katariya (U/G Astha A. Katariya)	-	637,873	1.40	637,873	[●]	-	-

Category code	Category of shareholder	No. of shareholders	Pre-Issue		Post-Issue		Shares Pledged or otherwise encumbered	
			Total no. of Equity Shares	Shareholding percentage	Total no. of Equity Shares	Shareholding percentage	No. of Equity Shares	As a percentage
(ix)	Satish Dhondulal Parakh	-	3,929,555	8.60	3,929,555	[●]	-	-
(x)	Shobha Satish Parakh	-	3,510,850	7.68	3,510,850	[●]	158,221	0.35
(xi)	Aditya Satish Parakh	-	1,728,930	3.78	1,728,930	[●]	-	-
(xii)	Satish Dhondulal Parakh (HUF)	-	3,593,525	7.86	3,593,525	[●]	-	-
(xiii)	Snehal Satish Parakh	-	350,000	0.77	350,000	[●]	-	-
(xiv)	Sunil Bansilal Raisoni	-	1,977,213	4.33	1,977,213	[●]	219,039	0.48
(xv)	Kalpana Sunil Raisoni	-	736,470	1.61	736,470	[●]	75,000	0.16
(xvi)	Sagar Sunil Raisoni	-	499,100	1.09	499,100	[●]	-	-
(xvii)	Narendra Ramswarup Shakadwipi	-	542,388	1.19	542,388	[●]	-	-
(xviii)	Sanjay Prabhakar Londhe	-	98,763	0.22	98,763	[●]	-	-
(xix)	Vimal Narendra Shakadwipi	-	15,925	0.03	15,925	[●]	-	-
(xx)	Nishant Narendra Shakadwipi	-	10,500	0.02	10,500	[●]	-	-
	Sub-Total (A)(1)(a)	20	37,797,713	82.73	37,797,713	[●]	824,510	1.80
(b)	Central Government/ State Government(s)	-	-	-		-	-	-
(c)	Bodies Corporate							
(i)	Ashoka Buildwell & Developers Pvt.Ltd.	-	17,990		17,990		1,550	
(ii)	Ashoka Builders (Nasik) Pvt. Ltd.	-	7,140		7,140			
	Sub-Total (A)(1)(c)	2	25,130	0.05	25,130	0.05	1,550	6.17
(d)	Financial Institutions/ Banks	-	-	-		-	-	-
(e)	Any Other – AOP (specify)							
(i)	Ashoka Township	1	731,540	1.60	731,540	1.44	731,540	100.00
	Sub-Total (A)(1)	23	38,554,383	84.38	38,554,383	75.90	1,557,600	4.04
(2)	Foreign							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-
(d)	Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total (A)(2)	23	38,554,383	84.38	38,554,383	75.90	1,557,600	3.41
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	23	38,554,383	84.38	38,554,383	75.90	1,557,600	3.41
(B)	Public shareholding							
(1)	Institutions							
(a)	Mutual Funds/ UTI	-	-	-	-	-	-	-
(b)	Financial Institutions/ Banks							
(i)	IDFC PE II	1	7,137,319	15.62	7,137,319	14.05	-	-
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-
(f)	Foreign Institutional Investors	-	-	-	-	-	-	-
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-
(h)	Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total (B)(1)	1	7,137,319	15.62	7,137,319	14.05	-	-
(2)	Non-institutions							
(a)	Bodies Corporate	-	-	-		-	-	-
(b)	Individuals - i. Individual shareholders holding nominal share capital up to Rs. 1 lakh. ii. Individual	-	-	-		-	-	-

Category code	Category of shareholder	No. of shareholders	Pre-Issue		Post-Issue		Shares Pledged or otherwise encumbered	
			Total no. of Equity Shares	Shareholding percentage	Total no. of Equity Shares	Shareholding percentage	No. of Equity Shares	As a percentage
	shareholders holding nominal share capital in excess of Rs. 1 lakh.							
(c)	Any Other (specify)	-	-	-	-	-	-	-
(d)	Public shareholding pursuant to the Issue	-	-	-	[•]	[•]		
	Sub-Total (B)(2)	-	-	-	[•]	-	-	-
	Total Public Shareholding (B)= (B)(1)+(B)(2)	1	7,137,319	15.62	12,237,319	24.09		
	TOTAL (A)+(B)	24	45,691,702	100.00	50,791,702	100.00	1,557,600	3.41

7. **Equity Shares held by top ten shareholders**

The details of the top ten shareholders of the Company and the number of Equity Shares held by them are as under:

(a). As on the date of, and ten days prior to filing of this Draft Red Herring Prospectus:

Sr. No.	Name of the shareholder	No. of Equity Shares	Percentage
•	IDFC PE II	7,137,319	15.62
•	Ashok Motilal Katariya	4,250,960	9.30
•	Ashish A. Katariya	4,103,932	8.98
•	Satish Dhondulal Parakh	3,929,555	8.60
•	Ashish A. Katariya (HUF)	3,651,862	7.99
•	Satish Dhondulal Parakh (HUF)	3,593,525	7.86
•	Shobha Satish Parakh	3,510,850	7.68
•	Astha Ashish Katariya	3,039,757	6.65
•	Asha Ashok Katariya	2,635,080	5.77
•	Ashok Motilal Katariya (HUF)	2,060,030	4.51
	TOTAL	**37,912,870**	**82.96**

(b). Two years prior to filing of this Draft Red Herring Prospectus:

Sr. No.	Name of the shareholder	No. of Equity Shares	Percentage
1.	IDFC PE II	1,019,617	18.18
2.	Ashoka Township	731,540	13.04
3.	Ashish A. Katariya	434,826	7.75
4.	Ashok M. Katariya	425,965	7.60
5.	Asha A. Katariya	376,440	6.71
6.	Shobha S. Parakh	358,550	6.39
7.	Ashok M. Katariya (HUF)	294,290	5.25
8.	Satish D. Parakh	291,635	5.20
9.	Sunil B. Raisoni	278,275	4.96
10.	Aditya S. Parakh	246,990	4.40
	TOTAL	**4,458,128**	**79.48**

8. **Employee stock option scheme**

Except for options granted under our employee stock option plan ("ESOP"), there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into the Equity Shares.

We have an employee stock option scheme in force, which is applicable to all our Directors, and employees:

ESOP scheme	Outstanding Options	Remarks
Ashoka Buildcon Limited Employee Stock Option Scheme, 2007	758,321	The special resolution passed by the Company at its EGM dated December 15, 2007 approved the grant of up to 163,200 Equity Shares of the Company subject to any issue of equity shares by way of bonus or rights issues. The Company made a bonus issue of 39,164,316 Equity Shares on December 24, 2007. Accordingly, upto 1,142,400 Equity Shares can be issued in respect of the options granted in accordance with the ESOP Scheme.

(a) ESOP 2007

Particulars	Details
Options granted	758,321
Exercise price of options	Rs. 190 per option
Total options vested	Nil
Options exercised	Nil
Total number of equity shares that would arise as a result of full exercise of options already granted	758,321
Options forfeited/ lapsed/ cancelled	Nil
Variations in terms of options	*Loyalty Options:* Loyalty options are proposed to be granted to employees for their past association and performance during such period. A benefit of 10% of "CTC" for each completed year of service as on November 30, 2007 will be considered while granting loyalty options. The vesting of Loyalty Options is linked to the continued association of the employee with the Company and will therefore vest based on the passage of time. *Growth Options:* Growth options are to be granted to those employees who are either in the top or middle management cadre. The number of growth options would be based on the "CTC" of the employees, along with their performance ratings to be reviewed every year by the Compensation Committee. The vesting of Growth Options is linked to the continued association of the employee with the Company and individual performance.
Money realised by exercise of options	N.A.
Options outstanding (in force)	758,321
Person wise details of options granted to	
i) Directors and senior managerial personnel	Please see Note 1 below
ii) Any other employee who	Nil

<table>
<tr><th>Particulars</th><th colspan="2">Details</th></tr>
<tr><td>received a grant in any one year of options amounting to 5% or more of the options granted during the year</td><td colspan="2"></td></tr>
<tr><td>iii) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant</td><td colspan="2">Nil</td></tr>
<tr><td>Fully diluted EPS on a pre-Issue basis</td><td colspan="2">As on March 31, 2009 – Rs. 10.46 (On a unconsolidated basis)
As on March 31, 2009 – Rs. 7.62 (On a consolidated basis)</td></tr>
<tr><td rowspan="16">Vesting schedule</td><td colspan="2">Loyalty Options</td></tr>
<tr><td>Time from date of Grant*</td><td>Percentage of Shares Vesting (%)</td></tr>
<tr><td>12 months</td><td>20</td></tr>
<tr><td>24 months</td><td>20</td></tr>
<tr><td>36 months</td><td>20</td></tr>
<tr><td>48 months</td><td>20</td></tr>
<tr><td>60 months</td><td>20</td></tr>
<tr><td colspan="2">Growth Options</td></tr>
<tr><td colspan="2">20% of the options granted would vest based on the passage of time. The employee would be entitled to 20% of the options granted so long as he continues in the employment of the Company.

80% of the options granted would vest each year based on the individual performance in the immediately preceding year. The vesting % on achieving specific performance is as follows:</td></tr>
<tr><td>Achievement of Performance Rating</td><td>% Vesting</td></tr>
<tr><td>A</td><td>100%</td></tr>
<tr><td>B</td><td>60%</td></tr>
<tr><td>C</td><td>25%</td></tr>
<tr><td>D</td><td>0%</td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td>Lock-in</td><td colspan="2">Nil</td></tr>
<tr><td>Impact on profits of the last three years</td><td colspan="2">Nil</td></tr>
<tr><td>Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation that shall have been recognised if it had used the fair value of options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.</td><td colspan="2">N.A.</td></tr>
<tr><td>Weighted average exercise prices and weighted average fair values of options shall be disclosed for options whose exercise price either equals or exceeds or is less than the market price of the</td><td colspan="2">N.A.</td></tr>
</table>

Particulars	Details
stock.	
A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information: (i) risk free interest rate; (ii) expected life; (iii) expected volatility; (iv) expected dividend; and (v) the price of the underlying share in market at the time of option grant	N.A.
The impact on profits and on the EPS of the last three years if the company had followed policies specified in clause 13 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 in respect of options granted in the last three years	N.A.
The intention of the holders of shares allotted on exercise of options granted under ESOS or allotted under ESPS, to sell their shares within three (3) months after the date of listing of shares in such IPO (aggregate number of shares intended to be sold by option holders), if any, has to be disclosed. In case of ESOS the same shall also be disclosed regardless of whether the shares arise out of options exercised before or after the IPO	N.A.

**The vesting was postponed by a period of one year by the Board of Directors at its meeting held on November 17, 2008.*

The Directors and senior managerial personnel of the Company have confirmed that they do not intend to sell any Equity Shares arising from such options for three months after the listing of the Equity Shares in this Issue.

Note 1: Details regarding options granted to our Directors and our key managerial employees are set forth below:

Name of director/ Key Managerial Personnel	Total No. of options granted under ESOP 2007	Type of options granted under ESOP 2007	No. of options exercised under ESOP 2007	Total No. of options outstanding under ESOP 2007	No. of Equity Shares held
Sanjay P. Londhe *(Executive Director – non Board)*	107,153	*Growth Options*: 64,190 *Loyalty Options*: 42,963	Nil	107,153	98,763
Dilipbhai D. Kothari *(Executive*	13,484	*Growth Options:* 10,520	Nil	13,484	Nil

Name of director/ Key Managerial Personnel	Total No. of options granted under ESOP 2007	Type of options granted under ESOP 2007	No. of options exercised under ESOP 2007	Total No. of options outstanding under ESOP 2007	No. of Equity Shares held
Director – non Board)		*Loyalty Options:* 2,964			
Shrikant P. Shukla *(Vice President – Technical)*	18,353	*Growth Options:* 11,230 *Loyalty Options:* 7,123	Nil	18,353	Nil
Paresh C. Mehta *(Vice President – Finance and Accounts)*	14,073	*Growth Options:* 11,290 *Loyalty Options:* 2,783	Nil	14,073	Nil
Pradeep Nayyar *(Deputy General Manager, Projects)*	9,277	*Growth Options*: 8,390 *Loyalty Options*: 887	Nil	9,277	Nil
Deepak H. Bhagat *(Deputy General Manager - Legal)*	8,897	*Growth Options*: 5,960 *Loyalty Options*: 2,937	Nil	8,897	Nil
Suresh M. Wagh *(Deputy General Manager - Technical)*	8,839	*Growth Options:* 5,920 *Loyalty Options:* 2,929	Nil	8,839	Nil
Peeyush Jain *(Deputy General Manager - Accounts)*	8,613	*Growth Options:* 7,550 *Loyalty Options:* 1,063	Nil	8,613	Nil
Manoj Kulkarni *(Company Secretary)*	2,057	*Growth Options:* 1,890 *Loyalty Options:* 167	Nil	2,057	Nil
Sandeep Bamb (*Deputy General Manager - Finance*)	7450	*Growth Options:* 5,970 *Loyalty Options:* 1,480	Nil	7450	Nil

9. The Company, Promoters, Directors, the BRLMs and the CBRLM have not entered into any buy-back arrangements and/or safety net facility for the purchase of Equity Shares from any person.

10. Except as stated in the section entitled "Our Management" on page 145 of this Draft Red Herring Prospectus, none of our Directors or Key Managerial Personnel hold any Equity Shares in the Company.

11. The Company has not raised any bridge loan against the proceeds of the Issue. For details on use of proceeds, see the section entitled "Objects of the Issue" on page 46 of this Draft Red Herring Prospectus.

12. Except as stated in note 4 above, our Promoters, Directors, and our Promoter Group have not purchased or sold any Equity Shares within the six months preceding the date of filing this Draft Red Herring Prospectus.

13. At least 60% of the Net Issue shall be allocated to QIBs on a proportionate basis. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation to Mutual Funds only and the remaining QIB Portion shall be available for allocation to the QIB Bidders including Mutual Funds subject to valid Bids being received at or above the Issue Price. Further, not less than 10% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue will be available for allocation to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price. Under-subscription, if any, in the Non-Institutional and Retail Individual categories would be allowed to be met with spill over from any other category at the discretion of the Company, the BRLMs and the CBRLM.

14. A total of up to [●] Equity Shares has been reserved for allocation to Eligible Employees, subject to valid Bids being received at or above the Issue Price and subject to the maximum Bid in this portion being [●]. Only Eligible Employees would be eligible to apply in this Issue under the Employee Reservation Portion, on a competitive basis. Bid/ Application by Eligible Employees can be made also in the "Net Issue" and such Bids shall not be treated as multiple Bids.

15. Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue. In case of under-subscription in the Net Issue, spill-over to the extent of under-subscription shall be permitted from the Employee Reservation Portion subject to the Net Issue being at least 10% of the post Issue capital. Under-subscription, if any, in any category, except the QIB Portion, would be met with spill over from other categories at our discretion in consultation with the BRLMs and the CBRLM.

16. An oversubscription to the extent of 10% of the Net Issue can be retained for the purposes of rounding off to the nearer multiple of minimum allotment lot.

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

18. Except as stated above, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.

19. There would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of the Draft Red Herring Prospectus with SEBI until the Equity Shares offered hereby have been listed.

20. The Company presently does not have any intention or proposal to alter capital structure for a period of six months commencing from the date of opening of this Issue, by way of split/ consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or otherwise. However, during such period or at a later date, we

may issue Equity Shares pursuant to our employee stock option plan or issue equity shares or securities linked to equity shares to finance an acquisition, merger or joint venture by us or as consideration for such acquisition, merger or joint venture, or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by our Board to be in our interest.

21. The Company has not issued any Equity Shares out of revaluation reserves or for consideration other than cash except as stated in the Equity Share Capital History table above.

22. The Equity Shares being offered in this Issue will be fully paid up at the time of Allotment.

23. There will be only one denomination of the Equity Shares of the Company unless otherwise permitted by law and the Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

24. No person connected with the Issue shall offer any incentive, whether direct or indirect, in any manner, whether in cash, kind, services or otherwise, to any Bidder.

25. The Equity Shares held by the Promoters are not subject to any pledge.

26. As of the date of this Draft Red Herring Prospectus, we had 24 members.

OBJECTS OF THE ISSUE

The Company intends to utilise the Issue Proceeds, after deducting the underwriting and issue management fees, selling commissions and other expenses associated with the Issue (the "Net Proceeds") for the following objects:

1. Investment in capital equipment;
2. To meet working capital requirements;
3. Prepayment/ repayment of project loans of the Company;
4. Funding certain Subsidiaries for prepayment/ repayment of their loans;
5. General corporate purposes; and
6. To achieve the benefits of listing our Equity Shares.

The details of the Net Proceeds are summarised in the table below:

Particulars	Amount (In Rs. million)
Proceeds from the Issue	2,250
Issue related expenses	[●]
Net Proceeds*	[●]

**To be finalised upon completion of the Issue.*

The main objects and objects incidental and ancillary to the main objects set out in our Memorandum of Association enable us to undertake our existing activities and the activities for which funds are being raised by us through this Issue.

We may have to revise our expenditure and fund requirements as a result of variations in cost estimates on account of variety of factors such as changes in design or configuration of the project, incremental pre-operative expenses and external factors such as geological assessments which may not be within the control of our management and may entail rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of our management. In case of any surplus after utilization of the proceeds from the Issue for the stated objects, we may use such surplus towards general corporate purposes. In the event of a shortfall in raising the requisite capital from the proceeds of the Issue towards meeting the objects of the Issue, the extent of the shortfall will be met by way of such means available to the Company, including by way of incremental debt or cash available with us.

Utilisation of the Issue Proceeds

Sr. No.	Particulars	Schedule of Utilisation (In Rs. million)			
		April 1, 2009 to March 31, 2010	April 1, 2010 to March 31, 2011	April 1, 2011 to March 31, 2012	Total
1.	Investment in capital equipment	140.00	110.00	-	250.00
2.	To meet working capital requirements	450.00	-	-	450.00
3.	Prepayment/ repayment of project loans of the Company	550.00	-	-	550.00
4.	Funding certain Subsidiaries for prepayment/ repayment of their loans	600.00	-	-	600.00

Sr. No.	Particulars	Schedule of Utilisation (In Rs. million)			
		April 1, 2009 to March 31, 2010	April 1, 2010 to March 31, 2011	April 1, 2011 to March 31, 2012	Total
5.	General Corporate Purposes	[●]	[●]	[●]	[●]
6.	Issue Expenses	[●]	-	-	[●]
Total		[●]	[●]	[●]	[●]

1. Investment in Capital Equipment

We are required to make investments in capital equipment on a recurring basis due to the nature of the industry we operate in. We intend to use Rs. 250.00 million from the Net Proceeds for the purchase of capital equipment to meet the requirements of our various projects based on our order book of projects as of July 31, 2009 and future requirements as estimated by the management.

The following table sets out the equipments that are currently under consideration for placement of order:

Sr. No.	Description	Purchase Quantity		Unit Cost* (In Rs. million)	Total Amount (In Rs. million)		Quotation obtained from
		Fiscal 2010	Fiscal 2011		Fiscal 2010	Fiscal 2011	
1.	Excavator	4	-	4.85	19.40	0.00	Suyaan Infrastructure Private Limited
2.	JCB Backhoe loader	2	2	2.06	4.11	4.11	Suyaan Infrastructure Private Limited
3.	Wheel Loader 1.7 CUM	2	2	2.91	5.83	5.83	Suyaan Infrastructure Private Limited
4.	Vibro Roller Soil Compactor	4	-	1.80	7.18	0.00	Escorts Construction Equipment Limited
5.	Tandom Roller	4	-	1.92	7.66	0.00	Escorts Construction Equipment Limited
6.	Hydra Crane 14	5	-	1.14	5.70	0.00	Escorts Construction Equipment Limited
7.	D.G. 500 kva	3	-	2.69	8.06	0.00	Powerica Limited
8.	DG 380 KVA	1	-	1.86	1.86	0.00	Powerica Limited
9.	D.G. 125 kva	3	-	0.62	1.85	0.00	Powerica Limited
10.	D.G. 40 kva	6	-	0.37	2.19	0.00	Powerica Limited
11.	D.G. 15 kva	5	-	0.22	1.08	0.00	Larsen & Toubro Limited
12.	DG 20 KVA	3	-	0.26	0.78	0.00	Larsen & Toubro Komatsu Limited
13.	WMM Plant 200 TPH	1	-	3.10	3.10	0.00	Gujarat Apollo Industries Limited
14.	Hot Mix Plant 200 TPH	1	1	27.20	27.20	27.20	Gujarat Apollo Equipments Limited
15.	Asphalt 09 Mtr Paver	-	1	9.99	0.00	9.99	Wirtgen India Private Limited
16.	WMM Paver 9 Mtr Width	-	1	3.15	0.00	3.15	Gujarat Apollo Industries Limited
17.	Kerb Laying Machine	-	1	2.50	0.00	2.50	Unipave Engineering Products
18.	Tractor	6	4	0.43	2.55	1.70	Macons Equipments
19.	Tractor Trolly	6	4	0.13	0.78	0.52	Tractor House
20.	Mobile Tower Crane	1	-	2.50	2.50	0.00	Escorts Construction Equipment Limited
21.	Weigh Bridge 60 MT	2	2	0.63	1.25	1.25	Eagle Weigh Instruments (I) Private Limited
22.	Compressor	2	2	0.62	1.23	1.23	Three S Entreprises
23.	Diesel Distribution Unit	2	1	0.72	1.43	0.72	Pawar Automobiles

Sr. No.	Description	Purchase Quantity		Unit Cost* (In Rs. million)	Total Amount (In Rs. million)		Quotation obtained from
		Fiscal 2010	Fiscal 2011		Fiscal 2010	Fiscal 2011	
	(Eicher Chassis+Tank Fab)						
24.	Diesel Distribution Unit Tank Fab	2	1	0.15	0.29	0.15	Spire Tanks & Vessels Private Limited
25.	28 CUM Tipper	2	1	2.54	5.07	2.54	Tata Motors Limited
26.	14 CUM Tipper	10	20	1.96	19.57	39.15	Tata Motors Limited
27.	Transit Mixer 6 CUM	0	9	2.67	0.00	24.00	Tata Motors Limited
28.	Bitumen Tanker (Tata Chassis 3118/52)	1	1	1.59	1.59	1.59	Tata Motors Limited
29.	Bitumen Tanker Tank fab fabrication	1	1	0.39	0.39	0.39	Spire Tanks & Vessels Private Limited
30.	FO Tanker (Tata 2516/48)	1	1	1.21	1.21	1.21	Tata Motors Limited
31.	FO Tanker tank fab	1	1	1.85	1.85	1.85	Spire Tanks & Vessels Private Limited
32.	Water Tanker (tata 1613/42 chassis)	4	-	0.92	3.66	0.00	Tata Motors Limited
33.	Water Tanker tank fab	4	-	0.13	0.50	0.00	Bhagwati Enterprises
34.	Trailer TATA LPS 3516	1	1	1.99	1.99	1.99	Tata Motors Limited
35.	Bitumen Bouzer (Tata 1109/42 cabin chassis)	2	-	0.77	1.55	0.00	Tata Motors Limited
36.	Bitumen Bouzer bitumen pressure distrubutor ApolloATM 6000)	2	-	0.78	1.55	0.00	Gujarat Apollo Industries Limited
37.	LMV	10	6	0.47	4.67	2.80	Tata Motors Limited
Total					**149.62**	**133.84**	-

Subject to applicable taxes.

We purchase the equipments set out above on a regular basis in the course of our business. The prices for the equipments proposed to be purchased as set out above are as per quotations received from the respective suppliers in August 2009. We will obtain fresh quotations at the time of actual placement of the order for the respective equipment.

The estimated expenditure plan has not been appraised by an independent organization. In addition, the Company's capital expenditure plans are subject to a number of variables, including possible cost overruns, construction delays or defects and changes in the management's views of the desirability of current plans, among others.

2. Working capital

Our business is working capital intensive and we avail majority of our working capital in the ordinary course of our business from various banks. As of the date of this Draft Red Herring Prospectus, the Company's working capital facility consisted of an aggregate fund based limit of Rs. 1,000.00 million and an aggregate non-fund based limit of Rs. 6,000.00 million. As of June 30, 2009 the aggregate amounts outstanding under the fund based and non-fun based working capital facilities was Rs. 171.03 million and Rs. 2,618.58 million, respectively. For further details of the working capital facility currently availed by us, please see the section entitled "Indebtedness" on page 184 of this Draft Red Herring Prospectus.

The Company requires additional working capital for executing its outstanding Order Book. As on June 30, 2009, the unexecuted Order Book of the Company was Rs. 17,849.99 million. For further details of the order book availed by us, please see the section entitled "Business" on page 85 of this Draft Red Herring Prospectus.

Basis of estimation of working capital requirement

The details of the Company's working capital requirements as at March 31, 2009 and funding of the same are as set out in the table below:

Sr. No.	Particulars	As at March 31, 2009 (In Rs. million)
I.	***Current Assets***	
1.	Inventories	670.02
(a).	*Raw material*	131.54
(b).	*Work-in-progress*	538.48
(c).	*Finished goods*	0.00
2.	Sundry debtors (due within six months)	649.24
3.	Cash and bank balances (net of overdraft against deposit)	419.92
4.	Loans and advances	2,060.90
	Total current assets (A)	**3,800.08**
II.	***Current Liabilities***	
1.	Creditors	1,333.52
2.	Other current liabilities	1,314.69
	Total current liabilities (B)	2,648.21
III.	**Total Working Capital Requirements (A - B)**	**1,151.87**
IV.	**Proposed Funding Pattern**	
1.	Working Capital funding from banks	680.66
2.	Borrowing from group concern and internal accruals	471.21

The details of the Company's expected working capital requirements as at March 31, 2010 and funding of the same are as set out in the table below:

Sr. No.	Particulars	As at March 31, 2010 (In Rs. million)
I.	***Current Assets***	
1.	Inventories	976.79
(a).	*Raw material*	207.58
(b).	*Work-in-progress*	769.21
(c).	*Finished goods*	0,00
2.	Sundry debtors	1,771.83
3.	Cash and bank balances	2,766.00
4.	Loans and advances	885.00
	Total current assets (A)	**6,399.62**
II.	***Current Liabilities***	
1.	Creditors	877.93
2.	Other current liabilities	2,997.25
	Total current liabilities (B)	3,875.18
III.	**Total Working Capital Requirements (A - B)**	**2,524.44**
IV.	**Proposed Funding Pattern**	
1.	Working capital funding from banks*	1,000
2.	Own funds	574.44
3.	Others – enhanced working capital funding from banks**	500.00
4.	Part of the Issue proceeds	450.00
	Total	**2,524.44**

**The Company has entered into a working capital loan agreement dated September 28, 2007 with a consortium of banks for an aggregate working capital demand loan amount of Rs. 1,000 million and aggregate non-fund based limit of Rs. 6,000 million. For further details, please see the section entitled "Indebtedness" on page 184 of this Draft Red Herring Prospectus.*

***The Company proposes to avail additional working capital facility of Rs. 500 million from various lenders.*

Assumptions for working capital requirements

Holding Levels

Sr. No.	Particulars	No. of days
1.	Inventories	
(a).	*Raw material*	8
(b).	*Work-in-progress*	30
(c).	*Finished goods*	0
2.	Sundry debtors	60

3. Prepayment/ repayment of project loans availed by the Company

The Company has availed various loan facilities to finance its projects. As on July 31, 2009, the principal amount outstanding under the project loan facilities availed by the Company aggregated Rs. 1,186.25 million. The Company will utilise an amount of Rs. 550.00 million out of the Issue proceeds to repay/ prepay certain of its outstanding loans. The details of the loans proposed to be repaid/pre-paid out of Issue proceeds are provided in the table below:

(In Rs. million)

Sr. No.	Name of the lender	Date of the loan facility agreement	Total Amount (In Rs. million)	Principal amount outstanding as on July 31, 2009 (In Rs. million)	Repayment Date/ schedule	Interest (%)	Purpose for availing the loan facility	Amount proposed to be repaid out of the Issue proceeds (In Rs. million)
1.	IDFC	June 19, 2003	380.00	157.44	Repayable in 102 installments by December 2011.*	12.07	Ahmednagar-Karmala Road Project	120.00
2.	IDFC	September 21, 2005	450.00	405.72	Repayable in 105 installments by December 2014*.	12.07	Ahmednagar-Karmala Road Project	300.00
3.	IDFC	August 28, 2007	670.00	623.09	Repayable in 102 equal monthly installments with the last date of payment being March 15, 2017**.	11.11	Ahmednagar - Aurangabad Road Project	130.00
TOTAL			1,500.00	1,186.25	-	-	-	550.00

** For any prepayment, the Company is required to give at least 30 days' prior notice. Prepayment shall be subject to prepayment penalty/ charges at such rate(s) as the lenders may stipulate on receipt of notice of intended prepayment. However, no penalty will be payable if the prepayment is made after the expiry of 5 years from the date of last disbursement of the loan.*
*** For any prepayment, the Company is required to give at least 21 days' prior notice. Prepayment shall be subject to prepayment penalty/ charges at such rate(s) as the lenders may stipulate on receipt of notice of intended prepayment.*

4. Funding certain Subsidiaries for prepayment/ repayment of their loans

Certain subsidiaries of the Company have availed of loan facilities from a number of banks/ financial institutions and other lenders for the projects being undertaken by such subsidiaries. These loan facilities aggregated to Rs. 1,494.20 million as on July 31, 2009. As on July 31, 2009, the principal amount outstanding from the subsidiaries under these facilities was Rs. 942.54 million. The Company will utilise an amount of Rs. 600 million out of the Issue proceeds to fund the subsidiaries in order to enable such subsidiaries to repay project loans availed by them. The details of the loan amounts proposed to be repaid out of Issue proceeds are provided in the table below:

Sr. No.	Name of the Subsidiary	Date of the loan facility agreement	Name of the lender	Total Amount (In Rs. million)	Principal amount outstanding as on July 31, 2009 (In Rs. million)	Repayment Date/ schedule	Interest (%)	Purpose for availing the loan facility	Amount proposed to be repaid out of the Issue proceeds (In Rs. million)
1.	Ashoka-DSC Katni Bypass Road Private Limited	January 28, 2008		Aggregate = 434.20*	399.55*	84 structured monthly installments commencing from April 2008.		Katni Bypass Project	270.00
			Bank of India	234.20*	215.73*		1.25% below BPLR subject to a minimum of 12.00% p.a.**		
			The Federal Bank Limited	200.00	183.82		1.25% below BPLR subject to a minimum of 12.00% p.a.**		
2.	Ashoka Infrastructure Limited	September 26, 2003		Aggregate = 1,060.00	Aggregate = 542.99	Repayment shall be in 72 unequal installments commencing from November 2005 or 6 months from the date of commencement of toll collection by the Company, whichever is earlier.***	BPLR subject to a minimum of 12.00% p.a.	Pune Shirur Project	330.00
			Bank of India Limited	230.00	118.43				
			Oriental Bank of Commerce	207.00	104.62				
			Allahabad Bank	173.00	88.85				
			Indian Overseas Bank Limited	173.00	86.14				
			Indian Bank	104.00	53.67				
			SIDBI	173.00	91.28				
									600.00

* *Including non fund base limit of Rs. 4.2 million.*
** *In case of any default in repayment, the defaulted amount shall carry an additional penal rate of 2% p.a., compounded at monthly rests, or at such other rate(s) as may be notified to the borrower by the lenders from time to time.*
*** *For any prepayment, the Company is required to give at least 30 days' prior notice. Prepayment shall be subject to prepayment penalty/ charges at such rate(s) as the lenders may stipulate on receipt of notice of intended prepayment.*

Details of fund deployment

1. Ashoka-DSC Katni Bypass Road Private Limited

The details of utilisation of funds for Katni Bypass Project through project loans and share capital as of July 31, 2009, as certified by Sanjay V. Goyal & Co., Chartered Accountants through certificate dated September 5, 2009, are provided in the following table:

Sr. No.	Particulars	Amount (In Rs. million)
1.	EPC Cost	619.48
2.	Preliminary expenses	24.72
3.	Finance cost	4.79
4.	Interest during construction period	56.16
Total		**705.15**

2. Ashoka Infrastructure Limited

The details of utilisation of funds for Pune Shirur Project through project loans, share capital and premium of Rs. 530 million as at July 31, 2009, as certified by M P Chitale & Co., Chartered Accountants through certificate dated September 14, 2009, is provided in the following table:

Sr. No.	Particulars	Amount (In Rs. million)
1.	EPC Cost	1,387.21
2.	Preliminary expenses	2.88
3.	Finance cost	33.98
4.	Interest during construction period	103.84
Total		**1,527.91**

5. General Corporate Purposes

As part of our on-going business strategy, we have bid for and we will continue to bid for various infrastructure projects on a BOT or EPC basis and invest in SPVs. If and when our bids are successful, to be able to undertake such projects, we would be required to form SPVs to facilitate the execution of such projects. The civil engineering and construction industry is dynamic in nature and the Company's plan and strategy will depend on future additions in the Order Book, the types of contracts and the schedule of execution of different contracts. We intend to deploy the balance Proceeds from the Issue aggregating Rs. [●] million, towards General Corporate Purposes, including but not restricted to meeting working capital requirements, strategic initiatives, partnerships, joint ventures, meeting exigencies, which the Company in the ordinary course of business may face, or any other purposes as approved by our Board.

The management in accordance with the policies established by the Board, will have flexibility in applying the portion of the net proceeds allocated for investments in SPVs for general corporate purposes. Whilst, we expect to utilize the Issue proceeds in the manner provided above, the Board shall have flexibility in utilizing the Issue proceeds for other new projects including those secured by us through a bidding process or through negotiations.

6. Benefits of Listing

We believe that the listing of Equity Shares will *inter alia*, enhance our visibility and brand name among our existing and potential customers.

Bridge Financing Facilities

The Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the proceeds of this Issue.

Interim use of Net Proceeds

The Company, in accordance with the policies formulated by its Board from time to time, will have flexibility in deploying the proceeds received from the Issue. The particular composition, timing and schedule of deployment of the Net Proceeds will be determined by the Company based on the development of the projects. Pending utilization of the proceeds out of the Issue for the purposes described above, the Company intends to temporarily invest the funds in interest bearing liquid instruments including deposits with banks and investments in money market mutual funds and other financial products and investment grade interest bearing securities as may be approved by the Board.

Issue Expenses

The Issue related expenses consist of underwriting fees, selling commission, fees payable to the BRLMs and the CBRLM to the Issue, legal counsels, Bankers to the Issue, Escrow Bankers and Registrars to the Issue, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges. We intend to use about Rs. [●] million towards these expenses for the Issue. All expenses with respect to the Issue will be borne out of Issue proceeds. The break-up for the Issue expenses is as follows:

Activity	Expenses* (In Rs. million)	Percentage of the Issue Expenses*	Percentage of the Issue size*
Lead Management, Underwriting and Selling Commission	[●]	[●]	[●]
SCSB Commission	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Printing and stationery (including courier, transportation charges)	[●]	[●]	[●]
Others (Registrar fees, legal fees, listing costs etc)	[●]	[●]	[●]
Fees paid to rating agency	[●]	[●]	[●]
Total	[●]	[●]	[●]

**Will be incorporated after finalisation of the Issue Price.*

Monitoring of Utilization of Funds

There is no requirement for a monitoring agency as the Issue size is less than Rs. 5,000 million. Our Board shall monitor the utilization of the proceeds of the Issue. We will disclose the utilization of the proceeds of the Issue under a separate head along with details, if any in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilized proceeds of the Issue in our Balance Sheet for the relevant Financial Years commencing from Financial Year 2009-2010.

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

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

BASIS FOR ISSUE PRICE

The Issue Price will be determined by us in consultation with the BRLMs on the basis of demand from the investors for the Equity Shares through the Book Building Process. The face value is Rs. 10 and the Issue Price is [•] times of the face value at the lower end of the Price Band and [•] of the face value at the higher end of the Equity Shares.

QUALITATIVE FACTORS

Factors external to the Company

- The Government is focused on building infrastructure, such as roads, highways, bridges, airports.
- NHAI is awarding road projects on BOT and DBFO basis.
- Focus on double and four laning of existing single lane highways.

Factors internal to the Company

- The Company is a well-established player in toll-based BOT projects in India with a proven ability to partner with other well-established players in the industry.
- The Company has an integrated business model, including its own traffic study expertise and proprietary toll collection audit system.
- The Company has a long standing history of timely execution of projects.
- The Company has a healthy order book position.
- The Company has an experienced management team and a well-trained employee base

For some of the qualitative factors, which form the basis for computing the price refer to section "Business" beginning on page 85 and the section "Risk Factors" beginning on page xxi of this Draft Red Herring Prospectus.

QUANTITATIVE FACTORS

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

(i) Diluted Earning Per Share – Consolidated (EPS) (as adjusted for changes in capital)

Particulars	Face value per share (Rs. 10 per share)	
	Rupees	Weight
Year ended March 31, 2007	6.24	1
Year ended March 31, 2008	7.29	2
Year ended March 31, 2009	7.62	3
Weighted average	7.28	

Explanation

a) The adjusted Earning per Share has been computed on the basis of the adjusted profits and losses of the respective years drawn after considering the impact of accounting policy changes and material adjustments, prior period items pertaining to the earlier years and dividend on preference shares.

b) The denominator considered for the purpose of calculating adjusted Earnings per Share is the weighted average number of Equity Shares (diluted) outstanding during the year.

c) On December 24, 2007 the Company issued six Equity Shares for each Equity Share held by shareholders of the Company on that date as a bonus issue. A total of 39,164,316 Equity Shares were issued in the bonus issue, which increased the amount of Equity Shares outstanding from 6,527,386 to 45,691,702.

(ii) P/E pre-issue in relation to Issue Price of Rs. [•]

a. For the year ended March 31, 2009, EPS is Rs. 7.62

b. P/E based on profits after taxes, as restated, for the year ended March 31, 2009 is Rs. [●]

c. Industry P/E*

i)	Highest	:	112.90
ii)	Lowest	:	4.00
iii)	Industry Composite	:	32.10

**P/E based on trailing twelve month earnings for the entire construction sector.*
Source: Capital Market Volume XXIV/14; September 7, 2009- September 20, 2009.

(iii) Return on Net Worth in the last three years.

Particulars	RONW %	Weight
Year ended March 31, 2007	8.43	1
Year ended March 31, 2008	10.63	2
Year ended March 31, 2009	10.02	3
Weighted Average	9.96	

Minimum Return on Increased Net Worth required to maintain pre-issue EPS is [●]

(iv) Net Asset Value per Equity Share

Particulars	NAV (Rs.)
As at March 31, 2009	76.01
After the Issue	[●]
Issue Price	[●]

Net Asset Value per Equity Share represents shareholders' equity as per restated financial statements less revaluation reserves and miscellaneous expenses as divided by weighted average number of Equity Shares outstanding as of date.

(v) Comparison with industry peers

Name of the company	EPS (Rs)	P/E	RONW%	NAV (Rs.)
Ashoka Buildcon Limited(1)	10.46	[●]	14.45	72.41
Ashoka Buildcon Limited(2)	7.62	[●]	10.02	76.01
Peer Group(3)				
Gammon Infrastructure	0.9	N.A.	2.0	36.1
Gayatri Projects Limited	41.2	5.8	24.6	213.6
IRB Infrastructure Developers	1.7	89.3	4.2	41.1
Madhucon Projects Limited	13.4	12.9	10.1	146.2
Noida Toll Bridge Company Limited	1.8	21.8	8.0	21.0
Roman Tarmat Limited	2.0	23.9	7.8	99.7
Sadbhav Engineering Limited	50.6	12.7	24.2	274.8
Valecha Engineering Limited	8.3	8.1	7.1	117.5

Note: The EPS, RONW and NAV figures for the peer group are based on the latest audited results (standalone) for the year ended March 31, 2009 and P/E is based on trailing twelve months (TTM) and Market data.
(1) *For the year ended March 31, 2009 – Based on Restated Standalone Financial Statements.*
(2) *For the year ended March 31, 2009 – Based on Restated Consolidated Financial Statements.*
(3) *Source: Capital Market Volume XXIV/14; September 7, 2009- September20, 2009.*

The BRLMs believe that the Issue Price of Rs. [•] is justified in view of the above qualitative and quantitative parameters, see sections entitled "Risk Factors", "Business", "Auditor's Report on Stand-Alone Financial Information" and "Auditor's Report on Consolidated Financial Information" beginning on pages xxi, 85, 189 and 234, respectively, to have a more informed view. The face value of the Equity Shares is Rs. 10 each and the Issue Price is [•] times the face value of the Equity Shares.

STATEMENT OF TAX BENEFITS

The Board of Directors
M/s Ashoka Buildcon Limited
Survey No. 861, Ashoka House
Ashoka Marg, Vadala
Nashik, Maharashtra - 422 011

Dear Sirs,

Re: Tax Benefits available to the Company and the Shareholders on proposed Initial Public Issue of Shares under the existing tax laws

As desired by you, we enclose herewith an 'Annexure' giving the details of the possible Tax Benefit available to Ashoka Buildcon Limited, ("the Company") and its Shareholders under the current direct tax laws, in India applicable for the assessment year 2010-11. These are the general tax benefits available to the all companies and shareholders, subject to compliance with relevant provisions. Since the company is engaged in BOT projects, it is entitled to certain special tax benefits, which are detailed separately under a separate section detailed 'Special Tax Benefits'.

Several of these benefits are dependent on the Company or its Shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence the ability of the Company or its Shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may not choose to fulfill.

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

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

- The Company or its Shareholders will continue to obtain these benefits in future; or
- The conditions prescribed for availing the benefit have been / would be met with;
- The revenue authorities / courts will concur with the views expressed herein.

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

For **M P Chitale & Co.**

Murtuza Vajihi
Partner

September 14, 2009

ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO ASHOKA BUILDCON LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS

A. BENEFITS TO THE COMPANY

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

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

1.1 Dividends exempt under Section 10(34)

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

1.2 Income from units of Mutual Funds exempt under Section 10(35)

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

1.3 Computation of capital gains

1.3.1 Capital assets may be categorised into short term capital assets and long term capital assets based on the period of holding.

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

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

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

1.3.4 As per the provisions of Section 111A of the Act, short-term capital gains on sale of equity shares or units of an equity oriented mutual fund where the transaction of sale is chargeable to Securities Transaction tax ("STT") shall be subject to tax at a rate of 15 per cent (plus applicable surcharge and education cess).

1.3.5 *Exemption of capital gain from income tax*

- Under Section 10(38) of the Act, long term capital gains arising out of sale of equity shares or a unit of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or unit is chargeable to STT. However, such income shall be taken into account in computing the book profit tax payable under Section 115JB.

- According to the provisions of Section 54EC of the Act and subject to the conditions specified therein, long term capital gains not exempt under Section 10(38) shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so reinvested, the exemption shall be allowed proportionately. This exemption is restricted to amounts not exceeding fifty lakh rupees in case of investments made on or after April 01, 2007 in such long term specified assets. However, if the said bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

1.4 Other specified deductions

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

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

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

1.4.3 The Company will be entitled to claim expenditure incurred in respect of voluntary retirement scheme under section 35DDA of the Act in five equal annual installments.

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

In respect of tangible assets (being buildings, machinery, plant or furniture) and intangible assets (being know-how, patents, copyrights, trademarks, licenses, franchises or any other business or commercial rights of similar nature acquired on or after 1st day of April, 1998) at the rates prescribed under the Income-tax Rules, 1962;

In respect of any new machinery or plant which has been acquired and installed after 31st March 2005 by an assessee engaged in the business of manufacture or production of any article of thing, a further sum of 20% of the actual cost of such machinery or plant;

1.4.6 Under Section 115JAA (1A) credit shall be allowed of any MAT paid under Section 115JB of the Act for any assessment year commencing on or after 1st day of April 2006. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Income Tax Act. Such MAT credit shall be available for set-off up to 7 years succeeding the year in which the MAT credit initially arose.

1.5 Benefits of unabsorbed business/long term capital losses and allowances

1.5.1 Company has unabsorbed losses / allowances under the Act, which can be carried forward for set off against the income under the Act of future years as under:

- As per Section 72 of the Act, Company can carry forward the unabsorbed business losses for a period of eight assessment years immediately succeeding the assessment year in which the loss was first computed.

- As per Section 32 of the Act, Company can carry forward the unabsorbed depreciation allowance of earlier years in the succeeding previous years to be set off against income (other than income from salary) of such years.

- As per Section 74 of the Act, Company can carry forward the unabsorbed long term capital losses for a period of eight assessment years immediately succeeding the assessment year in which the loss was first computed to be set off against long term capital gains under the Act of future years.

- As per Section 74 of the Act, Company can carry forward the unabsorbed short term capital losses for a period of eight assessment years immediately succeeding the assessment year in which the loss was first computed to be set off against capital gains under the Act of future years.

1.6 Rebate under section 88E

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

1.7 SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

1.7.1 Subject to compliance with certain conditions laid down in Section `80-IA of the Act, the Company will enjoy 100% tax exemption for any 10 consecutive Assessment Years out of 20 years beginning from the year in which undertaking has started operating the infrastructure facility, as the case may be, in respect of profits earned from an undertaking set up for developing or operating and maintaining or developing, operating and maintaining any notified infrastructure facility.

1.7.2 In case of scheme of amalgamation/demerger taken place before April 1, 2006 the Company can avail 100% tax exemption for the residual period out of 20 years, as the case may be, in respect of profits earned from an undertaking or an enterprise engaged in notified infrastructure facility and which amalgamates with the company, subject to compliance with certain conditions laid down in Section 80-IA (12) of The Act.

2. UNDER THE WEALTH-TAX ACT, 1957

2.1 The company is liable to pay wealth tax under the Wealth Tax Act, 1957 @1% for assets held in excess of Rs.15 lakhs for every assessment years.

2.2 Subject to the conditions specified under section 2(ea) the following are not considered as assets for the purpose of computation of Net Wealth.

- Any residential house allotted to a whole time employee/officer/director having gross annual salary of less than Rs.5 lakhs

- Any unused urban land held by the company as stock in trade for a period of 10 years from the date of its acquisition.

- Any unused urban land held by the company for industrial purposes for a period of 2 years from the date of its acquisition.

B. BENEFITS AVAILABLE TO RESIDENT SHAREHOLDERS

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

1.1 Dividends exempt under Section 10(34)

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

1.2 Computation of capital gains

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

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

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

1.2.4 As per the provisions of Section 111A of the Act, short-term capital gains on sale of equity shares where the transaction of sale is chargeable to STT shall be subject to tax at a rate of 15 per cent (plus applicable surcharge and education cess).

1.2.5 *Exemption of capital gain from income tax*

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

- According to the provisions of Section 54EC of the Act and subject to the conditions specified therein, long term capital gains not exempt under Section 10(38) shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so reinvested, the exemption shall be allowed proportionately. This exemption is restricted to amounts not exceeding fifty lakh rupees in case of investments made on or after April 01, 2007 in such long term specified assets. However, if the said bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

- Under Section 54F of the Act and subject to the conditions and to the extent specified therein, long term capital gains [in cases not covered under section 10(38) of the Act] arising to an individual or Hindu Undivided Family (HUF) on transfer of shares of the Company will be exempt from capital gains tax subject to other conditions, if the net sales consideration from such shares are used for purchase of residential house property within a period of one year before or two year after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer.

1.3 **Rebate under section 88E**

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

2. UNDER THE WEALTH-TAX ACT, 1957

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

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

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

1.1 Dividends exempt under Section 10(34)

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

1.2 Computation of capital gains

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

1.2.2 Section 48 of the Act contains special provisions in relation to computation of capital gains on transfer of shares of an Indian company by non-residents. Computation of capital gains arising on transfer of shares in case of non-residents has to be done in the original foreign currency, which

was used to acquire the shares. The capital gain (i.e., sale proceeds less cost of acquisition/improvement) computed in the original foreign currency is then converted into Indian Rupees at the prevailing rate of exchange.
According to the provisions of Section 112 of the Act, long term gains as computed above that are not exempt under section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess).

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

1.2.4 As per the provisions of Section 111A of the Act, short-term capital gains on sale of equity shares where the transaction of sale is chargeable to STT shall be subject to tax at a rate of 15 percent (plus applicable surcharge and education cess).

1.2.5 *Options available under the Act where shares have been subscribed to in convertible foreign exchange –*
Option of taxation under Chapter XII-A of the Act:

Non-Resident Indians [as defined in Section 115C(e) of the Act], being shareholders of an Indian Company, have the option of being governed by the provisions of Chapter XII-A of the Act, which *inter alia* entitles them to the following benefits in respect of income from shares of an Indian company acquired, purchased or subscribed to in convertible foreign exchange:

- According to the provisions of Section 115D read with Section 115E of the Act and subject to the conditions specified therein, long term capital gains arising on transfer of shares in an Indian company not exempt under Section 10(38), will be subject to tax at the rate of 10 percent (plus applicable surcharge and education cess), without indexation benefit.

- According to the provisions of Section 115F of the Act and subject to the conditions specified therein, capital gains arising on transfer of a long term capital asset being shares in an Indian company shall not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset. If part of such net consideration is invested within the prescribed period of six months in any specified asset the exemption will be allowed on a proportionate basis. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

- Further, if the specified asset in which the investment has been made is transferred within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or savings certificates are transferred.

- As per the provisions of Section 115G of the Act, Non-Resident Indians are not obliged to file a return of income under Section 139(1) of the Act, if their source of income is only investment income and / or long term capital gains defined in .Section 115C of the Act, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.

- Under Section 115H of the Act, where the Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under Section 139 of the Act to the effect that the provisions of the Chapter XII-A shall continue to apply to him in relation to such investment income derived from any foreign exchange asset being asset of the nature referred to in sub clause (ii), (iii), (iv) and (v) of Section 115C(f) for that year and subsequent assessment years until such assets are converted into money.

- As per the provisions of Section 115-I of the Act, a Non-Resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income for that assessment year under Section 139 of the Act, declaring therein that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.

1.2.6 *Exemption of capital gain from income tax*

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

- According to the provisions of Section 54EC of the Act and subject to the conditions specified therein, capital gains not exempt under Section 10(38) and arising on transfer of a long term capital asset shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so reinvested, the exemption shall be allowed proportionately. However, if the said bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money. Provided that the investment made on or after April 01, 2007 in the long term specified assets by the company during any financial year does not exceed fifty lakh rupees.

1.3 Rebate under Section 88E

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

1.4 Tax Treaty benefits

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

2. UNDER THE WEALTH-TAX ACT, 1957

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

D. BENEFITS AVAILABLE TO FOREIGN INSTITUTIONAL INVESTORS ('FIIs')

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

1.1 Dividends exempt under section 10(34)

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

1.2 Taxability of capital gains

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

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

- Short term capital gains, other than those referred to under Section 111A of the Act shall be taxed @ 30% (plus applicable surcharge & education cess).
- Short term capital gains, referred to under Section 111A of the Act shall be taxed @ 15% (plus applicable surcharge and education cess).
- Long Term capital gains @ 10% (plus applicable surcharge and education cess) (without cost indexation) It may be noted here that the benefits of indexation and foreign currency fluctuation protection as provided by Section 48 of the Act are not applicable.

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

1.3 Rebate under Section 88E

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

E. VENTURE CAPITAL COMPANIES / FUNDS

In terms of Section 10(23FB) of the Act, all Venture capital companies/funds registered with Securities and Exchange of India, subject to the conditions specified, are eligible for exemption from income tax on all their income, including profit on sale of shares of the Company.

Notes:

1. *All the above benefits are as per the current tax law as amended by the Finance Act, 2007.*
2. *The stated benefits will be available only to the sole / first named holder in case the shares are held by joint holders.*
3. *In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the issue.*

INDUSTRY

Unless otherwise indicated, the information in this section is derived from a combination of various official and unofficial publicly available materials and sources of information. It has not been independently verified by the Company; the Book Running Lead Manager and the Co- Book Running Lead Manager and their respective legal or financial advisors, and no representations is made as to the accuracy of this information, which may be inconsistent with information available or compiled from other sources. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness, underlying assumptions and reliability cannot be assured. Accordingly, investment decisions should not be based on such information.

Overview of the Indian Economy

India, the world's largest democracy in terms of population (~1.16 billion people) had a GDP on purchasing power parity basis of approximately US$ 3,267 billion in 2008. This makes India the fourth largest economy in the world after the United States of America, China and Japan in purchasing power parity terms. *(Source: CIA World Fact Book website)*

India is also amongst the fastest growing economies globally and has grown at an average growth rate of more than 7% in the decade since 1997, reducing poverty by about 10 percentage points. India achieved 9.7% GDP growth in FY 2007 and 9.0% in FY 2008. The economic growth decelerated to 6.7 % in FY 2009. *(Source: Economic Survey FY 2009)*

The following table sets forth the key indicators of the Indian economy for the past six fiscal years.

(Annual percentage change, except for foreign exchange reserves)

	As at and for the year ended March 31,					
	2004	**2005**	**2006**	**2007**	**2008**	**2009**
Real GDP growth (1)	8.5	7.5	9.5	9.7	9.0	6.7
Index of Industrial Production (2)	7.0	8.4	8.2	11.5	8.5	2.6
Wholesale Price Index (2)	5.5	6.5	4.4	5.4	4.7	8.3
Foreign Exchange Reserves (in US$ billion)	107.5	135.6	145.1	191.9	309.1	252

(1) At 1999-2000 prices
(2) Index Base 1993-94= 100
(Source: Economic Survey 2008-2009, RBI; Ministry of Statistics and Programme Implementation)

Infrastructure Sector

The fast growth of the economy in recent years has placed increasing stress on physical infrastructure such as electricity, railways, roads, ports, airports, irrigation, water supply and sanitation, all of which already suffer from a substantial deficit in terms of capacities and efficiencies in their delivery. Whilst there has been some improvement in infrastructure development in transport, communication and energy sectors in the recent years, there are still significant gaps that need to be bridged.

We believe India will require a sustained momentum in infrastructure investment in order to maintain its current pace of growth. The 11^{th} Five Year Plan envisages an infrastructure investment of Rs. 20,561 billion (at FY 2007 prices), equaling US$ 514 billion, to be shared between the Centre, states and private sector in the ratio of 37.2%, 32.6% and 30.1%. Set forth below is the estimated level of investment in the infrastructure sector over XI plan:

(Figures in Rs. Billion)

Sector	Xth Plan (Anticipated Exp.)	2007-08	2008-09	2009-10	2010-11	2011-12	Total XI Plan
Electricity	2,918	820	1,016	1,264	1,579	1,986	6,665
Roads and Bridges	1,448	518	548	592	684	800	3,142
Telecommunications	1,034	314	381	486	616	787	2,584
Railways (incl. MRTS)	1,197	342	410	495	604	767	2,618
Irrigation (incl. Watershed)	1,115	275	359	472	623	804	2,533
Water Supply & Sanitation	648	193	228	273	333	411	1,437
Ports	141	124	148	174	200	234	880
Others	213	117	126	137	152	170	702
Total	**8,714**	**2,703**	**3,216**	**3,893**	**4,791**	**5,959**	**20,561**
Total (US$ billion) @Rs. 40/$	**217.86**	**67.57**	**80.39**	**97.32**	**119.78**	**148.98**	**514.04**

(Source: Annual Plans and other documents of the Planning Commission and Central Statistical Organization for the Tenth Plan period)

In our view, the current economic slowdown provides an opportunity for countries like India that have a substantial degree of unmet infrastructure requirements. The Government's focus, sustained increased budgetary allocation and increased funding by international and multilateral development finance institutions for infrastructure development in India may result in development of several infrastructure projects across India. The Government of India has also undertaken/ proposed various initiatives to encourage private sector participation, such as tax breaks for investments in infrastructure.

The Role of the Private Sector in Infrastructure Development

Historically, the government has played a key role in supplying and regulating infrastructure services in India and private sector has not participated in infrastructure development. However, due to the public sector's limited ability to meet the massive infrastructure funding requirements, private sector investment in infrastructure is critical. Therefore, the Indian government is actively encouraging private investments in infrastructure. According to World Bank, India needs to invest an additional 3-4 % of GDP on infrastructure to sustain its current levels of growth in the medium term and to spread the benefits of growth more widely. *(Source: India Country Overview 2009, World Bank)*

Despite the critical role played by infrastructure development in growth, there still exists a very wide gap of US$10-15 billion between the current and required levels of private investments in infrastructure. Over the 15-year period from 1990 to 2005, total private investments stood at around US$ 51 billion or US$ 3.4 billion per year, of which US$ 30 billion has come in the five-year period FY 2002- FY 2006. *(Source: Private Participation in Infrastructure Database, World Bank Group)*

Roads Sector

India has one of the largest road networks in the world, aggregating to 3.32 million kms, consisting of National Highways, expressways, state highways, major district roads, other district roads and village roads. The road network comprises 66,590 kms of National Highways, 131,899 kms of State Highways, 467,763 kms of Major District Roads and about 2,650,000 kms of Rural and other roads. National Highways comprise only about 2% of the total length of roads and carry about 40% of the total traffic across the length and breadth of the country. *(Source: NHAI Website)*

The number of vehicles grew at an average pace of 10.10% per annum over the period from FY 2000 to FY 2004. In FY 1999, 54% of total freight was transported by roads, which increased to 62% in 2008. Passenger traffic on roads as a percentage of total passenger traffic has also witnessed a huge increase from 30% in 1951 to 86% in 2008. *(Source: CRISIL Research, Road Network in India, June 30, 2009)*. The expansion and strengthening of the road network, therefore, is imperative to provide for both present and future traffic volumes and for improving accessibility to less developed parts of the country. Additionally, road transport needs to be regulated for better energy efficiency, lesser pollution and enhanced road safety. The Central Government is mandated to develop National Highways and the responsibility for the development of other categories of roads vests with the States/Union Territories.

Public Private Partnership ("PPP")

Historically, investments in infrastructure, particularly in the highways, were being made by the government mainly due to the huge volume of resources required, the long gestation period, uncertain returns and various external risks. The enormous resource requirements, the significance of infrastructure development for economic growth and significant deficit in infrastructure requirements have led to an active involvement of the private sector also in recent years. To encourage participation of the private sector, the Ministry of Road Transport & Highways has laid down comprehensive policy guidelines for private sector participation in the highway sector. The Government has also announced several incentives such as tax exemptions and duty free import of road building equipments and machinery to encourage private sector participation.

The Government has taken initiatives to improve and strengthen the road network by implementing the National Highway Development Program ("NHDP"). The NHDP is the largest highway project ever undertaken in India and is being implemented by the National Highways Authority of India ("NHAI"). It was started in 1998 and is supported by revenues derived from cess tax on fuel and toll collection.

The total length proposed to be developed under NHDP has been split into the different contact models:

- Toll-based BOT projects ("BOT (Toll)");
- Annuity-based BOT projects ("BOT (Annuity)"); and
- Engineering, procurement and construction ("EPC") contracts.

Under all three contract models, the contractor is responsible for the engineering of the project, the procuring of materials for the project and the construction of the project. For BOT (Toll) and BOT (Annuity), the contractor is also responsible for maintaining the project. The difference between BOT (Toll) and BOT (Annuity) is that in the case of BOT (Toll), the traffic/commercial risks are borne by the concessionaire and the investment is sustained by toll revenues, while in BOT (Annuity) projects, all costs are borne by the Government in the form of deferred budgetary payments. In the case of BOT (Toll), government budgetary support, if any, is restricted to an upfront grant, while in some cases the concessionaire may even pay the granting authority a one off fee as part of the concession grant. In the case of BOT (Annuity), the concessionaire relies on annuity payments determined by competitive bidding and made out of budgetary allocations spread over time.

Based on interactions as well as data available for select stretches, returns vary from contract to contract. Typically, in an annuity, the project IRR would be in the range of 12-14 % and equity IRR would be in the range of 14 -16 %. For toll, where the concessionaire assumes the traffic risk, the project IRR would be in the range of 14- 16 % and equity IRR would be in the range of 18-20 %. *(Source: CRISIL Research, Project Economics, Roads and Highways, Oct 22, 2008)*

The table below sets forth the proposed breakdown of contract models for the NHDP:

NHDP Phase	Item	EPC	BOT (Toll)	BOT (Annuity)	Total
NHDP-I (Balance Work)	Length (in kms) Cost (in Rs. billions)	1,711 81.45	20 5.81	7 0.85	1,738 88.11
NHDP-II (Balance Work)	Length (in kms) Cost (in Rs. billions)	4,569 294.93	1,237 80.65	930** 60.64	6,736 436.22
NHDP-III	Length (in kms) Cost (in Rs. billions)	- -	10,000 651.97	- -	10,000 651.97

NHDP Phase	Item	EPC	BOT (Toll)	BOT (Annuity)	Total
NHDP-IV	Length (in kms) Cost (in Rs. billions)	- -	5,000 69.50	15,000** 208.50	20,000 278.00
NHDP-V	Length (in kms) Cost (in Rs. billions)	- -	6,500 412.10	- -	6,500 412.10
NHDP-VI	Length (in kms) Cost (in Rs. billions)	- -	1,000 166.80	- -	1,000 166.80
NHDP-VII	Length (in kms) Cost (in Rs. billions)	* 25.94	* 96.38	* 44.48**	* 166.80
Total	**Length (in kms)** **Cost (in Rs. billions)**	**6,280** **402.32**	**23,757** **1,483.21**	**15,937** **314.47**	**45,974***** **2,200.00**

** Length to be covered under NHDP-VII was not finalized when the report was published.*
*** To be determined based on budgetary resources and the tolling policy for two-lane highways.*
**** Does not include the length to be covered under NHDP-VII.*
(Source: Report of the Core Group on Financing of the National Highway Development Program, February 6, 2006)

In order to boost the participation of the private sector in road development, the Government has planned the following initiatives:

- The Government will carry out all preparatory work, including land acquisition and utility removal. Right of way will be made available to concessionaires, free from all encumbrances;
- NHAI/the Government will provide a capital grant of up to 40% of the project cost to enhance viability on a case-by-case basis evaluation;
- The concessionaries will receive a 100% tax exemption for five years and 30% relief for the following five years, which may be utilized in 20 years;
- Permitted concession period of up to 30 years;
- Arbitration and Conciliation Act, 1996 based on UNCITRAL provisions applicable to contracts;
- In BOT projects, concessionaries are permitted to collect and retain tolls; and
- Duty free importation of specified modern high capacity equipment for highway construction.

(Source: Public Partnerships in India, Ministry of Finance, Government of India)

National Highway Development Program

The Government has taken initiatives to improve and strengthen the road network by implementing the NHDP. The NHDP is the largest highway project ever undertaken in India and is being implemented by the NHAI. It was started in 1998 and is supported by revenues derived from cess tax on fuel and toll collection. NHDP consists of the following components:

- NHDP Phase I & II envisages four/six laning of about 14,234 kms of National Highways at an estimated cost of Rs. 650.00 billion at 2004 prices. These two phases comprise Golden Quadrilateral ("GQ"), North-South and East-West ("NSEW") corridors, port connectivity and other projects. The GQ consisting of 5,846 kms length connects the four major cities of Delhi, Mumbai, Chennai and Kolkata. The NSEW corridors, comprising a length of 7,300 kms, connecting Srinagar in the North to Kanyakumari in the South, including a spur from Salem to Kochi and Silchar in the East to Porbandar in the West, respectively. The NHDP also includes the Port Connectivity Project, which comprises a length of 380 kms for improvement of roads connecting 12 major ports in India and other projects involving a length of 945 kms.

- The Government of India has approved upgrading 12,109 kms under NHDP Phase III. As on July 31, 2009, 9017 kms of roads are still to be awarded. *(Source: NHAI Website)* Due to various policy changes with respect to request for proposals and litigations raised by National Highways Builders Federation ("NHBF") against NHAI, the bidding process was delayed.

- The Government of India has approved the six laning of 6,500 kms of National Highways comprising 5,700 kms of the GQ and the balance of 800 kms of other sections of National Highways under NHDP Phase V at a cost of Rs. 412.10 billion.

- The Government of India has also approved the construction of 1,000 kms of expressways with full access control on new alignments at a cost of Rs. 166.80 billion under NHDP Phase VI.

The table below sets forth the status of the NHDP as at June 30, 2009:

	GQ	**NSEW & Phase - I & II**	**NHDP Phase III**	**NHDP Phase - V**	**NHDP Phase - VI**	**NHDP Phase – VII**	**NHDP Total**
Total Length (kms)	5,846	7,300	12,109	6,500	1000	700	**33,455**
Already 4-laned (kms)	5,729	3,762	890	130	-	-	**10,511**
Under Implementation (kms)	117	2,648	2,037	904	-	19	**5,966**
Number of Contracts under implementation	15	123	27	3	-	-	**168**
Balance to be awarded (kms)	-	732	9,181	5,466	-	-	**15,379**

(Source: National Highways Authority of India)

The targets for completion of the various components of the NHDP are as follows:

NHDP Component	**Target for Completion**
Completion of NS-EW Corridors, Port Connectivity & other projects under NHDP-Phase-I&II	December 2009
Completion of NHDP-Phase-III	December 2013
Completion of NHDP-Phase-V	December 2012
Completion of NHDP-Phase-VI	December 2015

(*Source: Plan Document, 11th Five Year Plan; CRISIL Research, NHDP Review & Outlook, Feb 23, 2009*)

The estimated cost of the various components of the NHDP is as follows:

Name of Project	**Estimated Cost (Rs. in Billion)**
Completion of GQ and EW-NS corridors	524.34
4-laning of 11,113 kms under NHDP Phase-III	724.54
2-laning with paved shoulders of 20,000 kms of National Highways under NHDP Phase-IV	278.00
6-laning of selected stretches of National Highways under NHDP Phase-V	412.10
Development of 1,000 kms of expressways under NHDP Phase-VI	166.80
Construction of ring roads, flyovers and bypasses on selected stretches under NHDP Phase-VII.	166.80
Total	2,272.58

(*Source: Plan Document for 11th Five Year Plan*)

All the above mentioned projects will be financed through various sources of funds including cess, loan assistance from the World Bank and Asian Development Bank, borrowings by NHAI, estimated surplus amount available from the users' fee and private sector investment. Various sources of funding to finance these projects have been finalised and the financing plan implementation by the year 2015 has been approved. The requirement of funds during the 11th Five Year Plan (FY 2008- FY 2012) for implementation of NHDP has been established at Rs. 1,735.01 billion. (*Source: Plan Document for 11th Five Year Plan*)

The projected availability of funds from various sources during the 11th Five Year Plan is set forth below:

Funding Source	Amount (Rs. in Billion)
Cess	365.89
External Assistance	44.54
Borrowings by NHAI	416.15
Surplus from the user fee	31.08
Share of private sector	877.35
Total	**1,735.01**

(*Source: Plan Document for 11th Five Year Plan*)

National Highways – It has been estimated by the Planning Commission that Rs. 1,217.58 billion would be required for the Ministry of Road Transport & Highways during the 11th Five Year Plan. Further, it has been estimated by the Planning Commission that Rs. 31.08 billion would be available for implementation of the NHDP from the surplus of the users' fees collected by the NHAI during the 11th Five Year Plan. The share of private sector investment during the 11th Five Year Plan is estimated to be Rs. 877.35 billion. *(Source: Plan Document for 11 th Five Year Plan)*

State Roads – The proposed programme envisages a financial outlay of Rs. 10.00 billion for the 11th Five Year Plan with the possible element of private finance estimated at Rs. 3.20 billion. *(Source: Plan Document for 11 th Five Year Plan)*

Slowdown in awarding contracts

Since FY 2006, there has been a slowdown in contracts being awarded for NHDP. From 5,131 kms in FY 2006, the length of roads awarded fell to a mere 1,001 kms in FY 2008. Most of the awarding in FY 2008 took place in Phase V. It involves upgrading the existing four-lane national highways to six lanes and includes 87 % of the GQ stretches. The situation worsened in FY 2009, with a complete lull in awarding NHDP projects during the period. Around 6,000 kms of road projects in Phase III and Phase V have been stuck in different stages of the bidding process since July 2008 and were expected to be awarded by December 2008. However, from Phase III, only 215 kms have been awarded till date. The slowdown was due to the introduction of certain regulatory changes in Model RFQ, RFP and MCA rules in early 2008 and the uncertainty regarding its implementation due to pending litigations. Further, the global economic slowdown and liquidity crunch aggravated the situation which resulted in cautious bidding by developers as they found it difficult to attain financial closures for projects. But now, with a favorable toll policy in place for developers and an easing liquidity scenario, the sector is poised for growth going ahead. *(Source: CRISIL Research, Opinion: New Toll Policy- Silver Lining for Road Projects, March 05, 2009)*

Introduction of new toll policy (2008) results in higher returns and lower grants

The new toll policy came into force in December 2008. The most significant change in this policy (applicable for future bidding of contracts), has been the change in methodology for revision of toll rates, which is fixed at 3 % plus 40 % of change in Wholesale Price Index ("WPI"). As per the old toll policy (1997), the revision in toll rates was 100 % of the change in WPI. But the Model Concessionaire Agreement (2006), which was applicable in 2008, allowed revision to the extent of only 40 % of change in WPI. Under the new toll policy, equity returns are significantly higher than the returns as per the MCA rule (2006) for a similar road. This would encourage private player participation and increase interest levels in the NHAI projects. The grant outlay is also expected to be lower for NHAI under the new policy as compared to the MCA rule (2006), as attractive returns for private developers can be achieved through favorable toll revisions rather than higher grants. *(Source: CRISIL Research, Opinion: New Toll Policy-Silver Lining for Road Projects, March 05, 2009)*

Downside limited under new toll policy

In case of a low inflation scenario, returns as per the new toll policy are more favourable compared to the other policies. This is on account of the fixed 3 % annual increase in the revision of toll rates in addition to the 40 % change in WPI unlike the earlier policies, which were only linked to inflation. As a result, the downside risk to returns for private developers is limited. The new toll policy would achieve a better balance between tolls charged and returns to encourage private player participation. Moreover, it would reduce the NHAI grant outlay towards NHDP projects. The new toll policy can thus be seen as a silver lining for road projects in the current scenario of economic slowdown, traffic uncertainty, and limited availability of funds (both debt and equity). *(Source: CRISIL Research, Opinion: New Toll Policy- Silver Lining for Road Projects, March 05, 2009)*

State Road Networks

The road network in most Indian states is deficient in terms of quality and connectivity. In the past, development has been along certain corridors/sectors and hence large parts of many states are still not well connected and the road network requires substantial improvement.

In most states, the road and bridges division of the Public Works Department is responsible for the development of the primary road network, whereas the rural roads are maintained by the Panchayati Raj institutions. Many states have also formed dedicated State Road Development Corporations ("SRDC"), which have helped in raising money and effective implementation of road construction. Among the SRDCs, the most prominent has been Maharashtra State Road Development Corporation ("MSRDC") as it has single-handedly implemented the 90 kms Mumbai-Pune Expressway, including raising funds for the project.

There has been progress in the development of the road sector across states since the mid-1990s with certain states, such as Maharashtra, Gujarat, Madhya Pradesh, Andhra Pradesh and Karnataka, taking the lead. These states have been more proactive in creating road development corporations, enabling private sector participation and have managed to fund their projects more efficiently through market borrowings, cess and motor vehicle taxes.

Funding

One of the primary reasons for the lack of development and poor maintenance of the existing state roads has been lack of funds. The funding has largely been provided through budgetary allocations of the State Governments, and has been supplemented to some extent by funds provided by the Central Government and National Bank for Agricultural and Rural Development ("NABARD") under Rural Infrastructure Development Fund.

States receive their share of the cess revenues collected under the Central Road Fund through cess levied on petrol and diesel. The mechanism of the allocation is as follows:

50 % of the cess amount collected on diesel and the entire cess amount collected on petrol is pooled. Of this amount, 30 % is distributed to the states for the construction and maintenance of state roads.

However, the requirement of funds for the development of state roads is higher, and hence, the funds from this source are not sufficient. Many State Governments have adopted the following approaches to supplement the funding from the Central Government.

- Funds from the external funding agencies – Agencies like the Asian Development Bank ("ADB"), World Bank and Japan Bank for International Cooperation ("JBIC") have funded projects in Tamil

Nadu, Karnataka, Andhra Pradesh and Gujarat. Total funding is usually 70% of the total project cost.

- Establishment of Road Funds – Various states, including Tamil Nadu and Kerala, have created funds through which they have raised monies by levying cess/tax on petroleum products and vehicles. These funds are in addition to their share received from Central Road Fund.
- Privatisation – The experiment of BOT projects has succeeded in several places. Well developed legislation would enable private sector participation and prevent legal objections to the imposition of tolls for the use of the facilities that are developed.

Roads Sector in Madhya Pradesh

Madhya Pradesh has the third largest network of National Highways in the country after Uttar Pradesh and Rajasthan. The total length of roads in Madhya Pradesh was over 72,000 kms in 2006. *(Source: Government of India Website)*

The Public Works Department (PWD) of Madhya Pradesh is entrusted with the task of developing and maintaining the roads in the state, while the Madhya Pradesh Rajya Setu Nirman Nigam ("MPRSNN") is responsible for the construction of bridges. Madhya Pradesh Road Development Corporation ("MPRDC") is the agency carrying out all the developmental work in association with the private sector.

<u>Bond-BOT Projects</u>

The Madhya Pradesh State Government devised Bond-BOT Projects in 2000 in order to encourage private sector participation and reduce pressure on State Government finances as the state did not have adequate funds to finance such mega projects. The State Government decided to limit the total subsidy amount to Rs. 5 billion (raised through bonds and Housing and Urban Development Corporation Limited ("HUDCO") loans).

The Madhya Pradesh Adhosanrachana Vinidhan Nidhi Board Adhiniyam, 2000 ("MPAVNB Act") has been enacted to raise and deploy earmarked funds for infrastructure projects. As at July 31, 2009, the MPAVNB had issued bonds for an aggregate amount of Rs. 5 billion.

<u>Funding</u>

Apart from regular plan outlays and private capital, additional resources have been mobilised through NHAI funds, Central Road Fund, NABARD loans for rural roads, mandi cess, infrastructure bonds, external assistance and HUDCO loans.

In the State Budget FY 2010, budgeted provision for roads is Rs. 24.9 billion. The budget envisages adding new roads to the extent of 2,367 kms, out of which 706 kms of roads are to be added via the PPP route and 1,833 kms of roads are to be developed with ADB assistance.

The Madhya Pradesh State Government also plans to set up a Road Maintenance Fund ("RMF") for the development and maintenance of roads in Madhya Pradesh. The State RMF will be created by pooling the toll revenue and assistance obtained from the Central Road Fund ("CRF"), mandi cess and road tax, and also by the levy of additional cess on the fuel and taxes on vehicles. The available funds would be offered as 'equity participation' to BOT operators, who would subsequently pool their own resources and bid for a pre-determined concession period. We believe that private sector partnership would not only increase the available pool of funds, but would also enhance maintenance/reconstruction activities by the application of modern techniques.

The Madhya Pradesh State Government has obtained a technical assistance loan from the World Bank for carrying out a feasibility study and detailed engineering on around 3,280 kms of roads. ADB has also sanctioned a US$180 million loan to the government of Madhya Pradesh for the rehabilitation of 1,750 kms of state roads. These projects are being implemented in three phases. Most of Phase I is complete, Phase II is under implementation and detailed project reports ("DPR") of Phase III are in the process of being prepared. (*Source: Madhya Pradesh Road Development Corporation Limited)*

Projects

The government of Madhya Pradesh has identified projects worth Rs. 28 billion in the road sector. Of these projects, 16 road projects aggregating 2,140 kms would be under BOT scheme. These roads will connect important tourist destinations, such as Mahakaleshwar, Kundalpur, Omkareshwar, Pachmarhi, Kanha, Sanchi, Rahatgarh, Chitrakoot, Maihar, Bandhavgarh, Panna Amarkantak, and Jabalpur.

These projects have been developed under the concept of 'Bond-BOT projects', wherein part of the Rs. 5 billion infrastructure bonds raised by the government of Madhya Pradesh would be used for providing grants or subsidies to the BOT projects. Two of the projects (Ujjain-Susner-Jhalawad of 139 kms, at Rs. 660 million, and Indore-Edalabad of 203 kms, at Rs. 1.23 billion) have achieved financial closure (with funding from IDFC (Rs. 376.3 million) and SBI (Rs. 650 million).

ADB-Phase III- Upcoming Projects

Sr. No.	Name of Roads	Length in kms
1	Bhind-Ater-Porsa (SH-2)	62.30
2	Mihona-Lahar-Daboh-Bhander-Chirgaon (SH-45)	86.00
3	Pichor-Chanderi-Mungawali-Aonder-Kurwai (SH-19)	144.5
4	Mau-Jamghat-Mandleshwar (SH-1)	53.60
5	Manavar-Mangod (Banderi) (SH-38)	48.20
6	Jhabua-Jobat-Bagh-Kukshi (SH-39)	93.20
7	Khandwa-Dedtalai-Burhanpur (SH-54)	127.65
8	Bari-Baktara-Dobi-Shahganj-Budhni (SH-15)	58.60
9	Silwani-Udaipura (SH-15, SH-44)	28.00
10	Bhopal-Berasia-Shamsabad-Sironj (SH-23)	109.20
11	Aagar-Badod-Aalot-Jaora (SH-41 Ext.)	102.80
12	Isagarh-Ashoknagar-Guna)	77.00
13	Sardarpur-Rajgarh-Bagh (SH-39B)	47.80
14	Shujalpur-Pachor-Chapikheda-Jeerapur-Machalpur (Up to Raj. Border) (SH-41A)	83.40
15	Hata-Fatehpur-Rajpura-Silapuri—Banjana-Baxwaha Mod-Darguwan Rd (SH-15)	71.30
16	Khimlasa-Khurai-Rahatgarh (SH-42)	47.60
17	Damoh-Badiagarh-Baxwaha-Heerapur (SH-37)	75.00
18	Damoh-Hata-Gaisabad-Semariya (SH-49, SH-51)	56.80
19	Hata-Patera-Kumhari & Raipura-Salaiya-Bohriband-Sihora-Hata town (SH-51)	92.60
20	Amarpatan-Gorsai-Badera and Indwar-Tala-Parasi (SH-11)	85.00
21	Sundara-Singhpur-Kothi-Jaitwara-Birsinghpru-Semaria (MDR)	86.50
22	Betul-Sarni-Tikadhan-Junnardeo-Parasia (SH-43)	125.00
23	Sidhi-Beohari (SH-60)	71.20
	Total	**1,833.25**

(Source: Madhya Pradesh Road Development Corporation)

Projects to Be Tendered Under BOT Scheme at State Level

Sr. No.	Name of Project	Chainage (kms)	Length (kms)	Cost (Rs. billion)
1.	Gwalior-Shivpuri	122-229	107	5.3
2.	Shivpuri-Guna	229-320	91	4.6
3.	Guna-Biaora	332-426	94	4.3
	Total		**292**	**14.2**

Sr. No.	Name of Project	Chainage (kms)	Length (kms)	Cost (Rs. billion)
4.	Bhopal Bypass		52	2.4
5.	Indore-Ujjain		51	2.5
	Total		**103**	**4.9**
	Grand Total		**395**	**19.1**

(Source: Madhya Pradesh Public Works Department)

List of NHDP Projects for Award in Madhya Pradesh as of June 2009

Stretch	NH No.	Funded by	Length (kms)
Phase III			
Bhopal – Bareli	12	BOT	297
Bareli – Rajmarg crossing	12	BOT	n.a
Rajmarg Crossing – Jabalpur	12	BOT	n.a
Bhopal-Sanchi	86Ex	BOT	40
Indore-Jhabua - Gujrat/MP	59	BOT	169
Jhansi-Khajuraho	75	BOT	100
Obaidullaganj – Bheembetka	69	BOT	13

Ex: Expressway
(Source: National Highways Authority of India)

Roads sector in Maharashtra

Composition of roads

The total road length in Maharashtra is around 281,430 kms. *(Source: CRISIL Research, Roads and Highways, July 10 2009).*

The Maharashtra State Road Development Corporation Ltd ("MSRDC") set up in 1996 is a wholly owned limited company of the government of Maharashtra. It has been constituted to accelerate the development of transport infrastructure facilities in the state.

In order to enable the development of road projects through private sector participation, the government of Maharashtra has amended the Bombay Motor Vehicle Tax Act, 1958 to enable toll collection by private players. Other incentives have been put in place, such as a 40 % support of the project cost by the government (where such support is required) and exemption from sales tax on machinery to be bought for the project.

Funding

Government of Maharashtra has funded road sector projects through various resources, such as:

- Assistance from the World Bank, NABARD and HUDCO;
- Private sector investment in BOT projects; and
- Provisions from plan and non-plan allocations in the state budgets.

As per the state budget for FY 2010, a loan of Rs. 24.15 billion has been received from NABARD for the improvement of roads, a part of which has been utilized for improvement of road length of 16,125 kms. For FY 2010, an outlay of Rs. 4.75 billion has been proposed for developing 1,500 kms length of roads.

Maharashtra is the highest recipient of cess revenues from the CRF. *(Source: Ministry of Road Transport & Highways, Government of India)* As per the state budget for FY 2010, works of Rs. 17.7 billion have been approved, 4,523 kms of road length has been improved and 421 bridges have been completed till March 31, 2009. In FY10, under CRF a plan outlay of Rs. 2.50 billion is proposed for a targeted improvement of 325 kms length of roads. MSRDC implements projects with the assistance of government of Maharashtra and market borrowings. For instance, the Mumbai-Pune Expressway (costing Rs. 16.3 billion) was funded predominantly through debt.

BOT Projects

For the effective implementation of the State highways and district roads development programme, 169 projects amounting to Rs. 212 billion had been taken up by the government of Maharashtra for implementation through private participation in the State Budget of FY 2008. Out of these, 90 projects amounting to Rs. 38 billion have already been completed, 26 projects costing Rs. 36 billion are in progress, and the remaining 53 projects amounting to Rs. 137 billion are at different stages of planning.

In the above programme, 1,367 kms road improvement, 97 bridges, 38 flyovers, 33 railway over bridges and 95 kms six lane expressway have been completed. Projects of 1,773 kms road improvement, 20 major bridges/flyovers, improvement to 700 kms Mumbai-Nagpur road are in progress and 648 kms four laning works are approved. The government of Maharashtra has also decided to provide viability gap funding where necessary. Recently, the government has approved viability gap funding of Rs. 3.5 billion for projects costing Rs. 8.6 billion.

Approved Projects Involving Private Sector in Maharashtra

Sr. No.	Project Name	Length (kms)	Project Cost (Rs. billion)
1.	Aurangabad - Paithan Four Lane	46	1.45
2.	Shiroli (Kolhapur) to Sangali Four Lane	40	1.45
3.	Baramati-Phaltan-Lonand-Shirval Four Lane	78	2.06
4.	Two lane work to be done near Sawarner city in Nagpur District	11	0.57
5.	Varora - Chandrapur - Ballarpur Four Lane	46	2.25
6.	Four lane of Wani Brahmwalan in Yewatmal District	9	0.23
7.	Akola Washim - Hingoli - Waranga Phata Four Lane	218	4.36
8.	Four kms Flyover construction on the Akola - Akot road to Purna river near Gandhigram Village	4	0.11
9.	Funicular Trolley Systems to be situated in Saptashrungi Ghad Tal - Kalwan Dist Nashik.	0	0.27
10.	Set of 9 projects	405 kms + 1 pool	12.75

(Source: Maharashtra Public Works Department)

Works in Progress on BOT basis (Four Laning Road Projects)

Sr. No.	Name of Project	Length in kms.	Project Cost (Rs. billion)
1.	Four laning of Ahemadnagar Kopargaon Road State Highway No.10 (Part-I)	42	1.1
2.	Four laning of Ahemadnagar Kopargaon Road State Highway No.10 (Part-11)	55	0.99
3.	Four laning of Aurangabad- Wadala Road State Highway No.60	62	1.90
4.	our laning of Nanded- Ardhapur- Waranga Fata Major State Highway No.3	15	0.18
5.	Four laning of Aurangabad- Jalna Road Major State Highway No.6 including Beed-Zalta bypass	64	1.90
6.	Four laning of Latur- Ausa Road and Two laning of Ausa-Lamjana Road	30	0.54
7.	Four laning of Ahemadnagar- Wadala Road State Highway No.60	42	0.70

Sr. No.	Name of Project	Length in kms.	Project Cost (Rs. billion)
8.	Four laning of Ahemadnagar- Shirur Road State Highway No.60	56	1.58
	Total	**366**	**8.89**

(Source: Maharashtra Public Works Department)

<u>Works in Progress on BOT basis (Two Laning Road Projects)</u>

Sr. No.	Name of Project	Length in kms	Project Cost (Rs. billion)
1.	Construction of Mumbai bypass on Mumbai-Pune National Highway No.4	5	0.58
2.	Construction of Barshi bypass on State Highway No. 77	16	0.18
3.	Improvement to Pune- Paud Road State Highway No. 60	40	0.32
4.	Improvement to Bhusaval- Yaval- Amoda-Faijur State Highway and reworking of bridge	38	0.24
5.	Improvement to Sangamner- Talegaon-Kopargaon Road (Major District road-6)	33	0.12
6.	Construction of Railway Over bridge on Malegoan-Chalisgaon Road	0	0.08
7.	Two laning of Malkapur- Buldana- Chikhali Road (State Highways No.176)	67	0.42
8.	Two laning of Ankaleshwar- Bahranpur Road (Section Yaval-Galangi)	50	0.15
	Total	**249**	**2.09**

(Source: Maharashtra Public Works Department)

<u>Works at Tender Stage on BOT basis (Four Laning Road Projects)</u>

Sr. No.	Name of Project	Length in km.	Project Cost (Rs. billion)
1.	Four laning of Chinchoti- Kaman-Paygaon-Anjur Phata Road Major State Highway No.4	27	0.96
2.	Six laning of Thane- Bhiwandi- Vadpa Road Special State Highway including construction of two major bridges	7	1.35
3.	Four laning of Aurangabad- Nashik (Section Vaijapur-Nashik) Road State Highway No. 30 (with V.G.F. of Rs. 630 million)	101	1.58
4.	Four laning of Jalna- Deoulgaon Raja-Berala Phata Road (with V.G.F. of Rs. 280 million)	72	0.96
5.	Four laning of Berala phata- Chikhali-Khamgaon Road (with V.G.F. of Rs. 270 million)	67	0.93
6.	Four laning of Manjarsumbha- Kali-Lokhandi Sawargaon Latur Road (with V.G.F. of Rs. 880 million)	125	2.2
7.	Four laning of Yedshi- Latur- Nanded Road (with V.G.F. of Rs. 2,300 million)	202	5.11
8.	Four laning of Khamgaon bypass on National Highway No. 6	10	0.54
9.	Four laning of Jalna- Watur phata Road (with V.G.F. of Rs. 384.9 million)	54	0.85
10.	Four laning of Watur phata- Jintur- Aundha-Basmat Road (with V.G.F. of Rs. 810 million)	117	2.05
	Total	**782**	**16.53**

(Source: Maharashtra Public Works Department)

List of Proposed Works on BOT basis (Four Laning Road Projects)

Sr. No.	Name of Project	Length in km.	Project Cost (Rs. billion)
1.	Four laning of Kolhapur- Nagpur (Shiroli-Sangali)Road Major State Highway No. 3)	40	1.45
2.	Four laning of Tembhurni- Kurduwadi-Barshi-Yedshi Road State Highway No. 77	120	2.55
3.	Four laning of Baramati- Phaltan- Lonand-Shirwal Road	78	2.19
4.	Four laning of Shinnar- Shirdi Road	50	1.50
5.	Four laning of Aurangabad- Paithan Road State Highway No.30	45	1.45
6.	Four laning of Aurangabad- Lasur- Vaijapur Road	72	2.00
7.	Four laning of Akola- Patur- Malegaon-Washim-Kanhergoan Road State Highway No. 204	125	2.48
8.	Four laning of Kanhergaon-1-lingoli-Waranga Phata Road State Highway No. 204	81	1.87
9.	Four laning of Saoner bypass Road	11	0.90
10.	Four laning of Chandrapur- Balharpur Road	46	3.42
	Total	**668**	**19.81**

(Source: Maharashtra Public Works Department)

List of NHDP Projects Balance for Award in Maharashtra

Stretch	NH No.	Funded by	Length (kms)
Phase III			**222**
Nagpur - Wainganga Bridge Maharashtra/Chattisgarh Border	6	BOT	60
Kalamboli-Mumbra	4	BOT	20
Panvel-Indapur	17	BOT	84
Talegaon-Amravati	6	BOT	58
BOT: Build Operate & Transfer			

(Source: National Highway Authority of India)

Construction Industry

Introduction

The Indian construction industry has witnessed rapid growth over the last few years, clearly indicating the benefit of securing "industry" status. The construction industry witnessed real GDP growth of 7.2% in FY09, 10.1% in FY08 and 11.8% FY07. It is forecasted to grow at 8% in FY10. *(Source: Economic Intelligence Service, CMIE, Monthly Review of the Indian Economy, July 2009)*

Industry Characteristics

The construction industry is highly fragmented, as the entry barriers are low due to lower fixed capital requirements. However, due to increased focus on public private partnership projects by the government, the entry barriers for the companies have become more complex in terms of meeting up the prequalification criteria and other technical requirements.

Although the industry is not fixed capital intensive, it is working capital intensive in terms of the gross working capital requirements. Most projects, especially infrastructure, have a gestation period of more than a year. In addition, any delay in payments from government agencies pushes up receivables.
The construction industry can be broadly classified into three sectors:

- Real estate construction (residential and commercial construction)

- Infrastructure (roads, urban infrastructure, power, railways and irrigation, etc.) and
- Industrial construction (metals, oil and gas, textiles, automobiles, etc.).

(Source: CRISIL Research, Construction Annual Review, June 2008)

Investment Scenario

Construction investments are expected to increase from Rs. 4,717 billion during FY 2003 and FY 2007 to Rs. 9,217 billion during the period FY 2007 to FY 2012. This consists only of infrastructure and industrial investments. Roads and power continue to occupy a substantial share in infrastructure construction investments. This coupled with higher construction intensity augurs well for the construction industry in terms of larger opportunity size. Investments in the industrial sector are driven by capacity addition/expansion plans of companies operating in key sectors of the economy. However, construction intensity being lower, the basket of opportunities arising out of industrial investments is comparatively smaller. Metals and oil and gas, backed by higher operating rates, continue to drive investments.

Infrastructure construction investments will account for nearly 80 % of the total construction investments (infrastructure and industrial) during the period from FY 2008 to FY 2012. Also, infrastructure construction investments are expected to double over the period from FY 2008 to FY 2012 to Rs. 7,367 billion from Rs. 4,086 billion recorded in the period from FY 2003 to FY 2007.

Industrial investments are expected to surge nearly three-fold, from Rs. 2,867 billion in the period from FY 2003 to FY 2007 to Rs. 7,841 billion in the period from FY 2008 to FY 2012. This accounts for 33 % of the total investment expected over the FY 2008 to FY 2012 period.

These investments will translate into construction activity worth Rs. 1,849 billion during FY 2008 to FY 2012 period as compared to Rs. 630 billion during the previous corresponding period. This amounts to only 20 % of the total investments in the construction industry. This is primarily due to lower construction intensity in industrial projects, since a larger component comprises plant and machinery *(Source: CRISIL Research, Construction Annual Review, June 2008)*

Economic linkages

The construction industry is strongly linked to the overall growth and development of the economy. In 2009, the industry accounted for about 7.3% of the GDP and around 50.0% of the Gross Fixed Capital Formation in 2008. *(Source: Economic Intelligence Service, CMIE, National Income Statistics, July 2009)*

Types of Contracts used in the Infrastructure and Construction Industries

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

Build, Operate and Transfer ("BOT")

Under this type of PPP contract, the Government grants to a contractor a concession to finance, build, operate and maintain a facility for a concession period. During the life of the concession, the operator collects user fees and applies these to cover the costs of construction, debt-servicing and operations. At the end of the concession period, the facility is transferred back to the public authority. BOT is the most commonly used approach in relation to new highway projects in India, and is also used in the energy and port sectors.

Build, Own, Operate and Transfer ("BOOT")

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

Design, Build, Finance and Operate ("DBFO")

The NHAI is planning to award new highway contracts under the DBFO scheme, wherein the detailed design work is done by the concessionaire. The NHAI would restrict itself to setting out the exact requirements in terms of quality and other structure of the road, and the design of the roads will be at the discretion of the concessionaire. The DBFO scheme will improve the design efficiency, reduce the cost of construction and reduce time to commence operations, in addition to giving the concessionaire greater flexibility in terms of determining the finer details of the project in the most efficient manner.

Item Rate Contracts

These contracts are also known as unit-price contracts or schedule contracts. For item rate contracts, contractors are required to quote rates for individual items of work on the basis of a schedule of quantities furnished by the customer. The design and drawings are provided by the customer. The contractor bears almost no risk in these contracts, except escalation in the rates of items quoted by the contractor, as it is paid according to the actual amount of work on the basis of the per-unit price quoted.

Engineering Procurement Construction/Lump-Sum Turnkey Contracts

In this form of contract, contractors are required to quote a fixed sum for the execution of an entire project including design, engineering and execution in accordance with drawings, designs and specifications submitted by the contractor and approved by the customer. The contractor bears the risk of incorrect estimation of the amount of work, materials or time required for the job. Escalation clauses might exist in some cases to cover, at least partially, cost overruns.

Operations and Maintenance (O&M) Contracts

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

Front End Engineering and Design (FEED) Contracts

Ordinarily, FEED work is carried out as a part of a consultancy assignment where the consultant provides FEED data to the project owner to enable it to take a decision on making a tender for construction. In addition to this, the FEED is also a prerequisite to enable a contractor to bid for EPC/turnkey projects. A FEED project can be an independent consultancy project or a part of an EPC/turnkey contract.

Price Preference

In tenders for the projects funded by multilateral agencies such as the World Bank and the Asian Development Bank, where there is international competitive bidding, generally there is a clause giving a price preference of 7.5% for domestic Indian bidders. In this case, if the bid by the domestic Indian contractor is 7.5% higher than the lowest international bid, then the employer has to award the project to the domestic bidder. This would be subject to certain conditions specific to the project. In case the domestic bidder is in a joint venture with an international bidder, then the domestic bidder would need to own 51% or more in the joint venture in order to qualify for the preferential treatment.

Purchase Preference

In government tenders for projects normally less than Rs. 1.00 billion, there is a purchase preference clause wherein a tender submitted by a Public Sector Undertaking ("PSU") will entail 10% price preference over other bidders. In this case, if the bid by the PSU is 10% higher than the lowest bidder, the employer reserves the right to award the project to the PSU.

Business Models Used in the Infrastructure and Construction Industries

Although many projects are undertaken by one company, in the case of large projects, companies have adopted two critical approaches in order to obtain and execute the contract: joint ventures and sub-contracting. While companies have entered into joint ventures (JVs) in order to secure the projects, project execution is normally undertaken largely through subcontracting.

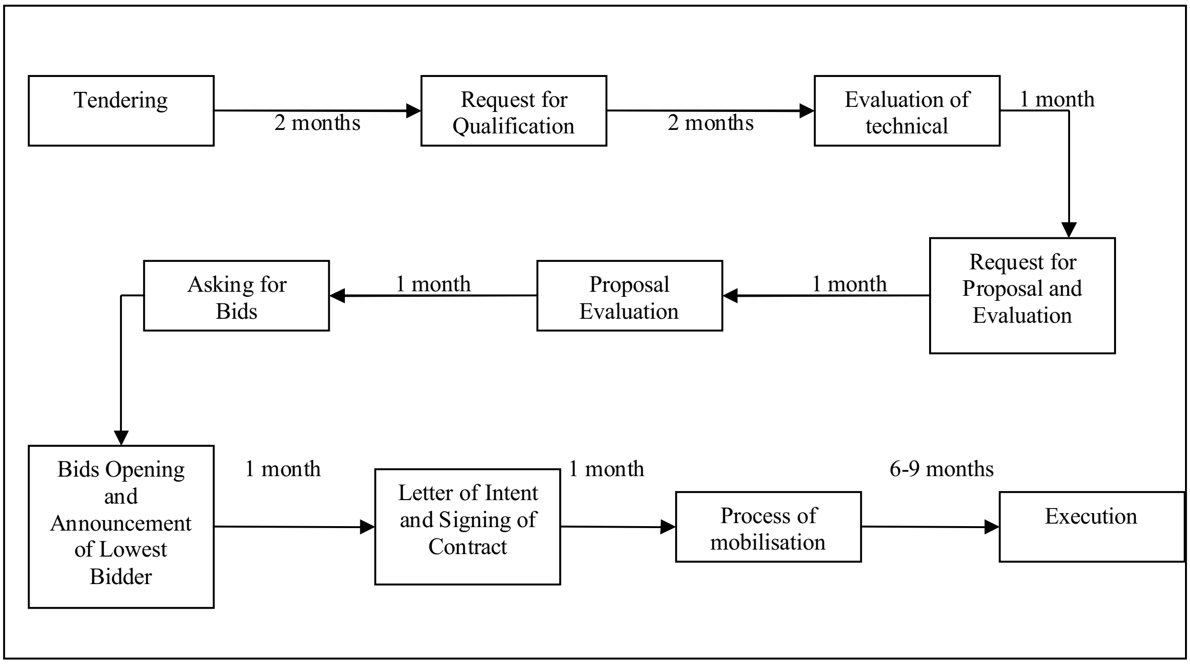
Joint Ventures (JVs)

JVs are usually project-specific and are contractual obligations among two or more, either domestic or foreign, companies. Besides pre-qualifying for projects, JVs are formed to reduce the risk exposure in large projects and combine specialist skills. JVs are usually project-specific, with revenues/profits shared on a pre-determined basis. For instance, in the case of road projects, all the stretches under Phase III of the NHDP have been planned on BOT basis, and therefore, will need higher level of investments. This has compelled smaller companies to join hands with bigger companies, and together on a joint venture basis, bid for the projects. The bigger companies benefit from the joint venture as, to some extent, their equity and project completion risk is shared by the other smaller members of the joint venture. The bigger company is likely to get higher margins as compared to the smaller company as it assumes greater equity risk in the project. The larger projects will also bring in economies of scale and thereby can reduce the construction cost to some extent.

Sub-contracting

Sub-contract arrangements are widespread in the construction industry because of the diversified nature of the jobs in a project. Moreover, the use of sub-contract arrangements enable larger construction companies to maintain flexibility in operations and lower their overheads, while enabling the relatively smaller contractors to gain expertise and increase their turnover. In sub-contracting, smaller companies undertake tasks that are not undertaken by the principal contractor, or specialised tasks, through a sub-contract arrangement. Normally, no more than 30% of a project can be sub-contracted. Sub-contracting practices are adopted by both large and small contractors. While sub-contracting decreases the capital investment of prime contractors and enhances the likelihood of timely completion and lower overhead expenses, it also results in lower profit margins for the prime contractors.

Process of Contract Disbursements in the Infrastructure and Construction Industries



Indian Power Sector

Overview

The power sector in India is slowly moving from a regulated return framework to a market driven pricing mechanism. This has provided a major boost for private entrepreneurs to enter the power sector and set up projects. Currently, significant traction has been achieved in the generation space, while the transmission and the distribution segment is slowly opening to the private sector. The Electricity Act, 2003 mandates the Central Government to prepare an electricity policy in consultation with State Governments and the Central Electricity Authority ("CEA"). The policy aims at accelerating the development of the power sector, providing supply of electricity to all areas and protecting interests of consumers and other stakeholders.

Generation

The total installed capacity in India arose from 89,103 MW in FY 1998 to 147,965 MW by the end of FY 2009. Despite the rise in installed capacity, there has been a significant shortfall in capacity additions when compared to the targets set over the last 10 years. The capacity addition target for the Tenth Plan (2002-2007) was estimated at 41,110 MW, out of which only 21,095 MW was achieved. The capacity addition target for the XIth plan has been set at 78,700 MW. Power generation increased by 3%, from 699.1 billion kWh in FY 2008 to 723.5 billion kWh in FY 2009. Between FY 1999 and FY 2009, power generation has increased at a CAGR of 4.9 %, from 448 billion kWh to 724 billion kWh. *(Source: CRISIL Research, Power Annual Review, August 2009)*

Transmission and Distribution

The transmission segment plays a key role in transmitting power continuously to various distribution entities across the country. Further, the transmission sector needs concomitant capacity additions in line with the generation capacity additions to enable seamless flow of power. The government's focus on providing electricity to rural areas has led to the power T&D system being extended to remote villages. The total length of transmission lines in the country has increased from 2.50 million circuit kilometres (ckm) in 1980-81 to 6.94 million ckm in 2006-07. *(Source: CRISIL Research, Power Annual Review, August 2009)*

In India, the transmission and distribution system is a three-tier structure comprising regional grids, state grids and distribution networks. The five regional grids, structured on a geographical contiguity basis, facilitate transfer of power from a power surplus state to a power deficit state.

A reliable transmission and distribution ("T&D") system is important for the proper and efficient transfer of power from generating stations to load centers. A T&D system comprises transmission lines, substations, switching stations, transformers and distribution lines. The transmission system in India operates at several voltage levels:

- Extra high voltage (EHV): 765 kV, 400 kV and 220 kV
- High voltage: 132 kV and 66 kV
- Medium voltage: 33 kV, 11 kV, 6.6 kV and 3.3 kV
- Low voltage: 1.1 kV, 220 volts and below

National Grid

The regional grids are to be gradually integrated to form a national grid, whereby surplus power from a region could be transferred to another region facing power deficits, thereby facilitating a more optimal utilization of the national generating capacity. The process of setting up the national grid was initiated with the formation of the central sector power generating and transmission companies - National Thermal Power Corporation ("NTPC"), National Hydroelectric Power Corporation ("NHPC") and Power Grid Corporation of India Limited ("PGCIL"). PGCIL was given the responsibility for planning, constructing, operating and maintaining all inter-regional links and taking care of the integrated operations of the national and regional grids. The present inter-regional power transfer capacity of 20,750 MW is expected to be enhanced to 37,150 MW by 2012. Based on the expected generation capacity addition in the Eleventh Plan, an investment of about Rs. 750.00 billion is envisaged in the Central sector and Rs. 650.00 billion is envisaged in the State sector. *(Source: Ministry of Power, Government of India; CRISIL Research, Power Annual Review, August 2009)*

Distribution is the last and critical leg in the supply of electricity, reaching end consumers such as residential, commercial, agricultural and industrial segments. Distribution has several components such as pricing to various customers, cross subsidization etc. However, as this is a lucrative business, it has been held by the respective state entities, with private participation being marginal (only 5-7 % of the total). *(Source: CRISIL Research, Power Annual Review, August 2009)*

The government has begun a number of initiatives to improve the electricity supply to villages. As part of its initiatives, the power distribution system has been extended to reach remote villages. At the end of FY 2009, a total of 488,926 villages were electrified. However, T&D losses in the country remain high at around 28%, compared to an average 10-15% in developed countries. This is because of inadequate metering and theft of electricity. High T&D losses are also attributed to the T&D of a large amount of power at low voltage - the rise in rural electrification has resulted in the proliferation of low voltage (less than 11 kV) transmission lines. T&D losses rose from 22.27 % in 1995-96 to an estimated 26.91 % in FY 2008. The losses peaked at 33.98 % in FY 2002, but since have registered a declining trend. *(Source: CRISIL Research, Power Annual Review, August 2009)*

To improve distribution, the government formulated the Accelerated Power Development Reform Programme ("APDRP"). This programme aims to improve the financial viability of state power utilities, reduce aggregate technical and commercial losses to around 10%, improve customer satisfaction, increase reliability and quality of power supply.

Under this programme, loans, grants and incentives will be offered to states pursuing distribution reforms. It will address the problems faced by states at a micro level (consumer, feeder, substation) as well as macro level (circle, state national), entailing intervention at six stages. These funds will be utilized to upgrade and modernize their sub-T&D (below 33 kV or 66 kV) networks. The APDRP has two components -investment and incentive components. Under the investment component, the government provides assistance worth 50% of the project cost, of which 25% is a grant and 25% is a loan. The balance 50% has to be arranged by the utilities either through internal resource generation or from financial institutions or from other sources of funds (such as state government, the Rural Electrification Corporation, Life Insurance Corporation, ICICI, SIDBI and market bonds). Special category states such as Jammu and Kashmir, Himachal Pradesh, Uttaranchal and Sikkim receive full assistance from the Central government, out of which 90% is grant and the remaining 10% is loan.

As part of the incentive component, the utilities are rewarded for actual cash loss reductions by waiving half of the cash losses reduced by way of free grant. The cash losses are calculated as the net of subsidy and receivables. Up to March 31, 2008, the funds released under this component were Rs. 28.8 billion. The disbursement for FY 2007 and FY 2008 was Rs. 10.2 billion and Rs. 14.0 billion, respectively. (This includes both the investment and incentive components.) *(Source: CRISIL Research, Power Annual Review, August 2009)*

New Restructured-APDRP

As per the new APDRP policy, projects under the scheme shall be taken up in two parts:

- Part-A includes the projects for establishing baseline data and IT applications for energy accounting/auditing and IT-based consumer service centers.
- Part-B includes the regular distribution strengthening projects

Private sector participation in India in distribution has been a success story in India with BSES, BEST, CESC and Tata Power having successfully provided last mile distribution. Distribution through bidding for the privatization of distribution in thirteen states that have unbundled/corporatized their State Electricity Boards – expected to take place over the next 2-3 years. *(Source: http://infrastructure.gov.in/power.htm)*

Till December 2008, the Government of India had sanctioned 571 projects, amounting to Rs. 170.33 billion to strengthen and upgrade sub-transmission and distribution systems of the various states. The states have so far utilized Rs. 126.07 billion. An amount of Rs. 28.79 billion has also been released to nine states for achieving reduction in cash losses under the incentive component of the programme. *(Source: CRISIL Research, Power Annual Review, August 2009)*

Private investments in transmission

In 1998, the Central government enacted the Electricity Laws (Amendment) Act, which recognized transmission as an independent activity (distinct from generation and distribution), and allowed private investments in the sector. According to the government policy, the state transmission utility ("STU"), state electricity board ("SEB") or their successor entities and the central transmission utility ("CTU") PGCIL will identify transmission projects for the intra-state and inter-state/inter-regional transmission of power, respectively. The STUs and CTU will invite private companies to implement these projects through an independent private transmission company ("IPTC") or on a JV basis.

The IPTC would be selected through an international competitive bidding process. The primary criteria for selection would be the quoted transmission service charges ("TSC") and the technical, managerial and financial capabilities of the bidders. In the case of JV companies, the CTU and STUs could own an equity stake of up to 26 %. JV partners could also be selected on the basis of an international competitive bidding process. Further, the primary selection criteria would be the technical and financial strength of the bidders. Transmission service charges would be determined on a cost plus basis under the supervision of the CERC or SERCs. The IPTC's role will be limited to the construction, ownership and maintenance of transmission lines. Operations of the grid, including load dispatch, scheduling and monitoring, will be undertaken by the STUs and the CTU at the intra-state and inter-state/inter-regional level, respectively. The CTU and STUs will be involved in the development phase for obtaining project approvals and various regulatory and statutory clearances (such as environment and forest clearance and securing right-of-way), and will transfer the same to the selected private companies. *(Source: CRISIL Research, Power Annual Review, August 2009)*

BUSINESS

Overview

We build and operate roads and bridges in India on a build, operate and transfer ("BOT") basis. We believe we currently operate one of the highest number of toll-based BOT projects in India. In addition, to BOT projects, we also (1) engineer and design, procure the raw materials and equipment for and construct roads, bridges, distribution transformers, electricity substations, commercial buildings, industrial buildings and institutional buildings, for third parties as well as perform maintenance for third parties, (2) manufacture and sell ready-mix concrete ("RMC") and bitumen, (3) collect tolls on roads and bridges owned and constructed by third parties.

Our business is organised into four divisions:

- the BOT division;
- the engineering, procurement and construction ("EPC") division;
- the RMC and bitumen division; and
- the toll collection contract division.

We can trace our origins back to 1976. Prior to fiscal 1997, we were engaged solely in the engineering and construction of residential, commercial, industrial and institutional buildings. In fiscal 1997, having acquired EPC skills, we also turned our attention to bidding for contracts for toll roads and toll bridges on a BOT basis. We were awarded our first BOT project, the Dhule bypass in Maharashtra, in fiscal 1997 and completed the construction of the road in the same fiscal year. In fiscal 2000 we began manufacturing RMC solely for use by our EPC division. In fiscal 2002 we began to manufacture RMC to sell to third parties as well as for use by our EPC division. In fiscal 2005 we began processing bitumen to a higher grade at our facility in Pune for use in road projects. Having developed systems and procedures for collecting tolls on our BOT projects, including developing our own proprietary computerised toll revenue auditing system, we tendered for and were awarded our first contract to collect the tolls on a road owned and constructed by a third party. In fiscal 2009, we began undertaking EPC work in the power sector when we were awarded a contract by Maharashtra State Electricity Distribution Company Limited for, among other things, the construction and commissioning of sub-transmission lines, distribution lines, power transformers and new sub-stations. In September 2008, we entered into agreements for constructing and developing two shopping malls on a BOT basis.

Our head office is in Nashik, Maharashtra and our operations currently reach across the states of Maharashtra, Madhya Pradesh, Chhattisgarh and Rajasthan. In the past, we have also undertaken work in Gujarat, Goa and Tamil Nadu, Uttaranchal, the National Capital Territory of Delhi and the union territories of Dadra and Nagar Haveli and Daman and Diu.

BOT Division. We currently operate or have an interest in 21 BOT road projects totalling approximately 2,523 kilometres of lanes in Maharashtra, Madhya Pradesh and Chhattisgarh, the concessions for which were awarded on a BOT basis. In order to meet specific eligibility requirements for certain larger BOT projects, including requirements relating to particular types of experience and financial resources, we have entered into project-specific joint ventures or special purpose vehicles with other companies. Out of the 21 BOT projects mentioned above, 17 are in operation and three are under construction and we have yet to be begin construction of one. Of the 17 BOT projects in operation:

- four are operated by the Company;
- 11 are operated by the subsidiaries of the Company/joint ventures controlled by the Company;
- one is operated by an associate company in which the Company has a 50% interest; and
- one is operated by a joint venture in which the Company has a 5% interest.

Of the four BOT projects under construction/yet to begin construction:

- two are being developed by subsidiaries of the Company;
- one is being developed through an associate of the Company; and
- one is being developed by a company in which the Company has an 14.47% beneficial interest.

In addition, we have built, operated and successfully transferred three BOT projects at the end of the concession periods, thereby experiencing the complete life cycle of a BOT project.

EPC Division. Our EPC division primarily engineers and designs, procures the raw material and equipment for and constructs roads and bridges for our BOT division and third parties. Our EPC division also (a) maintains and repairs existing roads for our BOT division, (b) constructs and modernises power distribution networks, comprising distribution transformers and electricity substations, for third parties and (c) constructs commercial, industrial and institutional buildings for third parties. We own a large fleet of construction equipment. As at June 30, 2009, the Company, its subsidiaries and its predecessor entities had constructed 44 roads and bridges and built over 5.4 million square feet of commercial, industrial and institutional projects. As at June 30, 2009, our Order Book, which comprises the unfinished and uncertified portion of projects that we have been awarded, was Rs. 17,849.99.00 million. Our Order Book as at June 30, 2009 does not include the value of the EPC contract for the construction of part of the 452 lane kms Maharashtra Pimpalgaon-Nashik-Gonde section of NH-3, the concession for which was awarded to L&T PNG Tollway Private Limited pursuant to an agreement dated July 8, 2009. The Company has a 26% interest in L&T PNG Tollway Private Limited. In August 2009, the Company received a letter of intent from L&T PNG Tollway Private Limited for appointing the Company to provide the EPC services for the construction of the road, except for an elevated corridor, for a total of Rs. 5,805.40 million.

We received an ISO 9002 in 1998 and an ISO 9001:2000 in 2001 for Certificate for Quality Assurance, an ISO 14001:2004 in 2005 for environmental and QHSAS18001:2007 in 2007 for safety. According to ISC, we are the first Indian infrastructure construction company to receive the ISC certification for Quality (ISO 9001:2000), Environment (ISO 14001:2004) and Occupational Health and Safety Management System (OHSAS 18001:1999) upgraded to (OHSAS 18001:2007) for Integrated System Management in relation to the design, development, construction of roads, bridges, industrial buildings, residential and commercial complexes, production and sale of ready-mix concrete, operation and maintenance of road infrastructure projects, and power transmission and distribution projects. We have also received numerous construction awards, including the Nasik Industries and Manufacturers' Association 'Excellence Award 2001' - First Prize in 'Large Scale Industries' and the Indian Institute of Bridge Engineers 'Most Outstanding Bridge - National Award 2001'.

RMC and Bitumen Division. Our RMC and bitumen division sells ready-mix concrete and bitumen and supports the EPC division by ensuring that it has an adequate and timely supply of high-quality RMC and bitumen. We have 13 RMC plants with a total production capacity of 590 cubic metres per hour and 71 concrete transit trucks and 18 concrete pumps. This division also sells and processes bitumen to a higher grade for use in road projects and supports our EPC division by supplying it with bitumen. We have one plant in Pune for the processing of bitumen with a capacity of 60 metric tonnes per day.

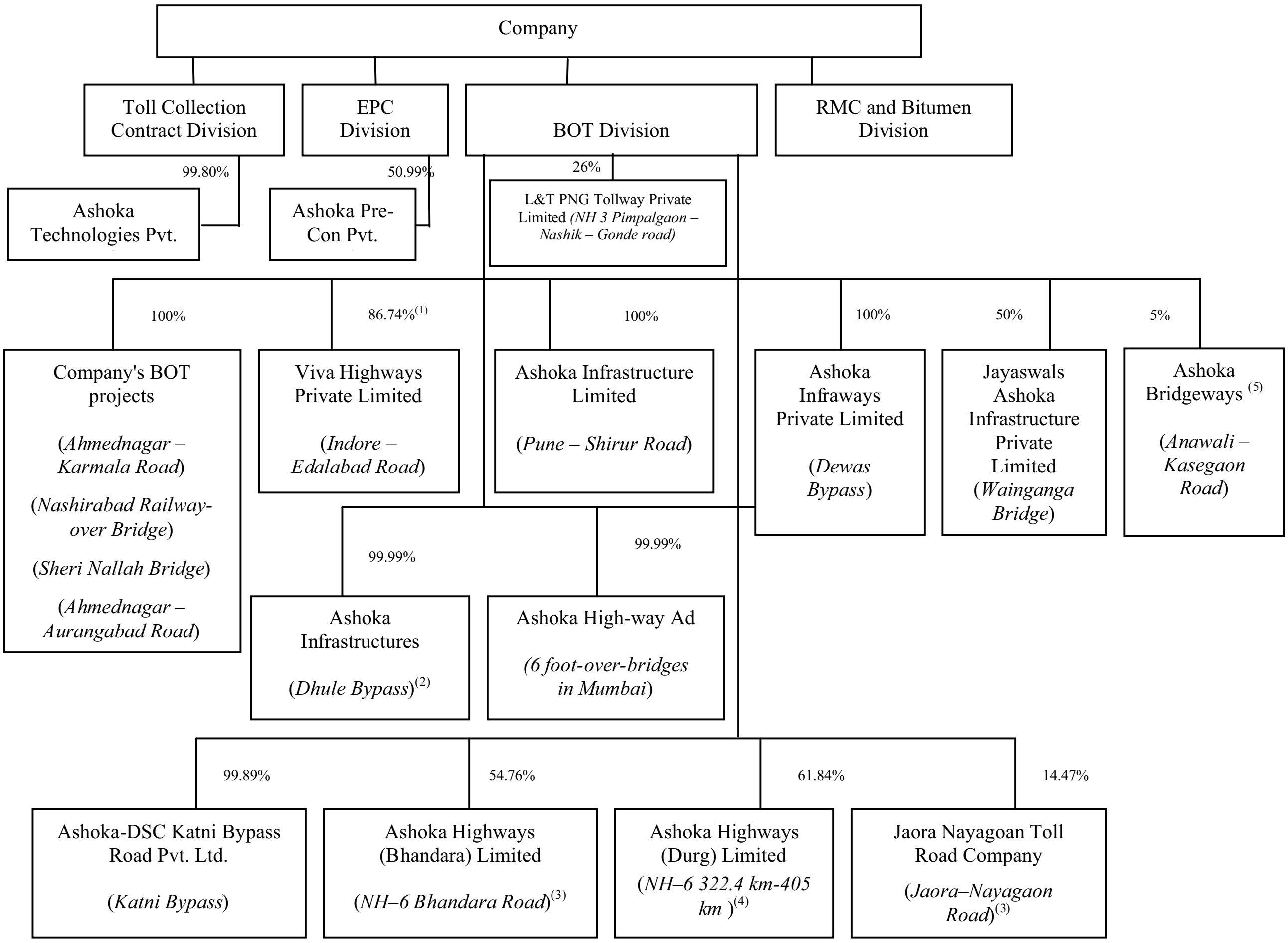
Toll Collection Contract Division. We set up our toll collection contract division to leverage our experience of collecting tolls on our BOT projects and our proprietary computerised toll revenue auditing system. To date, we have entered into four agreements to collect tolls on roads/bridges owned and constructed by third parties, although our last contract expired in February 2007.

In order to capitalize on our EPC commercial building experience, we entered into two agreements in September 2008 to develop two shopping malls in Kalyan, Maharashtra on a BOT basis. The construction of these projects has not yet begun. These two malls will have an estimated total leaseable area of 12,453 sq. metres. These two shopping malls will be the first commercial buildings we will have built to lease out to third parties. We do not currently plan to undertake any further development of commercial property.

As at June 30, 2009, our work force consisted of 2,379 full-time employees, including 1,271 technical staff.

For fiscal 2009, we had a consolidated total income of Rs. 5,333.61 million and a consolidated net profit attributable to shareholders of Rs. 383.02 million.

Set forth below is our organisational chart, including the name of each concession operator, the Company's beneficial interest in the concession operator and the name of the BOT project in parentheses and italics:



(1) The Company owns 74.00% of the shares directly and 12.76% of the shares indirectly through its 49.00% interest in Viva Infrastructure Private Limited, the legal owner of 26% of the shares of Viva Highways Private Limited
(2) Concession expires September 20, 2009.
(3) The road is still being constructed.
(4) Construction not yet complete. The road will go from the end of the Durg Bypass, Chattisgarh to the Maharashtra border.
(5) The Company has an 14.47% beneficial interest in Jaora Nayagaon Toll Road Company through its 49.00% ownership of Viva Infrastructure Private Limited, which owns 14.54% of the shares in Jaora Nayagaon Toll Road Company, and through its 86.74% interest in Viva Highways Pvt. Ltd., which owns 8.46% of the shares in Jaora Nayagaon Toll Road Company Private Limited.

Our Strengths

We believe the following are our key strengths.

Well-established player in toll-based BOT projects in India with a proven ability to partner with other well-established players in the industry

We were an early mover in India in the BOT project sector. We were awarded our first BOT project, the Dhule bypass in Maharashtra, in fiscal 1997 and completed the construction of the road in the same fiscal year. The Dhule Bypass was amongst the first toll-based BOT projects in Maharashtra. We believe we operate one of the highest number of toll-based BOT projects in India. We currently own or have an interest in a total of 17 BOT projects in operation comprising approximately 1,100 kilometres of lanes. Two of the Company's subsidiaries, one of its associate companies and one company in which it has an 14.47% investment interest have been awarded the concessions for four additional BOT projects, comprising 1,423 kilometres of lanes, the construction of which has not been completed. Our early-mover status and continued presence in the toll-based BOT project sector provides us with a platform to further develop our BOT presence and to win EPC contracts for road and bridge construction projects. In addition, other well-established players, such as Larsen & Toubro Limited, SREI Infrastructure Finance Limited and Infrastructure Development Finance Company Limited, have chosen us to partner with them for BOT projects.

Integrated business model, including our own traffic study expertise and proprietary toll collection audit system

We are able to undertake all activities related to a BOT road project in-house - from tendering for the project through to the collection of tolls. This helps to ensure the timely completion of projects, reduces our reliance on subcontractors and decreases our costs.

We prepare all tendering documents. Our ability to tender appropriately for BOT projects depends heavily on the assessment of the future traffic patterns on the proposed road or bridge and the amount of tolls to be collected. Over the course of our more than 12 years in toll-based BOT projects, we have developed an in-house traffic study team, which has the dual responsibility of conducting pre-bidding traffic surveys and monitoring toll collections. Our in-house traffic study team has an in-depth knowledge of traffic patterns not only in Maharashtra, Madhya Pradesh and Chhattisgarh, where we currently have BOT projects, but also in Tamil Nadu, Karnataka, Andhra Pradesh, Gujarat, Rajasthan, Uttar Pradesh and Punjab. We believe our in-house traffic forecasting capacity and expertise strengthens our ability to tender effectively for BOT projects and toll collection contracts.

Our EPC division, with its experienced team of engineers and skilled workman and its fleet of construction equipment (with a net block value of Rs. 703.32 million as at March 31, 2009), constructs and maintains the projects. Our RMC and bitumen division manufactures and supplies the concrete and bitumen, depending on the type of road.

As tolls are paid in cash, we utilise our own toll collection audit system, which includes cameras installed at toll booths and our own proprietary software, to minimise the chance of cash pilferages. The system enables us to monitor our toll collection on a real-time basis.

Our integrated structure enables us to bid for a BOT project with confidence in our ability to complete and operate the project on a profitable basis. It also allows us to capture the entire value in the BOT development business, including EPC margins, developer returns and operation and maintenance margins.

Long standing history of timely execution of projects

Most of our projects have been executed on time or prior to the scheduled completion date. We constructed a 90-metre long bridge on the Mahad-Pandharpur state highway in 38 days compared with the scheduled construction time of 12 months. The construction of a 100-metre long bridge called the Pargaon Bridge, a BOT project, was completed in 65 days compared with the scheduled construction time of 18 months.

Both of these construction feats are recorded in *Limca Book of Records.* Our EPC contracts generally provide for bonus payments if we complete construction of a project prior to the scheduled completion date. For example, we received Rs. 19.00 million for the early completion of the construction of the Phalodi to Puchpadra road, an EPC contract, which was completed 95 days prior to the scheduled completion date. If we complete the construction of a road or bridge the subject of a BOT agreement before the scheduled completion date, we generally get the benefit of collecting tolls on that project earlier than anticipated, which increases the total period for collecting tolls, thereby increasing our revenue from the project. There have been no instances where our performance guarantees have been invoked by our clients.

Healthy Order Book position

As at June 30, 2009, our Order Book totalled Rs. 17,849.99.00 million. Our Order Book as at June 30, 2009 does not include the value of the EPC contract for the construction of part of the 452 lane kms Maharashtra Pimpalgaon-Nashik-Gonde section of NH-3, the concession for which was awarded to L&T PNG Tollway Private Limited pursuant to an agreement dated July 8, 2009. The Company has a 26% interest in L&T PNG Tollway Private Limited. In August 2009, the Company received a letter of intent from L&T PNG Tollway Private Limited for appointing the Company to provide the EPC services for the construction of the road, except for an elevated corridor, for a total of Rs. 5,805.40 million. In our industry, the Order Book is considered an indicator of potential future performance since it represents a significant portion of our potential EPC revenue stream.

Proven track record of being able to leverage BOT projects on completion of construction.

We have been able to leverage off certain of our completed BOT projects to expand our business. On completion of the construction of 15 out of 20 of our BOT projects, we have refinanced the debt taken for the construction of the project and increased the debt outstanding on the project to as much as 150% of the cost of the project. This provides us with increased cash, which enables us to bid for more BOT projects.

Experienced management and a well-trained employee base

Ashok Katariya, our Chairman, has over 33 years of experience in the construction industry and is a first generation entrepreneur. Satish D. Parakh, our Managing Director, has over 28 years in the construction industry. Sunil B. Raisoni, a director of the Company, has over 26 years experience in the construction industry. Messrs. Parakh and Raisoni both joined the Company as employees and they have been working with Katariya for more than 26 years.

We believe we have a well-trained employee base, which enables us to construct various kinds of projects with different technical requirements. As at June 30, 2009, we employed 2,379 full-time employees, 1,271 of which are technical staff.

Our Strategy

Focus on executing larger projects in the Indian road infrastructure sector

As the road infrastructure sector grows, we believe that it will be increasingly characterised by larger projects. As a result, we intend to bid on larger BOT projects. The primary benefit of this strategy is that larger projects typically generate higher profit margins than smaller projects. The fixed costs associated with large projects, such as employee expenses, system automation expenses and administration expenses, typically represent a lower proportion of the total costs of the project than those incurred in smaller projects and the overhead costs involved in initiating the project and supplying materials and machinery also typically represent a lower percentage of the total costs when compared with smaller projects. The Construction Industry Development Council has forecast that Rs. 2,540 billion will be spent on constructing roads in India during the Eleventh Five Year Plan (2007-2012).

We have been progressively executing larger projects. For example, our first BOT project was the Dhule Bypass, the Project Cost for which was Rs. 58.17 million. Except as noted otherwise, all project costs for

BOT projects stated in this Draft Red Herring Prospectus comprise the EPC costs, the interest paid on the debt financing during construction of the project and other expenses incidental to the project during the construction period (the "Project Cost"). In 2006, we were awarded the concession for the NH-6 Bhandara road in Maharashtra, the estimated Project Cost of which is Rs. 5,350.00 million. In 2006, we were awarded the concession for the NH-6 Durg Bypass, Chhattisgarh - Maharashtra border road, the estimated Project Cost of which is Rs. 5,870.00 million. In July 2009, L&T PNG Tollway Private Limited, in which the Company has a 26% interest, was awarded the concession for the 452 lane kms Maharashtra Pimpalgaon-Nashik-Gonde section of NH-3. In August 2009, the Company received a letter of intent from L&T PNG Tollway Private Limited for appointing the Company to provide the EPC services for the construction of the road, except for an elevated corridor, for a total of Rs. 5,805.40 million.

Increase our EPC division's revenue from third parties

We plan to focus on growing our EPC division's revenue from third parties. We believe this will provide us with a more diverse income stream and allow us to take advantage of the demand for contracting-only projects. It will also help to ensure that our EPC division operates at its optimal capacity. To this end, in fiscal 2009, we began undertaking EPC work in the power sector when we were awarded a contract by Maharashtra State Electricity Distribution Company Limited for the construction and commissioning of sub-transmission lines, distribution lines, power transformers and new sub-stations, the augmentation of existing sub-stations and distribution transformers, and renovation and modernization works. We have been consistently generating work in this sector from Maharashtra State Electricity Distribution Company Limited and our Order Book as at June 30, 2009 included Rs. 9,682.11 million worth of power-related EPC contracts. We plan to focus on getting additional work in this sector from other companies in the power sector.

Continue to leverage BOT projects once construction has been completed

In order to increase the cash available to us to expand our business, we plan to continue to leverage our BOT projects once the construction phase of the project is complete. On completion of the construction of 15 out of the 20 BOT projects we have built (including BOT projects owned by associates), the debt taken for the construction of the project has been refinanced and the debt outstanding on the project has been increased to as much as 150% of the EPC cost of the project.

Enter into new contracts for operation, maintenance and collection of tolls on roads and bridges constructed by third parties

In addition to the construction of new roads, we believe there will be opportunities to win maintenance contracts and toll collection contracts on roads that have already been built. As a result, we also plan to bid for road operation and maintenance contracts and toll collection contracts. With our long track record in the road sector and our integrated business model, we believe we are well positioned to take advantage of these opportunities.

Our Services and Products

We build and operate roads and bridges in India on a build, operate and transfer basis and currently operate 17 toll-based BOT projects in India. In addition to our BOT projects, we also engineer and design, procure the raw materials and equipment for and construct roads, bridges, commercial buildings, industrial buildings and institutional buildings for third parties, and manufacture and sell ready-mix concrete. Our business is organised into four divisions:

- the BOT division;
- the EPC division;
- the RMC and bitumen division; and
- the toll collection contract division.

BOT Division

Typically, BOT contracts require the grantee of the concession to construct a road, bridge or building and operate and maintain the asset over a pre-defined period (known as the concession period) at its own expense. In return, it is granted the right, in the case of roads and bridges, to collect tolls from vehicles using the road or bridge during the concession period, or in the case of a commercial building, to collect rent during the concession period. At the end of the concession period, the obligation to maintain the road, bridge or building and the right to collect tolls or rent reverts to the entity that granted the concession.

Our BOT division currently earns revenue from the tolls we collect on our BOT road projects, except for six foot bridges in Mumbai where we earn revenue from the sale of advertising space on the foot bridges.

BOT Road Projects

In order to meet specific eligibility requirements for certain larger BOT road projects, including requirements relating to particular types of experience and financial resources, we have entered into project-specific joint ventures or special purpose vehicles with other companies, including industry leading players such as Larsen & Toubro Limited, SREI Infrastructure Finance Limited and Infrastructure Development Finance Company Limited.

We currently operate or have an interest in 21 roads and bridges totalling approximately 2,523 kilometres of lanes in Maharashtra, Madhya Pradesh and Chhattisgarh, the concessions for which were awarded on a BOT basis. Out of the 21 BOT projects mentioned above, 17 are under operation, three are under construction and we have yet to begin construction on one of them. Of the 17 BOT projects under operation:

- four are operated by the Company;
- 11 are operated by the subsidiaries of the Company/joint ventures controlled by the Company;
- one is operated by an associate company in which the Company has a 50% interest; and
- one is operated by a joint venture in which the Company has a 5% interest.

The 17 BOT projects in operation comprise approximately 1,100 kilometres of lanes. Summary details of these 17 BOT projects are set forth in the table below.

Name of Project	Lane Kilometres	Name of Concession Operator (Company's Beneficial Interest)	Project Cost in Rs. Million	Date Toll Collection Began	Concession Period Expires
Indore – Edalabad Road	406	Viva Highways Private Limited (86.74%)[(1)]	1,640.51	Stage 1 – November 2002 Stage 2 – August 2003 Stage 3 – February 2004	April 2017
Pune – Shirur Road	216	Ashoka Infrastructure Limited (100%)	1,599.04	July 2005	October 2015
Ahmednagar – Aurangabad Road	168	The Company (100%)	1,026.64	May 2008	September 2016
Katni Bypass	35	Ashoka-DSC Katni	708.58	February	September

Name of Project	Lane Kilometres	Name of Concession Operator (Company's Beneficial Interest)	Project Cost in Rs. Million	Date Toll Collection Began	Concession Period Expires
		Bypass Road Private Limited (99.89%)		2008	2018
Dewas Bypass	40	Ashoka Infraways Private Limited (100%)	613.22	May 2004	August 2015
Ahmednagar – Karmala Road	160	The Company (100%)	503.51	August 1999	November 2015
Wainganga Bridge	26	Jayaswals Ashoka Infrastructure Limited (50%)(1)	408.69	March 2001	February 2018
Nashirabad Railway-Over Bridge	8	The Company (100%)	146.97	July 2000	September 2010
Sheri Nallah Bridge	7	The Company (100%)	122.85	October 2000	June 2015
Dhule Bypass	12	Ashoka Infrastructures (99.99%)	58.17	March 1998	September 20, 2009
Foot-Over-Bridge in Mumbai (Godrej)	N/A	Ashoka High-Way Ad (99.99%)	6.61	April 2002	August 2016
Foot-Over-Bridge in Mumbai (Priya-darshani)	N/A	Ashoka High-Way Ad (99.99%)	7.18	January 2003	August 2012
Foot-Over-Bridge in Mumbai (Pravin Hotel)	N/A	Ashoka High-Way Ad (99.99%)	7.57	May 2003	August 2017
Foot-Over-Bridge in Mumbai (Tagore Nagar)	N/A	Ashoka High-Way Ad (99.99%)	6.60	July 2003	August 2018
Foot-Over-Bridge in Mumbai (Louis Wadi)	N/A	Ashoka High-Way Ad (99.99%)	4.25	February 2003	August 2013
Foot-Over-Bridge in Mumbai (Mental Hospital)	N/A	Ashoka High-Way Ad (99.99%)	4.79	July 2002	August 2013
Anawali – Kasegaon Road	22	Ashoka Bridgeways (5%)	73.53	March 2007	May 2017

(1) The Company owns 74.00% of the shares directly and 12.74% of the shares indirectly through its 49.00% interest in Viva Infrastructure Private Limited, the legal owner of the other 26% of the shares in Viva Highways Private Limited.
(2) An associate of the Company.

Further details on these BOT projects are set forth in this section below under the heading "BOT Road Projects in Operation" beginning on page 94 of the Draft Red Herring Prospectus.

We have been awarded the concessions for four BOT projects, comprising approximately 1,423 kilometres of lanes, the construction of which is in progress. Of the four BOT road projects which are in progress:

- two are being developed by subsidiaries of the Company;
- one is being developed through an associate of the Company; and

- one is being developed by a company in which the Company has a 14.47% beneficial interest.

Summary details of these four BOT projects are set forth in the table below.

Name of Project	Lane Kms	Name of Concession Operator (Company's Beneficial Interest)	Estimated Project Cost in Rs. million	Estimate of Construction Completed as at June 30, 2009	Scheduled Completion Date	Concession Period Expires
NH-6 Bhandara Road	320	Ashoka Highways (Bhandara) Limited (54.76%)(1)	5,350.00	67.11%	March 2010	March 2028
NH-6 Durg Bypass, Chhattisgarh -Maharashtra Border Road	332	Ashoka Highways (Durg) Limited (61.84%)(2)	5,870.00	38.47%	June 2010	March 2028
Jaora – Nayagaon Road	319	Jaora Nayagaon Toll Road Company Private Limited (14.47 %)	8,470.00	60.50%	February 2010	February 2033
NH-3 Pimpalgaon – Nashik – Gonde road	452	L&T PNG Tollway Private Limited (26.00%)	9,400(3)	0.00%	30 months from the date of financial closure, which has not occurred yet	20 years from the date of financial closure, which has not occurred yet.

(1) We have entered into a shareholders agreement with India Infrastructure Fund and IDFC Limited pursuant to which the Company's beneficial interest in this subsidiary is expected to decrease to 51% before the end of fiscal 2010. For details see, the section entitled "History and Certain Corporate Matters" on page 124 of this Draft Red Herring Prospectus.
(2) We have entered into a shareholders agreement with India Infrastructure Fund and IDFC Limited pursuant to which the Company's beneficial interest in this subsidiary is expected to decrease to 51% before the end of fiscal 2010. For details see, the section entitled "History and Certain Corporate Matters" on page 124 of this Draft Red Herring Prospectus.
(3) This is NHAI's estimate of the EPC cost as per the tender document.

Further details on these BOT projects are set forth in this section below under the heading "BOT Road Projects – Construction not complete" page 102 of this Draft Red Herring Prospectus".

Construction

Our EPC division is responsible for the construction of all of our BOT projects. We also enter into sub-contracting arrangements for our EPC business from time to time, depending upon the commercial viability of such arrangements. For those BOT projects undertaken by the Company's subsidiaries, associates or joint ventures, the Company enters into a fixed price contract for constructing the project for a specific scope of work. The negotiations on the price of the EPC contract are conducted on an arms-length basis.

Operation and Maintenance

Each of the concession agreements for our toll road and toll bridge BOT projects requires us to maintain the road or bridge, as applicable, to certain standards during the concession period. The grantors of our concessions have used, and will likely to continue to use, independent engineers to carry out periodic tests to assess the quality of the road or bridge and its related maintenance. If we are determined to have failed to carry out our maintenance obligations, the other contracting party may, following the issuance of notices and expiry of cure periods, terminate the relevant concession.

Toll Collection

We are responsible for collecting the tolls on all of our toll-based BOT projects. All of the tolls for our BOT projects are collected in cash. To minimise the chance of toll pilferage, we have developed our own toll collection audit system. Our toll collection audit system includes cameras installed at toll booths and our own proprietary software. The system enables us to monitor our toll collection on a real-time basis. We first developed this system in fiscal 1998 and we are constantly endeavouring to improve it as we gain more experience in the collection of tolls.

Our in-house traffic study team has the responsibility of monitoring toll collections.

BOT Road Projects in Operation

Set forth below is a summary of each of the 17 BOT projects which we operate, or in which we have an interest.

1. Indore-Edalabad Road

Description

The road connects Indore, Madhya Pradesh to Icchapur, Madhya Pradesh and is approximately 406 lane km (two lanes) long. The construction of the road was completed in three stages of approximately 140 lane km each (two lanes). We began collecting tolls on the first stage of the road in November 2002. We began collecting tolls on the second stage of the road in August 2003. We began collecting tolls on the third and final stage of the road in February 2004.

Concession Operator

Viva Highways Private Limited is the operator of the concession. The Company owns 74.00% of the shares in Viva Highways Private Limited directly and 12.74% of the shares in Viva Highways Private Limited indirectly through its 49.00% interest in Viva Infrastructure Private Limited, the legal owner of the other 26% of the shares in Viva Highways Private Limited. For more information on Viva Highways Private Limited and Viva Infrastructure Private Limited, please see the section entitled "History and Certain Corporate Matters" beginning on page 124 of this Draft Red Herring Prospectus.

Key Terms of the Concession

The concession was granted by Madhya Pradesh Road Development Corporation Limited ("MPRDC"). Under the terms of the concession agreement, the project was commissioned in three phases. We began collecting tolls on phase one of the roads in November 2002, on phase two of the road in August 2003 and on phase three of the road in February 2004. The concession period expires in April 2017. Viva Highways Private Limited received a non-refundable grant of Rs. 450.00 million from MPRDC for the construction of the project.
The toll rates are set forth in the concession agreement with a clause to increase the rates by 7% every year with effect from April 1 of each year.

Project Cost

The Project Cost was Rs. 1,640.51 million.

Debt Financing

Viva Highways Private Limited originally borrowed a total of Rs. 555.50 million from IDFC and SBI to partially finance the project. In March 2005, after the construction was completed, Viva Highways Private Limited leveraged the project by borrowing from IDFC and SBI a total of Rs. 1,500.00 million and with a non fund based bank guarantee limit of Rs. 12.00 million. These loans are all repayable by March 31, 2015. As at June 30, 2009, the total amount outstanding on these loans was Rs. 1,068.05 million.

2. Pune-Shirur Road

Description

The project involved the widening and strengthening of the Pune to Shirur section of Maharashtra State Highway 60, which connects Pune to Ahmednagar and is 216 lane km (four lanes) long. We began collecting tolls on the road in July 2005.

Concession Operator

Ashoka Infrastructure Limited is the operator of the concession. The Company owns 100% of the shares in Ashoka Infrastructure Limited. For more information on Ashoka Infrastructure Limited, please see the section entitled "History and Certain Corporate Matters" beginning on page 124 of this Draft Red Herring Prospectus.

Key Terms of the Concession

The concession was granted by the Public Works Department (World Bank Division), Ahmednagar of the State Government of Maharashtra. Under the terms of the concession agreement, construction of the project was to be completed by August 2005. The concession period expires in October 2015.
The initial toll rates are set forth in the concession agreement with a clause to increase the rates every three years with effect from July 1, 2004 to the toll rates already set forth in the concession agreement.

Project Cost

The Project Cost was Rs. 1,599.04 million.

Debt Financing

Ashoka Infrastructure Limited borrowed Rs. 1,060.00 million from Bank of India, Indian Overseas Bank, Allahabad Bank, SIDBI, Indian Bank and Oriental Bank of Commerce to partially finance the project. The loan is repayable by January 2011. As at June 30, 2009, the amount of the loan outstanding was Rs. 551.33 million.

3. Ahmednagar–Aurangabad Road Project

Description

The project involved the widening of 168 lane km (four lanes) long road sections of the Ahmednagar–Aurangabad Road on Maharashtra State Highway 60. We began collecting tolls on the road in May 2008.

Concession Operator

The Company was awarded the concession.

Key Terms of the Concession

The concession was granted by the Public Works Department, World Bank Division, Ahmednagar of the State Government of Maharashtra. The concession agreement provides that the concession period will expire in September 2016 and does not provide for any specific construction period.

The toll rates are set forth in the concession agreement with a clause to increase the rates every three years with effect from April 1, 2010 to the rates already set forth in the concession agreement.

Estimated Project Cost

The Project Cost was Rs. 1,026.24 million.

Debt Financing

IDFC has sanctioned a Rs. 670.00 million loan to the Company to be repaid in 102 equal monthly instalments ending in March 2017. As at June 30, 2009, the amount outstanding on the loan was Rs. 622.02 million.

4. Katni Bypass

Description

The project involved the construction of a 35.2 lane km (two lanes) bypass road around the city of Katni, Madhya Pradesh on National Highway 7. We began collecting tolls on the road in February 2008.

Concession Operator

Ashoka-DSC Katni Bypass Road Private Limited was awarded the concession. The Company owns 99.89% of the shares in Ashoka-DSC Katni Bypass Road Pvt. Ltd. and the other 0.11% of the shares are owned by DS Construction Ltd. For more information on Ashoka-DSC Katni Bypass Road Pvt. Ltd., please see the section entitled “History and Certain Corporate Matters” beginning on page 124 of this Draft Red Herring Prospectus.

Key Terms of the Concession

The concession was granted by the Public Works Department, Jabalpur the State Government of Madhya Pradesh. The concession period will expire in September 2018.

Project Cost

The Project Cost was Rs. 708.58 million.

Debt Financing

Ashoka-DSC Katni Bypass Road Private Limited borrowed Rs. 430.00 million from Bank of India and Federal Bank Limited for the project along with a bank guarantee limit of Rs. 4.20 million. The loan is repayable by March 2015. As at June 30, 2009, the amount of the loan outstanding was Rs. 415.90 million.

5. Dewas Bypass

Description

The project involved the construction of a 39.6 lane km (two lanes) long bypass concrete road around the city of Dewas to assist traffic moving between Bhopal, Ujjain and Indore and other parts of Madhya Pradesh and passing through Dewas city. We began collecting tolls on the bypass in May 2004.

Concession Operator

Ashoka Infraways Private Limited is the operator of the concession. The Company owns 100% of the shares in Ashoka Infraways Private Limited. For more information on Ashoka Infraways Private Limited, please see the section entitled "History and Certain Corporate Matters" beginning on page 124 of this Draft Red Herring Prospectus.

Key Terms of the Concession

The concession was granted by the Public Works Department, Dewas, of the State Government of Madhya Pradesh. Under the terms of the concession agreement, the construction of the project was to be completed by July 2004. As the construction of the project was completed in May 2004, the concession operator collected tolls on the project earlier than it would have had construction of the project been completed on the scheduled completion date. The concession period expires in August 2015.
The toll rates are set forth in the concession agreement with a clause to increase the rates by 25% every three years with effect from April 1, 2006.

Project Cost

The Project Cost was Rs. 613.22 million.

Debt Financing

Ashoka Infraways Private Limited originally borrowed a total of Rs. 360.00 million from Axis Bank Ltd. and SICOM Ltd. to partially finance the project. In May 2008, after the construction was completed, Ashoka Infraways Private Limited leveraged the project by borrowing a total of Rs. 546.70 million from Axis Bank and with a non-fund based bank guarantee limit of Rs. 3.40 million. These loans are all repayable by September 2014. As at June 30, 2009, the total amount outstanding on these loans was Rs. 517.60 million.

6. Ahmednagar-Karmala Road

Description

The road connects Ahmednagar, Maharashtra to Karmala, Maharashtra and is 160 lane km (two lanes) long. The construction of the road was in four phases. We began collecting tolls on the road in August 1999 and all the four phases of the road were completed in January 2004.

Concession Operator

The Company is the operator of the concession.

Key Terms of the Concession

The concession was granted by the Public Works Department (World Bank Division), Ahmednagar of the State Government of Maharashtra. The concession period expires in November 2015.
The initial toll rates are set forth in the concession agreement with a clause to increase the rates every three years from February 2005 to the rates already set forth in the concession agreement.

Project Cost

The Project Cost was Rs. 503.51 million.

Debt Financing

The Company originally borrowed Rs. 185.0 million from IDBI Bank to partially finance the project. During the construction of the last phase of the project, the loan was repaid by the Company by borrowing Rs. 380.00 million from IDFC. The Company further leveraged the project by borrowing an additional Rs. 450.00 million. The loans are repayable by December 2011 and July 2014, respectively. As at June 30, 2009, the total amount outstanding on these loans was Rs. 565.03 million.

7. Wainganga Bridge

Description

The project involved the construction of a bridge and its approaches across the Wainganga river in Maharashtra and is 26 lane km (two lanes) long. We began collecting tolls on the bridge in March 2001.

Concession Operator

Jayaswals Ashoka Infrastructure Private Limited, an associate of the Company, is the operator of the concession. The Company owns 50% of the shares in Jayaswals Ashoka Infrastructure Private Limited. The other 50% of the shares in Jayaswals Ashoka Infrastructure Private Limited are owned by Abhijit Infrastructure Ltd. (a group company of Jayaswals Holdings Private Limited). For more information on Jayaswals Ashoka Infrastructure Private Limited, please see the section entitled "History and Certain Corporate Matters" beginning on page 124 of this Draft Red Herring Prospectus.

Key Terms of the Concession

The concession was granted by Ministry of Road Transport and Highways ("MORT&H"), New Delhi. Under the terms of the concession agreement, the project was to be commissioned before the end of May 2001. The construction of the project was completed in March 2001, which meant that the concession operator collected tolls on the project two months early than it would have had construction of the project been completed on the scheduled completion date. The concession period expires in February 2018.
The toll rates are set forth in the concession agreement with a clause to revise the rates every year with effect from July 1 as per the change in Indian Wholesale Price Index in each fiscal year.

Project Cost

The Project Cost was Rs. 408.69 million.

Debt Financing

Jayaswals Ashoka Infrastructure Private Limited originally borrowed a total of Rs. 265.00 million to partially finance the project. After the construction of the project was completed, Jayaswals Ashoka Infrastructure Private Limited leveraged the project by borrowing Rs. 695.00 million and repaying the original loan. The new loan is repayable by March 2016. As at June 30, 2009, the amount outstanding on the loan was Rs. 461.20 million.

8. Nashirabad Railway-Over Bridge

Description

The project comprised the construction of a railway-over bridge and 8.0 lane km (two lanes) of roads near the town of Nashirabad, Maharashtra. We began collecting tolls on the bridge in July 2000.

Concession Operator

The Company operates the concession.

Key Terms of the Concession

The concession was granted by MORT&H, New Delhi. Under the terms of the concession agreement, the project was to be commissioned by the end of November 2000. As the construction of the project was completed in July 2000, we collected tolls on the project four months earlier than we would have had we finished construction on the scheduled completion date. The concession period expires in September 2010. The initial toll rates are set forth in the concession agreement with a clause to increase the rates every five years with effect from November 2002 to the toll rates already set forth in the concession agreement.

Project Cost

The Project Cost was Rs. 146.97 million.

Debt Financing

The Company originally borrowed Rs. 70.00 million to partially finance the project. After the construction of the project was completed, the Company leveraged the project by borrowing Rs. 132.50 million. That loan was repaid in March 2004 through a new loan of Rs. 185.00 million, which loan was fully repaid in December 2008.

9. Sheri Nallah Bridge

Description

The project involved the construction of 7 lane km bridge (including approach roads) over the River Krishna near the village of Sheri in the state of Maharashtra on the Sangli bypass road. We began collecting tolls on the bridge in October 2000.

Concession Operator

The Company operates the concession.

Key Terms of the Concession

The concession was granted by the Public Works Department, Sangli of the State Government of Maharashtra. Under the terms of the concession agreement, the construction of the project was to be completed by March 2001. The project was commissioned on November 2000, which meant we collected tolls on the project four months early than we would have had we finished construction on the scheduled completion date. As per the concession agreement, the concession period expires in June 2015.
The initial toll rates are set forth in the concession agreement with a clause to increase the rates every three years with effect from March 2004 to the toll rates already set forth in the concession agreement.

Project Cost

The Project Cost was Rs. 122.85 million.

Debt Financing

The Company originally borrowed Rs. 56.20 million to help finance the construction of the bridge project. After the construction of the bridge was completed, the Company refinanced the project by borrowing Rs. 72.67 million. The loan was repaid in September 2006.

10. Dhule Bypass

Description

The project involved the construction of an 11.8 lane km (two lanes) bypass road. We began collecting tolls on the road in March 1998.

Concession Operator

Ashoka Infrastructures, an association of persons in which the Company has a 99.99% interest, is the operator of the project. The other member in Ashoka Infrastructures is Ashoka Buildwell and Developers Pvt. Ltd with a 0.01% interest. For more information on Ashoka Infrastructures and Ashoka Buildwell and Developers Pvt. Ltd, please see the section entitled "History and Certain Corporate Matters" beginning on page 124 of this Draft Red Herring Prospectus.

Key Terms of the Concession

The concession was granted by the Public Works Department, Dhule of the State Government of Maharashtra. As per the concession agreement, the concession period expired in May 2006. However, as a result of claims made by Ashoka Infrastructures, it was mutually agreed to extend the expiry of the concession period to September 20, 2009 to compensate Ashoka Infrastructures for those claims.
The toll rates are set forth in the concession agreement and there is no provision for an increase in tolls.

Project Cost

The Project Cost was Rs. 58.17 million.

Debt Financing

Ashoka Infrastructures originally borrowed Rs. 19.74 million to partially finance the project. After the construction of the project was completed, Ashoka Infrastructures leveraged the project by borrowing Rs. 52.50 million and the original loan was repaid. We further leveraged the project by borrowing an additional Rs. 50.00 million. Both of the loans were repaid by December 2005.

11-16. Six Foot-Over-Bridges in Mumbai

Description

These projects involved the construction of six feet long foot bridges on the eastern express highway in Mumbai, Maharashtra. The projects were commissioned as follows:

Project Name	Commissioned Date
Foot-Over-Bridge in Mumbai (Godrej)	April 2002
Foot-Over-Bridge in Mumbai (Priya-darshani)	January 2003
Foot-Over-Bridge in Mumbai (Pravin Hotel)	May 2003
Foot-Over-Bridge in Mumbai (Tagore Nagar)	July 2003
Foot-Over-Bridge in Mumbai (Louis Wadi)	February 2003
Foot-Over-Bridge in Mumbai (Mental Hospital)	July 2002

Concession Operator

Ashoka High-Way Ad, a partnership in which the Company has a 99.99% interest, is the operator of the concessions. The other partner in Ashoka High-Way Ad is Ashoka Builders (Nasik) Private Limited with a 0.01% interest. For more information on Ashoka High-Way Ad and Ashoka Builders (Nasik) Private Limited, please see the section entitled "History and Certain Corporate Matters" beginning on page 124 of this Draft Red Herring Prospectus.

Key Terms of the Concessions

The concessions were granted by the Public Works Department, Mumbai the State Government of Maharashtra. Under the terms of the six separate concession agreements, there was no separate construction period. The concession period for each project will expire as follows:

Project Name	Concession Period Expires
Foot-Over-Bridge in Mumbai (Godrej)	August 2016
Foot-Over-Bridge in Mumbai (Priya-darshani)	August 2012
Foot-Over-Bridge in Mumbai (Pravin Hotel)	August 2017
Foot-Over-Bridge in Mumbai (Tagore Nagar)	August 2018
Foot-Over-Bridge in Mumbai (Louis Wadi)	August 2013
Foot-Over-Bridge in Mumbai (Mental Hospital)	August 2013

There are no tolls payable on the bridges. Ashoka High-Way Ad earns revenue by letting –out advertisement space on hire on the bridges.

Project Costs

The total Project Costs for all six projects was Rs. 37.46 million.

Debt Financing

The Company originally borrowed Rs. 17.70 million to partially finance the six projects. After the construction of the projects was completed, the Company leveraged the projects by borrowing Rs. 55.00 million. The loan is repayable by December 2012. As at June 30, 2009, the amount outstanding on the loan was Rs. 26.65 million.

17. Anawali–Kasegaon Road

Description

The project involved improvements to the Anawali−Kasegaon road in Maharashtra. Ashoka Bridgeways began collecting tolls on the road in March 2004.

Concession Operator

Ashoka Bridgeways, a partnership in which the Company has a 5% interest, is the operator of the concession. The other partner in Ashoka Bridgeways is Ashoka Builders (Nasik) Private Limited with a 95% interest. Our Promoters and certain of their family members control Ashoka Builders (Nasik) Private Limited. For more information on Ashoka Bridgeways and Ashoka Builders (Nasik) Private Limited, please see the section entitled "History and Certain Corporate Matters" beginning on page 124 of this Draft Red Herring Prospectus.

Key Terms of the Concession

The concession was granted by the Public Works Department, Pandharpur the State Government of Maharashtra. Under the terms of the concession agreement, the construction of the project was to be

completed by July 2004. As the construction of the project was completed in March 2004, the concession operator collected tolls on the project two months early than it would have had construction of the project been completed on the scheduled completion date. The concession period expires in May 2017.
The initial toll rates are set forth in the concession agreement with a clause to increase the rates every three with effect from July 1, 2004 to the toll rates already set forth in the concession agreement.

Project Cost

The Project Cost was Rs. 73.53 million.

Debt Financing

Ashoka Bridgeways originally borrowed Rs. 41.00 million to partially finance the project. After the construction of the project was completed, Ashoka Bridgeways leveraged the project by borrowing Rs. 135.00 million. The loan is repayable by April 2011. As at June 30, 2009, the amount outstanding on the loan was Rs. 88.89 million.

BOT Road Projects – Construction not Complete

We and our associates have been awarded four toll roads totalling approximately 1,423 lane kilometres of roads on a BOT basis, construction of which is not yet complete. Set forth below is a summary of these four BOT projects.

1. NH-6 Bhandara Road

Description

The project involves the construction of a 320 lane km (four lanes) long road section of the National Highway 6 from the Chhattisgarh/Maharashtra border to the Wainganga Bridge section from 405 km to 485 km of the National Highway 6.

Concession Operator

Ashoka Highways (Bhandara) Limited has been awarded the concession. The Company beneficially owns 54.76% of the shares in Ashoka Highways (Bhandara) Limited, with IDFC Project Equity Company Private Limited holding a 38.80% interest and IDFC holding a 6.12% interest. The Company has entered into Share Subscription and Shareholders Agreement dated April 17, 2009 with respect to Ashoka Highways (Bhandara) Limited, which amended the original shareholders agreement, and pursuant to which the Company's beneficial interest in this subsidiary is expected to decrease to 51% before the end of fiscal 2010. For information on this agreement, see the section entitled "History and Certain Corporate Matters – Our Joint Ventures" beginning on page 133 of this Draft Red Herring Prospectus. For more information on Ashoka Highways (Bhandara) Limited, please see the section entitled "History and Certain Corporate Matters – Our Subsidiaries" beginning on page 138 of this Draft Red Herring Prospectus.

Key Terms of the Concession

Under the terms of the concession agreement, the construction of the project is to be completed by September 2010. If the road is not completed by September 2010 for any reason other than conditions constituting force majeure or for reasons attributable to NHAI or any governmental agency, Ashoka Highways (Bhandara) Limited is liable to pay to NHAI as damages for the delay an amount calculated at the rate of 0.01% of the estimated cost of construction of the road as per the bid document per week or part thereof. The concession period will expire in March 2028.

The concession agreement provides that NHAI will give a grant of Rs. 100.00 million to Ashoka Highways (Bhandara) Limited during the construction phase of the project.

The toll rates are set forth in the concession agreement with a clause to revise the rates every year with effect from September 1 as per the changes in the Indian Wholesale Price Index each fiscal year.

Estimated Project Cost and EPC Contracts

The estimated Project Cost is Rs. 5,350.00 million. Ashoka Highways (Bhandara) Limited has entered into an EPC contract for the construction of the road with the Company with a contract value of Rs. 5,400.00 million, Rs. 600.00 million of which is to be paid by NHAI.

Status of Construction

The construction of the project began in July 2008. As at June 30, 2009, we had completed construction of approximately 66.28% of the project with a project expenditure of Rs. 3,579.09 million. As at June 30, 2009, our estimate of the amount we would need to spend to complete the construction of the project was Rs. 1,820.91 million, not including interest costs.

Debt Financing

Ashoka Highways (Bhandara) Limited has obtained a sanctioned loan limit of Rs. 3,750.00 million from State Bank of India, Infra Infrastructure Finance Company Limited, Punjab National Bank, IDBI Bank Limited and IDFC Limited to partially finance the project. The loan disbursement is in progress as per the project implementation schedule. As at June 30, 2009, the amount of the loan disbursed was Rs. 2,418.70 million. The loan repayment period commences from April 2011 and the loan is repayable in 144 instalments by March 2023. Pursuant to the Share Subscription and Shareholders Agreement dated April 17, 2009 ,the Company, IIF and IDFC are required to lend Ashoka Highways (Bhandara) Limited Rs. 347.57 million, Rs. 386.19 million and Rs. 38.62 million, respectively, at 0% interest rate. As at July 31, 2009, the Company, IIF and IDFC had lent Ashoka Highways (Bhandara) Limited Rs. 236.17 million, Rs. 330.99 million and Rs. 26.24 million, respectively. The loans are unsecured loans and are to be repaid after the complete repayment of the project term loan. For further details please see section entitled "History and Certain Corporate Matters" on page 124 of this Draft Red Herring Prospectus.

2. NH-6 Durg Bypass, Chhattisgarh - Maharashtra Border Road

Description

The project involves the construction of a 332 lane km (four lanes) long road section of the National Highway 6 - end of Durg bypass, Chhattisgarh - Maharashtra border (from 322.40 km to 405 km of the National Highway 6).

Concession Operator

Ashoka Highways (Durg) Limited has been awarded the concession. The Company currently beneficially owns 61.84% of the shares in Ashoka Highways (Durg) Limited, with India Infrastructure Fund holding a 31.29% interest and IDFC holding a 6.87% interest. The Company has entered into Share Subscription and Shareholders Agreement dated April 17, 2009 with respect to Ashoka Highways (Durg) Limited, which amended the original shareholders agreement, and pursuant to which the Company's beneficial interest in this subsidiary is expected to decrease to 51% before the end of fiscal 2010. For information on this agreement, see the section entitled "History and Certain Corporate Matters – Our Joint Ventures" beginning on page 133 of this Draft Red Herring Prospectus. For more information on Ashoka Highways (Durg) Limited, please see the section entitled "History and Certain Corporate Matters – Our Subsidiaries" beginning on page 138 of this Draft Red Herring Prospectus.

Key Terms of the Concession

Under the terms of the concession agreement, the construction of the project is to be completed by January 2011. If the road is not completed by January 2011 for any reason other than conditions constituting force majeure or for reasons attributable to NHAI or any governmental agency, Ashoka Highways (Durg) Limited is liable to pay to NHAI as damages for the delay an amount calculated at the rate of 0.01% of the estimated cost of construction of the road as per the bid document per week or part thereof. The concession period will expire in March 2028.

The concession agreement provides that Ashoka Highways (Durg) Limited will pay Rs. 10 million to NHAI in the 13th year of the operation of the concession.

The toll rates are set forth in the concession agreement with a clause to revise the rates every year with effect from September 1 as per the changes in Indian Wholesale Price Index each fiscal year.

Estimated Project Cost and EPC Contracts

The estimated Project Cost is Rs. 5,870.00 million. Ashoka Highways (Durg) Limited has entered into an EPC contract for the construction of the road with the Company with a contract value of Rs. 5,390.00 million.

Status of Construction

The construction of the project began in October 2008. As at June 30, 2009, we had completed construction of approximately 37.74% of the project cost with a project expenditure of Rs. 2,034.18 million. As at June 30, 2009, our estimate of the amount we would need to spend to complete the construction of the project was Rs. 3,355.82 million, not including interest costs.

Debt Financing

Ashoka Highways (Durg) Limited has obtained a sanctioned loan limit of Rs. 4,100.00 million from State Bank of India, Infra Infrastructure Finance Company Limited, Punjab National Bank, Bank of Baroda and State Bank of Indore to partially finance the project. The loan disbursement is in progress as per the project implementation schedule. As at June 30, 2009, the amount of the loan disbursed was Rs. 1,233.40 million. The loan repayments shall commence from October 2011 and the loan is repayable in 144 instalments by June 2023. Pursuant to the Share Subscription and Shareholders Agreement dated April 17, 2009, the Company, IIF and IDFC are required to lend Ashoka Highways (Durg) Limited Rs 393.49 million, Rs. 437.22 million and Rs. 43.72 million, respectively at 0% interest rate. As at July 31, 2009, the Company, IIF and IDFC amounts had lent Ashoka Highways (Durg) Limited Rs. 174.13 million, Rs. 329.02 million and Rs. 19.35 million, respectively. The loans are unsecured loans and are to be repaid after the complete repayment of the project term loan. For further details, please see section entitled "History and Certain Corporate Matters" on page of this Draft Red Herring Prospectus.

3. Jaora– Nayagaon Road

Description

The project involves the construction of a 319 lane km (four lanes) long road from Jaora to Nayagaon on the State Highway 31 ("SH-31") in Madhya Pradesh.

Concession Operator

Jaora Nayagaon Toll Road Company Private Limited ("Jaora Nayagaon Toll Road Company") has been awarded the concession. The Company has a 14.47% beneficial interest in Jaora Nayagaon Toll Road Company through its 49.00% ownership of Viva Infrastructure Private Limited, which owns 14.54% of the shares in Jaora Nayagaon Toll Road Company, and through its 86.74% in Viva Highways Pvt. Ltd., which owns 8.46% of the shares in Jaora Nayagaon Toll Road Company Private Limited.

Key Terms of the Concession

The concession was granted by MPRDC. The concession agreement provides that the construction of the project is to be completed by the end of February 2011. The concession period will expire at the end of February 2033. If we finish the construction of the project before the scheduled completion date, the toll period will commence from then until the end of the concession period. If we finish construction of the project after the scheduled completion date and there is no applicable force majeure event, then the toll period shall commence from that date without any increase in the concession period.

The concession agreement provides that Jaora Nayagaon Toll Road Company will pay an amount to MPRDC every year starting from the first year of toll collection on the road. The amount payable in the first year of toll collection is Rs. 153.90 million, which amount increases by 5% every year. The period of payment is April 1 - March 30 every year, so if for example toll collection starts on October 1, then for the first year the proportionate amount (i.e., six months) has to be paid.

The toll rates are set forth in the concession agreement with a clause to increase the rates by 7% every year with effect from April 1 of each year.

Estimated Project Cost and EPC Contracts

The estimated Project Cost is Rs. 8,470.00 million. Jaora Nayagaon Toll Road Company has entered into an EPC contract for the construction of part of the road (from 173.00 km to 252.81 km on SH-31) with the Company with a contract value of Rs. 4,557.00 million. In April 2008, the Company entered into a subcontract agreement with G R Infraprojects with respect to the construction of the Neemuch section of the road from 222.00 km to 252.81 km on SH-31 for a fixed price of Rs. 917.90 million. Jaora Nayagaon Toll Road Company also entered into an EPC contract with PNC Infratech Limited for construction of the remaining part of the road with a contract value of Rs. 2,793.00 million.

Status of Construction

The construction of the project began in January 2008. As at June 30, 2009, we had completed approximately 69.63% of our part of the project construction with a project expenditure of Rs. 3,172.93 million. As at June 30, 2009, our estimate of the amount needed to be spent to complete the construction of our part of the project was Rs. 1,384.07 million, not including interest costs.

Debt Financing

Jaora Nayagaon Toll Road Company borrowed Rs. 6,350.00 million from State Bank of India, Infra Infrastructure Finance Company Limited, Punjab National Bank, Bank of India, State Bank of Patiala, State Bank of Indore and State Bank of Bikaner and Jaipur to partially finance the project. The loan disbursement is in progress as per the project implementation schedule. As at June 30, 2009, the amount of the loan disbursed was Rs. 2,843.80 million. The loan repayment commences from April 2011 and is repayable in 144 instalments by January 2023.

4. NH-3 Pimpalgaon–Nashik–Gonde Road

Description

The project involves the construction of a 452 lane kms road from Pimpalgaon-Nashik-Gonde section of NH3 from 380 kms to 440 kms in the State of Maharashtra under NHDP Phase III-A.

Concession Operator

L&T PNG Tollway Private Limited was awarded the concession in July 2009. The Company has a 26.00% ownership interest in L&T PNG Tollway Private Limited, with Larsen & Toubro Limited a 26.00% ownership interest and L&T Transco Private Limited a 48.00% ownership interest. For more information on L&T PNG Tollway Private Limited, please see the section entitled "History and Certain Corporate Matters" beginning on page 124 of this Draft Red Herring Prospectus.

Key Terms of the Concession

The concession was granted by NHAI. The concession agreement provides that the construction of the project is to be completed by July 2012. The concession period will expire in July 2032. If the construction of the project is finished before the scheduled completion date, the toll period will commence from then until the end of the concession period. If construction of the project is completed after the scheduled completion date and there is no applicable force majeure event, then the toll period shall commence from that date without any increase in the concession period. L&T PNG Tollway Private Limited shall also be liable to pay to NHAI as damages for the delay an amount calculated at the rate of 0.01% of the performance security, i.e., Rs. 0.47 million per day for the number of days delay.

L&T PNG Tollway Private Limited is required to pay NHAI a premium in the form of an additional concession fee equal to 6.19% of the total realisable fees received by it during that year, due and payable on a pro rata basis for the period remaining in that year; and for each subsequent year of the concession period, the premium shall be determined by increasing the proportion of the premium to the total realisable fees received by it in the respective year by an additional 1% as compared to the immediately preceding year. For example, the premium for the fourth and fifth years shall be equal to 7.19% and 8.19%, respectively, of the total realisable fees received by L&T PNG Tollway Private Limited for the respective years.

The toll rates are set forth in the concession agreement with a clause to increase the toll rates annually by 3%, without compounding, with effect from April, 2008.

Estimated EPC Cost and EPC Contracts

NHAI's estimate of the EPC cost of the road is Rs. 9,400 million as per the terms of the tender document, which does not include the estimate of interest to be paid on the debt financing during construction of the project and other expenses incidental to the project during the construction period. As such the Project Cost will be higher than the estimated EPC cost. In August 2009, the Company received a letter of intent from L&T PNG Tollway Private Limited for appointing the Company to provide the EPC services for the construction of the road, except for an elevated corridor, for a total of Rs. 5,805.40 million.

Status of Construction

The construction of the road is yet to begin.

Debt Financing

Debt financing has yet to be arranged for this project.

<u>BOT Commercial Development Projects</u>

We have been awarded two commercial development projects totalling 12,453 sq. metres of leaseable area, construction of which has yet to begin.

1. Shopping mall development on the campus of Rukminibai Hospital in Kalyan, Maharashtra

In September 2008, the Company entered into a concession agreement with Kalyan Dombivali Municipal Corporation ("KDMC") for the construction and development of a shopping mall with a built up area of a maximum of 5,228 sq. metres on the campus of Rukminibai Hospital in Kalyan City, Maharashtra. The concession agreement gives the Company the right to build the mall and to market it to prospective tenants, with a maximum lease period of 60-years. We are entitled to receive all upfront rental payments paid by tenants for leases at the mall. The lease period of 60-years will begin 36 months from the date we receive vacant possession of the land, which is to allow time for the construction and marketing of the mall. In the event any leaseable area of the mall is not leased out during the 60-year lease period we shall be deemed to be the lessee of such space and shall be liable to pay Rs. 1.0 per sq. ft. (or Rs. 0.09 per sq. metre) per month to KDMC. We have the option of paying the cumulative present value of the lease rentals of Rs. 10.98 million to KDMC prior to the time we get vacant possession of the land, which will give us the right to keep all lease rentals from tenants.

The Company paid KDMC a project development fee of Rs. 6.00 million. We are also required to pay a project premium of Rs. 129.00 million, out of which we have paid 50%. The remaining 50% is required to be paid within 12 months of us receiving vacant possession of the land.

We have not finalised the estimated Project Cost. The construction of the project is yet to begin since we have not received vacant possession of the land.

2. Shopping mall development in Adharwadi, Kalyan City, Maharashtra

In September 2008, the Company entered into a concession agreement with KDMC for the construction and development of a shopping mall with a built up area of a maximum of 7,225 sq. metres in Adharwadi, Kalyan City, Maharashtra. The concession agreement gives the Company the right to build the mall and to market it to prospective tenants, with a maximum lease period of 60-years. We are entitled to receive all upfront rental payments paid by tenants for leases at the mall. The lease period of 60-years will begin 36 months from the date we receive vacant possession of the land, which is to allow time for the construction and marketing of the mall. In the event any leaseable area of the mall is not leased out during the 60-year lease period we shall be deemed to be the lessee of such space and shall be liable to pay Rs. 1.0 per sq. ft. (or Rs. 0.09 per sq. metre) per month to KDMC. We have the option of paying the cumulative present value of the lease rentals of Rs. 14.05 million to KDMC prior to the time we get vacant possession of the land, which will give us the right to keep all lease rentals from tenants.

The Company paid KDMC a project development fee of Rs. 7.80 million. We are also required to pay a project premium of Rs. 130.00 million, out of which we have paid 50%. The remaining 50% is required to be paid within 12 months of us receiving vacant possession of the land.

We have not finalised the estimated Project Cost. The construction of the project is yet to begin since we have not received vacant possession of the land.

EPC Division

Our EPC division primarily engineers and designs, procures the raw material and equipment for and constructs roads and bridges for our BOT division and third parties. Our EPC division also (a) maintains and repairs existing roads for our BOT division, (b) constructs and modernises distribution transformers and electricity substations for third parties and (c) constructs commercial, industrial and institutional buildings for third parties. Our EPC division will also construct the two shopping malls we were awarded the right to build on a BOT basis in Kalyan, Maharashtra.

Ashoka Pre-Con Private Limited, in which we have a 51% interest, is in the process of constructing a factory in Sinnar, Nashik, Maharashtra that will manufacture pre-stressed concrete poles. The factory is expected to have a production capacity of 96,000 poles per annum. Trial production has already begun and we expect commercial production to begin before the end of September 2009. The estimated Project Cost for the factory is Rs. 74.23 million. We intend that a substantial amount of the production will be used our EPC division in power sector EPC work as well as in bridge and road projects and the rest will be sold to third parties. For further details on Ashoka Pre-Con Private Limited, please see the section entitled "History and Certain Corporate Matters – Our Subsidiaries" beginning on page 138 of this Draft Red Herring Prospectus.

Details of the 17 out of the 21 BOT projects our EPC division have built for our BOT division are set forth in this section above under the heading "Our Services and Products–BOT Division–BOT Road Projects in

Operation" on page 94 of this Draft Red Herring Prospectus. The following table provides a brief summary of some of the more notable EPC projects that we have undertaken and completed for third parties.

Name of Project	Client	Location	Contract Value in Rs. Millions	Completion Date
Road EPC Projects				
Phalodi – Pachpadra road	Road Infrastructure Development Company of Rajasthan Limited ("RIDCOR")	Rajasthan	1,560.00	March 2007
Westerly Bypass	NHAI, New Delhi	Maharashtra	1,300.00	July 2003
Concrete road within Surat City limits	Surat Municipal Corporation	Gujarat	282.77	March 2008
Other EPC Projects				
Construction of an aluminium foil and wheel plant	Hindalco Industries Limited	Silvassa	450.00	September 2001
Construction of factory building	Samsonite India Private Limited	Gonde, Nashik	90.00	March 1998

As at June 30, 2009, the Company, its subsidiaries and its predecessor entities had constructed 44 roads and bridges and built over 5.4 million square feet of commercial, industrial and institutional projects. As at June 30, 2009, our Order Book was Rs. 17,849.99.00 million. Our Order Book as at June 30, 2009 does not include the value of the EPC contract for the construction of part of the 452 lane kms Maharashtra Pimpalgaon-Nashik-Gonde section of NH-3, the concession for which was awarded to L&T PNG Tollway Private Limited pursuant to an agreement dated July 8, 2009. The Company has a 26% interest in L&T PNG Tollway Private Limited. In August 2009, the Company received a letter of intent from L&T PNG Tollway Private Limited for appointing the Company to provide the EPC services for the construction of the road, except for an elevated corridor, for a total of Rs. 5,805.40 million.

EPC Contracts

Our EPC contracts typically require us to design, build and manage the project from inception to completion with the entity that awards the EPC contract taking possession of the project upon completion. When we undertake an EPC project, we are compensated, generally on a cash basis, for the completion of the project and, in many instances, interim milestones. Our EPC contracts are on a cost plus basis, on a fixed price or turnkey basis. Our recent EPC contracts for third parties typically contain price variation or escalation clauses that provide for either reimbursement by the client in the event of a variation in the prices of key materials (e.g., steel and cement) or a formula that splits the contract into pre-defined components for materials, labour and fuel and links the escalation in amounts payable by the client to pre-defined price indices published periodically by the RBI or the Government. However, some contracts do not include such price variation or escalation clauses and we may in the future enter into more of these types of contracts. In those instances, we face the risk that the price of key materials and other inputs will increase during the project execution period and we will be unable to pass on the increases in such costs to the client, which could have a material adverse effect on our results of operations.

Engineering and Design

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

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

Procurement

Because procurement plays such a critical part in the success of any project, we maintain experienced staff in our purchase department to carry out material, services and equipment procurement for all project sites. Procurement is performed at our headquarters and at our project sites.

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

Our RMC and bitumen division currently provides our EPC division with its ready-mix concrete and bitumen requirements.

Over the years we have developed relationships with a number of vendors for key materials, services and equipment. We have also developed an extensive vendor database for various materials such as bitumen, steel and aggregate for our road projects and distribution transformers, vacuum circuit breakers, current transformers, potential transformers, lightning arrestors, rolled steel joist supports, conductors and power and control cables for our power projects, and services such as labour contractors. Over and above the quotations received at the time of bidding, the purchase department invites quotations from additional vendors, if required. Vendors are invited to negotiate before finalizing the terms and prices. The materials ordered are provided to the sites from time to time as per their scheduled requirements. We maintain material procurement, tracking and control systems, which enable monitoring of our purchases.

We typically use third-party transportation providers for the supply of most of our raw materials. Transportation strikes by, for example, members of various Indian truckers' unions and various legal or regulatory restrictions placed on transportation providers have had in the past, and could have in the future, an adverse effect on our receipt of supplies.

Procurement of material, services and equipment from external suppliers typically comprises a significant part of a project's cost. The ability to cost-effectively procure material, services and equipment, and meet quality specifications for our projects is essential for the successful execution of such projects. We have not entered into any long-term supply contracts with our suppliers. However, we continually evaluate our existing vendors and also attempt to develop additional sources of supply for most of the materials, services and equipment needed for our projects. If we are unable to procure the requisite quantities of materials, services and equipment, our business and results of operations may be adversely affected.

Construction

The methodology of construction depends upon the nature of the project. We have an experienced construction team and are able to conduct all construction activities ourselves. However, where it makes commercial sense, we do hire subcontractors.

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

After the project site is handed over to us by the client, we perform preliminary works such as for a road project surveying and levelling identification of road alignment, carrying out road inventory surveys, utility surveys, encroachment surveys, tree surveys and soil investigations. Preliminary works for a power distribution project typically include surveying and levelling land, designing, engineering and surveying 33KV & 11KV line routes and the preparation of drawings.

Construction activity typically commences once the client approves or issues designs and detailed drawings. The project team immediately identifies and works with the purchase department to procure the key construction materials and services required for commencing construction. Based on the contract documents, a detailed schedule of construction activities is prepared. This schedule identifies interim milestones, if any, stipulated in the contract with corresponding time schedules for achieving these milestones.
The sequence of construction activities largely follows the construction schedule that was prepared initially, subject to changes in scope requested by the client.

We monitor the progress of construction of our projects at each site as well as at our head office. We have developed in-house module for monitoring on "milestone tracker" (i.e., the resources to be deployed and the efforts to be put in to complete the project within the targeted completion date) for projects as well as costs on weekly basis. The module takes helps us to clear any back-log of work caused by unforeseen circumstances, such as natural calamities and disruptions, by estimating the additional resources to be deployed to make up for the lost time to complete the project on schedule. We have in-place a Business Monitoring System for identifying project delays, to help ensure that the projects are competed on or prior to schedule.

We have executed all of our projects on time or prior to the scheduled completion date. For example, we constructed a 90-metre long bridge on the Mahad-Pandharpur state highway in 38 days compared with the scheduled construction time of 12 months. Similarly, the construction of a 100-metre long bridge called the Pargaon Bridge, a BOT project, was completed in 65 days compared with the scheduled construction time of 18 months. Both of these construction feats have been recognised in *Limca Book of Records*. There have been no instances where our performance guarantees have been invoked by our clients.

Our Construction Equipment

We believe that our strategic investment in equipment and fixed assets is an advantage that enables us to rapidly mobilize our equipment to project sites as needs arise. We have a large fleet of construction equipment assets. Having such an asset base is in our view an important advantage in serving the technically challenging and diverse nature of the construction projects in which we are engaged. Our equipment is managed, maintained and operated by our personnel at our maintenance and repair facility at the project location.

As at March 31, 2009, we had invested Rs. 1,063.45 million (gross block) in plant and machinery for use by our EPC division. The material types of plant and machinery in terms of value used by our EPC division as at March 31, 2009 is set forth in the following table:

Name of Equipment (Use)	Number of Units (Total Production Rate)
Batch type hot mix plant (for preparing bitumen)	7 (800 metric tons per hour)
Paver (for paving the Concrete road layers)	3 (400 cubic metres per hour)
Paver (for paving the Bitumen road layers)	7 (1,200 metric tons per hour)
Dumper and tipper (for transporting materials)	80
Concrete Pumps (for uplifting concrete to elevated places)	18
Transit Mixer (for transporting Ready Mix Concrete)	71
Loader (for loading and handling the material	13
Excavator cum back hoe loaders (for excavating the earth)	9
Milling Machine (for existing weathered surface is removed and	1

Name of Equipment (Use)	Number of Units (Total Production Rate)
reused)	
Crusher plant (for crushing the stones and making aggregate)	7 (1,000 MT per hour)
Diesel generator sets (for power generation)	100
Batch plant (for preparing concrete)	13 (590 cubic metres per hour)
Wet mix macadam plant (for mixing aggregate and soil)	6 (950 metric tons per hour)

Order Book

As at June 30, 2009, the Company had contracts for constructing two roads for its subsidiaries and one road for an associate. In addition, the Company had contracts with third parties to construct four road projects, five power related projects and one factory building. As at June 30, 2009, our Order Book was Rs. 17,849.99.00 million. The orders in our Order Book constitute the balance value of work orders for EPC and BOT assignments, including the balance value of construction of BOT projects which will be capitalised by the Company on a consolidated basis. The orders in our Order Book are subject to the cancellation and modification provisions contained in the various contracts and other relevant documentation.

The following table sets forth the value of our Order Book as at March 31, 2008, March 31, 2009 and June 30, 2009:

(Rs. in millions)

	As at March 31, 2008	As at March 31, 2009	As at June 30, 2009
Our BOT Projects(1)	13,794.92	6,872.58	5,176.73
Third Party Road Contracting(2)	220.85	3,723.60	2,967.67
Electrical Work Contracting	0.00	6,418.77	9,682.11
Building Contracting	5.75	19.95	23.48
Total	**14,021.52**	**17,034.90**	**17,849.99(3)**

(1) Comprises the balance value of construction costs which will be capitalised by the Company on a consolidated basis.
(2) Includes value of work to be done for associated companies.
(3) Our Order Book as at June 30, 2009 does not include the value of the EPC contract for the construction of part of the 452 lane kms Maharashtra Pimpalgaon-Nashik-Gonde section of NH-3, the concession for which was awarded to L&T PNG Tollway Private Limited pursuant to an agreement dated July 8, 2009. The Company has a 26% interest in L&T PNG Tollway Private Limited. In August 2009, the Company received a letter of intent from L&T PNG Tollway Private Limited for appointing the Company to provide the EPC services for the construction of the road, except for an elevated corridor, for a total of Rs. 5,805.40 million.

Segment Composition of Balance Order Book

Approximately 29.00% of our Order Book as at June 30, 2009 related to our BOT projects, 16.63% related to third party EPC projects in the road contracting segment, 54.24% related to electrical work contracting and 0.13% related to an EPC project in the building contracting segment. We expect to complete almost all of our existing Order Book by March 2011.

Client Composition of Balance Order Book

Approximately 98.72% of our order book as at June 30, 2009 related to projects sponsored by government or governmental agency clients, including the Central Government, State Governments and municipalities, 1.28% related to projects sponsored by private sector clients and NIL% related to projects sponsored by multilateral agencies.

Geographical Spread of Balance Order Book

The geographical spread of our Order Book among the various Indian states and territories as at June 30, 2009 was as follows: 65.34% Maharashtra; 15.15% Madhya Pradesh; 18.80% Chhattisgarh; and 0.72% Rajasthan.

The following table sets forth details of the contracts in our Order Book as at June 30, 2009.

(Rs. in millions)

	Contract Price/ Estimated Contract Price/Estimated Construction Cost to be Capitalised	Amount Outstanding as at June 30, 2009
BOT Projects		
Construction of NH-6 Bhandara Road in Maharashtra	5,400.00	1,820.91
Construction of NH-6 Durg Road in Chhattisgarh	5,390.00	3,355.82
EPC Road Contracting for Third Parties/Associates		
Construction of Jaora–Nayagaon Road in Madhya Pradesh	4,557.00	1,384.07
Construction of 4/6 lane for the Chittorgarh Bypass	1,266.10	59.08
Bus Rapid Transit System (BRTS) in Bhopal City, Bhopal	1,319.72	1319.47
MMRDA Bandra Kurla Complex Concrete Road Project	152.80	136.33
Integrated Improvement cum Performance Based Maintenance on Phalodi to Pachpadra Road in Rajasthan (package: PR 1)	84.50	68.71
EPC Power Contracting		
Mahavitran Infrastructure Plan – Phase – I – T8 – Aurangabad MSEDCL Project	2,679.12	2,175.11
Mahavitran Infrastructure Plan – Phase – II – T36 – Jalna MSEDCL Project	2,763.54	2,763.54
Mahavitran Infrastructure Plan – Phase – II – T52 – Karjat MSEDCL Project	1,315.10	1,313.08
Mahavitran Infrastructure Plan – Phase – II – T54 – Dondaicha MSEDCL Project	1,034.90	1,034.90
Mahavitran Infrastructure Plan – Phase – II – T59 – Dharangaon MSEDCL Project	1,229.50	1,229.19
Mahavitran Infrastructure Plan – Phase – II – T65 – Shahada MSEDCL Project	1,166.29	1,166.29
EPC Building Contracting		
Construction of factory building for Polygenta at Dindori, Nashik	95.62	23.48
Total	**28,454.19**	**17,849.99**(1)

(1) Our Order Book as at June 30, 2009 does not include the value of the EPC contract for the construction of part of the 452 lane km Maharashtra Pimpalgaon-Nashik-Gonde section of NH-3, the concession for which was awarded to L&T PNG Tollway Private Limited pursuant to an agreement dated July 8, 2009. The Company has a 26% interest in L&T PNG Tollway Private Limited. In August 2009, the Company received a letter of intent from L&T PNG Tollway Private Limited for appointing the Company to provide the EPC services for the construction of the road, except for an elevated corridor, for a total of Rs. 5,805.40 million.

RMC and Bitumen Division

Our RMC and bitumen division supplies RMC to our EPC division as well as selling it to third parties. Our RMC and bitumen division's revenue was Rs. 808.58 million for fiscal 2009.

We have 13 RMC plants with a total production capacity of 590 cubic metres per hour. We have three RMC plants with a total production capacity of 180 cubic metres per hours that are only used for sales of RMC to third parties: one plant in Mumbai with a capacity of 90 cubic metres per hour; one plant in Indore with a capacity of 60 cubic metres per hour; and one plant in Nashik with a capacity of 30 cubic metres per hour. The remaining 10 RMC plants are mainly used for captive use by our EPC division: two plants in Pune with a capacity of 60 and 30 cubic metres per hour; one plant for use in constructing the NH–6 Bhandara Road with a capacity of 30 cubic metres per hour; two plants for use in constructing the NH–6 Durg Bypass, Chhattisgarh-Maharashtra Border Road with a capacity of 15 and 30 cubic metres per hour; two plants for use in constructing the Jaora-Nayagaon Road with a capacity of 15 and 30 cubic metres per hour; two plants for use in constructing the NH-3 Pimpalgaon – Nashik – Gonde road with a capacity of 60 and 120 cubic metres per hour; and one plant in Sinnar with a capacity of 20 cubic metres per hour.

As at March 31, 2009, we had 71 concrete transit trucks and 18 concrete pumps.

We sell our RMC directly to third parties at negotiated rates, with prices linked to the prevailing market price for raw materials, primarily cement. We do not have any long-term contracts for the sale of RMC.

The raw materials used to make our ready-mix concrete are cement, metal, sand and construction chemicals. We have not entered into any long-term supply contracts with our suppliers of raw materials. In the past, we have experienced some difficulties and delays in obtaining adequate supplies of cement, although we have not experience such difficulties or delays during the last 15 months. If we cannot obtain adequate supplies of cement not only could it have an adverse effect on our EPC business but we may be unable to sell ready-mix cement to third parties, which could have a material adverse effect on our ready-mix concrete business and our results of operations and financial condition.

This division also sells and processes bitumen to a higher grade for use in road projects and supports our EPC division by supplying it with bitumen. We have one plant in Pune for the processing of bitumen with a capacity of 60 metric tonnes per day.

Toll Collection Contract Division

We set up our toll collection contract division to leverage our experience of collecting tolls on our BOT projects and our proprietary computerised toll revenue auditing system. To date, we have entered into four agreements to collect tolls on roads/bridges owned and constructed by third parties, although our last contract expired in February 2007.

Business Development

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

Tendering

We have a centralized tender department that is responsible for applying for all pre-qualifications and tenders for BOT projects, EPC contracts and toll collection contracts. Our tender department comprises two cells of three people each: the marketing cell and the technical cell.

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

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

If we pre-qualify for a project, the next step is to submit a financial bid. Prior to submitting a financial bid, we carry out a detailed analysis of the proposed project, including performing a detailed study of the technical and commercial conditions and requirements of the tender followed by a site visit. Our tendering department determines the bidding strategy depending upon the type of contract. For example, if the contract is for building a road, we study the suitability of location of the project, our past experience in that area, comfort level with the client and availability of required resources, etc.

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

In the case of a BOT project bid, it is crucial for us to assess traffic patterns in order to make a financially feasible bid. Over the course of our more than 12 years in toll-based BOT projects, we have developed an in-house traffic study team, which has the dual responsibility of conducting pre-bidding traffic surveys and monitoring toll collections. Our pre-bidding traffic surveys can range from a minimum of seven days to as much as six months, depending on the size of the road. Our traffic studies are designed keeping in mind various factors such as the nature of the traffic (e.g., local or long-distance), seasonality in traffic and traffic density. The traffic surveys include counting the number of vehicles as well as noting vehicle number plates to understand the origin or destination of the vehicles on the road. Our traffic forecasts also take into account alternative routes and proposed alternative routes and any proposed developments in the area. Our in-house traffic study team has an in-depth knowledge of traffic patterns not only in Maharashtra, Madhya Pradesh and Chhattisgarh where currently have BOT road projects, but also in Tamil Nadu, Karnataka, Andhra Pradesh, Gujarat, Rajasthan, Uttar Pradesh and Punjab. Based on our traffic study assessments, we are able to evaluate potential toll revenues for the project going forward.

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

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

Our finance department assesses the financial feasibility of all tenders.

Competition

Our competition for BOT projects and EPC contracts depends on the size, complexity and location of the project and, for BOT projects, the risks relating to toll revenue generation. While service quality, technical ability, performance record, experience, health and safety records and the availability of skilled personnel are key factors in client decisions among competitors, price (or in the case of BOT projects, either the amount of the grant or the amount a tenderer is willing to pay for the right to receive the concession) is often the deciding factor in most tender awards. According to the *CRISIL Infrastructure Report, July 2007*, there are over 200 major construction companies in India, many of which are either involved in BOT projects or have stated a desire to be involved in BOT projects. However, our main competitors for BOT projects and EPC road contracts include the Gammon group, Larsen & Toubro Limited, IVRCL Infrastructure Limited, Nagarjuna Constructions Company Limited, Hindustan Construction Company Limited, Madhucon Projects Limited and IRB Infrastructure Developers Limited. In addition, our main competitors for power EPC work include Kalpataru Power Transmission Limited, Deepak Cables (India) Limited, Vijay Electricals Limited and SMS Infrastructure Limited. Some of our competitors may have significantly greater resources than we do.

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

Insurance

Our operations are subject to hazards inherent in providing engineering and construction services, such as risk of equipment failure, work accidents, fire, earthquake, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. We may also be subject to claims resulting from defects arising from engineering, procurement or construction services provided by us within the warranty periods extended by us, which can range from 12 to 60 months from the date of commissioning.

We obtain specialized insurance for construction risks and third party liabilities for most projects for the duration of the project and the defect liability period. We generally maintain insurance covering our assets and operations at levels that we believe to be appropriate. Risks of loss or damage to project works and materials are often insured jointly with our clients.

Our significant insurance policies consist of coverage for risks relating to physical loss or damage, business interruption loss, fidelity loss and money stolen in transit. Loss or damage to our materials and property, including contract works, whether permanent or temporary, and materials or equipment supplied by us or supplied to us, are generally covered by "contractors' all risks" insurance. Under the all risks insurance policy we are also provided cover for price escalation, debris removal and surrounding properties. Under our general public liability insurance policy, we are indemnified against legal liability to pay damages for third party civil claims arising out of bodily injury or property damage caused by an accident during the project in the course of business.

Wherever the contract and sub-contract requires us to take insurance, appropriate insurance coverage is taken.

We also maintain automobile policies and workmen's compensation policies wherever required as well as hospitalization and group personnel accident policies for our permanent employees.

Guarantees

We are often required to provide financial and performance guarantees guaranteeing our performance and financial obligations in relation to a project. The amount of guarantee facilities available to us depends upon our financial condition and the availability of adequate security for the banks and financial institutions that provide us with such facilities. There have been no instances where our performance guarantees have been invoked by our clients.

Our Employees

We believe that our well-trained employee base is a key competitive advantage. As at June 30, 2009, our work force consisted of 2,379 full-time employees, including 1,271 technical staff.

We are committed to the development of the expertise and know-how of our employees through regular technical seminars and training sessions organised or sponsored by the Company.

Our personnel policies are aimed towards recruiting the talent that we need, facilitating the integration of our employees into the Company and encouraging the development of skills in order to support our performance and the growth of our operations.

In December 2007, the Company adopted an employee share option plan pursuant to which certain employees are eligible to be awarded options to purchase Equity Shares. For more details on the ESOP, see the section entitled "History and Certain Corporate Matters" beginning on page 124 of this Draft Red Herring Prospectus. We believe that by granting our employees options to purchase Equity Shares it will further motivate them to make our business even more successful.

None of our employees are in a union. We have not lost a day to industrial action in our history of operations. As such, we consider our relations with our employees to be good.

Health, Safety and Environment

We are committed to complying with applicable health, safety and environmental regulations and other requirements in our operations and have a documented policy in place. For details of the various laws applicable to us, please see the section entitled "Regulations and Policies" beginning on page 119 of this Draft Red Herring Prospectus.

To help ensure effective implementation of our practices, at the beginning of every project we seek to identify all potential material hazards, evaluate all material risks and institute, implement and monitor appropriate controls. 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. We seek to work proactively towards minimizing or eliminating the impact of hazards to people and the environment. At large project sites, we employ safety personnel dedicated to helping ensure the implementation of our health, safety and environmental policies at such sites. Project managers are principally responsible for ensuring safety standards are met at small sites.

Our Properties

As at March 31, 2009, our net block freehold land was 38.59 million sq. metres and our net block buildings were 81.77 million sq. metres on a consolidated basis. The Company's registered office and corporate headquarters are located at Survey No. 861, Ashoka House, Ashoka Marg, Vadala, Nashik, Maharashtra - 422 011, India. The Company owns this 2,350 square metre building. A summary of other properties owned by the Company is set forth below:

Details of Property (size)	Purpose
Flat no. 6 B3 and at Ashoka Garden, Panvel (56 sq. m. in the aggregate)	Office premises
Survey nos. 417/1/1 to 417/1/6 and 417/1/6/1, in Musakhedi, Indore (1,400 sq. m.)	RMC activity
Gat no. 1546, Borgaon, Khandwa (146 km), Indore (174,300 sq. m.)	RMC activity
Gat nos. 238 and 236/2, Sagadiya, Sanawad, (88 Km) Indore (61,061 sq. m. in the aggregate)	RMC activity
Plot no. A/21/2 at Hazira Surat Iccapur, GIDC Bhatkor (7,712 sq. m.)	RMC activity
Plot no. 43, Sinner Survey No. 936/1/3+936/2A+936/3 in Dist Nasik, Maharashtra (250.31 sq. m)	Machinery and store yard
1198/3B Sinnar, Nasik, Dist Nasik, Maharashtra (1,972 sq. m.)	Machinery and store yard
Plot no. 38, Survey No-936/1/3+936/2A+936/3, Sinnar, Dist Nasik, Maharashtra (138 sq. m.)	Machinery and store yard
S no. 284 -1-A, Behind K K Wagh College, Mumbai-Agra Road, Nasik (427 sq. m.)	Machinery and store yard
Plot no. 11, Survey No-935/ 3 B, Malegaon MIDC, Sinner (324 sq. m.)	Machinery and store yard
Land at Taluka Karjat, Mirajgaon (110,200 sq. m.)	Project site land
S. No. 19/2, Umbergaon, Sarigam (197.63 sq. m.)	Project site land
S. Nos. 162/4, 184/1 to 3 Umrikheda – Indore, Indore - Khandwa Main Road (16,200 sq. m.)	Project site land
Flat No. 1001, Great Eastern Garden, Kanjurmarg, Mumbai (140 sq. m.)	Office and residential premises
Flat No. 802, Hilla Heights, 147, Ali Bhai Premji Rd., Grant Road (East), Mumbai 400 007 (560 sq. feet.)	Office and residential premises
Flat No. 20A and 20B, Ashoka Residency, Pandit Colony, Nasik (102.19 sq. m.)	Residential premises
N-34-S-1, Ranenagar, Nasik (37 sq. m.)	Residential premises
½, Riverview, Ashoka Stambh, Nasik (69 sq. m)	Office
Survey no. 94 - Plot No 72, Extension ring road, Indore (163.28 sq. m. in the aggregate)	Machinery and store yard
Survey no. 94 - Plot No 73 Extension ring road, Indore (163.28 sq. m. in the aggregate)	Machinery and store yard
Gat No. 257 (earlier survey no. 36/1), Gonde Dumala, Taluka Igatpuri, District Nasik (1,650 sq. m. in the aggregate)	Project site land
Gat No. 41 (earlier survey no. 82/1), Gonde Dumala, Taluka Igatpuri, District Nasik (250 sq. m. in the aggregate)	Project site land
Gat No. 45 (earlier survey no. 81/2), Gonde Dumala, Taluka Igatpuri, District Nasik (1,510 sq. m. in the aggregate)	Project site land

Details of Property (size)	Purpose
Gat No. 46 (earlier survey no. 81/3 & 82/6), Gonde Dumala, Taluka Igatpuri, District Nasik (1,800 sq. m. in the aggregate)	Project site land
Gat No. 55 (earlier survey no. 20/3 & 20/4), Gonde Dumala, Taluka Igatpuri, District Nasik (2,060 sq. m. in the aggregate)	Project site land
Gat No. 258 (earlier survey no. 36/2 & 37/5), Gonde Dumala, Taluka Igatpuri, District Nasik (1,510 sq. m. in the aggregate)	Project site land
Gat No. 259 (earlier survey no. 35/5), Gonde Dumala, Taluka Igatpuri, District Nasik (1,010 sq. m. in the aggregate)	Project site land
Gat No. 256 (earlier survey no. 35/4 & 37/4), Gonde Dumala, Taluka Igatpuri, District Nasik (13,010 sq. m. in the aggregate)	Project site land
Gat No. 260 (earlier survey no. 33/3), Gonde Dumala, Taluka Igatpuri, District Nasik (18,300 sq. m. in the aggregate)	Project site land
Gat No. 262, Gonde Dumala, Taluka Igatpuri, District Nasik (8,200 sq. m. in the aggregate)	Project site land
Gat No. 273, Gonde Dumala, Taluka Igatpuri, District Nasik (8,800 sq. m. in the aggregate)	Project site land
Gat No. 102, Pimplad (N), Taluka Nasik, District Nasik (17,400 sq. m. in the aggregate)	Project site land
Gat No. 265, Gonde Dumala, Taluka Igatpuri, District Nasik (14,300 sq. m. in the aggregate)	Project site land
Gat No. 51, Gonde Dumala, Taluka Igatpuri, District Nasik (31,550 sq. m. in the aggregate)	Project site land
Survey no. 94, Plot No. 76, Extension ring road, Indore (156.82 sq. m. in the aggregate)	Machinery and store yard
Survey no. 94, Plot no. 75, Extension ring road, Indore (163.28 sq. m. in the aggregate)	Machinery and store yard
Survey no. 94, Plot no. 74, Extension ring road, Indore (163.28 sq. m. in the aggregate)	Machinery and store yard
Survey no. 94, Plot No. 71, Extension ring road, Indore (191.19 sq. m. in the aggregate)	Machinery and store yard
Survey no. 854/2/8/1, Plot no. 8A, Nasik (282 sq. m.; built-up area being 221.58 sq. m. in the aggregate)	Guest house
E-28 and E-29, Ashoka Arch, Market Yard, Gultekdi, Pune (749.63 sq. m. in the aggregate)	Office premises

In addition, we lease properties required for construction of a project as and when required.

Our Intellectual Property

We have not patented our proprietary system and software for auditing toll revenue. The Company has applied for registration of the Ashoka (logo) as a trademark in respect of cement and as a service mark in respect of roads, bridges and building construction activities. For details, please see the section entitled "Government Approvals" on page 335 of this Draft Red Herring Prospectus.

REGULATIONS AND POLICIES

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

Introduction

The Company's principal business has been and is expected to continue to be divided into the engineering and construction and infrastructure development.

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

Regulation of the Road Sector

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

National Highways Act, 1956

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

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

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

Once the period of collection of fees by the person is completed, all rights pertaining to the section, permanent bridge or the temporary bridge on the national highway would be deemed to have been taken over by the GOI.

National Highways Authority of India ("NHAI")

The NHAI is responsible for the development, maintenance and management of national highways. NHAI was constituted by the NHAI Act in 1995. Under the NHAI Act, the GOI carries out the development and maintenance of the national highway system through NHAI, an autonomous body. NHAI has the power to enter into and perform any contract necessary for the discharge of its functions under the NHAI Act. The NHAI Act prescribes a limit in relation to the value of the contracts that may be entered into by NHAI. However, such contracts can exceed the value so specified with the prior approval of the GOI. The NHAI Act provides that the contracts for acquisition, sale or lease of immovable property cannot exceed a term of thirty days.

NHAI's primary mandate is the time and cost bound implementation of the National Highways Development Programme ("NHDP") through a host of funding options, which include fund assistance from external multilateral agencies like the World Bank and ADB. The NHAI also strives to provide road connectivity to major ports. NHAI's role encompasses involving the private sector in financing the construction, maintenance and operation of the national highways and wayside amenities. The NHAI is also involved with the improvement, maintenance and augmentation of the existing national highways network and implementation of road safety measures and environmental management.

The Highways Authority of India (Amendment) Bill, 2008, was approved by the Cabinet in October 2008. It aims at increasing institutional capacity of NHAI and help execute the powers delegated to it. The government plans to make NHAI a multi-disciplinary professional body with financial management and contract management expertise.

The restructuring of the organisation envisages selection of the chairman by a search committee headed by the cabinet secretary and comprising department of road transport and highways secretary, planning commission secretary, a CMD or MD of a financial institution and one of the directors of Indian Institutes of Management.

Government Policy Initiatives

In 1998, the Government commissioned the NHDP, which envisaged increasing to four/six lanes of 13,146 km of high-density national highways, and vested the responsibility of its implementation with the NHAI. NHDP is being implemented in two parts, the first part is the Golden Quadrilateral Project, which comprises the four-laning of NH corridors linking the four major metros, and the second part is the North-South and East-West Corridors Project, which involves the development of national highway corridors from Kashmir to Kanya Kumari and Silchar to Saurashtra.

Financing of the NHDP

The Government of India, under the Central Road Fund Act, 2000 (the "Fund") created a dedicated fund for NHDP by levying cess on high-speed diesel and petrol at the rate of Rs. 2.00 per litre. The allocation of the Fund has been structured as follows:

- 50% of the cess collected from diesel is meant for rural roads;
- Allocation of fund from balance 50% cess from diesel and the entire cess on petrol is as follows:

  (i) 57.5% on national highways;

  (ii) 12.5% for road over bridges/rail over bridges;

  (iii) 30% on roads other than national highways.

The other sources for financing of NHDP are through securitization of cess as well as involving the private sector and encouraging Public Private Partnership (PPP). The NHDP is also being financed through long-term external loans from the World Bank and ADB as well as through tolling of roads.

Private Participation in NHDP

In an effort to attract private sector participation in the NHDP, the NHAI has formulated model concession agreements where a private entity (the "Concessionaire") is awarded a concession to build, operate and collect toll on a road for a specified period of time, which is usually up to 30 years.

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

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

The private entity meets the up front cost and expenditure on annual maintenance and recovers the entire cost along with the interest from toll collections during the concession period. To increase the viability of the projects, a capital grant of up to 40% is provided by the NHAI/GOI. The Concessionaire at the end of the concession period transfers the road back to the Government free of charge. The Concessionaire's investment in the road is recovered directly through user fees by way of tolls. In annuity projects, the private entity is required to meet the entire upfront cost (no grant is paid by NHAI/GOI) and the expenditure on annual maintenance. The concessionaire recovers the entire investment through pre-determined annuity payments by NHAI/GOI.

Tax incentives which are being provided to the private entity are 100% tax exemption for five years and 30% relief for the next five years, which may be availed of within a period of 20 years. The Government has also allowed duty free import of specified modern high capacity equipment for highway construction.

Other Laws

The laws above are specific to the regulations specifically applicable to an operating business. The generic regulations that are applicable to the Company include environmental laws, labour laws and other applicable laws.

Environment Regulation

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

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

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

The Environment Act has been enacted for the protection and improvement of the environment. The Act empowers the GOI to take measures to protect and improve the environment such as by laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and so on. The GOI may make rules for regulating environmental pollution.

With respect to forest conservation, the Forest (Conservation) Act, 1980 prevents state governments from making any order directing that any forest land be used for a non-forest purpose or that any forest land is assigned through lease or otherwise to any private person or corporation not owned or controlled by the Government without the approval of the GOI. The Ministry of Environment and Forests mandates that Environment Impact Assessment ("EIA") must be conducted for projects. In the process, the Ministry receives proposals for the setting up of projects and assesses their impact on the environment before granting clearances to the projects.

Hazardous Waste (Management and Handling) Rules, 1989

The Hazardous Waste (Management and Handling) Rules, 1989, as amended, impose an obligation on each occupier and operator of any facility generating hazardous waste to dispose of such hazardous wastes properly and also imposes obligations in respect of the collection, treatment and storage of hazardous wastes. Each occupier and operator of any facility generating hazardous waste is required to obtain an approval from the relevant state pollution control board for collecting, storing and treating the hazardous waste.

Public Liability Insurance Act, 1991

The Public Liability Insurance Act, 1991, as amended (the "Public Liability Act") imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of 'hazardous substances' covered by the legislation has been enumerated by the Government by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the Environment Relief Fund, a sum equal to the premium paid on the insurance policies. This amount is payable to the insurer.

Foreign Ownership

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

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

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

Investment by Foreign Institutional Investors

Subject to certain restrictions, Foreign Institutional Investors ("FIIs") including institutions such as pension funds, investment trusts, asset management companies, nominee companies and incorporated, institutional portfolio managers can invest in all the securities traded on the primary and secondary markets in India. FIIs are required to obtain an initial registration from the SEBI and a general permission from the RBI to engage in transactions regulated under FEMA. FIIs must also comply with the provisions of the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time. The initial registration and the RBI's general permission together enable the registered FII to buy (subject to the ownership restrictions discussed below) and sell freely securities issued by Indian companies, to realise capital gains or investments made through the initial amount invested in India, to subscribe or renounce rights issues for shares, to appoint a domestic custodian for custody of investments held and to repatriate the capital, capital gains, dividends, income received by way of interest and any compensation received towards sale or renunciation of rights issues of shares.

Ownership Restrictions of FIIs

Under the portfolio investment scheme, the overall issue of equity shares to FIIs on a repatriation basis should not exceed 24% of post-issue paid-up capital of a company. However, the limit of 24% can be raised up to the permitted sectoral cap (which is 100% for the engineering and construction sector) for that company after approval of the Board of Directors and shareholders of the company. As of date, no such approval has been obtained. The total holding of a single FII should not exceed 10% of the post-issue paid-up capital of the Company or 5% of the total paid-up capital in case such sub-account is a foreign corporate or an individual. In respect of an FII investing in equity shares of a company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital of that company.

Other Laws and Regulations

Certain other laws and regulations that may be applicable to the Company include the following:

- Contract Labour (Regulation and Abolition) Act, 1970;
- Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996;
- Inter State Migrant Workers Act, 1979;
- Factories Act, 1948;
- Payment of Wages Act, 1936;
- Payment of Bonus Act, 1965;
- Employees' State Insurance Act, 1948;
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Equal Remuneration Act, 1976;
- Payment of Gratuity Act, 1972;
- Shops and Commercial Establishments Acts, where applicable;
- Minimum Wages Act 1948;
- Hazardous Chemicals Rules, 1989;
- Industrial Disputes Act, 1947;
- Mines and Quarries Act, 1954;
- The Explosives Act, 1884; and
- Workmen's Compensation Act, 1923.

HISTORY AND CERTAIN CORPORATE MATTERS

Our History

We began our operations as a civil construction firm, Ashoka Constructions in November 5, 1983 as a partnership between Ashok M. Katariya, Ramanal B. Parakh, Sushil R. Parakh, Narendra R. Shakadwipi and Vimlabai R. Shakadwipi. We were reorganized as a company called Ashoka Buildcon Private Limited in 1993 and engaged in the business of civil construction. In fiscal 1997, we entered into the business of developing toll roads and toll bridges on a BOT basis.We became a public company on April 22, 2002 and changed the name of the Company from Ashoka Buildcon Private Limited to Ashoka Buildcon Limited with effect from April 22, 2002 pursuant to a special resolution of the shareholders passed at an EGM on April 4, 2002. The fresh certificate of incorporation consequent on change of name was granted by the RoC to the Company on April 22, 2002.

We build and operate roads and bridges in India on a build, operate and transfer ("BOT") basis. We believe we currently operate one of the highest number of toll-based BOT projects in India. In addition to BOT projects, we also (i) engineer and design, procure the raw materials and equipment for and construct roads, bridges, commercial buildings, industrial buildings and institutional buildings for third parties, (ii) manufacture and sell ready-mix concrete ("RMC") and bitumen and (iii) collect tolls on roads and bridges owned and constructed by third parties. Our business is organised into four divisions:

- the BOT division;
- the engineering, procurement and construction ("EPC") division;
- the RMC and bitumen division; and
- the toll collection contract division.

Prior to fiscal 1997, we were engaged solely in the engineering and construction of residential, commercial, industrial and institutional buildings. In fiscal 1997, having acquired EPC skills, we also turned our attention to bidding for contracts for toll roads and toll bridges on a BOT basis. We were awarded our first BOT project, the Dhule bypass in Maharashtra, in fiscal 1997 and completed the construction of the road in the same fiscal year. In fiscal 2000 we began manufacturing RMC solely for use by our EPC division. In fiscal 2002 we began to manufacture RMC to sell to third parties as well as for use by our EPC division. In fiscal 2005 we began processing bitumen to a higher grade at our facility in Pune for use in road projects. Having developed systems and procedures for collecting tolls on our BOT projects, including developing our own proprietary computerised toll revenue auditing system, we tendered for and were awarded our first the contract to collect the tolls on a road owned and constructed by a third party.

In August 2006, IDFC PE II acquired 1,019,617 Equity Shares in the Company which made IDFC the single largest shareholder with 18.18% equity stake in the Company. Currently, IDFC PE II holds 7,137,319 Equity Shares aggregating to 15.62% of our paid-up Equity Shares, which makes it our single largest shareholder as on the date of this Draft Red Herring Prospectus.

The Company's registered office was changed from ½, River View Apartments, Gharpure Ghat, Ashok Stambh, Nashik, Maharashtra 422 002 to Survey No. 861, Ashoka House, Ashoka Marg, Vadala, Nashik, Maharashtra - 422 011 by a resolution of our Board dated August 25, 2004.

The Company has 24 members as of the date of this Draft Red Herring Prospectus.

Scheme of Amalgamation (the "Scheme")

On February 11, 2004, the Board of Directors of the Company approved the Scheme, under sections 391 to 394 of the Companies Act, for the amalgamation of Ashoka Info Private Limited; Ashoka Infra Private Limited; Ashoka Vastu Private Limited; Ashoka Vastu Shilp Private Limited; Ashoka Shilp Vikas Private Limited and Ashoka Construction Engineers Private Limited (the "Transferor Companies") with the Company. The Company obtained the approval of its shareholders for the Scheme on March 12, 2004. The Scheme was approved by the Bombay High Court on December 3, 2004.

Rationale for the Scheme of Amalgamation

The Transferor Companies and the Company are engaged in the business of builders and construction contractors, including the business to build, erect, construct, operate on BOT basis, repair, execute and develop infrastructural projects. The businesses of the Transferor Companies and the Company are of similar and complementary nature. A consolidation of the Transfer Companies and the Company is therefore expected to lead to greater synergy in operations, better management expertise, reduced expenses, more efficient utilisation of capital and enhancement of the capability to invest in large and sophisticated projects, thereby ensuring rapid growth of the amalgamated company.

A Summary of the Scheme of Amalgamation

A summary of the terms and conditions of the Scheme are:

(I) The Scheme envisaged the transfer of Undertakings (as defined below) of each of the Transferor Companies to the Company pursuant to section 394 of the Companies Act, in accordance with the terms of the Scheme.

(a). The "Appointed Date" for the Scheme was April 1, 2003.

(b). "Effective Date" means the date on which certified copies of orders of High Court of Bombay sanctioning the Scheme are filed with RoC, Mumbai and RoC, Pune. The certified copies of orders of High Court of Bombay sanctioning the Scheme were filed with RoC, Mumbai and RoC, Pune on June 27, 2005.

(c). "Undertaking" shall mean and include:

(i) All assets, claims, whether provided in the books of account or not, estates, interests, powers, properties, rights including toll collection rights upto the concession period at the current terms and conditions or any revised terms and conditions including revised concession period and titles of every description, whether Permanent or Temporary, of or relating to, the Transferor Companies as on the Appointed Date;

(ii) All the debts, duties, liabilities and obligations of every description of, or pertaining to, the Transferor companies as and on the appointed Date, whether provided for or not in the books of accounts of the Transferor Companies in its Balance Sheet;

(iii) Advantages of whatsoever nature, agreements, allotments, approvals, arrangements, authorisations, benefits, capital work-in-progress, concessions, rights and benefit of all contracts, consents, currents assets, easements, engagements, exemptions, fixed assets, industrial and intellectual property rights of any nature whatsoever and licences in respect hereof, intangibles, investments, leasehold rights, liberties, ownership flats, patents, permits, purchase orders, letters of intent, pending orders, documents and records in physical or electronic form, utilities including electricity and water connections wheresoever available and deposits given for obtaining and continuing such utilities, powers of every kind, nature and description whatsoever, privileges, provision funds, quota rights, registrations, reserves, and all properties, movable and immovable, real, corporeal or incorporeal, in possession or reversion, present or contingent of whatsoever nature and wherever situated, right to use and avail of telephones, telexes, facsimile connections, installations and other communication facilities and equipments, tenancy rights, titles, trademarks, pending applications for trademarks, trade names, and any other utilities held by the Transferor Companies or to which the Transferor Companies are entitled to as on the Appointed Date and cash and bank balances, all earnest moneys, margin money and/or deposits including security deposits paid by the Transferor Companies and all other interest wherever situate, belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by or arising to the Transferor Companies.

The Scheme also included terms regarding the transfer of assets subject to charge, enforcement of legal proceedings involving Transferor Companies, transactions/contracts of Transferor Companies, conduct of business by Transferor Companies till effective date, accounting treatment of the assets and liabilities of the Transferor Companies in the books of the Company, employees, staff and workmen of the Transferor Companies and various funds of the Transferor Companies.

(II) Further, the terms of the Scheme involved the issue of shares by the Company to the shareholders of each Transferor Company, upon the Scheme being finally effective, in consideration of the transfer. The Scheme envisaged that the shares shall be issued in the following manner:

(a) To each equity shareholder of Ashoka Info Private Limited; 0.62 equity shares of Rs. 10 each fully paid-up of the Company for 1 equity share of Rs.10 each fully paid-up of Ashoka Info Private Limited held.

(b) To each preference shareholder of Ashoka Info Private Limited; 1 preference share of Rs.100 each fully paid-up of the Company for 10 preference shares of Rs.10 each fully paid-up of Ashoka Info Private Limited held.

(c) To each equity shareholder of Ashoka Infra Private Limited; 0.12 equity shares of Rs. 10 each fully paid-up of the Company for 1 equity share of Rs.10 each fully paid-up of Ashoka Infra Private Limited held.
To each preference shareholder of Ashoka Infra Private Limited; 1 preference share of Rs.100 each fully paid-up of the Company for 10 preference shares of Rs.10 each fully paid-up of Ashoka Infra Private Limited held.

(d) To each equity shareholder of Ashoka Vastu Private Limited; 2.06 equity shares of Rs. 10 each fully paid-up of the Company for 1 equity share of Rs.10 each fully paid-up of Ashoka Vastu Private Limited held.

(e) To each equity shareholder of Ashoka Vastu Shilp Private Limited; 0.51 equity shares of Rs.10 each fully paid-up of the Company for 1 equity share of Rs.10 each fully paid-up of Ashoka Vastu Shilp Private Limited held.

(f) To each preference shareholder of Ashoka Vastu Shilp Private Limited; 1 preference share of Rs.100 each fully paid-up of the Company for 1 preference share of Rs.100 each fully paid-up of Ashoka Vastu Shilp Private Limited held.

(g) To each equity shareholder of Ashoka Shilp Vikas Private Limited; 1.45 equity shares of Rs.10 each fully paid-up of the Company for 1 equity share of Rs.10 each fully paid-up of Ashoka Shilp Vikas Private Limited held.

(h) To each equity shareholder of Ashoka Construction Engineers Private Limited; 0.53 equity shares of Rs.10 each fully paid-up of the Company for 1 equity share of Rs.10 each fully paid-up of Ashoka Vastu Shilp Private Limited held.

The Scheme also mandated that the Company shall increase its share capital under section 94 of the Companies Act and cause a special resolution to be passed in pursuance of section 81 (1A) of the Companies Act, for the offer and allotment of its equity shares to the shareholders of Transferor Companies. The said resolution was passed on March 17, 2005.

In accordance with the terms of the Scheme, upon the Scheme being sanctioned by the High Court as from the effective date, the Transferor Companies shall stand dissolved without winding up and the main objects of the MoA of the Transferor companies shall form part of the main objects of the Company in addition to its existing objects.

Basis of valuation for the scheme of amalgamation

Valuation of operative companies: The net assets method was used for valuing operative companies which is based on the value of a share with reference to the market value of assets and attached liabilities on the valuation date as shown in the balance sheet. In computing the share value under net assets method, tax liability arising out of the realisable value was ignored. In addition, there was no adjustment for the estimated liability, which may arise in respect of the contingent liabilities, and for the miscellaneous expenditure, as shown in the financial statements for the period ended March 31, 2003.

Valuation of infrastructure companies: The valuation of infrastructure companies along with Jaiswal Ashoka Infrastructure Private Limited, Viva Infrastructure Private Limited and Viva Highways Private Limited was done as per earnings capitalisation method on the basis of the balance sheet of March 31, 2003 and discounting of future cash flow at the rate of 10%. The earnings capitalisation method involves determination of the future earnings level of the company from its usual operations. These earnings, considered on a post-tax basis, are then capitalised at a rate of 10%, which in the opinion of the management of the company, combines an adequate expectation of reward for enterprise and risk. The business value so arrived at is then divided among shareholders. As per the management of the companies since it could not be predict any material change in the tax provisions, which would have permanent tax differences, no adjustment was to that effect.

Milestones achieved by the Company since its incorporation are listed below:

Year	Milestones
1995-96	The Company completes its first major industrial project for Nilkamal Plastics Limited, Sinnar.
1997-98	The Company starts work on the Dhule bypass project, one of the first BOT projects in Maharashtra. The Company completes this project within a period of nine months. The Company completes the construction of one of the first few flyovers in Pune, the Kothrud flyover. The Company is awarded the ISO 9001:2000 certification for quality management systems. The Company establishes the Ashoka Training Institute to promote excellence in civil construction education and research. The Company is awarded the National Award for 'Most Outstanding Bridge-Excellent Aesthetic Matching Environment' for Kothrud flyover, Pune and Shivna bridge from Indian Institute of Bridge Engineers.
2000	The Company was awarded its first project aggregating approximately Rs. 1,000 million on NH-4.
2001	The Company completes construction of East Coast road between Chennai and Pudducherry which was declared to be a model road by Government of India. The Company is awarded the 'NIMA Excellence Award' by the Nashik Industries and Manufacturer's Association. The Company starts its RMC business.

Year	Milestones
2003-04	The Company completes construction of the Indore-Edalabad road, which was one of the longest roads to be constructed on a BOT basis.
2006	The Company entered into a shareholders agreement with IDFC Infrastructure Fund 2 for issue of 1,019,617 equity shares to IDFC Infrastructure Fund 2 at a price of Rs. 980.76 per equity share
2007	The Company received the Certificate of Registration regarding compliance with requirements of ISO 9001: 2000, ISO 14001:2004 and OHSAS 18001:1999. The said certificate was granted by International Standards Certifications Pty. Limited.
2008	Ashok M. Katariya received the Life Time Achievement award from the Association of Consulting Civil Engineers.
2009	The Company received the Certificate of Registration regarding compliance with requirements of ISO 9001: 2000, ISO 14001:2004 and OHSAS 18001:2007. The said certificate was granted by International Standards Certifications Pty. Limited.

Main Objects

Our main objects that enable us to carry on our business and proposed business as contained in our Memorandum of Association are as follows:

To carry on the business of builders, masonry and general construction contractors and to construct, re-construct, prepare sites, pull down, alter, improve, repair, develop, furnish, decorate and maintain buildings, flats, mansions, dwelling houses, chawls, row houses, bungalows, garages, shops, offices, commercial complex, works, industrial estates, factories, plants, mills, godowns, bridges, dams, roads, hereditaments or other landed property, conveniences of all kinds and for this acquire by purchase, lease, exchange, hire or otherwise lands properties, buildings, estates of any nature, tenure, description or interest therein or connected therewith.

Amendments to our Memorandum of Association

Date	Details of change
July 8, 1997	Increase in authorised capital from Rs.0.5 million to Rs. 5 million
September 2, 1997	Increase in authorised capital from Rs. 5 million to Rs. 10 million
February 29, 2000	Increase in authorised capital from Rs. 10 million to Rs. 30 million
October 5, 2000	Increase in authorised capital from Rs. 30 million to Rs. 65 million
April 22, 2002	Conversion of the status of the Company from a deemed public company to a public company
March 17, 2005	Increase in authorised capital from Rs. 65 million to Rs. 215 million
March 28, 2006	Increase in authorised capital from Rs. 215 million to Rs. 365 million
December 15, 2007	Increase in authorised capital from Rs. 365 million to Rs. 811 million

Key Awards and Recognitions

Year	Name of Award
1997	Awarded the 'CM Shah Concrete Technology Award' by Institution of Engineers, India, Pune Local Centre
1997	Awarded the National Award for 'Most Outstanding Bridge-Excellent Aesthetic Matching Environment for Kothrud flyover, Pune and Shivna bridge from Indian Institute of Bridge Engineers
1998	The quality management systems of the Company were ISO 9001:2000 certified by International Standards Certifications Pty Limited Awarded the 'Director's Work of World Class Quality Award' for the project executed for Proctor

Year	Name of Award
	and Gamble in Goa
2001	Awarded the 'National Award –Most Outstanding Bridge' for construction of Bhor bridge. Awarded the NIMA Excellence Award by the Nashik Industries and Manufacturer's Association.
2007	Awarded a certificate of involvement by the United States Environment Programme to Ashoka Group for the contribution by Ashoka Group to the 2007 Billion Tree Campaign. Awarded a certificate of registration 'Environmental Management System 14001:2004; ISO 9001:2004; ISO 18001:2007' from International Standards Certifications Pty. Ltd. for complying with requirements of the International Standard
2008	Awarded a certificate of excellence in productivity, quality, innovation and management by the Institute of Economic Studies, New Delhi

Summary of Key Agreements

Share Subscription and Shareholders' Agreement

Share Subscription and Shareholders' Agreement dated July 11, 2006 (the "Agreement") between Ashoka Buildcon Limited (the "Company"), Ashok Katariya, Sunil Raisoni, Satish Parakh, Narendra Sakhadwipi, Ashoka Buildwell and Developers Private Limited, AP Equipment, Shubham Developers, Ashoka Township, Ashoka Bitucon Exim Private Limited, Ashoka Builders (Nasik) Private Limited, and other shareholders of the Company (collectively referred to as the "Promoters" for the purposes of this Agreement) and IDFC Infrastructure Fund 2 (the "Investor") (the "Parties").

Background: The Company and the Promoters had approached the Investor to subscribe to the equity share capital of the Company. Based on the representations, warranties, covenants and undertakings of the Company which are contained in the Agreement, the Investor had agreed to subscribe to 1,019,617 equity shares at a price of Rs. 980.76 per equity share, aggregating to 18.18% of the fully diluted equity share capital of the Company. The Parties agreed to enter into the Agreement to record their respective representations, warranties, undertakings and covenants in respect of (i) the issue to, subscription and payment by, the Investor of equity shares in the Company, and (ii) regulating as between themselves, the ownership, management and other affairs of the Company.

Term: The Agreement will fall away if the Investor's shareholding in the Company drops to less than 20 % of the original shares allotted to it or the listing of the shares on a recognised stock exchange whichever is earlier. However, in case of listing on a recognised stock exchange certain provisions relating to the management of the Company which include the presence of independent directors on the board, the right of Investor to appoint one director and one observer each, the appointment of one nominee director on the boards of the project entities etc. and the meetings of the board and certain affirmative vote matters shall continue to be in force and effect.

Project Committee: In accordance with the Agreement, the Board of Directors of the Company have constituted a committee (Project Committee) to evaluate and strategise on projects to be bid for by the Company and / or project entities.

Annual Business Plan: In accordance with the Agreement the Promoters are required to prepare an annual business plan, in the manner specified in the Agreement, for Company and project entities, which shall be approved by the Investor and subsequently by the Board of Directors.

Transfer restrictions: The equity shares held by the Parties are subject to the following transfer restrictions:

(a). *Minimum shareholding*: The Promoters are required to maintain and retain control of the Company and hold at least 51% of the total equity share capital of the Company.

(b). *Permitted transfers*: Subject to the minimum shareholding requirements, the Promoters can transfer the shares held by them amounting to not more than 5 % in case of an individual promoter

and 10 % in the aggregate of all the Promoters to a bonafide financial investor without the prior written consent of the Investor.

Investor's right of first refusal and Tag-along rights: If any Promoter proposes to transfer any of the shares held by it then it shall first give a written notice to the Investor and the Investor shall have the following rights:

(i) The right to acquire such shares in accordance with the procedure prescribed in the Agreement.

(ii) The right to sell all or part of their shares on similar terms and conditions, and in the manner prescribed in the Agreement, to the potential transferee.
Transfer by the Investor: The Investor shall be free to transfer the equity shares in any manner whatsoever, subject to the Promoters' "right of first refusal" similar to the one outlined above. Further, the Investor may transfer to any of its affiliates as defined in the Agreement, provided the affiliate shall enter into a Deed of Adherence. Subject to the provisions mentioned herein, post IPO, the Investor shall be free and entitled to transfer to any person, all or part of it shares without providing the "right of first refusal" to the Promoters.

Transfer of shares of Ashoka Buildwell and Developers Private Limited, Ashoka Township and Ashoka Bitucon Exim Private Limited (key shareholding companies) and project entities (as defined in the Agreement): The Promoters shall not transfer their shareholding in key shareholding companies / project entities or issue any further shares of key shareholding companies / project entities without the prior approval of the Investor. However, these requirements shall not be applicable to transfer inter se the Shareholders or issuance of shares by the key shareholding companies to the Promoters.

Promoter Entitlement: In accordance with the terms of the Agreement, the Promoters shall be entitled to get full economic benefit, if any of the money claims (such claims have been specified in the Agreement) made by the Company, on various authorities, realise in income for the Company and/or the concerned project entity. The Agreement also sets out the conditions pursuant whereto any claim shall be considered as having realised into income for the Company and/or the concerned project entity and that such claims may either be settled in cash or by way of extension of the concession period. The Promoters are, therefore, entitled to receive Equity Shares so as to compensate them for the claims realised by the Company (the "Promoter Entitlements"). The Promoter Entitlements shall cease to have any validity and effect if the claims are realised after the expiry of 30 months from the date of the Agreement.

Investor Entitlements: Under various concession agreements entered into by the Company and/or project entities, the authorities granting the concessions have made various claims against the Company and/or the concerned project entity (the "Government Claims"). In terms of the Agreement the parties to the Agreement have agreed that the economic benefit that the Promoters are entitled as stated above, shall be netted off against any losses or reduction of value suffered by the Company and/or the concerned project entity on account of the Government Claims. The economic reduction (if any) of value of the Company on account of the net-off shall be passed onto the Investor by issuance of Equity Shares (the "Investor Entitlements"). The Investor Entitlements shall be outstanding for a maximum period of 30 months from the date of the Agreement.

Directors: In accordance with the terms of the Agreement the Investor has appointed 1 person on the Board of Directors as non-retiring director (Investor Director) and 1 person as an observer. The director or his alternate or his representative can also be appointed on any committees constituted by the Board of Directors as per the request of the Investor. The Investor is also entitled to nominate a director and an observer on the board of directors of the project entities except in Jayaswals Ashoka Infrastructure Private Limited.

Board Meetings: The Board of Directors is required to meet at least once in every calendar quarter and at least 4 such meetings are required to be held in every year. The quorum for a meeting of the Board shall be governed by the provisions of the Companies Act, 1956 subject to the condition that if the Investor Director is not present at a meeting, there shall be no quorum. The Company is required to provide 10 days prior written notice to each director. Any item not included on the agenda of the meeting may be considered / voted or a meeting may be convened at a shorter notice period, with the prior written consent of the Investor Director.

Shareholders meetings: All the meetings of the shareholders are required be held in accordance with the Companies Act and the Company's charter documents with at least 21 days prior notice, unless a shorter period in respect of any general meeting is unanimously agreed to by all the shareholders in writing.

Affirmative vote: The following matters shall require the affirmative vote of the Investor Director:

(i) Any special resolution under the provisions of the Companies Act, 1956 or other applicable/ successor acts.
(ii) Any investments, except normal treasury investments made as per the investment policy approved by the board of directors.
(iii) Issuance of any fresh equity.
(iv) Borrowing funds or issuing trade guarantees in excess of sums mentioned in the Business Plan approved by the Investor.
(v) Create any subsidiary permit any capital restructuring.
(vi) Alteration / revision of business plan.
(vii) Merger, de-merger, acquisition or entering into any joint venture except those permitted.
(viii) Liquidation or dissolution.
(ix) Declaration or payment of dividends or making any other distribution on account of any shares of preferred stock or common stock now or hereafter outstanding.
(x) Repurchase of any outstanding shares of the Company's capital stock.
(xi) Amendment of Memorandum and Articles of Association.
(xii) Entering into transactions with connected persons as defined under the Agreement.
(xiii) Determining the appointment and remuneration of the Chairman, MD, CEO, COO, ED, CFO and other senior staff.
(xiv) Allowing disposal of shares of the Promoter and / or their nominees.
(xv) Appointment / dismissal of any board members, except promoter director or nominee director of the Shareholders.
(xvi) Changing the accounting year.
(xvii) Sale of all or substantial assets of the Company.
(xviii) Divestment of its shareholding in any of the subsidiary companies.
(xix) Transfer/modification/sale/vesting any of the material contracts entered into by the Company.
(xx) Changing/appointing a statutory/internal auditor.
(xxi) Diversification.
(xxii) Bidding for projects (including, as a joint venture partner) requiring a total capital out lay in excess of Rs. 2000 million.
(xxiii) Incurring capital expenditure in excess of 10% what is stated in the approved business plan.
(xxiv) Listing of the Company or any project entity.
(xxv) Transfer of shares of the Company or transfer of, or issuance of, shares of any project entity or key shareholding entity.

Initial Public Offer (IPO): The Parties have agreed to work towards an initial public offering involving the shares of the Company and the Shareholders and make best efforts to ensure that the Company makes an IPO within a period of or on before March 31, 2009 (IPO cut-off date).

In the event the Company fails to have an IPO before the IPO cut-off date, the Shareholders and the Company shall provide the Investor an option to sell their shares in one of the following manners as provided for in the Agreement:

(i) Liquidity IPO: The Company shall, at the sole discretion of the Investor, list its equity shares on one or more of the stock exchanges which can either be by way of an offer for sale by the Investor or issuance of further equity shares by the Company or a offer for sale by the Shareholders or a combination of the three provided that the following conditions are followed:

(a) Investor shall offer at least 50% of the shares originally subscribed by it.
(b) Investor shall be entitled to require the Company to issue further shares to the extent of a maximum of 40% of the number of shares required to comply with the minimum conditions of continuous listing.
(c) If, in spite of the Investor offering all of its shares and the Company issuing shares as mentioned in (b) above, the number of shares offered does not meet the minimum condition then the Investor shall be entitled to require the Company to issue further shares and require the Shareholders to offer part of their shareholding in the Company.

(ii) Buyback of Investor's shares: On or before March 31, 2011, the Company shall buyback its shares held by the Investor, subject to the provisions of the Companies Act, 1956 at a fair value as determined by reputed external agency jointly appointed by the Investor and the Shareholders. The Shareholders and any of their transferees shall not offer their respective shares in any such buyback.

(iii) If (i) or (ii) do not occur within the specified time frames, the Company and the Shareholders shall ensure that the Investor has an exit option in the manner provided for by the Agreement.

Further issue of shares by the Company: Subject to the applicable law and provisions of the Agreement, the Board may issue and allot any of the unissued shares or any shares representing an increase in the paid up share capital of the Company. However, the Company shall not make any further issuance of shares on terms which are more favourable than, or which have rights attached to such capital or instruments which are more favourable than the rights attached to the shares issued to Investor unless the Company provides an opportunity to the Investor to subscribe to such shares on same terms.

Monitoring and Information Covenants: Until the Investor holds the shares of the Company, the Investor shall have a right to monitor the operations of the Company, the Company and the project entities shall provide to the Investor such reasonable information and data as in the opinion of the Investor may be required and also information / documents such as financial statements etc. as provided for in the Agreement.

The Investor through letter dated September 7, 2009 has agreed not to exercise alternate exit rights available to the Investor, in terms of the Agreement, until March 31, 2009.

Addendum cum Amendment to Share subscription and Shareholders' Agreement

Addendum cum Amendment to Share Subscription and Shareholders' Agreement dated December 10, 2007 (the "Agreement") between Ashoka Buildcon Limited (the "Company"), Ashok Katariya, Sunil Raisoni, Satish Parakh, Narendra Sakhadwipi, Ashoka Buildwell and Developers Private Limited, AP Equipment, Shubham Developers, Ashoka Township, Ashoka Bitucon Exim Private Limited, Ashoka Builders (Nasik) Private Limited, and other shareholders of the Company (collectively referred to as the "Promoters" for the purposes of this Agreement) and IDFC Infrastructure Fund 2 (the "Investor") (the "Parties").

Certain Promoters elected to exercise their Promoter Entitlements in terms of Article 11 of the Share Subscription and Shareholders' Agreement dated July 11, 2006 (the "Original Agreement"). In accordance with the terms of the Agreement, Clause 11 of the Original Agreement shall be forthwith terminated and the Promoters shall subscribe to the following number of equity shares of face value Rs. 10 at par by paying in cash, in exercise of their Promoter Entitlements:

(*In Rs. million*)

Particulars	Ashok M. Katariya	Satish D. Parakh	Sunil B. Raisoni	Sanjay P. Londhe	Astha Katariya	Ashish Katariya	Shobha Parakh	Snehal Khatri	**Total**

EBIDTA of non-BOT business above INR 250 million	48,328	147,555	-	14,109	238,017	130,000	143,000	50,000	771,009
Ashoka Infrastructures (PWD – Dhule, Dhule Bypass - BOT)	76,559	62,640	-	-	-	-	-	-	139,199
Ashoka Buildcon Limited (Unit: Nashik) Sussen Asia Pvt. Limited	5,113	-	4,184	-	-	-	-	-	9,297
Total	**130,000**	**210,195**	**4,184**	**14,109**	**238,017**	**130,000**	**143,000**	**50,000**	**919,505**

Upon the allotment of the Promoter Entitlements as above, the Promoters shall cease to have any rights to further Promoter Entitlements or to any further claims against the Company and/or the Investor in this regard under Clause 11 of the Original Agreement and/or elsewhere. Further, the Promoters and the Company have covenanted to the Investor that no circumstances have arisen in terms of Clause 11 of the Original Agreement that would give the Investor any right to Investor Entitlements. Further, the Agreement states that, if the aforesaid covenant is found to be incorrect at a later date, then the Investor will be entitled to Investor Entitlements in accordance with Clause 11 of the Original Agreement.

The Investor had also agreed to the amendment of the Articles of Association of the Company in view of the proposed IPO of the Company, subject to the understanding that the IPO will occur no later than June 30, 2008. If the IPO is not completed by June 30, 2008; the Company shall take all steps to amend the Articles of Association as they stood on December 10, 2007. As the Company did not undertake its IPO due to the adverse market conditions until June 30, 2008, the Articles of Association of the Company were amended through resolutions of the Board of Directors and Shareholders dated November 17, 2008 and December 9, 2008, respectively, whereby the rights available to the Investor in terms of the Original Agreement were reinstated in the Articles of Association. Thereafter, through resolutions of the Board of Directors and Shareholders both dated September 7, 2009, the Company has amended its Articles of Association in view of the proposed Issue.

Further, in the period prior to or after the IPO, all the rights of the Investor as per the Original Agreement shall continue to stand valid and binding, irrespective of whether they are included in the new articles of association or not.

Our Joint Ventures

The Company has entered into the following joint ventures/ memoranda of understanding / shareholders' agreements where the project is at various stages of pre-qualification/ tendering/ execution. Unless extended expressly, joint ventures at the pre-qualification/ tendering stage expire if the projects are not awarded to the joint venture.

Projects under execution

1. Partnership with Ashoka Vastu Private Limited and Ashoka Builders (Nasik) Private Limited

The Company entered into a partnership with Ashoka Builders (Nasik) Private Limited and Ashoka Vastu Private Limited on September 15, 2001 to create a partnership named Ashoka High-Way AD. This partnership was created to allow Ashoka Builders (Nasik) Private Limited and Ashoka Vastu Private

Limited to assist the Company in bidding for seven construction contracts and to raise the financing for the same. The seven contracts are: construction of foot over bridge across Eastern Express Highway at Priyadarshini Circle with private financing and advertisement rights on BOT basis; construction of foot over bridge across Eastern Express Highway at Louiswadi with private financing and advertisement rights on BOT basis; construction of foot over bridge across Eastern Express Highway at Mental Hospital with private financing and advertisement rights on BOT basis; construction of foot over bridge across Eastern Express Highway at Pravin Hotel with private financing and advertisement rights on BOT Basis; construction of foot over bridge across Eastern Express Highway at Tagore Nagar with private financing and advertisement rights on BOT Basis and the construction of foot over bridge across Eastern Express Highway at Godrej Company with private financing and advertisement rights on BOT basis.

The partnership will end on the last of the concession periods. The firm's capital will be the sums as contributed by the partners from time to time and the profits will be credited to the accounts of partners as reduced by withdrawals and losses debited to the accounts of the partners. The profits or losses of the firm, after meeting all costs, charges and expenses incurred on carrying on the business of the partnership and after making all the necessary provisions and transfers to reserves, if any, will be divided and borne by the partners in the following ratio, as recorded by the supplementary agreements dated June 27, 2005 as a result of the Scheme of Amalgamation by way of which Ashoka Vastu Private Limited was merged with the Company:

- the Company: 99.99%
- Ashoka Builders (Nasik) Private Limited: 0.01%

The overall right to manage and conduct the partnership business shall vest in both the remaining partners and the partners shall nominate one person each to take part in the affairs of the firm.

2. Shareholders' Agreement with D.S. Constructions Limited

The Company and D.S. Constructions Limited (**"**DSC**"**) had jointly bid for the construction of the Katni Bypass Road from Km. 361.00 to Km. 378.00 on NH-7 on a BOT basis, which was awarded to them. The two companies created a SPV named Ashoka–DSC Katni Bypass Road Private Limited. The Company entered into a shareholders' agreement with DSC dated July 14, 2006 because both parties desired that the Company take overall responsibilities and obligations for the implementation and execution of the Katni project on the terms of their settlement. Pursuant to the settlement and the shareholders' agreement, the Company, through the SPV, has refunded DSC all of DSC's contributions to the project. The Company shall have complete control over the SPV and its management, responsibilities, risk and liabilities shall lie with the Company. DSC is only an investor with 3,300 equity shares of Rs. 10 each.

3. Joint Venture Agreement with Valecha Engineering Limited

The Company entered into a joint venture agreement with Valecha Engineering Limited ("Valecha") to jointly bid for a NHAI project for the construction of 4/6 lane access controlled Chittorgarh Bypass which was subsequently awarded to the Ashoka-Valecha joint venture. Under the agreement, the parties agreed to share the mobilization advances granted by the NHAI, taxes and expenses in the following ratio:

- ABL: 51%
- Valecha: 49%.

The joint venture would be managed by an executive committee comprising one representative each of ABL and Valecha. The agreement will be terminated upon the completion of construction work and expiry of the defect liability period, which continues for a period of one year from the completion of construction, and the settlement of all dues between the parties and between the joint venture and the NHAI.

4. Memorandum of Understanding with IVRCL Infrastructures and Projects Limited

The Company has entered into a memorandum of understanding with IVRCL Infrastructures and Projects Limited (“IVRCL”) dated August 14, 2001 for the purpose of creating a SPV to execute the project for the reconstruction of the Indore-Khandawa-Barhanpur-Edalabad Road on a BOT basis, floated by the Madhya Pradesh Rajya Setu Nirman Nigam Limited which had been awarded to IVRCL. The SPV was named as Viva Highways Private Limited.

The Company and IVRCL subscribed to the equity share capital of the SPV during the construction period of the project in the following ratio:

- IVRCL: 78%
- ABL: 22%.

The construction phase of this project has been completed and the toll collection period is currently underway. In accordance with agreement, during the toll collection period, the consortium/bidder’s minimum holding in the SPV should be 26% of the equity share capital and the balance 74% is held by the Company. Both parties have a right of first refusal to purchase the shares of the other at the time of the other party’s sale of its shareholding.

5. *Memorandum of Understanding with Jayaswal Holdings Private Limited*

The Company entered into a memorandum of understanding dated October 20, 1998 with Jayaswal Holdings Private Limited (“JHPL”) to establish a SPV by the name of Jayaswals Ashoka Infrastructure Private Limited to execute the project for the construction of a bridge over the river Wainganga on a BOT basis. ABL and JHPL are to hold the equity of the SPV in the following ratio:

- ABL : 50%
- JHPL: 50%.

Both ABL and JHPL have agreed to make equal contributions to the share capital and long term finance requirements of the SPV. Failure to contribute one’s share of funds may be treated by the other party as a breach of agreement and if the non-breaching party were to contribute funds in excess of its share, it is entitled to interest in respect of the excess at the rate of 18% per annum to be compounded annually. ABL is to ensure that the construction work is to be sub-contracted to another contractor, who is to be a nominee of ABL, on a lump-sum basis as per the price quoted by ABL in its winning bid to the Government. The SPV is to be managed by a board of directors comprising of four directors of which ABL and Jayaswal Holdings Private Limited are to have an equal number of nominees. ABL could nominate a Chairman to the board who is to have a casting vote in case of a tie. The SPV may bid for future construction projects for which the technical expertise would be provided by ABL at a remuneration to be decided mutually between the SPV and ABL. Both ABL and JHPL have a right of first refusal to purchase the shares of the other at the time of the other party’s sale of its shareholding. By a shareholders’ agreement dated March 21, 2001, JHPL transferred its shareholding in the SPV to Abhijeet Iron Processors Private Limited who became signatory to a deed of adherence and thereby became subject to the terms and conditions of the memorandum of understanding dated October 20, 1998.

6. *Shareholders’ Agreement with IVRCL Infrastructures and Projects Limited and Viva Infrastructure Private Limited*

The Company has entered into a shareholder’s agreement with IVRCL and Viva Infrastructure Private Limited (**“**VIPL**”**) dated March 25, 2002 to determine IVRCL and the Company’s shareholding in VIPL. The primary object of VIPL is to enable IVRCL as its associate to hold up to 78% of the equity share capital of Viva Highway Private Limited during the construction period and 26% of the equity share capital of Viva Highway Private Limited during the toll collection period, which is to be a special purpose vehicle to execute the project for the reconstruction of the Indore-Khandawa-Barhanpur-Edalabad Road on a BOT basis. The equity shareholding of VIPL would be as per the following ratio:

- IVRCL along with its designated person: 51%

- the Company: 49%.

IVRCL's shareholding along with its designated person will be 51% of the equity share capital in VIPL. IVRCL will not by itself hold more than 50% of the equity share capital of VIPL. Both the Company and IVRCL have a right of first refusal to purchase the shares of the other at the time of the other party's sale of its shareholding. The Company can appoint two directors to the board while IVRCL can appoint one.

7. *Share Subscription Agreement and Shareholders Agreement with Infrastructure Development Finance Company Limited and India Infrastructure Fund for Durg Bypass*

The Company and Infrastructure Development Finance Corporation Limited ("IDFC") ("Parties") have entered into a memorandum of understanding dated May 26, 2006 to form two SPVs to bid for the project for the construction of Durg Bypass in Chattisgarh from km. 322.40 to km. 405.00 ("Durg Bypass Project"). Pursuant to the memorandum of understanding, the Parties have incorporated a SPV, Ashoka Highways (Durg) Limited ("AHDL") and have entered into a share subscription agreement dated February 2, 2009 ("Durg SSA") and a shareholders agreement dated January 14, 2009 ("Durg SHA") to give effect to the terms of the memorandum of understanding. The Parties had also entered into a shareholders loan agreement dated February 2, 2009 ("Durg SLA") whereby the Company agreed to lend Rs. 765.00 million and IDFC agreed to lend Rs. 85.00 million to AHDL for the Durg Bypass Project. In terms of the Durg SHA and the Durg SLA, the Company was to hold 90 per cent of the share capital of AHDL with a right to appoint four directors and IDFC was to hold 10 per cent of the share capital of AHDL with a right to appoint one director on the board.

However, the terms of the Durg SHA and the Durg SLA have been modified and superseded by another share subscription and shareholders agreement dated April 17, 2009 ("Durg SSSA") entered by the Parties with IIF where IIF has agreed to subscribe to 12,876,583 equity shares of AHDL for the total consideration of Rs. 706.04 million. Further, the Parties to the Durg SSSA have agreed that AHDL may require the Parties to lend upto the following limits:

- Company: Rs. 393.49 million
- IIF: Rs. 437.21 million
- IDFC: Rs. 43.72 million

In the event the Parties lend up to their loan limit as aforesaid, the Durg SSSA provides that the equity shareholding of the Parties in AHDL shall be in the following ratio:

- Company: 51.00%
- IIF: 43.33%
- IDFC: 5.67%

The Company is entitled to appoint four directors and IIF can appoint up to two directors on the board of AHDL. Further, the Company has agreed that in case it defaults in bringing its share of investment of Rs. 1,748.90 million in AHDL, IIF can step in and subscribe to the securities offered to the Company. The Company has also undertaken not to pledge or transfer its shares in AHDL and shall ensure no change of control in AHDL. The Parties have also agreed that each Party will have a right of first refusal and a tag along right over the shares of the Party which desires to transfer its shares in AHDL.

Pursuant to the Durg SSSA, the Parties have also entered into an exit option agreement dated April 17, 2009, where the Parties have agreed that upon expiry of 11 years from the date of subscription of shares of AHDL by IIF, if IIF remains unlisted till that time, then IIF will have the put option to call the Company to purchase its shares held in AHDL at a price decided by the independent valuer within 45 days from the date of issue of notice. A similar exit option agreement exists between the IDFC and the Company where IDFC has a put option on the Company for all the shares held in AHDL exercisable between April 30, 2014 and April 30, 2015 with a minimum return on investment of 16%.

8. Shareholders Subscription Agreement and Shareholders Agreement with Infrastructure Development Finance Company Limited and India Infrastructure Fund for Wainganga Bridge

The Company and Infrastructure Development Finance Corporation Limited ("IDFC") ("Parties") have entered into two memoranda of understanding dated May 26, 2006 to form a SPV to bid for Wainganga Bridge section on the Chattisgarh-Maharashtra border from km. 405.00 to km. 485.00 (the "NH-6 Bhandara Road Project"). Pursuant to the memoranda, the Parties have incorporated a SPV, Ashoka Highways (Bhandara) Limited ("AHBL") and have entered into a share subscription agreement dated September 12, 2007 ("Bhandara SSA") and a shareholders agreement dated September 11, 2007 ("Bhandara SHA") to give effect to the terms of the memoranda. The Parties had also entered into a shareholders loan agreement dated September 12, 2008 ("Bhandara SLA") whereby the Company agreed to lend Rs. 675.00 million and IDFC agreed to lend Rs. 75.00 million to AHBL for the NH-6 Bhandara Road Project. In terms of the Bhandara SHA and the Bhandara SLA, the Company was to hold 90 per cent of the share capital of AHBL with a right to appoint four directors and IDFC was to hold 10 per cent of the share capital of AHBL with a right to appoint one director on the board.

However, the terms of the Bhandara SHA and the Bhandara SLA have been modified and superseded by another share subscription and shareholders agreement dated April 17, 2009 ("Bhandara SSSA") entered by the Parties with India Infrastructure Fund ("IIF") and Viva Highway Private Limited ("VHPL") where IIF has agreed to subscribe to 9,135,470 equity shares of AHBL for the total consideration of Rs. 624.30 million. Further, the Parties to the Bhandara SSSA have agreed that AHBL may require the Parties to lend upto the following limits for the purpose of the NH-6 Bhandara Road Project:

- Company: Rs. 347.57 million
- IIF: Rs. 386.18 million
- IDFC: Rs. 38.62 million

In the event the Parties lend up to their loan limit as aforesaid, the SSSA provides that the equity shareholding of the Parties in AHBL shall be in the following ratio:

- Company: 51.00%
- IIF: 43.33%
- IDFC: 5.67%

The Company is entitled to appoint four directors and IIF can appoint up to two directors on the board of AHBL. The Company has also undertaken not to pledge or transfer its shares in AHBL and shall also ensure no change of control in AHBL. The Parties have also agreed that ach party will have a right of first refusal and a tag along right over the shares of the party which desires to transfer its shared in AHBL.

Pursuant to the Bhandara SSSA, the Parties have also entered into an exit option agreement dated April 17, 2009, where the Parties have agreed that upon expiry of 11 years from the date of subscription of shares of AHBL by IIF, if IIF remains unlisted till that time, then IIF will have the put option to call the Company to purchase its shares held in AHBL at a price decided by the independent valuer within 45 days from the date of issue of notice. A similar exit option agreement exists between IDFC and the Company where IDFC has a put option on the Company for all the shares held in AHBL exercisable April 1, 2013 and April 1, 2014 with a minimum return on investment of 16%.

9. Shareholders Agreement entered into among VIPL, SREI Infrastructure Finance Limited, Subhash Projects and Marketing Limited and PNC Construction Company Limited

VIPL, SREI Infrastructure Finance Limited ("SREI"), Subhash Projects and Marketing Limited ("SPML") and PNC Construction Company Limited ("PNC") ("Parties") have entered into a memorandum of understanding dated May 26, 2007 to bid for the construction and maintenance of the project for the 4-laning of the Jaora – Nayagaon section from Km.126/200 to Km.252/200 of State Highway 31 in the State of Madhya Pradesh to be awarded by Madhya Pradesh Road Development Corporation Limited ("JTRCPL Project"). The consortium of SREI, SPML and PNC qualified for the JTRCPL Project. Therefore, the Parties have established a SPV, Jaora-Nayagaon Toll Road Company Private Limited ("JTRCPL") and have entered into a Shareholders Agreement dated July 12, 2008 wherein the equity shareholding of the Parties is as follows:

- SREI and its associates: 28%;
- PNC: 11.5%;
- SPML: 11.5%; and
- VIPL and its associates: 49%.

The board of the SPV is to consist of six directors with two directors each to be appointed by VIPL and SREI and one director each by PNC and SPML. The Parties have the right of first refusal over any shares proposed to be transferred by any of the parties. The Parties have also agreed to maintain the shareholding of at least 51 per cent in the SPV during the three years following the commercial operation date in terms of the concession agreement dated August 20, 2007.

Our Subsidiaries

Unless otherwise stated, none of our subsidiaries is a sick company under the meaning of SICA and none of them are under winding up. Further, all our subsidiaries are unlisted companies and they have not made any public issue of securities in the preceding three years.

The Company has the following subsidiaries:

1. Ashoka Highways (Bhandara) Limited
2. Ashoka Highways (Durg) Limited
3. Ashoka Infrastructure Limited
4. Ashoka Infraways Private Limited
5. Ashoka Pre-Con Private Limited
6. Ashoka Technologies Private Limited
7. Ashoka-DSC Katni Bypass Road Private Limited
8. Viva Highways Private Limited

The details of the Company's subsidiaries are as follows:

1. Ashoka Highways (Bhandara) Limited

Corporate Information

Ashoka Highways (Bhandara) Limited was incorporated on March, 15, 2007. It was established to execute the project for the construction, operation and maintenance of the Wainganga Bridge section from Km.405 to Km.485 of NH – 6 on the Chattisgarh – Maharashtra border on a BOT basis. Ashoka Highways (Bhandara) Limited is currently involved in the same business.

Capital structure

	No. of equity shares of Rs. 10 each
Authorised capital	76,000,000
Issued, subscribed and paid-up capital	19,911,115

Shareholding

The Company holds 13,317,658 equity shares, aggregating to 54.76% of the issued equity share capital, of Ashoka Highways (Bhandara) Limited.

2. Ashoka Highways (Durg) Limited

Corporate Information

Ashoka Highways (Durg) Limited was incorporated as Ashoka Marg Nirman (Durg) Limited on March 15, 2007. The name of the company was changed pursuant to a special resolution passed at an EGM dated October 25, 2007. The fresh certificate of incorporation consequent on change of name was granted by RoC to Ashoka Highways (Durg) Limited on November 5, 2007. Ashoka Highways (Durg) Limited was established to execute the project for construction, operation and maintenance of Durg Bypass, from Km.322.4 to Km.405 of NH – 6 on the Chattisgarh – Maharashtra border on BOT basis. The company is currently involved in the same business.

Capital structure

	No. of equity shares of Rs. 10 each
Authorised capital	760,000,000
Issued, subscribed and paid-up capital	178,277,850

Shareholding

The Company holds 15,154,734 equity shares, aggregating to 61.84% of the issued equity share capital, of Ashoka Highways (Durg) Limited.

3. Ashoka Infrastructure Limited

Corporate Information

Ashoka Infrastructure Limited was incorporated on July 11, 2002. It was established to execute the project for the four-laning and strengthening of Pune-Ahmednagar Road, on Maharashtra State Highway 60, from Km.10/600 to Km.64/000 on BOT basis. The company is presently collecting toll on the same project.

Capital structure

(a). Equity share capital

	No. of equity shares of Rs. 10 each
Authorised capital	19,750,000
Issued, subscribed and paid-up capital	19,750,000

(b). Preference share capital

	No. of redeemable cumulative preference shares of Rs. 10 each
Authorised capital	12,250,000
Issued, subscribed and paid-up capital	6,650,000

Shareholding

The Company holds 19,750,000 equity shares, aggregating to 100% of the issued equity share capital, of Ashoka Infrastructure Limited.

The Company holds 4,351,400 redeemable cumulative preference shares, aggregating to 65.43% of the issued equity share capital, of Ashoka Infrastructure Limited.

4. Ashoka Infraways Private Limited

Corporate Information

Ashoka Infraways Private Limited was incorporated on June 25, 2001. It was established to execute the project for the construction and maintenance of Dewas Bypass Road from Km. 159/4 of Madhya Pradesh State Highway – 18 to Km. 577/6 of National Highway – 3 comprising a total length of 19.8 Km on a BOT basis. The company is presently collecting toll on the same project.

Capital structure

(a). Equity share capital

	No. of equity shares of Rs. 10 each
Authorised capital	1,000,000
Issued, subscribed and paid-up capital	1,000,000

(b). Preference share capital

	No. of 0% redeemable cumulative preference shares of Rs. 100 each
Authorised capital	400,000
Issued, subscribed and paid-up capital	388,500

Shareholding

The Company holds 1,000,000 equity shares, aggregating to 100% of the issued equity share capital, of Ashoka Infraways Private Limited.

The Company holds 352,527 redeemable cumulative preference shares, aggregating to 90.74% of the issued equity share capital, of Ashoka Infraways Private Limited.

5. Ashoka Pre-Con Private Limited

Corporate Information

Ashoka Pre-Con Private Limited was incorporated under the Companies Act on October 24, 2008. The company is engaged in the business to carry on the business of manufacture, process, assemble, fabricate, produce, maintain, design, painting, buy, sell, import, export, alter, improve heat treatment, stamping, forging, test or otherwise deal in pre-fabricated cement, concrete products, pre-cast cement, concrete sheets and other engineering products mechanical, electrical and otherwise and to act as engineers, designers, founders, smiths and machinist.

Capital structure

	No. of equity shares of Rs. 10 each
Authorised capital	1,000,000
Issued, subscribed and paid-up capital	10,000

Shareholding

The Company holds 5,099 equity shares, aggregating to 50.99% of the issued equity share capital, of Ashoka Pre-Con Private Limited.

6. Ashoka Technologies Private Limited

Corporate Information

Ashoka Technologies Private Limited was incorporated under the Companies Act on October 14, 2008. The company is engaged in the business of software development in toll plaza automation, weighbridge automation and automation systems, multimedia, graphics, animations, computer based training, web based training for domestic and international educational and industrial products, research and development to embed latest technologies, network support, knowledge process outsourcing, software testing and quality assurance for in-house and/or third party developed software and to act as advisors and/or consultants on matters and problems relating to the industries, administration, management, organization, accountancy, costing, financial, marketing, computer software and hardware, import, export commercial or economic activities and to import, export, sell and or otherwise deal in computer hardware and software in all its forms and varieties to develop, design or construct data base of applications to run and conduct bureau for computer services/classes/tuitions.

Capital structure

	No. of equity shares of Rs. 10 each
Authorised capital	100,000
Issued, subscribed and paid-up capital	10,000

Shareholding

The Company holds 9,980 equity shares, aggregating to 99.80% of the issued equity share capital, of Ashoka Technologies Private Limited.

7. Ashoka-DSC Katni Bypass Road Private Limited

Corporate Information

Ashoka-DSC Katni Bypass Road Private Limited was incorporated on July 18, 2002. It was established to execute the project for the construction of Katni Bypass on NH – 7 from Km. 361/2 to 378/6 around Katni town in Madhya Pradesh on BOT basis. The company is currently involved in the same business.

Capital structure

(a). Equity share capital

	No. of equity shares of Rs. 10 each
Authorised capital	3,000,000
Issued, subscribed and paid-up capital	3,000,000

(b). Equity share capital

	No. of 0% redeemable non-cumulative non-convertible preference shares of Rs. 100 each
Authorised capital	400,000
Issued, subscribed and paid-up capital	361,040

Shareholding

The Company holds 2,996,700 equity shares, aggregating to 99.89% of the issued equity share capital, of Ashoka-DSC Katni Bypass Road Private Limited.

The Company does not hold any 0% redeemable non-cumulative non-convertible preference shares of Ashoka-DSC Katni Bypass Road Private Limited.

8. Viva Highways Private Limited

Corporate Information

Viva Highways Private Limited was incorporated on August 16, 2001. It was established to execute the project of reconstruction, strengthening, widening of Madhya Pradesh State Highway No. 27 from Indore to Edalabad on a BOT basis. The company is presently collecting toll on the same project.

Capital structure

	No. of equity shares of Rs. 10 each
Authorised capital	10,000,000
Issued, subscribed and paid-up capital	9,808,200

Shareholding

The Company holds 7,257,864 equity shares, aggregating to 74.00% of the issued equity share capital, of Viva Highways Private Limited.

Associate Companies

1. Jayaswals Ashoka Infrastructure Private Limited

Corporate Information

Jayaswals Ashoka Infrastructure Private Limited was incorporated on November 3, 1998. It was established to execute the project for construction of bridge across the Wainganga River in Km. 491/00 of Nagpur-Raipur road section of NH-6 in District Bhandara, Maharashtra. This company is currently engaged in the same business and has started toll collection operations.

Capital structure

	No. of equity shares of Rs. 10 each
Authorised capital	8,000,000
Issued, subscribed and paid-up capital	8,000,000

Shareholding

The Company holds 4,000,000 equity shares, aggregating to 50.00% of the issued equity share capital, of Jayaswals Ashoka Infrastructure Private Limited.

2. Viva Infrastructure Private Limited

Corporate Information

Viva Infrastructure Private Limited was incorporated on January 28, 2002. It was established to enable ABL and IVRCL Infrastructures and Projects Limited to hold shares in Viva Highways Private Limited, a special purpose vehicle established to execute the project for the reconstruction of the Indore-Khandawa-Barhanpur-Edalabad Road on a BOT basis. The company is not engaged in any other business currently.

Capital structure

	No. of equity shares of Rs. 10 each
Authorised capital	100,000
Issued, subscribed and paid-up capital	100,000

Shareholding

The Company holds 49,000 equity shares, aggregating to 49.00% of the issued equity share capital, of Viva Infrastructure Private Limited.

Partnerships

1. Ashoka Bridgeways

Corporate Information

The Company entered into a partnership agreement dated March 1, 1999 with Ashoka Builders (Nasik) Private Limited. The partnership was formed to execute the work of construction of major bridge across Mandve Nullah on Mahad-Pandharpur Road, S.H. 70 at Km. 179/600 on BOT basis with toll rights. This partnership is presently engaged in the same business.

Partnership Ratio

The profit/loss sharing ratio of the partnership is as follows:

Name of the Partners	Profit and Loss Sharing
Ashoka Buildcon Limited	5.00%
Ashoka Builders (Nasik) Private Limited	95.00%

2. Ashoka High-way Ad

Corporate Information

The Company entered into a partnership deed dated September 15, 2001 with Ashoka Builders (Nasik) Private Limited and Ashoka Vastu Private Limited. This partnership was entered into to allow Ashoka Builders (Nasik) Private Limited and Ashoka Vastu Private Limited to assist the Company in bidding for seven construction contracts and to raise the financing for the same. Subsequently, Ashoka Vastu Private Limited was merged into the Company. This partnership is presently engaged in the same business.

Partnership Ratio

The profit/loss sharing ratio of the partnership is as follows:

Name of the Partners	Profit and Loss Sharing
Ashoka Buildcon Limited	99.99%
Ashoka Builders (Nasik) Private Limited	0.01%

Association of Persons

1. Ashoka Infrastructures

The Company has formed an association of persons with Ashoka Buildwell and Developers Private Limited and Ashoka Vastu Private Limited on April 14, 1997. Ashoka Vastu Private Limited was later merged with the Company in accordance with the Scheme of Amalgamation. Ashoka Infrastructures was formed to construct the Dhule Bypass under a BOT scheme with toll rights under PWD, Dhule, Maharashtra. The association of persons is presently engaged in the same business.

The profit/loss sharing ratio of Ashoka Infrastructures is as follows:

Name of Partners	Profit and Loss Sharing
Ashoka Buildcon Limited	99.99%
Ashoka Buildwell and Developers Private Limited	0.01%

OUR MANAGEMENT

Board of Directors

We currently have eight directors. The following table sets forth details regarding our Board as of the date of filing this Draft Red Herring Prospectus with SEBI.

Name, Designation, Father's Name, Address, Occupation and Term	Age	Nationality	Other Directorships
Ashok M. Katariya (S/o Motilal Katariya) *Executive Chairman* Address: Anshuman, Sahadev Nagar Gangapur Road Nashik 422 013 Maharashtra Occupation: Business Term: Three years with effect from April 1, 2009 DIN: 00112240	60	Indian	• A-One Tiles Private Limited • Ashoka Biogreen Private Limited • Ashoka Bitucon Exim Private Limited • Ashoka Bitucon International Private Limited • Ashoka Builders (Nasik) Private Limited • Ashoka City Towers Constructions Private Limited • Ashoka Construwell Private Limited • Ashoka-DSC Katni Bypass Road Private Limited • Ashoka Deserts & Developers Private Limited • Ashoka Erectors Private Limited Ashoka Estate Developers Private Limited • Ashoka Highways (Bhandara) Limited • Ashoka Highways (Durg) Limited • Ashoka Housing Constructions Private Limited • Ashoka Infrastructure Limited • Ashoka Infraways Private Limited • Ashoka Nirmiti Private Limited • Ashoka Path Nirman (Nashik) Private Limited • Ashoka Premises Private Limited • Ashoka Promoters Private Limited • Ashoka Shilp Akruti Private Limited • Ashoka Technologies Private Limited • Ashoka Universal Academy Private Limited • Ashoka Vanrai Developers Private Limited • Ashoka Vastu Akruti Private Limited • Ashoka Vastukala Nirman Private Limited • Jayaswals Ashoka Infrastructure Private Limited

Name, Designation, Father's Name, Address, Occupation and Term	Age	Nationality	Other Directorships
			• Viva Highways Private Limited • Viva Infrastructure Private Limited
Satish D. Parakh (S/o Dhondulal Parakh) *Managing Director* Address: 2&3, Aditya Behind Aditya Petrol Pump Sawarkar Nagar Gangapur Road Nashik 422 013 Maharashtra Occupation: Business Term: 3 years with effect from April 1, 2009 DIN: 00112324	50	Indian	• Ashoka Bitucon Exim Private Limited • Ashoka Bitucon International Private Limited • Ashoka Buildwell & Developers Private Limited • Ashoka City Towers Constructions Private Limited • Ashoka Deserts & Developers Private Limited • Ashoka Erectors Private Limited. • Ashoka Estate Developers Private Limited • Ashoka Highways (Bhandara) Limited • Ashoka Highways (Durg) Limited • Ashoka Housing Constructions Private Limited • Ashoka Infrastructure Limited • Ashoka Infraways Private Limited • Ashoka Nirmiti Private Limited • Ashoka Path Nirman (Nashik) Private Limited • Ashoka Pre-Con Private limited • Ashoka Premises Private Limited • Ashoka Promoters Private Limited • Ashoka Shilp Akruti Private Limited • Ashoka Technologies Private Limited • Ashoka Universal Academy Private Limited • Ashoka Vanrai Developers Private Limited • Ashoka Vastu Akruti Private Limited • Ashoka Vastukala Nirman Private Limited • Ashoka-DSC Katni Bypass Road Private Limited • Hotel Evening Inn Private Limited • Jaora Nayagaon Toll Road Company Private Limited • Jayaswals Ashoka Infrastructure Private Limited • L&T PNG Tollway Private Limited • Viva Highways Private Limited • Viva Infrastructure Private Limited

Name, Designation, Father's Name, Address, Occupation and Term	Age	Nationality	Other Directorships
Sunil B. Raisoni (S/o Bansilal Raisoni) *Whole Time Director* Address: 8, Puja, Premnagar Pune 411 037 Maharashtra Occupation: Business Term: 3 years with effect from April 1, 2009 DIN: 00296904	48	Indian	• Ashoka Infrastructure Limited • Ashoka Vanrai Developers Private Limited
Shyam Sundar S.G. (S/o Gurumoorthy S.) *Nominee Director* Address: 1905/1906, Sky Flama B Dosti Flamingos, China Mill Compound Tokersi Jivraj Road, Parel Sewree Mumbai 400 015 Maharashtra Occupation: Professional Term: Nominee of IDFC PE II DIN: 02202523	35	Indian	• Goodearth Maritime Limited • Krishna Godavari Gas Network Limited • Maharashtra Natural Gas Limited • SE Forge Limited • Seaways Shipping Limited • Vishaka Shipbuilding Private Limited
Michael Pinto (S/o: Simon Ligouri Pinto) *Independent Director* Address: 405, Shalaka Maharshi Karve Road Mumbai 400 021 Maharashtra Occupation: Professional Term: Liable to retire by rotation DIN: 00021565	65	Indian	• Gateway Distriparks (Kerala) Private Limited • Gateway Distriparks Limited • Healthcare Global Limited • IL&FS Limited • Raffles Port Works Private Limited • SCI Forbes Limited • Tolani Shipping Company Limited
Milap R. Bhansali (S/o Sampat Raj Bhansali)	57	Indian	• Akruti City Bus Terminal (Mehsana) Limited

Name, Designation, Father's Name, Address, Occupation and Term	Age	Nationality	Other Directorships
Independent Director Address: 233 B, Jolly Maker 1 Cuffe Parade Mumbai 400 005 Maharashtra Occupation: Business Term: Liable to retire by rotation DIN: 00181897			• Akruti City Bus Terminal (Vadodara) Limited • Batuni Technologies Private Limited • Gujarat Akruti – TCG Biotech Limited • MRB Credit & Leasing Limited • Multicity Bus Terminal (Surat) Limited • Multicity Bus Terminal (Surat-Adajan) Limited
Anant D. Narain (S/o Brahmadev Narain) *Independent Director* Address: B-186 Sector 26 Noida 201 301 Uttar Pradesh Occupation: Service Term: Liable to retire by rotation DIN: 00016113	69	Indian	• Intercontinental Consultants and Technocrats Private Limited
Sharad Abhyankar (S/o: Sharad Damodar Abhyankar) *Independent Director* Address: 303, Marvel Residency 3rd Floor, Nanda Patkar Road Vile Parle (E) Mumbai 400 057 Occupation: Lawyer Term: Liable to retire by rotation DIN: 00108866	43	Indian	• Associated VAT Recovery Consultant Private Limited • Optimum Business Solutions Limited • S&A Internet Services Private Limited • Shree Dhootpapeshwar Limited • The Global Institute for Financial and Educational Services India Private Limited • VATit Consultant Private Limited • Visen Industries Limited

Brief Biographies

Ashok M. Katariya, aged 60 years, is the executive Chairman of the Company. He is a gold medalist in Bachelor of Engineering (B.E.) from COEP, Pune University, India. Ashok M. Katariya has previously worked with the Public Health Department in Maharashtra and Prabhakar Takle & Co. In 1975, he started the working as a contractor to the PWD, Maharashtra. Subsequently, he ventured into civil construction and infrastructure development. He is an active participant in the Institute of Engineers, Indian Concrete Institute, Indian Institute of Bridge Engineers, Builders Association of India and Construction Federation of India. He has received the "Udyog Ratna" award from Indian Economic Council and Life Time Achievement award from the Association of Consulting Civil Engineers.

Satish D. Parakh, aged 50 years, is the Managing Director of the Company. He holds a B.E. degree in civil engineering. Satish D. Parakh has been with the Ashoka Group since 1982 and has executed various industrial/residential and BOT projects. He has previously worked with Shapoorji Pallonji & Company and M/s Kanitkar-Kulkarni. He is a Member of Maharashtra Economic Development Council. He was also the chairman of the Institute of Engineers, Nashik in 2007.

Sunil B. Raisoni, aged 48 years, is an Executive Director of the Company. He holds a Diploma in civil engineering. Sunil B. Raisoni has an experience of over 26 years in the sector of civil engineering. He has been involved with execution of projects such as Mandve Bridge, Pune-Shirur Road Project and the Nagar-Karmala Road Project for Ashoka Buildcon Limited.

Shyam Sundar S.G., aged 35 years, is a Non-Executive Director of the Company. He is a nominee of IDFC PE II on the Board of Directors under the terms of the Share Subscription and Shareholders' Agreement dated July 11, 2006 between the Company, IDFC PE II and others. He holds a B.E. (Mechanical) degree from Anna University and a post graduate diploma degree from the Indian Institute of Management, Kolkata. He has over 12 years of experience in the infrastructure sector. He began his career as an investment banker with ICICI Securities Limited handling private equity placement, debt syndication and merger and amalgamation related deals in the energy and telecom sectors. Subsequently, he moved to the infrastructure group of ICICI Bank Limited and after that to IDFC Limited, to undertake project finance activities in the telecom sector. He joined IDFC Private Equity in its formative days and has made over 10 investments in a range of infrastructure sectors – power, telecom, oil & gas, roads, ports, airports, shipping and logistics. He was a member of CII National Committee on Transport and infrastructure committee of Bombay Chamber of Commerce.

Michael Pinto, aged 66 years, is an Independent Director on the Board of the Company. He holds a Masters degree in Public Administration. Michael Pinto is a retired IAS officer and has served in various public enterprises both at state and the centre. Michael Pinto's major assignments include being Chief Executive Officer of MIDC, Vice Chairman and Managing Director of MSRDC, Chairman and Managing Director of Handicrafts and Handlooms Export Corporation of India, Chairman of MSEB, Chairman Jawaharlal Nehru Port Trust, Minister, Economics Embassy of India, Paris and Secretary (Shipping) to the Government of India. Michael Pinto has also chaired the committee that prepared Maharashtra's case for presentation to the 12th Finance Commission.

Milap R. Bhansali, aged 57 years, is an Independent Director on the Board of the Company. He is a Chartered Accountant by profession and has an experience of 32 years in managing chemicals and engineering industries. He has had experience in turning around sick industrial units to profit generating businesses. Milap R. Bhansali's key areas of operations include finance, marketing and general management.

Anant Deo Narain, aged 69 Years, is an Independent Director on the Board of the Company. He is a highways and bridge engineering expert. He has previously worked as the Director General (Road Development) and Additional Secretary, Ministry of Surface Transport, Government of India. Presently, Anant Deo Narain is an Executive Director of Intercontinental Consultants and Technocrats Pvt. Ltd. He has experience in planning, budgeting and public - private sector partnership for the development of highways. He has dealt with various issues including legal, fiscal and regulatory measures for the development of highways.

Sharad D. Abhyankar, aged 43 years, is an Independent Director on the Board of the Company. He is a solicitor and advocate by profession and is the founding partner of ANS Law Associates. Sharad D.

Abhyankar has a Bachelor of Arts (Economics & Commerce) and a Master of Laws degree from Mumbai University. He is also a registered Patent and Trade Marks Attorney. Sharad D. Abhyankar has professional expertise in various branches of law including corporate laws, securities laws, project finance, telecom regulations, constitutional litigation and international commercial arbitrations. He has authored several articles on various legal subjects in Indian and international journals.

Remuneration of Directors

The remuneration of the following executive Directors is as per the terms of appointment contained below:

(a). Agreement with Ashok M. Katariya, our Executive Chairman

Under the terms of an agreement dated May 27, 2009 between Ashok M. Katariya and the Company, Ashok M. Katariya has been appointed as the Chairman of the Company for a period of three (3) years commencing from April 1, 2009. The remuneration payable to him with effect from April 1, 2009 which has been recommended and approved by the Remuneration Committee at its meeting held on May 25, 2009 is provided below. The shareholders by way of their resolution dated June 22, 2009 have approved the overall limit within which the Board has fixed the remuneration to Ashok Katariya.

Basic Salary:	Rs. 7.30 million p.a. with an annual increment @ 30% of the basic salary.
Bonus/ Ex-gratia:	As per company rules.
Medical reimbursement:	Actual medical expenses incurred in India and/ or abroad and including hospitalization, nursing home and surgical charges for himself and family not exceeding Rs. 15,000 p.a.
Leave Travel Assistance:	Reimbursement of all the expenses incurred for self and family during the leave travel holiday periods in India not exceeding Rs. 15,000 p.a.
Livery Allowance:	Rs 50,000 p.a. towards reimbursement of livery/ outfit.
Perquisites:	• Contributions to Provident Fund, Super-annuation and Gratuity would not be included in the computation of ceiling on remuneration to the extent these either singly or put together are not taxable under the IT Act. • Encashment of earned leave at the end of tenure as per rules of the Company shall not be included in the computation of ceiling on remuneration. • Provision of car for use of Company's business and telephone at residence would not be considered as perquisites.
Others:	Reimbursement of entertainment expenses properly incurred in the course of legitimate business of the Company, subject to a reasonable ceiling which may be fixed by the Board.
Termination:	The agreement may be terminated by either party by giving to the other party three (3) months' notice.

During fiscal 2009, Ashok M. Katariya was paid gross compensation of Rs. 62.91 million.

(b). Agreement with Satish D. Parakh, our Managing Director

Under the terms of an agreement dated May 27, 2009 between Satish D. Parakh and the Company, Satish D. Parakh has been appointed as the Managing Director of the Company for a period of three (3) years commencing from April 1, 2009. The remuneration payable to him with effect from April 1, 2009 which has been recommended and approved by the Remuneration Committee at its meeting held on May 25, 2009 is provided below. The shareholders by way of their resolution dated June 22, 2009 have approved the overall limit within which the Board has fixed the remuneration to Satish D. Parakh.

Basic Salary:	Rs. 7.30 million p.a. with an annual increment @ 30% of the basic salary.
Bonus/ Ex-gratia:	As per company rules.
Medical reimbursement:	Actual medical expenses incurred in India and/ or abroad and including hospitalization, nursing home and surgical charges for himself and family not exceeding Rs. 15,000 p.a.
Leave Travel Assistance:	Reimbursement of all the expenses incurred for self and family during the leave travel holiday periods, whether in India/ abroad not exceeding Rs. 15,000 p.a.
Livery Allowance:	Rs 50,000 p.a. towards reimbursement of livery/ outfit.
Children Education Allowance:	Children Education Allowance of Rs. 100 per month for two (2) children to the extent these are not taxable under the IT Act.
Perquisites:	• Contributions to Provident Fund, Super-annuation and Gratuity would not be included in the computation of ceiling on remuneration to the extent these either singly or put together are not taxable under the IT Act. • Encashment of earned leave at the end of tenure as per rules of the Company shall not be included in the computation of ceiling on remuneration. • Provision of car for use of Company's business and telephone at residence would not be considered as perquisites.
Others:	Reimbursement of entertainment expenses properly incurred in the course of legitimate business of the Company, subject to a reasonable ceiling which may be fixed by the Board.
Termination:	The agreement may be terminated by either party by giving to the other party three (3) months' notice.

During fiscal 2009, Satish D. Parakh was paid gross compensation of Rs. 62.90 million.

(c). Agreement with Sunil B. Raisoni, our Whole Time Director

Under the terms of an agreement dated May 27, 2009 between Sunil B. Raisoni and the Company, Sunil B. Raisoni has been appointed as the Whole Time Director of the Company for a period of three (3) years commencing from April 1, 2009. The remuneration payable to him with effect from April 1, 2009 which has been recommended and approved by the Remuneration Committee at its meeting held on May 25, 2009 is provided below. The shareholders by way of their resolution dated June 22, 2009 have approved the overall limit within which the Board has fixed the remuneration to Sunil B. Raisoni.

Basic Salary:	Rs. 2.40 million p.a. with an annual increment @ 30% of the basic salary.
Bonus/ Ex-gratia:	As per company rules.
Medical reimbursement:	Actual medical expenses incurred in India and/ or abroad and including hospitalization, nursing home and surgical charges for himself and family not exceeding Rs. 15,000 p.a.
Leave Travel Assistance:	Reimbursement of all the expenses incurred for self and family during the leave travel holiday periods, whether in India/ abroad not exceeding Rs. 15,000 p.a.
Livery Allowance:	Rs 50,000 p.a. towards reimbursement of livery/ outfit.
Children Education Allowance:	Children Education Allowance of Rs. 100 per month for two (2) children to the extent these are not taxable under the IT Act.
Perquisites:	• Contributions to Provident Fund, Super-annuation and Gratuity would not be included in the computation of ceiling on remuneration to the extent these either singly or put together are not taxable under the IT Act. • Encashment of earned leave at the end of tenure as per rules of the Company shall not be included in the computation of ceiling on remuneration. • Provision of car for use of Company's business and telephone at residence would not be considered as perquisites.
Others:	Reimbursement of entertainment expenses properly incurred in the course of legitimate business of the Company, subject to a reasonable ceiling which may be fixed by the Board.
Termination:	The agreement may be terminated by either party by giving to the other party three (3) months' notice.

During fiscal 2009, Sunil B. Raisoni was not paid any compensation.

Notes:

(i). The aggregate of salary and perquisites in any one financial year payable to the executive Directors in any financial year shall not exceed the limits prescribed from time to time under Section 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XII of the Companies Act, 1956;

(ii). In the event any of the executive Director ceases to be a Director of the Company for any reason, such Director will cease to be a executive Director in terms of their agreement with the Company and such agreement will be terminated forthwith;

(iii). Each of the executive Directors shall not be liable to retire by rotation or to be removed from his office on any ground(s) or for any reason whatsoever save and except his being found guilty of willful fraud in the management of the business of the Company and the discharge of his duties as executive director and such removal shall be effected by a special resolution of the company passed after such fraud is proved to have been committed;

(iv). Each of the whole-time Directors shall not be entitled to sitting fees for attending meeting of the Board of Directors or any committees, thereof.

- In relation to other Directors of the Company, apart from sitting fees and reimbursement of expenses, no remuneration is payable by the Company.

- The Company has not entered into any service contracts with the Directors, which provide for benefits upon termination of employment of the Directors.

Interests of Directors

All of our Directors may be deemed to be interested to the extent of fees payable to them, if any, for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them, if any, under our Articles of Association, and to the extent of remuneration paid to them, if any, for services rendered as an officer or employee of the Company. Two of our Directors are also the Promoters of the Company.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or by the companies/firms/ventures promoted by them or that may be subscribed by or allotted to the companies, firms, trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Issue. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Our executive Directors receive remuneration from us. For further details refer to "– Remuneration of Directors" mentioned above. Except as stated in the section entitled "Related Party Transactions" on page 180 of this Draft Red Herring Prospectus and to the extent of shareholding in the Company, our Directors do not have any other interest in our business.

Shareholding of the Directors

In terms of the Articles of Association, the Directors are not required to hold any qualification shares. The list of Directors holding Equity Shares and stock options as of the date of filing this Draft Red Herring Prospectus is set forth below:

Name of the Director	No. of options	No. of equity shares	Percentage
Ashok M. Katariya	Nil	4,250,960	0.93
Satish D. Parakh	Nil	3,929,555	0.86
Sunil B. Raisoni	Nil	1,977,213	0.43
Shyam Sundar S.G.	Nil	Nil	Nil
Milap R. Bhansali	Nil	Nil	Nil
Michael Pinto	Nil	Nil	Nil
Anant D. Narain	Nil	Nil	Nil
Sharad Abhyankar	Nil	Nil	Nil

Corporate Governance

We have complied with the requirements of the applicable regulations, including the listing agreement with the Stock Exchanges and the SEBI 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.

We have a Board constituted in compliance with the Companies Act and listing agreement with Stock Exchanges and in accordance with best practices in corporate governance. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our executive management provides the Board detailed reports on its performance periodically.

The Board has eight Directors, out of which four are Independent Directors.

Committees of the Board

Audit Committee

The members of the Audit Committee are:

1. Milap R. Bhansali, Independent Director
2. Michael Pinto, Independent Director
3. Sharad Abhyankar, Independent Director
4. Shyam Sundar S.G., Non-Executive Director; and
5. Satish D. Parakh, Managing Director

The Chairman of the Audit Committee is Milap R. Bhansali.

The Audit Committee was re-constituted by a meeting of the Board of Directors held on December 13, 2007. The scope and function of the Audit Committee is in accordance with Section 292A of the Companies Act and Clause 49 of the Listing Agreement and its terms of reference include the following:

- Overseeing the Company's financial reporting process and the disclosure of financial information;
- Recommending the appointment and removal of external auditors and fixation of audit fees;
- Review with management the annual financial statements before submission to the Board; and
- Review with management, external and internal auditors, the adequacy of internal controls.

Compensation Committee

The members of the Compensation Committee are:

1. Anant D. Narain, Independent Director;
2. Milap R. Bhansali, Independent Director; and
3. Shyam Sundar S.G., Non-Executive Director.

The Chairman of the Compensation Committee is Anant D. Narain.

The Compensation Committee was reconstituted by a meeting of the Board of Directors held on December 13, 2007. This committee looks in all matters pertaining to remuneration of whole time directors and the managing director.

Shareholders/Investors' Grievance cum Share Transfer Committee

The members of the Shareholders/Investors' Grievance Committee cum Share Transfer Committee are:

1. Sharad Abhyankar, Independent Director
2. Michael Pinto, Independent Director
3. Shyam Sundar S.G., Non-Executive Director

The Chairman of the Investors'/Shareholders Grievance Committee is Sharad Abhyankar.

The Investors'/Shareholders Grievance Committee was reconstituted by a meeting of the Board of Directors held on December 13, 2007. This Committee is responsible for redressal of shareholders' and investors' complaints relating to transfer of shares, issue of duplicate/consolidated share certificates, allotment and listing of shares, review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, and non-receipt of dividends declared. It is also responsible for reviewing the process and mechanism of redressal of investor complaints and suggesting measures of improving the existing system of redressal of investor grievances. This Committee is also responsible for approval of transfer of Equity and preference shares including power to delegate the same to registrar and transfer agents.

Employee Stock Options Scheme

For details of employee stock option scheme and conversion of options granted to the directors and key managerial personnel see the section entitled "Capital Structure" on page 28 of this Draft Red Herring Prospectus.

Borrowing Powers of our Board

In terms of our Articles, the Board may, from time to time, at its discretion by a resolution passed at its meeting raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. However, if the moneys sought 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) should 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 is required to obtain the consent of the Company in general meeting prior to undertaking such borrowing.

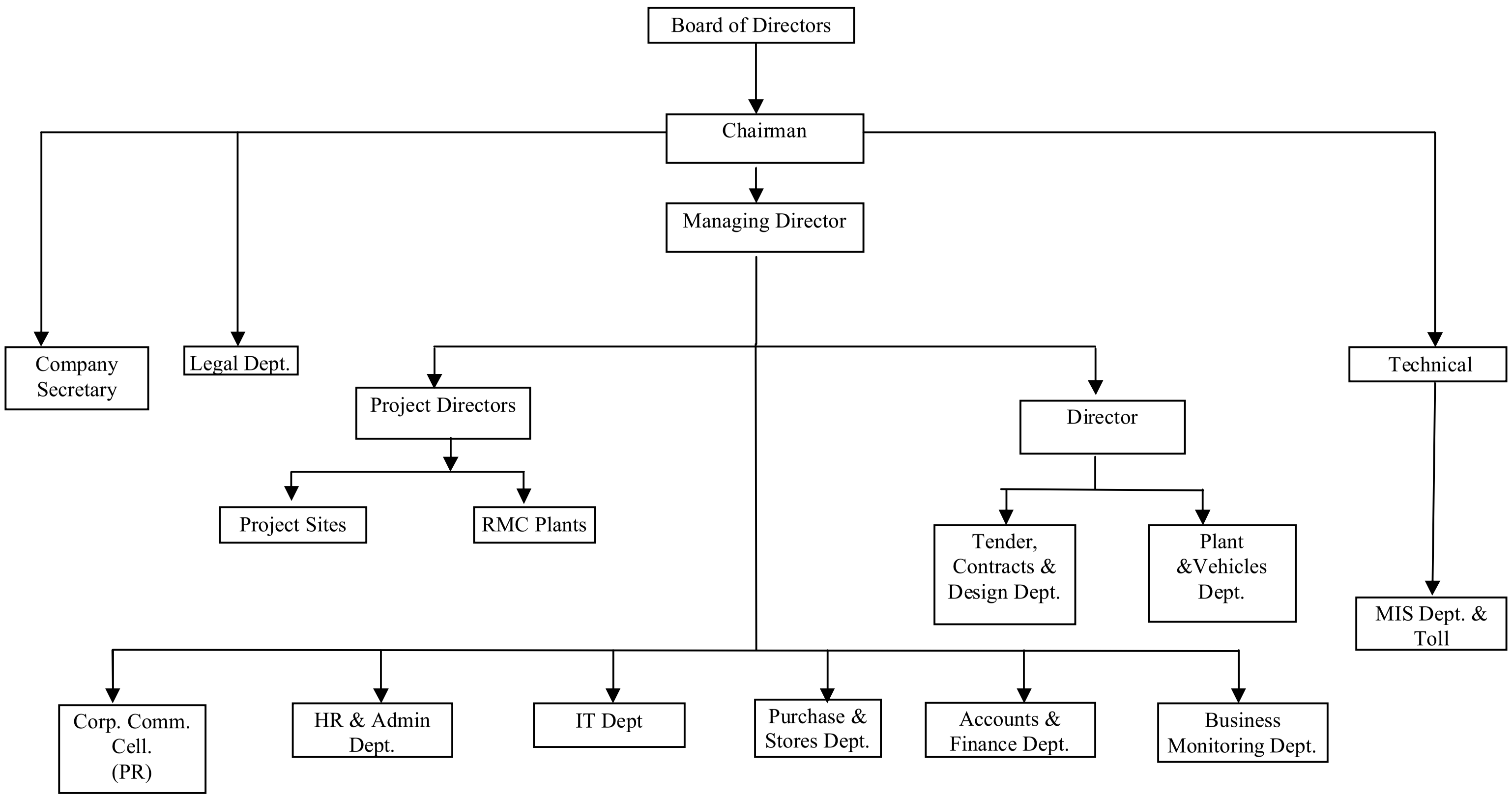
In this regard, the Company, in the EGM dated June 21, 2006 had resolved that pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956, the Board is authorised to borrow moneys (apart from temporary loans obtained from the bankers of the Company in ordinary course of business) from banks, financial institutions, NBFCs etc., from time to time, for the purpose of Company's business in excess of the aggregate of the paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) provided that the total amount of such borrowings together with the amounts already borrowed and outstanding shall not exceed Rs. 15,000 million. Further, the Company in an EGM dated June 21, 2006 has authorised the Board to charge moveable and immoveable properties of the Company for securing loans, facilities from Banks for an increased limit of Rs. 12,000 million.

Changes in our Board of Directors in the last three years

The following changes have occurred in Board of Directors of the Company in the last three years:

Name of the Director	Date of Appointment / Re-appointment / Cessation	Reason
Milap R. Bhansali	May 31, 2007	Appointed
Michael Pinto	May 31, 2007	Appointed
Narendra R. Shakadwipi	June 29, 2007	Resigned
Ashish A. Katariya	June 29, 2007	Resigned
Madhukar V. Patil	June 29, 2007	Resigned
Anant D. Narain	August 17, 2007	Appointed
Athar Shahab	October 3, 2007	Appointed
Athar Shahab	October 31, 2007	Resigned
Sharad Abhayankar	October 3, 2007	Appointed
Panemanglore S. Shenoy	December 13, 2007	Appointed
Panemanglore S. Shenoy	January 9, 2008	Resigned
Sanjay P. Londhe	January 9, 2008	Resigned
Prakash Karnik	June 18, 2008	Resigned
Shyam Sundar S.G.	June 18, 2008	Appointed

Organisation Structure



Key Managerial Personnel of the Company

For profile of Ashok M. Katariya, our Chairman, Satish D. Parakh, our Managing Director and Sunil B. Raisoni, our Directors, please refer to page 145 of this Draft Red Herring Prospectus under the section "Our Management". All the key managerial personnel mentioned below are permanent employees of the Company.

Sanjay P. Londhe, aged 45 years, is an Executive Director (non-Board) of the Company. He holds a bachelor's degree in civil engineering. Sanjay P. Londhe has over 20 years of experience in construction engineering. He joined the Company on August 25, 1989. Prior to joining the Ashoka Group, Sanjay P. Londhe has worked with Tata Consulting Engineers for 4 years. Sanjay P. Londhe supervised the construction of significant projects such as the Indore-Edelabad Road project and the Pune-Shirur Road project. He has also supervised EPC projects such as the ECR project. He has been with the Ashoka Group for the last 20 years. He is presently involved in the execution of the NH-6 projects. During fiscal 2009, he was paid a gross compensation of Rs. 4.32 million.

Dilipbhai D. Kothari aged 59 years, is an Executive Director (non-Board). He holds a bachelor's degree in engineering (metallurgy) and master's degree in science. He joined the Company on April 1, 2000. Prior to joining Ashoka, he was involved in advertising, marketing and promotion of pharmaceutical products and ceramic chemicals, for a period of 17 years. In the Company, he has handled the construction of Foot Over Bridges on Eastern Express Highway and now takes care of advertisement collection and coordination with prominent private and Government institutions in Mumbai. During fiscal 2009, Dilipbhai Kothari was paid a gross compensation of Rs. 1.18 million.

Shrikant P. Shukla, aged 40 years, is Vice President (Technical) of the Company. He holds bachelor's degree engineering (civil) and a master's degree in business administration. He is also a qualified lead auditor for the ISO organisation and is currently pursuing his degree in law. He joined the Company on January 18, 1990. He has previously worked with M/s Avinash Malpani and Associates. He has approximately 18 years of technical and managerial expertise. Shrikant P. Shukla supervises the technical aspects in relation to projects, tendering, project management and coordination. He also monitors customer correspondences as well as liasioning with customers, preparation and administration of various arbitration claims and general office administration. During fiscal 2009, Shrikant P. Shukla was paid a gross compensation of Rs. 1.33 million.

Paresh C. Mehta, aged 45 years, is Vice-President (Finance and Accounts) of the Company. He is a Chartered Accountant by profession. Paresh C. Mehta has approximately 20 years of experience in the field of finance and accounting. He joined the Company on December 1, 2000. He has previously worked with Catapharma Group. Paresh C. Mehta looks after accounting, taxation and financial matters of the Ashoka Group as well as financial aspects of projects and resource management initiatives of the Company. During fiscal 2009, Paresh C. Mehta was paid a gross compensation of Rs. 1.53 million.

Pradeep Nayyar aged 46 years, is Deputy General Manager (Projects) of the Company. He holds a diploma in civil engineering. He joined the Company on March 20, 2006. Pradeep Nayyar previously worked with Gayatri Projects Limited, Hyderabad. He has approximately 23 years of experience in roads, industrial, dams and housing projects works. During fiscal 2009, Pradeep Nayyar was paid a gross compensation of Rs. 1.06 million.

Deepak H. Bhagat, aged 52 years, is Deputy General Manager (Legal) of the Company. He holds bachelor's degree in commerce and bachelor's degree in law. He joined the Company on February 1, 1994. He was previously self-employed. During fiscal 2009, Deepak H. Bhagat was paid a gross compensation of Rs. 0.70 million.

Suresh M. Wagh, aged 41 years, is Deputy General Manager (Technical) of the Company. He holds a bachelor's degree in engineering (civil). He joined the Company on January 1, 1994. Suresh M. Wagh has previously worked with Jyoti Structures Limited in Nashik, Maharashtra. He has approximately 17 years of experience in the construction sector. During fiscal 2009, he was paid a gross compensation of Rs. 0.79 million.

Peeyush Jain, aged 33 years, is Deputy General Manager (Accounts & Finance) of the Company. He holds a bachelor's degree in commerce (honours) and is a qualified Chartered Accountant. He joined the Company on November 16, 2004. Peeyush Jain has previously worked with Bahubali Electronics Private Limited. He has about 8 years of experience and has practised as a Chartered Accountant for 3 years. During fiscal 2009, Peeyush Jain was paid a gross compensation of Rs. 1.03 million

Manoj A. Kulkarni, aged 38 years, is the Company Secretary. He holds a bachelor's degree in commerce and is a qualified Company Secretary. He joined the Company on February 1, 2006. Manoj Kulkarni has previously worked with Diamond Cables Limited. He has 11 years of relevant experience, out of which 6 years is on post-qualification basis. He is responsible for secretarial and compliance matters. During fiscal 2009, Manoj A. Kulkarni was paid a gross compensation of Rs. 0.34 million.

Kamlesh N. Shah, aged 35, years is Deputy General Manager (Accounts) of the Company. He is a qualified Chartered Accountant. He joined the Company on December 24, 2007. Kamlesh N. Shah has previously worked with Masibus Automation & Instrumentation Private Limited, Gandhinagar. He has approximately 10 years of experience in the field of accounts and audit. During fiscal 2009, Kamlesh N. Shah was paid a gross compensation of Rs. 0.93 million.

Sunil B. Sarna, aged 45 years, is Deputy General Manager (Human Resources & Administration) of the Company. He holds a master's degree in business administration (Marketing). He joined the Company on May 1, 2008. Sunil B. Sarna has previously worked with Ring Plus Acqua Limited. He has a varied experience of 23 years in marketing and human resources development. During fiscal 2009, Sunil B. Sarna was paid a gross compensation was Rs. 0.46 million.

Azfar Shahab, aged 35 years, is Deputy General Manager (IT) of the Company. He holds a bachelor's degree in engineering (computer science and engineering). He joined the Company on January 12, 2008. Azfar Shahab has previously worked with Unicoil Limited. He has 14 years of experience in information technology management skills, such as business needs analysis, requirement specification, basic design, implementation of information technology solutions and end-user support. During fiscal 2009, Azfar Shahab was paid a gross compensation of Rs. 1.20 million.

J. R. Vijapure, aged 49 years, is General Manager (Projects). He holds a PhD in mechanical engineering. He joined the Company on March 15, 2008. J. R. Vijapure has previously worked with OJSC Corporation. He has professional experience of 24 years in areas, such as residential building projects, bridges, hydro-electric projects, ROB and construction of Mumbai-Pune Expressway. During fiscal 2009, he was paid a gross compensation of Rs 1.50 million.

Dr. Sunil Kumar Khare, aged 48 years, is Deputy General Manager (Projects) of the Company. He holds a PhD in applied Chemistry-Mechanical Engineering. He joined the Company on January 16, 2008. He has previously worked with Mukund Limited. Dr. Sunil Kumar Khare has experience in quality control, micro level insights on the concept of design mixes and the procedure for optimization of available material to convert them into composite concrete material. During fiscal 2009, he was paid a gross compensation of Rs. 0.55 million.

Satish Chiplunkar, aged 47 years, is Deputy General Manager (Projects) of the Company. He holds a diploma in civil engineering. He joined the Company on July 27, 1999. Satish Chiplunkar has previously worked with Ramnath Constructions. During fiscal 2009, he was paid a gross compensation of Rs. 0.67 million.

Sandeep P. Bamb, aged 34 years, is Deputy General Manager (Finance) of the Company. He holds a master's degree in business administration (finance). He joined the Company on October 4, 2001. He has previously worked with Shree Mahesh Bank Limited. He has experience in various areas of finance, such as banking, loans, budgeting and planning. During fiscal 2009, he was paid a gross compensation of Rs. 0.83 million.

Pravin Baviskar, aged 48 years, is Deputy General Manager (Projects) of the Company. He holds a diploma in civil engineering and has experience in execution of civil projects. He joined the Company on April 10, 2007. He has previously worked with Vega Constructions. During fiscal 2009, he was paid a gross compensation of Rs. 0.63 million.

Shareholding/ Interest of the Key Managerial Personnel of the Company and our Subsidiaries

The list of our Key Managerial Personnel holding Equity Shares and the number of Equity Shares held by each of them as of the date of this Draft Red Herring Prospectus is set forth below:

Name of the Key Managerial Personnel	No. of equity shares held	No. of options	Type of options	
			Growth	Loyalty
Sanjay P. Londhe	98,763	107,153	64,190	42,963
Dilipbhai D. Kothari	Nil	13,484	10,520	2,964
Shrikant P. Shukla	Nil	18,353	11,230	7,123
Paresh C. Mehta	Nil	14,073	11,290	2,783
Pradeep Nayyar	Nil	9,277	83,90	887
Deepak H. Bhagat	Nil	8,897	5,960	2,937
Suresh M. Wagh	Nil	8,839	5,920	2,929
Peeyush Jain	Nil	8,613	7,550	1,063
Sandeep P. Bamb	Nil	7,450	5,970	1,480
Manoj A. Kulkarni	Nil	2,057	1,890	167

For further details of the employees' stock option plan of the Company, please refer to the section entitled "Capital Structure" on page 28 of this Draft Red Herring Prospectus.

Changes in Key Managerial Personnel

The following are the changes in our key managerial personnel over the last three years:

Name and Designation of the Key Managerial Personnel	Designation of the Key Managerial Personnel	Date of change	Reason
Gopikrishna Gupta	Deputy General Manager (Accounts)	September 9, 2006	Appointed
Ashok Adke	General Manager (Projects)	October 10, 2006	Resigned
Rajendra Prasad Sharma	General Manager (Projects)	November 11, 2006	Appointed
Omkar S. Bendre	Management Representative	November 11, 2006	Appointed
Suresh M. Wagh	Deputy General Manager (Technical)	April 1, 2007	Promotion
Peeyush Jain	Deputy General Manager (Accounts & Finance)	April 1, 2007	Promotion
Ashok Adke	General Manager (Projects)	October 22, 2007	Appointed
Surinder Pal Singh	Deputy General Manager (Human Resources & Administration)	November 30, 2007	Resigned
Gopikrishna Gupta	Deputy General Manager (Accounts)	December 31, 2007	Resigned
Pradeep Goyal	Deputy General Manager (EQA)	December 21,	Resigned

Name and Designation of the Key Managerial Personnel	Designation of the Key Managerial Personnel	Date of change	Reason
		2007	
Kamlesh N. Shah	Deputy General Manager (Accounts)	December 25, 2007	Appointment
Sunil Khare	Deputy General Manager (Projects)	January 16, 2008	Appointment
Azfar Shahab	Deputy General Manager (IT)	Jan 21, 2008	Appointment
J. R. Vijapure	General Manager (Projects)	March 15, 2008	Appointment
Satish Chiplunkar	Deputy General Manager (Projects)	April 1, 2008	Promoted
Pravin Baviskar	Deputy General Manager (Projects)	April 1, 2008	Promoted
Sandeep P. Bamb	Deputy General Manager (Finance)	April1, 2008	Promoted
Pradeep Nayyar	Deputy General Manager (Projects)	April 1, 2008	Promoted
Omkar Bendre	Management Representative	April 11, 2008	Resigned
S. B. Sarna	Deputy General Manager (Human Resources & Administration)	May 1, 2008	Appointment
Shayamsundar D. Joshi	Deputy General Manager (Projects)	May 25, 2008	Resigned
Ashok Adke	General Manager (Projects)	December 12, 2008	Expired

OUR PROMOTERS

Our Promoters are:

1. Ashok M. Katariya
2. Satish D. Parakh
3. Ashish A. Katariya
4. Aditya S. Parakh

Our Individual Promoters

The details of our individual Promoters are as follows:

	**Ashok M. Katariya** is the Chairman of the Company. He is a resident Indian national. For further details, see the section entitled “Our Management” on page 145 of this Draft Red Herring Prospectus. His driving license number is MH-15/1992/177 - NSK. His passport number is E8397117. His voter identification number is MT/12/67/646979.
	**Satish D. Parakh** is the Managing Director of the Company. He is a resident Indian national. For further details, see the section entitled “Our Management” on page 145 of this Draft Red Herring Prospectus. His driving license number is 3538/NSK. His passport number is E8798036. His voter identification number is MP1267174593.
	**Ashish A. Katariya**, aged 32 years, is a resident Indian national. His driving license number is 2084/96. His passport number is E8397272. His voter identification number has not yet been received. Ashish A. Katariya holds a bachelor’s degree in civil engineering and master’s degree in business administration. He has prior experience of about six years and currently heads the RMC division. He has worked with Kiewit Pacific Co., United States for the period of five months from January 2008 to May, 2008 as a Project Scheduler. He is also a member of the Institution of Engineers (India). Ashish A. Katariya is a director in Ashoka Highways (Bhandara) Limited, Ashoka Highways (Durg) Limited, Ashoka Infrastructure Limited, Viva Highways Private Limited, Ashoka Pre-Con Private Limited, Viva Infrastructure Private Limited and Ashoka Infraways Private Limited. Address: Anshuman, Sahadev Nagar Gangapur Road, Nashik 422 013.
	**Aditya S. Parakh,** aged 23 years, is a resident Indian national. His driving license number is MH15/02/128496. His passport number is F6476298. His voter identification number has not yet been received. Aditya S. Parakh has appeared for the final year examination for bachelor’s degree in engineering (civil) from Maharashtra Institute of Technology, Pune. He has interned with Al Habtoor Leighton Group (Dubai) for the period from January 5, 2008 to January 25, 2008 as a Trainee – Civil Engineer. Address: 2&3, Aditya Behind Aditya Petrol Pump, Sawarkar Nagar, Gangapur Road Nashik 422 013.

We confirm that the PAN, bank account number and passport number of our Promoters, namely, Ashok Motilal Katariya, Satish Dhondulal Parakh, Ashish A. Katariya and Aditya Satish Parakh shall be submitted to the BSE and NSE at the time of filing the Draft Red Herring Prospectus with them.

Interests of Promoters and Common Pursuits

The aforementioned Promoters of the Company are interested to the extent of their shareholding in us. Further, our Promoters who are also the Directors of the Company may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a Committee thereof as well as to the extent of other remuneration, reimbursement of expenses payable to them.

Further, our individual Promoters are also directors on the boards of certain Group Companies, and they may be deemed to be interested to the extent of the payments made by the Company, if any, to these Group Companies. For the payments that are made by the Company to certain Group Companies, please refer to the section entitled "Related Party Transactions" on page 180 of this Draft Red Herring Prospectus.

Except as stated otherwise in this Draft Red Herring Prospectus, we have not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus in which the Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by the Company other than in the normal course of business.

Further, except as disclosed below, our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by us.

Confirmations

Further, none of our Promoters has been declared as a willful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by the Promoters in the past or are pending against them.

Payment of benefits to our Promoters

Except as stated in the section entitled "Auditor's Report on Stand-Alone Financial Information - Related Party Transactions" and "Auditor's Report on Consolidated Financial Information – Related Party Transactions" on pages 228 and 273 of this Draft Red Herring Prospectus, there has been no payment of benefits to our Promoters during the two years prior to the filing of this Draft Red Herring Prospectus.

Promoter Group

In addition to the Promoters named above, the following natural persons and companies are part of our Promoter Group.

Relatives of Promoters

The natural persons who are part of our Promoter group (due to their relationship with our Promoters), other than the Promoters named above are as follows:

Name of the Person	Relationship with the Promoter
Asha A. Katariya	Wife of Ashok M. Katariya Mother of Ashish A. Katariya
Bansilal Balchand Raisoni Shantilal Balchand Raisoni Kantilal Balchand Raisoni	Brothers of Asha A. Katariya

Name of the Person	Relationship with the Promoter
Ashok Balchand Raisoni Dilip Balchnad Raisoni	
Pankuwarbai Duggad Vimal Tathed Kamal Bothra Vasanti Chhalani	Sisters of Asha A. Katariya
Shweta Kasera	Daughter of Ashok M. Katariya and Sister of Ashish A. Katariya
Vishal Kasera	Son-in-law of Ashok M. Katariya
Dhondulal Parakh	Father of Satish D. Parakh
Gulabbai D. Parakh	Mother of Satish D. Parakh
Shobha S. Parakh	Wife of Satish D. Parakh Mother of Aditya S. Parakh
Dr. Prakash D. Parakh Dr. Ramesh D. Parakh	Brothers of Satish D. Parakh
Shantibai Mangilalji Bramhecha	Mother of Shobha S. Parakh
Chamanlalji Mangilalji Bramhecha Parasmalji Mangilalji Bramhecha	Brothers of Shobha S. Parakh
Rajkunwar Kothari Shaila Bora	Sisters of Shobha S. Parakh
Snehal M. Khatri	Daughter of Satish D. Parakh Sister of Aditya S. Parakh
Manjeet Khatri	Son-in-law of Satish D. Parakh
Padmabai F. Pophaliya	Sister of Ashok M. Katariya
Leelabai K. Hiran	Sister of Ashok M. Katariya
Beena R. Lalwani Ranjana G. Bhandari	Sisters of Satish D. Parakh
Astha A. Katariya	Wife of Ashish A. Katariya
Ayush A. Katariya	Son of Ashish A. Katariya
Ishwarchand Kothari	Father of Astha A. Katariya
Saroj Devi Kothari	Mother of Astha A. Katariya
Arpan Kothari Ankur Kothari	Brothers of Astha A. Katariya

Companies, Partnership Firms, Associations of Persons and HUFs forming part of the Promoter Group

Companies

1. A-One Tiles Private Limited
2. Ashoka Biogreen Private Limited
3. Ashoka Bitucon Exim Private Limited
4. Ashoka Bitucon International Private Limited
5. Ashoka Builders (Nasik) Private Limited
6. Ashoka Buildwell and Developers Private Limited
7. Ashoka City Towers Constructions Private Limited
8. Ashoka Construwell Private Limited
9. Ashoka Deserts & Developers Private Limited
10. Ashoka Erectors Private Limited
11. Ashoka Estate Developers Private Limited
12. Ashoka Housing Constructions Private Limited
13. Ashoka Nirmiti Private Limited
14. Ashoka Path Nirman (Nashik) Private Limited
15. Ashoka Premises Private Limited

16. Ashoka Promoters Private Limited
17. Ashoka Shilp Akruti Private Limited
18. Ashoka Universal Academy Private Limited
19. Ashoka Vanrai Developments Private Limited
20. Ashoka Vastu Akruti Private Limited
21. Ashoka Vastukala Nirman Private Limited
22. Hotel Evening Inn Private Limited
23. L&T PNG Tollway Private Limited

Partnership Firms

1. A. P. Equipments & Co.
2. Ashoka Builders and Developers
3. Ashoka Con Creations
4. Ashoka Engineering Company
5. Ashoka E-Tech
6. Ashoka Lawns
7. Ashoka Vastuvaibhav
8. Shweta Agro Farm

Associations of Persons

1. Ashoka Township
2. Shubham Developers

Hindu Undivided Families

1. A.M. Katariya (HUF)
2. S.D. Parakh (HUF)
3. A.A. Katariya (HUF)

OUR GROUP COMPANIES

Companies forming part of our Group Companies

Unless otherwise stated none of the companies forming part of our Group Companies is a sick company under the meaning of SICA and none of them are under winding up. Further, all our Group Companies are unlisted companies and they have not made any public issue of securities in the preceding three years.

I. Five largest Group Companies (based on turnover)

1. Ashoka E-Tech

Corporate Information

Ashoka E-Tech was formed as a partnership firm on April 1, 1999. This is a registered partnership firm under the Indian Partnership Act with registration no. MPA-39465. The partnership was registered on July 20, 1999. This partnership is presently engaged in the business of constructing industrial and commercial buildings.

Interest of the Promoters

The profit/loss sharing ratio in Ashoka E-Tech of Ashok M. Katariya and Ashish A. Katariya is 19% each.

Financial Performance

The summary audited financial information of Ashoka E-Tech for the last three fiscal years are as follows:

(In Rs. million)

Particulars	Fiscal 2008	Fiscal 2007	Fiscal 2006
Capital	0.05	0.05	0.05
Reserves and Surplus	N.A.	N.A.	N.A.
Sales/ Turnover	90.81	66.65	16.19
Expenditure	89.79	65.37	15.70
Profit/(Loss) After Tax	1.02	1.28	0.46

2. Shweta Agro Farm

Corporate Information

Shweta Agro Farm was formed as an association of persons on May 25, 2005. Later on business of said association of persons was taken over to form partnership firm under the name and style as Shweta Agro Farm with effect from April 1, 2007. Shweta Agro Farm is a registered partnership firm under the Indian Partnership Act, 1932 with registration no. MA-31868. Shweta Agro Farm is currently engaged in the business of agriculture and allied activities.

Interest of the Promoters

The profit/loss sharing ratio in Shweta Agro Farm of Ashok M. Katariya and Ashish A. Katariya is 17% and 15%, respectively.

Financial Performance

The summary audited financial information of Shweta Agro Farm for the last three fiscal years are as follows:

(In Rs. million)

Particulars	Fiscal 2008	Fiscal 2007	Fiscal 2006
Capital	0.05	4.52	0.85
Reserves and Surplus	N.A.	0.00	N.A.
Sales/ Turnover	7.14	7.12	1.52
Expenditure	7.60	3.47	1.02
Profit/(Loss) After Tax	(0.46)	3.65	0.50

3. Ashoka Builders (Nasik) Private Limited

Corporate Information

Ashoka Builders (Nasik) Private Limited was incorporated under the Companies Act on July 7, 1985. The company is engaged in the business of builders, contractors, dealers in and manufacturers of prefabricated and precast houses, buildings and erection.

Interest of the Promoters

The shareholding of Ashok M. Katariya and Ashish A. Katariya in Ashoka Builders (Nasik) Private is as follows:

Sr. No.	Name	No. of equity shares	Percentage shareholding (%)
1.	Ashok Motilal Katariya	1,650	8.25
2.	Ashish A. Katariya	1,700	8.50

Financial Performance

The summary audited financial information of Ashoka Builders (Nasik) Private Limited for the last three financial years are as follows:

(In Rs. million, except per share data)

Particulars	Fiscal 2008	Fiscal 2007	Fiscal 2006
Equity Share Capital	2.00	2.00	2.00
Reserve and surplus	50.63	45.69	33.40
Sales and other income	30.65	44.38	134.03
Profit/ (Loss) after tax	4.94	12.28	(7.75)
Earnings per share (EPS) (Rs.)	246.98	614.19	(387.48)
Book value per share (Rs.)	1,661.09	1,414.11	799.91

4. Ashoka Engineering Company

Corporate Information

Ashoka Engineering Company was formed as a partnership firm on February 1, 1996. This is a registered partnership firm under the Indian Partnership Act with registration no. MA-14558. The partnership was registered on April 2, 1996. This partnership is presently engaged in the business of promoters, masonry, developers, builders and general construction contractors.

Interest of the Promoters

The profit/loss sharing ratio in Ashoka Engineering Company of Ashok M. Katariya, Satish D. Parakh and Ashish A. Katariya is 30%, 45% and 25%, respectively.

Financial Performance

The summary audited financial information of Ashoka Engineering Company for the last three fiscal years are as follows:

(In Rs. million)

Particulars	Fiscal 2008	Fiscal 2007	Fiscal 2006
Capital	0.05	(4.38)	10.62
Reserves and Surplus	N.A.	N.A.	N.A.
Sales/ Turnover	2.99	21.16	51.81
Expenditure	3.63	18.37	44.91
Profit/(Loss) After Tax	(0.64)	2.79	6.46

5. Ashoka Vastuvaibhav

Corporate Information

Ashoka Vastuvaibhav was formed as a partnership firm on December 24, 2004. This is a registered partnership firm under the Indian Partnership Act with registration no. MA-26670. The partnership was registered on May 2, 2005. This partnership is presently engaged in the business of promoters, masonry, developers, builders and general construction contractors.

Interest of the Promoters

None of the Promoters are partners of Ashoka Vastuvaibhav.

Financial Performance

The summary audited financial information of Ashoka Vastuvaibhav for the last three fiscal years are as follows:

(In Rs. million)

Particulars	Fiscal 2008	Fiscal 2007	Fiscal 2006
Capital	(0.09)	2.95	1.65
Reserves and Surplus	N.A.	N.A.	N.A.
Sales/ Turnover	2.68	14.86	17.52
Expenditure	1.93	12.67	16.69
Profit/(Loss) After Tax	0.75	2.19	0.21

II. Group Companies with negative net worth

1. Ashoka Construwell Private Limited

Corporate Information

Ashoka Construwell Private Limited was incorporated on June 17, 1983 under the Companies Act. The main objects of the company are to carry on the business of architects, engineers, assessors, designers, town planners, surveyors, valuers, contractors in all branches including civil, mechanical, electrical, aeronautical, automobile, water supply, sanitary and plumbing, air-conditioning and refrigeration, acoustics, transport systems .

Interest of the Promoters

The shareholding of Ashok M. Katariya and Ashish A. Katariya in Ashoka Construwell Private Limited is as follows:

Sr. No.	Name	No. of equity shares	Percentage shareholding (%)
1.	Ashok M. Katariya	200	9.30
2.	Ashish A. Katariya	210	9.77

Financial Performance

The summary audited financial information of Ashoka Construwell Private Limited for the last three financial years are as follows:

(In Rs. million, except per share data)

Particulars	Fiscal 2008	Fiscal 2007	Fiscal 2006
Equity Share Capital	0.22	0.22	0.22
Reserve and surplus	0.00	0.00	0.00
Sales and other income	1.25	6.93	17.92
Profit/ (Loss) after tax	(0.36)	0.81	(5.04)
Earning per share (EPS) (Rs.)*	(165.26)	376.87	(2,346.30)
Book value per share (Rs.)*	(4,469.49)	(4304.24)	(4,681.11)

** The face value per share is Rs. 100*

2. Ashoka Erectors Private Limited

Corporate Information

Ashoka Erectors Private Limited was incorporated under the Companies Act on February 14, 1996. The company is engaged in the business of promoters, developers, builders, masonry and general construction contractors.

Interest of the Promoters

The shareholding of Ashok M. Katariya, Satish D. Parakh, Ashish A. Katariya and Aditya S. Parakh in Ashoka Erectors Private Limited is as follows:

Sr. No.	Name	No. of equity shares	Percentage shareholding (%)
1.	Ashok M. Katariya	950	9.50
2.	Satish D. Parakh	900	9.00
3.	Ashish A. Katariya	900	9.00
4.	Aditya S. Parakh	900	9.00

Financial Performance

The summary audited financial information of Ashoka Erectors Private Limited for the last three financial years are as follows:

(In Rs. million, except per share data)

Particulars	Fiscal 2008	Fiscal 2007	Fiscal 2006
Equity Share Capital	0.10	0.10	0.10
Reserve and surplus	0.00	0.00	0.00
Sales and other income	0.17	0.00	0.00
Profit/ (Loss) after tax	0.14	0.00	(0.01)
Earning per share (EPS) (Rs.)	14.20	(0.36)	(0.78)

Particulars	Fiscal 2008	Fiscal 2007	Fiscal 2006
Book value per share (Rs.)	(20.13)	(34.33)	(33.97)

3. Ashoka Housing Constructions Private Limited

Corporate Information

Ashoka Housing Constructions Private Limited was incorporated under the Companies Act on February 14, 1996. The company is engaged in the business of promoters, developers, builders, masonry and general construction contractors.

Interest of the Promoters

The shareholding of Ashok M. Katariya, Satish D. Parakh, Ashish A. Katariya and Aditya S. Parakh in Ashoka Housing Constructions Private Limited is as follows:

Sr. No.	Name	No. of equity shares	Percentage shareholding (%)
1.	Ashok M. Katariya	950	9.50
2.	Satish D. Parakh	900	9.00
3.	Ashish A. Katariya	900	9.00
4.	Aditya S. Parakh	900	9.00

Financial Performance

The summary audited financial information of Ashoka Housing Constructions Private Limited for the last three financial years are as follows:

(In Rs. million, except per share data)

Particulars	Fiscal 2008	Fiscal 2007	Fiscal 2006
Equity Share Capital	0.10	0.10	0.10
Reserve and surplus	0.00	0.00	0.00
Sales and other income	0.00	0.00	0.00
Profit/ (Loss) after tax	0.00	0.00	(0.01)
Earning per share (EPS) (Rs.)	(0.40)	(0.40)	(0.70)
Book value per share (Rs.)	(29.12)	(28.71)	(28.31)

4. Ashoka Nirmiti Private Limited

Corporate Information

Ashoka Nirmiti Private Limited was incorporated under the Companies Act on February 14, 1996. The company is engaged in the business of promoters, developers, builders, masonry and general construction contractors.

Interest of the Promoters

The shareholding of Ashok M. Katariya, Satish D. Parakh, Ashish A and Aditya S. Parakh in Ashoka Nirmiti Private Limited is as follows:

Sr. No.	Name	No. of equity shares	Percentage shareholding (%)
1.	Ashok M. Katariya	950	9.50
2.	Satish D. Parakh	900	9.00
3.	Ashish A. Katariya	950	9.50
4.	Aditya S. Parakh	900	9.00

Financial Performance

The summary audited financial information of Ashoka Nirmiti Private Limited for the last three financial years are as follows:

(In Rs. million, except per share data)

Particulars	Fiscal 2008	Fiscal 2007	Fiscal 2006
Paid up Equity Share Capital	0.10	0.10	0.10
Reserve and surplus	0.00	0.00	0.00
Sales and other income	0.31	0.00	0.00
Profit/ (Loss) after tax	(0.21)	(0.12)	(0.01)
Earning per share (EPS) (Rs.)	(20.96)	(12.50)	(0.89)
Book value per share (Rs.)	(47.68)	(26.72)	(14.30)

5. Ashoka Premises Private Limited

Corporate Information

Ashoka Premises Private Limited was incorporated under the Companies Act on February 14, 1996. The company is engaged in the business of promoters, developers, builders, masonry and general construction contractors.

Interest of the Promoters

The shareholding of Ashok M. Katariya, Satish D. Parakh, Ashish A. Katariya and Aditya S. Parakh in Ashoka Premises Private Limited is as follows:

Sr. No.	Name	No. of equity shares	Percentage shareholding (%)
1.	Ashok M. Katariya	950	9.50
2.	Satish D. Parakh	900	9.00
3.	Ashish A. Katariya	950	9.50
4.	Aditya S. Parakh	900	9.00

Financial Performance

The summary audited financial information of Ashoka Premises Private Limited for the last three financial years are as follows:

(In Rs. million, except per share data)

Particulars	Fiscal 2008	Fiscal 2007	Fiscal 2006
Equity Share Capital	0.10	0.10	0.10
Reserve and surplus	0.00	0.00	0.00
Sales and other income	0.00	0.00	0.00
Profit/ (loss) after tax	(0.48)	(0.12)	(0.01)
Earnings per share (EPS) (Rs.)	(47.82)	(12.50)	(0.94)
Book value per share (Rs.)	(64.13)	(16.32)	(3.89)

6. Ashoka Promoters Private Limited

Corporate Information

Ashoka Promoters Private Limited was incorporated under the Companies Act on February 14, 1996. The company is engaged in the business of promoters, developers, builders, masonry and general construction contractors.

Interest of the Promoters

The shareholding of Ashok M. Katariya, Satish D. Parakh, Ashish A. Katariya and Aditya S. Parakh in Ashoka Promoters Private Limited is as follows:

Sr. No.	Name	No. of equity shares	Percentage shareholding (%)
1.	Aditya S. Parakh	900	9.00
2.	Ashok M. Katariya	970	9.70
3.	Ashish A. Katariya	950	9.50
4.	Satish D. Parakh	900	9.00

Financial Performance

The summary audited financial information of Ashoka Promoters Private Limited for the last three financial years are as follows:

(In Rs. million, except per share data)

Particulars	Fiscal 2008	Fiscal 2007	Fiscal 2006
Equity Share Capital	0.10	0.10	0.10
Reserve and surplus	0.00	0.00	0.00
Sales and other income	0.00	0.00	0.00
Profit/ (Loss) after tax	(0.48)	(0.12)	(0.01)
Earnings per share (EPS) (Rs.)	(47.79)	(12.50)	(0.95)
Book value per share (Rs.)	(65.39)	(17.60)	(5.18)

7. Ashoka Shilp Akruti Private Limited

Corporate Information

Ashoka Shilp Akruti Private Limited was incorporated under the Companies Act on February 14, 1996. The company is engaged in the business of promoters, developers, builders, masonry and general construction contractors.

Interest of the Promoters

The shareholding of Ashok M. Katariya, Satish D. Parakh, Ashish A. Katariya and Aditya S. Parakh in Ashoka Shilp Akruti Private Limited is as follows:

Sr. No.	Name	No. of equity shares	Percentage shareholding (%)
1.	Ashok M. Katariya	950	9.50
2.	Satish D. Parakh	900	9.00
3.	Ashish A. Katariya	900	9.00
4.	Aditya S. Parakh	900	9.00

Financial Performance

The summary audited financial information of Ashoka Shilp Akruti Private Limited for the last three financial years are as follows:

(In Rs. million, except per share data)

Particulars	Fiscal 2008	Fiscal 2007	Fiscal 2006
Equity Share Capital	0.10	0.10	0.10
Reserve and surplus	0.00	0.00	0.00
Sales and other income	0.00	0.00	0.00
Profit/ (Loss) after tax	0.00	0.00	(0.01)

Particulars	Fiscal 2008	Fiscal 2007	Fiscal 2006
Earnings per share (EPS) (Rs.)	(0.41)	(0.45)	(0.76)
Book value per share (Rs.)	(1.73)	(1.32)	(0.88)

8. Ashoka Vanrai Developments Private Limited

Corporate Information

Ashoka Vanrai Developments Private Limited was incorporated under the Companies Act on January 18, 1994. The company is engaged in the business of acquiring properties by purchase or lease or on contracts of development or in any other manner and to develop the same in or use the same for forestries, nurseries, grasses, shrubs, medicinal, pharmaceutical and aromatic plants, forest houses.

Interest of the Promoters

The shareholding of Ashok M. Katariya, Satish D. Parakh, Ashish A. Katariya and Aditya S. Parakh in Ashoka Vanrai Developments Private Limited is as follows:

Sr. No.	Name	No. of equity shares	Percentage shareholding (%)
1.	Ashok M. Katariya	1,800	9.00
2.	Satish D. Parakh	900	4.50
3.	Ashish A. Katariya	1,800	9.00
4.	Aditya S. Parakh	900	4.50

Financial Performance

The summary audited financial information of Ashoka Vanrai Developments Private Limited for the last three financial years are as follows:

(In Rs. million, except per share data)

Particulars	Fiscal 2008	Fiscal 2007	Fiscal 2006
Equity Share Capital	0.20	0.20	0.20
Reserve and surplus	0.00	0.00	0.00
Sales and other income	0.04	0.02	0.04
Profit/ (Loss) after tax	(0.07)	0.01	0.02
Earnings per share (EPS) (Rs.)	(3.38)	0.44	1.07
Book value per share (Rs.)	(58.67)	(55.29)	(55.73)

9. Ashoka Township

Corporate Information

Ashoka Township was formed as an association of persons on September 12, 1996. Ashoka Township is currently engaged in the business of promoters, masonry, developers, builders and general construction contractors.

Interest of the Promoters

None of the Promoters are partners of Ashoka Township.

Financial Performance

The summary audited financial information of Ashoka Township for the last three fiscal years are as follows:

(In Rs. million)

Particulars	Fiscal 2008	Fiscal 2007	Fiscal 2006
Capital	(3.34)	0.75	1.11
Reserves and Surplus	N.A.	N.A.	N.A.
Income	0.01	0.00	0.05
Expenditure	1.43	18.55	0.05
Profit/(Loss) After Tax	1.42	(0.36)	0.00

III. Details of other Group Companies

1. A-One Tiles Private Limited

Corporate Information

A-One Tiles Private Limited was incorporated under the Companies Act on February 5, 1988. The main objects of the company are to be engaged in the business of manufacturing, designing, fabricating, refining, treating, processing, buying, selling, importing, exporting and otherwise dealing in all kinds of tiles including mosaic cement tiles, marbles, kotah, kadappa, granite, tandur and other stones, ceramic wares, porcelain earthen wares, stone wares, sanitary wares, insulators, fibre bricks, fire clay, reinforced cement products and other minerals and any other products similar to and required for the aforesaid products.

Interest of the Promoters

Ashok M. Katariya holds 352 equity shares, aggregating to 35.20% of the issued and paid-up equity share capital, of A-One Tiles Private Limited.

2. Ashoka Biogreen Private Limited

Corporate Information

Ashoka Biogreen Private Limited was incorporated under the Companies Act on February 12, 2009. The company is engaged in the business of development, manufacture, trade, supply and distribution of energy from non conventional resources like wind, tidal, bio mass and to meet specific energy needs including selling the surplus power to the government / private parties and to engage into processing and sale of the by products from the above generation of power.

Interest of the Promoters

Ashok M. Katariya holds 6,600 equity shares, aggregating to 66.00% of the issued and paid-up equity share capital, of Ashoka Biogreen Private Limited.

3. Ashoka Bitucon Exim Private Limited

Corporate Information

The company was incorporated on September 27, 1999. The main objects of the company are to purchase or otherwise acquire, manufacture, refine, treat, reduce, distill, blend, purify, pump, store, hold, transport, use, experiment with market, distribute, exchange, supply, sell and otherwise dispose of, import, export and trade and generally deal in any and all kinds of petroleum products including bitumen, tar, asphalt, oils and chemicals and any products, by-products and derivatives thereof.

Interest of the Promoters

The shareholding of Ashok M. Katariya, Satish D. Parakh, Ashish A. Katariya and Aditya S. Parakh in Ashoka Bitucon Exim Private Limited is as follows:

Sr. No.	Name	No. of equity shares	Percentage shareholding (%)
1.	Ashok M. Katariya	930	9.20
2.	Satish D. Parakh	945	9.36
3.	Ashish A. Katariya	925	9.16
4.	Aditya S. Parakh	900	8.91

4. Ashoka Bitucon International Private Limited

Corporate Information

Ashoka Bitucon International Private Limited was incorporated under the Companies Act on September 27, 1999. The main objects of the company are to be engaged in the business of purchase or otherwise acquire, manufacture, refine, treat, reduce, distill, blend, purify, pump, store, hold, transport, use, experiment with market, distribute, exchange, supply, sell and otherwise dispose of, import, export & trade & generally deal in any and all kinds of petroleum products including bitumen, tar, asphalt, oils and chemicals and any products, by-products and derivatives thereof.

Interest of the Promoters

The shareholding of Ashok M. Katariya, Satish D. Parakh, Ashish A. Katariya and Aditya S. Parakh in Ashoka Bitucon International Private Limited is as follows:

Sr. No.	Name	No. of equity shares	Percentage shareholding (%)
1.	Ashok M. Katariya	876	8.75
2.	Satish D. Parakh	900	9.00
3.	Ashish A. Katariya	925	9.25
4.	Aditya S. Parakh	900	9.00

5. Ashoka Buildwell and Developers Private Limited

Corporate Information

Ashoka Buildwell and Developers Private Limited was incorporated under the Companies Act on October 28, 1998. The company is engaged in the business of builders, masonry, general construction and contractors.

Interest of the Promoters

The shareholding of Ashok M. Katariya, Satish D. Parakh, Ashish A. Katariya and Aditya S. Parakh in Ashoka Buildwell and Developers Private Limited is as follows:

Sr. No.	Name	No. of equity shares	Percentage shareholding (%)
1.	Ashok M. Katariya	490	9.95
2.	Satish D. Parakh	492	9.99
3.	Ashish A. Katariya	490	9.95
4.	Aditya S. Parakh	150	3.05

6. Ashoka City Towers Constructions Private Limited

Corporate Information

Ashoka City Towers Constructions Private Limited was incorporated on February 14, 1996. The main objects of the company are to carry on the business of promoters, developers, builders, masonry and general construction contractors.

Interest of the Promoters

The shareholding of Ashok M. Katariya, Satish D. Parakh, Ashish A. Katariya and Aditya S. Parakh in Ashoka City Towers Constructions Private Limited is as follows:

Sr. No.	Name	No. of equity shares	Percentage shareholding (%)
1.	Ashok M. Katariya	950	9.50
2.	Satish D. Parakh	900	9.00
3.	Ashish A. Katariya	900	9.00
4.	Aditya S. Parakh	900	9.00

7. Ashoka Deserts & Developers Private Limited

Corporate Information

Ashoka Deserts & Developers Private Limited was incorporated under the Companies Act on February 14, 1996. The company is engaged in the business of promoters, developers, builders, masonry and general construction contractors.

Interest of the Promoters

The shareholding of Ashok M. Katariya, Satish D. Parakh, Ashish A. Katariya and Aditya S. Parakh in Ashoka Deserts & Developers Private Limited is as follows:

Sr. No.	Name	No. of equity shares	Percentage shareholding (%)
1.	Ashok M. Katariya	950	9.50
2.	Satish D. Parakh	900	9.00
3.	Ashish A. Katariya	900	9.00
4.	Aditya S. Parakh	900	9.00

8. Ashoka Estate Developers Private Limited

Corporate Information

Ashoka Estate Developers Private Limited was incorporated under the Companies Act on February 14, 1996. The company is engaged in the business of promoters, developers, builders, masonry and general construction contractors.

Interest of the Promoters

The shareholding of Ashok M. Katariya, Satish D. Parakh, Ashish A. Katariya and Aditya S. Parakh in Ashoka Estate Developers Private Limited is as follows:

Sr. No.	Name	No. of equity shares	Percentage shareholding (%)
1.	Ashok M. Katariya	950	9.50
2.	Satish D. Parakh	900	9.00
3.	Ashish A. Katariya	900	9.00
4.	Aditya S. Parakh	900	9.00

9. Ashoka Path Nirman (Nasik) Private Limited

Corporate Information

Ashoka Path Nirman (Nasik) Private Limited was incorporated under the Companies Act on August 10, 2001. The main objects of the company are to be engaged in the business to build, erect, construct, operate on Build-Own-Lease-Transfer (BOLT) basis, repair, execute, develop infrastructural project including roadways, bridges, dams, docks, harbours, canals or any kind of work for and on behalf of Government, semi-government, NGOs or bodies corporate or individuals.

Interest of the Promoters

The shareholding of Ashok M. Katariya, Satish D. Parakh, Ashish A. Katariya and Aditya S. Parakh in Ashoka Path Nirman (Nasik) Private Limited is as follows:

Sr. No.	Name	No. of equity shares	Percentage shareholding (%)
1.	Ashok M. Katariya	850	8.50
2.	Satish D. Parakh	975	9.75
3.	Ashish A. Katariya	850	8.50
4.	Aditya S. Parakh	975	9.75

10. Ashoka Universal Academy Private Limited

Corporate Information

Ashoka Universal Academy Private Limited was incorporated under the Companies Act on May 16, 2005. The company is engaged in the business to promote, set up, manage, operate, establish, support, administer and aid educational institutions including nursery, primary, secondary and higher secondary schools, graduation and post graduation in any language for students, support schools, pathshalas, colleges, universities, vidyapeeths and educational research institutions and for advancement of physical sports and social education to students.

Interest of the Promoters

The shareholding of Ashok M. Katariya, Satish D. Parakh, Ashish A. Katariya and Aditya S. Parakh in Ashoka Universal Academy Private Limited is as follows:

Sr. No.	Name	No. of equity shares	Percentage shareholding (%)
1.	Ashok M. Katariya	950	9.50
2.	Satish D. Parakh	450	4.50
3.	Ashish A. Katariya	900	9.00
4.	Aditya S. Parakh	450	4.50

11. Ashoka Vastu Akruti Private Limited

Corporate Information

Ashoka Vastu Akruti Private Limited was incorporated under the Companies Act on February 14, 1996. The company is engaged in the business of promoters, developers, builders, masonry and general construction contractors.

Interest of the Promoters

The shareholding of Ashok M. Katariya and Satish D. Parakh in Ashoka Vastu Akruti Private Limited is as follows:

Sr. No.	Name	No. of equity shares	Percentage shareholding (%)
1.	Ashok M. Katariya	5,490	54.90
2.	Satish D. Parakh	10	0.10

12. Ashoka Vastukala Nirman Private Limited

Corporate Information

Ashoka Vastukala Nirman Private Limited was incorporated under the Companies Act on February 14, 1996. The company is engaged in the business of promoters, developers, builders, masonry and general construction contractors.

Interest of the Promoters

The shareholding of Ashok M. Katariya, Satish D. Parakh, Ashish A. Katariya and Aditya S. Parakh in Ashoka Vastukala Nirman Private Limited is as follows:

Sr. No.	Name	No. of equity shares	Percentage shareholding (%)
1.	Ashok M. Katariya	950	9.50
2.	Satish Dhondulal Parakh	900	9.00
3.	Ashish A. Katariya	900	9.00
4.	Aditya S. Parakh	900	9.00

13. Hotel Evening Inn Private Limited

Corporate Information

Hotel Evening Inn Private Limited was incorporated under the Companies Act on March 13, 1987. The main objects of the company are to be engaged in the business of hoteliers, hotel proprietors, hotel managers and operators, refreshment contractors and caterers, restaurant keepers, refreshment room proprietors, milk and snack bar proprietors, café and tavern proprietors, lodging house proprietors, ice-cream merchants, sweet-mint merchants, milk merchants, bakers, confectioners, professional merchants, licensed victuallers, wine and spirit merchants, blenders and bottlers.

Interest of the Promoters

The shareholding of Ashok M. Katariya, Satish D. Parakh, Ashish A. Katariya and Aditya S. Parakh in Hotel Evening Inn Private Limited is as follows:

Sr. No.	Name	No. of equity shares	Percentage shareholding (%)
1.	Ashok M. Katariya	450	9.01
2.	Satish D. Parakh	475	9.51
3.	Ashish A. Katariya	450	9.01
4.	Aditya S. Parakh	475	9.51

14. L&T PNG Tollway Private Limited

Corporate Information

L&T PNG Tollway Private Limited was incorporated under the Companies Act on February 16, 2009. The company is engaged in the business to undertake design, engineering, finance, procurement, construction, operation and maintenance of 6 laning of Pimpalgaon-Nashik-Gonde Section of NH3 from 380 kms to 440 kms in the State of Maharashtra under NHDP Phase III-A on BOT basis.

Interest of the Promoters

None of our Promoters have any shareholding in L&T PNG Tollway Private Limited.

15. Jaora-Nayagaon Toll Road Company Private Limited

Corporate Information

Jaora-Nayagaon Toll Road Company Private Limited was incorporated under the Companies Act on July 10, 2007. The company was incorporated to execute the Project viz. to carry on the business of Design, construction, finance, strengthening, widening, operation and maintenance on BOT basis for the four laning of Jaora – Nayagaon section from km. 126/200 to 252/200 of State Highways 31 in the State of Madhya Pradesh.

Interest of the Promoters

None of our Promoters have any shareholding in Jaora-Nayagaon Toll Road Company Private Limited.

16. A. P. Equipments & Co.

Corporate Information

A.P. Equipments & Co. was formed as a partnership firm on December 2, 1995. This is a registered partnership firm under the Indian Partnership Act with registration no. MA-14372. The partnership was registered on February 16, 1996. This partnership is presently engaged in the business of giving on hire construction equipment ad vehicles.

Interest of the Promoters

The profit/loss sharing ratio in A.P. Equipments & Co. of Ashish A. Katariya and Aditya S. Parakh is 20%, and 10%, respectively.

17. Ashoka Builders and Developers

Corporate Information

Ashoka Builders and Developers was formed as a partnership firm on June 25, 1995. This is a registered partnership firm under the Indian Partnership Act with registration no. MA-13909. The partnership was registered on October 10, 1996. This partnership is presently engaged in the business of promoters, developers, builders and general construction contractors.

Interest of the Promoters

The profit/loss sharing ratio in A.P. Equipments & Co. of Satish D. Parakh, Ashish A. Katariya and Aditya S. Parakh is 10%, 15% and 10%, respectively.

18. Ashoka Con Creations

Corporate Information

Ashoka Con Creations was formed as a partnership firm on November 6, 1996. This is a registered partnership firm under the Indian Partnership Act with registration no. MA-15811. The partnership was registered on February 24, 1997. This partnership is presently engaged in the business of promoters, masonry, developers, builders and general construction contractors.

Interest of the Promoters

The profit/loss sharing ratio in Ashoka Con Creations of Ashok M. Katariya, Satish D. Parakh and Ashish A. Katariya is 25%, 25% and 15%, respectively.

19. Ashoka Lawns

Corporate Information

Ashoka Lawns was formed as a partnership firm on April 1, 1996. This is a registered partnership firm under the Indian Partnership Act with registration no. MA-15812. The partnership was registered on February 24, 1997. This partnership is presently engaged in the business of promoters, masonry, developers, builders and general construction contractors.

Interest of the Promoters

The profit/loss sharing ratio in Ashoka Lawns of Ashok M. Katariya and Ashish A. Katariya is 30% each.

20. Shubham Developers

Corporate Information

Shubham Developers was formed as a partnership firm on May 5, 1998. This partnership is presently engaged in the business of giving on hire construction equipment and vehicles.

Interest of the Promoters

The profit/loss sharing ratio in Shubham Developers of Ashok M. Katariya and Satish D. Parakh is 55% and 45%, respectively.

Hindu Undivided Families forming part of Group Companies

1. A. M. Katariya (HUF)

A. M. Katariya (HUF) is a Hindu Undivided Family, represented by its karta Ashok Motilal Katariya.

2. S. D. Parakh (HUF)

S. D. Parakh (HUF) is a Hindu Undivided Family, represented by its karta Satish Dhondulal Parakh.

3. Ashish A. Katariya (HUF)

Ashish A. Katariya (HUF) is a Hindu Undivided Family, represented by its karta Ashish A. Katariya.

Companies with which the Promoters have disassociated in the last three years

The promoters have not disassociated themselves from any company/ firm during preceding three years. None of the group companies have been struck from the records of the registrar of companies during preceding three years.

Common pursuits with the Issuer

We shall adopt the necessary procedures and practices as permitted by law to address any conflict situations as and when they may arise. For further details on the related party transactions, to the extent of which the Company is involved, see the section entitled "Related Party Transactions" on page 180 of this Draft Red Herring Prospectus.

RELATED PARTY TRANSACTIONS

	Particulars	Parties Where Control Exists					Associates And Joint Ventures					Key Management Personnel				
		2004-05	2005-06	2006-07	2007-08	2008-09	2004-05	2005-06	2006-07	2007-08	2008-09	2004-05	2005-06	2006-07	2007-08	2008-09
1	Contract Receipts	31.80		221.88	530.97	3635.43	356.97	582.75	317.26	441.47	276.45					
	Sub Contract Payments															
	Reimbursement of expenses paid						3.93	0.27				0.01	0.03			
	Reimbursement of Exp. Received						0.76	2.76		1.45						
	Salary Paid											7.04	9.35	12.04	13.38	12.58
	Rent Paid													0.08		0.88
	Retainership Paid															
	Commission Paid															
	Machinery / Vehicle Charges Paid											0.56	0.51			
	Machinery / Vehicle Charges Received						0.10	0.03								
	Material Sold															
	Interest Paid		0.06	69.93	38.42	74.51	5.29	44.54	21.09	22.78	21.02	2.07	0.98			
	Interest Received		2.79	17.34	17.67	2.44	0.06	11.25					0.01			
	Sale of Material			1.68	1.88	2.96	129.44	49.92	0.47	0.63						
	Purchase of Material						0.32	0.32								
	Investment in															
	- Equity / Pref Shares			0.31		20.55	2.86	58.00								
	- Share Application				4.70	443.12	8.75									
	- Partnership Firms															
	- Joint Ventures															
	Share Application Received	0.87					0.38									
	Share Application Refund	18.92						0.38								
	Purchases of shares			93.53		280.00			283.67					4.43		
	Guarantees Issued	3.40	10.00				615.40	765.00					5.59			
	Guarantees Received															

	Particulars	Parties Where Control Exists					Associates And Joint Ventures					Key Management Personnel				
		2004-05	2005-06	2006-07	2007-08	2008-09	2004-05	2005-06	2006-07	2007-08	2008-09	2004-05	2005-06	2006-07	2007-08	2008-09
	Loan Taken		30.00	429.10	10.50	370.68	306.71	816.90	289.51			7.35	1.67	21.28		
	Loans Repaid						50.45					5.94				
	Loans Given	41.82	37.26	17.82	12.50	828.85	2.61		1.33	161.42	315.07				0.8	1.10
	Loans Refund	15.68	30.00				13.58	246.22					11.55			
	Outstanding Payable															
	- for purchases				0.07	127.21				18.58					1.16	0.11
	- for loans				576.10	799.16				228.06	177.72					
	- Advances Received against Contract				105.57	407.15					12.53					
	Outstanding Receivables															
	- For Purchases/services				334.71	407.13				37.45						
	- For Loans				132.27	844.78				166.21	356.99					1.10

	Particulars	Director and their Relatives					Enterprises in which key management or Directors have significant influence				
		2004-05	2005-06	2006-07	2007-08	2008-09	2004-05	2005-06	2006-07	2007-08	2008-09
1	Contract Receipts						1378.25	284.80			2337.78
	Sub Contract Payments						367.81	191.52	39.34	0.71	1.07
	Reimbursement of expenses paid						13.67	1.60			
	Reimbursement of Exp. Received						18.36	0.58			
	Salary Paid	3.17	0.19		0.49	0.60					
	Rent Paid	0.36	0.36			1.84					
	Retainership Paid	0.06									
	Commission Paid						0.51	037			
	Machinery / Vehicle Charges Paid	1.90	1.70				22.82	0.90	0.25		
	Machinery/ Vehicle Hire Charges Recived			0.63			2.46	0.73	0.80	1.46	
	Repairs And Maintenance										

	Particulars	Director and their Relatives					Enterprises in which key management or Directors have significant influence				
		2004-05	2005-06	2006-07	2007-08	2008-09	2004-05	2005-06	2006-07	2007-08	2008-09
	Interest Paid	0.56	1.00				0.41				
	Interest Received			0.28			3.40	0.57	0.06		
	Sale of Material						0.18	3.64	7.91	3.15	0.10
	Purchase of Material			87.13	70.59		2.21	7.37	6.19	7.71	35.46
	Purchase of Fixed Assets										
	Investment in										
	- Equity Shares										
	- Share Application										
	- Partnership Firms										
	- Joint Ventures										
	Share Application Received										
	Purchases of shares			1.04					329.62		
	Guarantees Issued	0.33						41.49			
	Guarantees Received							1950.00			
	Loan Taken	0.51	023				51.38		32.09		
	Loans Repaid	0.76					12.10				
	Loans Given	0.17		3.00	0.15	2.35	143.26		51.54	10.66	
	Loans Refund		8.65				72.44				
	Outstanding Payable										
	- for purchases			0.04	6.37	0.19			8.57	5.12	
	- for loans				0.04						
	- Advances Received against Contract										
	Outstanding Receivables										
	- For Purchases/services			0.58					4.28	28.74	94.08
	- For Loans					2.35			29.77	19.21	3.67

DIVIDEND POLICY

We have not declared or paid any cash dividend on our Equity Shares in the last five Fiscals. The declaration and payment of dividends if any, will be recommended by our Board of Directors and approved by our shareholders in their discretion, and will depend on a number of factors, including but not limited to our earnings, capital requirements and overall financial position. The Company has no stated dividend policy. This is not indicative of our dividend policy or dividend amount, if any, in future.

INDEBTEDNESS

I. Details of Borrowings of the Company

(a). Secured Borrowings

Our secured borrowings as of June 30, 2009 are as follows:

Sr. No.	Nature of Borrowing	Name of the Lenders	Total Cash Credit/ Working Capital Demand Loan Limit (In Rs. million)	Amount Outstanding as on June 30, 2009 (In Rs. million)	Total Non-Fund Based Limit (In Rs. million)	Amount Outstanding as on June 30, 2009 (In Rs. million)	Repayment	Security
	Working capital loan through loan agreement dated September 28, 2007 with a consortium of Axis Bank Limited, Bank of Maharashtra, Indian Bank, Bank of India, Federal Bank, State Bank of India, Corporation Bank and Canara Bank	Aggregate	1,000.00	171.03	6,000.00	2,618.58	Repayable on Demand	For details of security see Note 1 below.
		Axis Bank Limited	150.00	19.93	900.00	635.97	Repayable on Demand	
		Bank of India	150.00	0.82	900.00	562.14	Repayable on Demand	
		Bank of Maharashtra	100.00	40.62	600.00	430.44	Repayable on Demand	
		Canara Bank	80.00	0.16	600.00	88.61	Repayable on Demand	
		Corporation Bank	100.00	0.65	600.00	142.02	Repayable on Demand	
		Federal Bank	80.00	30.38	480.00	0.00	Repayable on Demand	
		Indian Bank	140.00	0.53	840.00	376.71	Repayable on Demand	
		State Bank of India	200.00	77.95	500.00	382.69	Repayable on Demand	
		Unallocated limits	Nil	Nil	580.00	Nil		

Note (1):

1. A first charge on all the current assets of the Company, both present and future, wherever situated, excluding assets pertaining to Nashirabad, Ahmednagar-Karmala and Sheri Nalla Projects and those which have been permitted to be excluded by the consortium in their discretion.

2. A first charge on the moveable and immoveable fixed assets of the Company, both present and future, except those which have already been charged to other banks/FIs.

3. A negative lien on the moveable and immoveable fixed assets of the Company.

4. A residual charge on the license to collect toll, both present and future.

5. A first charge on land at Nashik owned by Ashoka Township.

6. Corporate guarantee of Ashoka Promoters Private Limited, Ashoka Premises Private Limited and Ashoka Nirmiti Private Limited.

7. Personal guarantee of Ashok Katariya and S. D. Parakh, both being directors of the Company.

(b). Corporate, Equipment and Vehicle Loans

As of June 30, 2009, the Company had availed of a total amount of Rs. 601.82 million from different lenders for the purchase of corporate, equipment and vehicles against such equipment, vehicles and machinery as collateral security as provided below:

(In Rs. million)

Sr. No.	Name of the lender	Sanctioned Amount	Outstanding Amount as on June 30, 2009	Interest (%)
1.	ABN Amro Bank N.V.	58.17	27.05	9.36%-12.50%
2.	Bank of Maharashtra	5.70	2.97	10.75%-11.75%
3.	HDFC Bank (erstwhile Centurion Bank of Punjab)	10.65	4.31	9.50%
4.	Development Credit Bank	1.73	1.24	10.74%
5.	ICICI Bank Limited	200.41	64.66	8.34%-11.56%
6.	Cholamandalam DBS Finance Ltd.	1.14	0.04	9.50%
7.	Kotak Mahindra Bank Ltd.	25.00	10.74	10.00%
9.	Reliance Capital Limited	42.40	34.24	11.60%
10.	Srei Infrastructure Finance Ltd.	0.00	0.00	9.50%

Sr. No.	Name of the lender	Sanctioned Amount	Outstanding Amount as on June 30, 2009	Interest (%)
11.	Standard Chartered Bank	197.85	119.79	9.00% -13.80%
12.	HDFC Nashik	32.00	6.50	10.56%-12.00%
13.	HDFC Bank	26.77	25.70	8.00%-11.00%
Total		**601.82**	**297.24**	

Corporate Actions

Some of the corporate actions for which the Company requires the prior written consent of the lenders include the following:

1. Effecting any change in its capital structure.

2. Formulating any scheme of amalgamation or reconstruction.

3. Implementing or undertaking any new project/scheme or acquisition except in the normal course of business.

4. Making any corporate investments or investment by way of share capital or debentures or lend or advance funds to or place deposits with, any other concern except give normal trade credits or place on security deposits in the normal course of business or make advances to employees; provided that the Company may make such investments by way of deposits or advances that are required statutorily to be made as per existing laws of the country or the rules or regulations or guidelines issued from time to time by the authorities concerned.

5. Undertaking guarantee obligations on behalf of any third party or any other company.

6. Declaring dividends for any year except out of the profits relating to that year.

7. Any drastic change in the management set-up of the Company.

8. Permitting any transfer of the controlling interest in the Company.

(c). Project Loans

As of June 30, 2009, the Company had availed of a total amount of Rs. 1470 million from different lenders for financing their infrastructure projects as detailed in the table below:

Sr. No.	Name of the Lender(s)	Nature of Borrowing	Amount Sanctioned (In Rs. Million)	Principal Amount Outstanding as at June 30, 2009 (In Rs. Million)	Interest (In % p.a.)	Tenure (years)	Repayment	Security
Ahmednagar - Karmala Road Project								
1.	IDFC	Rupee loan agreement dated June 19, 2003 between the Company and IDFC	380.0	159.31	12.07	16.75	Repayable in 102 installments by December 2011.	For details of security see Note (i) below.
2.	IDFC	Rupee loan agreement dated September 21, 2005 between the Company and IDFC	450.0	405.72	12.07	16.75	Repayable in 105 installments by December 2014.	For details of security see Note (i) below.
Ahmednagar - Aurangabad Road Project								
1.	IDFC	Rupee loan agreement dated August 28, 2007 between the Company and the IDFC	670.0	622.02	11.11	10.75	Repayable in 102 equal monthly installments with the last date of payment being March 15, 2017.	For details of security see Note (ii) below.

Note (i):

1. A first charge and mortgage on the entire present and future immoveable assets of the Company pertaining to the Ahmednagar-Karmala project;

2. A first charge by way of hypothecation of the Company's entire moveable assets pertaining to the Ahmednagar-Karmala project;

3. A first charge on the Company's book debts, operating cash flows, receivables, commissions, revenues pertaining to the Ahmednagar-Karmala project;

4. A first charge of all intangibles including goodwill, uncalled capital, present and future, of the Company pertaining to the Ahmednagar-Karmala project;

5. A first charge by way of assignment or creation of security interest in favour of the lender, of all rights, title, interest or claims of the Company arising out of the project documents, permits, approvals, clearances, letter of credit, guarantee and insurance pertaining to the Ahmednagar-Karmala project;

6. A first charge on all accounts of the Company, including escrow accounts, pertaining to the Ahmednagar-Karmala project;

7. A pledge of equity shares aggregating to 3.41 % of the total paid up capital of the Company. In accordance with the terms of the loan agreement an additional 20.45% of the total paid up capital of the Company will have to be pledged to IDFC; and

8. Personal guarantees by Ashok Katariya, Sunil Raisoni and Satish Parakh, all being Directors of the Company.

Note (ii):

1. An exclusive first charge by way of hypothecation of all the Company's moveables including moveable machinery, machinery spares, tools and accessories, present and future pertaining to this project;

2. An exclusive first charge on the Company's book debts, operating cash flows, receivables, commissions, revenue of whatsoever nature and wherever arising, present and future pertaining to this project;

3. An exclusive first charge on all intangibles of the Company including but not limited to goodwill, uncalled capital, present and future pertaining to this project;

4. A first charge by way of assignment or creation of charge of (i) all the rights, title, interest, benefits, claims and demands, whatsoever of the Company in the project documents (including but not limited to the Concession Agreement, O&M Contract), duly acknowledged and consented to by the relevant counter-parties to such project documents, all as amended, varied or supplemented from time to time; (ii) all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the clearances relating to this project; (iii) all the right, title, interest, benefits, claims and demands whatsoever, of the Company in any letter of credit, guarantee, performance bond provided by any party to the project documents and (iv) all insurance contracts/insurance proceeds relating to this project; and

5. An exclusive charge on the trust and retention account, debt service reserve account and other reserves and any other bank accounts of the Company wherever maintained, pertaining to this project.

(d). Unsecured Borrowings

As of June 30, 2009, the total unsecured loans of the Company aggregated to Rs. 991.75 million. This includes loans taken from the following subsidiaries, partnership firms of the Company and Group Companies:

(In Rs. million)

Sr. No.	Name of the lender	Outstanding Amount as on June 30, 2009
1.	Ashoka Highway Ad	19.35
2.	Ashoka DSC Katni Bypass Road Private. Limited	25.09
3.	Ashoka Infraways Private Limited	382.89
5.	Viva Highways Private Limited	382.96
6.	Jayaswals Ashoka Infrastructure Private Limited	181.46
TOTAL		**991.75**

AUDITOR'S REPORT ON STAND-ALONE FINANCIAL INFORMATION

The Board of Directors
M/s Ashoka Buildcon Limited
Survey No. 861, Ashoka House
Ashoka Marg, Vadala
Nashik, Maharashtra - 422 011

Dear Sirs,

1. We have examined the financial information annexed to this report, as approved by The Board of Directors of the company, prepared in terms of

   - ❖ Paragraph B (1) of Part II part of Schedule II of the Companies Act, 1956
   - ❖ SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, (the "Regulations)"
   - ❖ Our engagement letter agreed upon with you with the proposed issue of equity shares of the company.

2. This information has been extracted by the Management from the audited financial statements for the year ended March 31, 2005, 2006, 2007, 2008 and 2009. Audit for the financial years ended March 31, 2005 and 2006 was conducted by previous auditors, M/s Rathi Daga & Co, Chartered Accountants, and accordingly reliance has been placed on their audit report for the said years. The restated financial information included for these years, i.e. March 31, 2005 and 2006 are based solely on the reports submitted by the previous auditors M/s Rathi Daga & Co to the company.

3. In accordance with the requirements of Paragraph B(1) of Part II of Schedule II of the Act, the Regulations and terms of our engagement agreed with you, we further report that:

   a) The restated summary statement of assets and liabilities, restated summary statement of profits and losses and restated statement of cash flows of the Company, as at March 31, 2005 and 2006 examined by us, by placing reliance on audit reports issued by M/s Rathi Daga & Co, for those years, as at and for the year ended March 31, 2007, 2008 and 2009 examined by us, as set out in the **Annexure I, II and III** to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in the notes on adjustments for re-stated financial statements and significant accounting policies for re-stated financial statements as set out in **Annexures IV and V**.

   b) Based on above, we are of the opinion that that the restated financial information has been made after incorporating:

      (i) adjustments for the material amounts in the respective financial years to which they relate,
      (ii) adjustments for qualifications retrospectively in the respective financial years to reflect the accounting treatment to be followed had there been no qualification,

   c) Based on our examination, we are of the opinion that the standalone restated financial statements have been prepared on the basis of accounting policies adopted as at and for the year ended March 31, 2009.

   d) There are no extra ordinary items which need to be disclosed separately in the standalone restated financial information.

4. We have also examined following other financial information set out in the below mentioned annexures prepared by the management and approved by the Board of Directors relating to the Company for the year ended March 31, 2005, 2006, 2007, 2008 and 2009. In respect of the years ended March31, 2005 and 2006, this information has been included by placing reliance on the audit reports issued by M/s Rathi Daga & Co. and relied upon by us.

(i). Statement of Secured Loan included in **Annexure VI**
(ii). Statement of Unsecured Loan included in **Annexure VII**
(iii). Statement of Loans & Advances included in **Annexure VIII**
(iv). Statement of Sundry Debtors included in **Annexure IX**
(v). Statement of Investment included in **Annexure X**
(vi). Statement of Current Liabilities and Provisions included in **Annexure XI**
(vii). Statement of Other Income included in **Annexure XII**
(viii). Statement of Contingent Liabilities and Capital Commitments included in **Annexure XIII**
(ix). Statement of Dividend declared / Paid / Proposed included in **Annexure XIV**
(x). Statement of Accounting Ratios included in **Annexure XV**
(xi). Statement of Capitalisation as at March 31, 2009 included in **Annexure XVI**
(xii). Statement of Related Party Transaction included in **Annexure XVII**
(xiii). Statement of Tax Shelter included in **Annexure XVIII**
(xiv). Statement of Segment Reporting included in **Annexure XIX**

5. In our opinion the financial information contained in **Annexure I to XIX** of this report read along with the Significant Accounting Policies, and Notes to Accounts prepared after making 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 Regulations.

6. Our report is intended solely for use of the management and for inclusion in the offer document in connection with the proposed issue of equity shares of the Company. Our report and should not be used, referred to or distributed for any other purpose except with our prior written consent.

For **M P Chitale & Co.**
Chartered Accountants

Murtuza Vajihi
Partner
ICAI M. No. 112555

Mumbai,
September 14, 2009

ANNEXURE: I

SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

Particulars	As At (All figures in Rupee millions)				
	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
ASSETS :					
Tangible Assets					
Fixed assets - Gross block	1,306.22	1,106.47	889.35	566.09	497.06
Less: Depreciation Reserve	430.33	331.85	221.01	152.40	121.59
Net block (1)	875.89	774.62	668.34	413.69	375.47
Intangible Assets					
Fixed assets - Gross block	2,208.76	1,182.12	1,256.37	1,259.68	1,235.65
Less: Amortisation Reserve	753.01	537.77	461.23	318.60	251.99
Net block (2)	1,455.75	644.35	795.14	941.08	983.66
Add : Capital Work in Progress (3)	179.40	982.62	263.74	48.17	9.47
Total (1 + 2 + 3)	**2,511.04**	**2,401.59**	**1,727.22**	**1,402.94**	**1,368.60**
INVESTMENTS (B)	**1,935.33**	**1,653.62**	**1,607.57**	**916.84**	**816.64**
CURRENT ASSETS, LOANS & ADVANCES:					
Inventories	670.02	905.47	588.58	297.19	191.04
Sundry debtors	727.80	654.76	290.42	477.43	172.73
Cash & bank balances	479.07	525.06	1,050.32	448.63	256.10
Loans and advances	2,275.97	684.72	629.61	565.18	349.26
Total (C)	4,152.86	2,770.01	2,558.93	1,788.42	969.13
TOTAL ASSETS (A + B +C)	**8,599.23**	**6,825.22**	**5,893.72**	**4,108.20**	**3,154.37**
LIABILITIES AND PROVISIONS:					
Unsecured loans	976.88	804.60	812.11	887.49	420.54
Secured Loans	2,277.99	2,287.04	1,726.03	1,222.48	719.19
Deferred tax liability	18.39	12.84	24.46	26.81	11.83
Current liabilities & provisions :					
Current liabilities	1,856.76	778.37	560.09	375.41	502.99
Provisions - Staff Unencashed Leave & Gratuity	4.82	4.91	5.54	2.29	1.19
Provisions for taxation	155.64	71.07	39.24	17.46	8.25
Total (D)	**5,290.48**	**3,958.83**	**3,167.47**	**2,531.94**	**1,663.99**
NET WORTH					
Represented by:					
Share capital	587.25	587.25	224.21	211.40	211.40
Security premium (Net of Share Issue Expenses)	1,393.32	1,446.69	1,858.90	893.86	918.61
Preference Share redemption Reserve	159.33	141.62	176.39	151.64	126.88

Particulars	As At (All figures in Rupee millions)				
	March 31, 2009	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**	**March 31, 2005**
Profit and loss account	1,168.86	690.82	466.74	319.36	233.49
Less: Preliminary / share issue expenses not written off	-	-	-	-	-
Total (E)	**3,308.75**	**2,866.39**	**2,726.25**	**1,576.26**	**1,490.38**
TOTAL LIABILITIES (D + E)	**8,599.23**	**6,825.22**	**5,893.72**	**4,108.20**	**3,154.37**

Notes: In the financial year 2007-2008 balance of Profit and loss Account increased by Rs 3.59 million due to effect of transitional provision of A.S. 15

ANNEXURE: II

SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED

Particulars	**Year Ended (All figures in Rupee millions)**				
	March 31, 2009	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**	**March 31, 2005**
INCOME :					
Turnover					
- Construction Revenue	6,223.02	2,246.62	2,445.41	1,181.32	777.60
- Sales	811.78	679.71	481.86	247.38	296.25
- Toll Income – BOT	387.82	337.75	280.50	218.72	219.45
- Toll Income – Contract	-	-	345.40	20.42	-
Total Turnover	7,422.62	3,264.08	3,553.17	1,667.84	1,293.30
Other Income	137.42	155.54	158.44	129.17	102.73
TOTAL INCOME	**7,560.04**	**3,419.62**	**3,711.61**	**1,797.01**	**1,396.03**
EXPENDITURE :					
Contract / O & M Expenses	5,305.68	1,881.52	2,191.80	959.97	661.36
Cost of Material Sold	581.56	525.22	374.02	221.90	240.59
Toll Expenses – Contract	-	-	316.87	17.92	-
Staff Expenses	171.54	125.58	102.37	63.73	48.85
Administrative Expenses	152.46	141.65	112.10	70.95	53.52
Finance Costs	449.17	254.04	240.00	160.09	113.47
Depreciation	115.79	99.93	73.64	59.79	37.67
Amortisation	215.24	150.80	142.63	123.66	130.11
TOTAL EXPENDITURE	**6,991.44**	**3,178.74**	**3,553.43**	**1,678.01**	**1,285.57**
Profit before tax , prior period items and Adjustments	568.60	240.88	158.18	118.99	110.46
Provision for taxation :					
Current Tax (Net)	82.80	29.18	12.74	15.80	6.12
Deferred Tax	5.55	(11.62)	(2.35)	14.98	(7.95)
Fringe Benefit Tax	2.22	2.83	1.41	2.03	-
Profit before prior period items and Adjustments	478.03	220.49	146.38	86.18	112.28
ADJUSTMENT (see Annexure IV)					
ADJUSTMENTS (see Note 1 of Annexure IV)	**-**	**-**	**(1.49)**	**0.79**	**(1.44)**
Current Tax Impact of Adjustments	-	-	0.49	(0.50)	0.26
Net Profit After Adjustments	478.03	220.49	147.38	85.89	113.46
Profit of Merged Entities					
Net Profit attributable to Shareholders	478.03	220.49	147.38	85.89	113.46
Profit Brought Forward from Previous years	690.82	466.74	319.36	233.48	120.02

Particulars	Year Ended (All figures in Rupee millions)				
	March 31, 2009	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**	**March 31, 2005**
Profit of Merged Entities					
Balance carried to Balance sheet	**1,168.86**	**687.23**	**466.74**	**319.36**	**233.48**

Notes: Profit Brought Forward from Previous years in financial year 2008 - 2009 is increased by Rs. 3.59 million due to transitional provision of A.S. 15

ANNEXURE: III

STATEMENT OF CASH FLOW, AS RESTATED

Particulars	**As At (All figures in Rupee millions)**				
	March 31, 2009	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**	**March 31, 2005**
A. CASH FLOW FROM OPERATING ACTIVITIES :					
Net Profit before Tax and after Adjustments	568.59	240.88	159.67	118.20	111.90
Adjustments for :	-	-			
Depreciation / Amortisation	331.03	250.73	212.04	184.86	167.08
Investment Income	(61.57)	(55.21)	(48.81)	(58.70)	(59.15)
Interest (Net)	449.17	254.04	240.00	160.09	113.57
Impact of Transitional Provision As per AS-15	-	3.59			
Profit & Loss on sale of Assets	(4.24)	(1.02)			
Share Issue Expenses written off					
Operating Profit before Working Capital Changes	1282.99	692.27	562.90	404.44	333.39
Adjustments for :					
Inventories	235.45	(316.89)	(291.39)	(106.15)	(128.21)
Trade and Other Receivables	(1,615.38)	(387.67)	130.92	(498.07)	63.92
Trade Payables	1,078.30	218.45	201.37	(114.26)	(154.91)
Cash Generated from the Operations	981.36	206.16	603.80	(314.04)	114.18
Direct Taxes provision	(85.02)	(32.01)	(14.64)	(13.56)	(13.78)
Net Cash from/(used in) Operating Activities	896.35	174.15	589.16	(327.61)	100.40
B. CASH FLOW FROM INVESTING ACTIVITIES :					
(Purchase) / Sales of Fixed Assets	(436.24)	(924.08)	(534.98)	(231.50)	(162.05)
Investments :	-	-			
(Purchase) / repayment & reduction of Investments	(281.71)	(46.05)	(690.73)	(99.81)	3.56
Share of profits/ (losses) Associates /Joint Ventures	61.57	55.21	47.46	61.21	59.92
Net Cash (used in) Investing Activities	(656.39)	(914.93)	(1,178.25)	(270.10)	(98.57)
C. CASH FLOW FROM FINANCING ACTIVITIES :					
Increase in Share Capital	-	(83.94)	1,002.61	(19.93)	(3.73)
Proceeds from borrowings (Net)	163.23	553.50	428.16	970.25	179.81
Interest Paid	(449.17)	(254.04)	(240.00)	(160.09)	(113.57)
Preliminary and Share Issue Expenses					
Net Cash from/(used in) Financing	(285.94)	215.52	1,190.78	790.23	62.51

Particulars	As At (All figures in Rupee millions)				
	March 31, 2009	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**	**March 31, 2005**
activities					
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**(45.98)**	**(525.26)**	**601.69**	**192.53**	**64.34**
Cash & Cash Equivalent, end of year / period	479.07	525.06	1,050.32	448.63	256.10
Cash & Cash Equivalent, beginning of year / period	525.06	1,050.32	448.63	256.10	191.76
NET INCREASE IN CASH AND CASH EQUIVALENTS	**(45.98)**	**(525.26)**	**601.69**	**192.53**	**64.34**
COMPONENTS OF CASH AND CASH EQUIVALENTS					
Cash in hand	3.24	3.10	4.49	4.66	2.32
Balances with Banks:	-	-			
-On Current Account	160.15	155.25	168.54	51.58	64.92
-On Deposit Account	315.69	366.71	877.28	392.38	188.85

ANNEXURE IV

BREAK UP OF ADJUSTMENTS/RESTATMENTS MADE IN RESTATED FINANCIAL INFORMATION

The adjustments / restatements made while preparing the Restated Financial Information are summarized below:

Particulars	As At (All figures in Rupee millions)				
	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
Net Profit After Tax and before adjustments as per Audited Financial Statements	478.03	220.49	146.38	86.18	112.28
Restatements / Adjustments on account of :					
- Prior Period items (refer Note 1 (a) below)	-	-	(0.80)	(0.39)	1.54
- Provision for Leave Encashment (refer Note 1 (b) below)	-	-	2.29	(1.10)	(0.81)
- Adjustment of Depreciation for Prior Years (refer Note 1 (c) below)	-	-	-	0.70	0.70
- Adjustments of Income tax for prior years	-	-	-	-	-
- Adjustments of deferred tax for prior years	-	-	-	-	-
Current Tax impact of Adjustments	-	-	(0.49)	0.50	(0.26)
Net Profit After Tax and after Extraordinary items as per Restated Financial Information of profits and losses	478.03	220.49	147.38	85.89	113.46

NOTES ON ADJUSTMENTS MADE IN THE RESTATED FINANCIAL INFORMATION

CHANGE IN ACCOUNTING POLICIES:

1 (a) In the restated financial statements prior period items are considered as expenditure / income in the financial year for which these items pertain to.

1 (b) Leave encashment was accounted for on payment basis till financial year 2005-06 and no provision was made for outstanding leave. In the restated financial statements the provision for leave encashment has been made from financial year 2002-2003 onwards.

1 (c) In the restated financial statements error in calculation of amortisation are accounted for, in the respective financial year.

ANNEXURE V

Notes on adjustments for re-stated financial statements and significant accounting policies.

COMPANY OVERVIEW:

The Company is incorporated in 1993. It is presently in the business construction of infrastructure facilities on Engineering, Procurement and Construction Basis (EPC) and Built, Operate and Transfer (BOT) Basis and Sale of Ready Mix Concrete and Bitumen. The Company has promoted Special Purpose Vehicles (SPVs) for some of its projects. The SPVs significantly engage the services of the Company for contract related activities due to inherent execution capabilities / expertise and experience of the Company.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:

a) Basis & Method of Accounting:

The Company follows mercantile system of accounting and recognizes income and expenditure on an accrual basis. Financial Statements are prepared under historical cost convention, in accordance with the Generally Accepted Accounting Principles in India (GAAP) and comply in all material aspects, with mandatory accounting standards as notified by the Companies (Accounting Standards) Rules, 2006, relevant provisions of the Companies Act and statements issued by the Institute of Chartered Accountants of India. The significant accounting policies followed by the Company are set out below. Management has made certain estimates and assumptions in conformity with the GAAP in the preparation of these financial statements, which are reflected in the preparation of these financial statements. Difference between the actual results and estimates are recognised in the period in which the results are known.

b) Fixed Assets & Depreciation:

i) Fixed assets are stated at cost less accumulated depreciation. Cost comprises cost of acquisition and expenditure directly attributable for commissioning of the asset. In respect of assets acquired on merger, fixed assets are stated at their fair market value on the effective date of merger less depreciation.

ii) Depreciation has been provided on Written Down Value method at the rates specified in Schedule XIV to the Companies Act, 1956.

c) Intangible assets & Amortization

i) Intangible assets are carried at cost of acquisition less any subsidies or grants. These assets include all duties, non-refundable taxes, levies and costs incurred (which are directly attributable) for bringing assets into working conditions for its intended use. Intangible assets include assets that are incidental for the purpose of Toll Collection and which will be handed over at the end of the concession period. Fees incurred in order to arrange long-term financing are capitalized and amortized over the life of the asset.

ii) Intangible assets are amortized on straight line method over the useful life of the asset/ Concession period. Amortization of these Intangible Assets commences when the Right to Collect Toll is established by the Company.

d) Investments

Long term Investments are stated at acquisition cost. Investments acquired on merger are stated at their fair market value on the effective date of merger.

e) Revenue Recognition

i) Construction Contracts

Revenue from long term contracts is recognized on percentage completion basis. Provisions for future foreseeable losses are fully provided for. Claims and variations for escalations/damages are recognized only when accepted by the client. Claims under arbitration/disputes are accounted as income based on final award. Expenses on arbitration are accounted as incurred.

ii) Sales

Sale of goods is recognised on dispatch to customers. Sales are stated net of VAT, duties and discounts.

iii) Toll Collection – BOT & Contracts

(a) Income from toll collection is recognised on the basis of actual collections.

(b) Sale of discounted toll coupons/swipe cards is recognized as income at the time of sale.

iv) Income from Joint Venture project is recognised only when the profit / income is ascertained and there is certainty and substantial precision as to amount of income.

f) Inventory

i) Inventory of construction / raw material is valued at cost or net realizable value whichever is less. Cost includes all taxes and expenses incurred to bringing inventory to their present location and condition. Cost is arrived at using FIFO basis.

ii) Work in Progress in respect of construction contracts is valued on the basis of technical estimates and percentage completion basis.

iii) Stores and spares are expensed as and when purchased.

g) Employee Benefits

i) Provision for liabilities in respect of leave encashment is estimated on the basis of an actuarial valuation.

ii) Provision for gratuity liability is made on the basis of Actuarial Valuation in respect of the Group Gratuity Policy with an insurance company.

iii) Provident Fund benefit to employees is provided for on accrual basis and charged to Profit and Loss Account.

iv) Compensation Cost of ESOP to employees is accounted on Intrinsic Value Method. Intrinsic value is the amount by which the quoted market price of the underlying shares on the grant date exceeds the exercise price of the options. Accordingly, the compensation cost is amortized over the vesting period.

h) Borrowing Cost

Borrowing costs attributable to acquisition and construction of capital assets are capitalized till the asset is put to use/ready for use. Borrowing costs attributable to construction contract project are charged to profit & loss account and are included for computation of work in progress. All other borrowing costs are recognised as expenditure in the period when they were incurred.

i) Foreign Exchange Transactions, Forward Contracts and Derivatives:

(a) Transactions in foreign currency are recorded at exchange rates prevailing on the dates of respective transactions. The difference in translation and realized gains and losses on foreign exchange transactions are recognized in the Profit and Loss Account.

(b) The Company enters into derivative contracts to hedge against the risk of adverse movements in interest rates, foreign currencies or value of the hedged items. All outstanding derivative instruments at close are marked to market by type of risk and the resultant losses relating to the Period, if any, are recognised in the Profit & Loss Account. Gains are accounted on realisation.

j) Impairment of Fixed Assets

Wherever events or changes in circumstances indicate that the carrying value of fixed assets may be impaired, such assets are subject to a test of recoverability, based on discounted cash flows expected from use or disposal thereof. If the assets are impaired, loss is recognised.

k) Taxes on income

i) Tax expense comprises both current and deferred tax at the applicable enacted/substantively enacted rates. Current tax represents the amount of income tax payable in respect of the taxable income for the reporting period.

ii) Deferred tax represents the effect of timing differences between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. Such assets are reviewed as at each Balance Sheet date to reassess realization.

l) Provisions and contingencies

Provisions are recognised when the company has a legal and constructive present obligation as a result of a past event, for which it is probable that outflow of resources will be required and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed when there is a possible obligation that may result in an outflow of resources. Contingent assets are neither recognised nor disclosed.

2. AS 7 - Accounting for Construction Contracts:

(Rs. in million)

Sr. No.	Particulars	For 2008-09	For 2007-08
Revenue from fixed price construction contracts are recognized on the percentage of completion period,			

Sr. No.	Particulars	For 2008-09	For 2007-08
measured by reference to the percentage of cost incurred up to the Period end to estimated total cost for each contract			
1.	Total Contract revenue recognised during the year	6,223.02	2,246.62
2.	Particulars about contracts in progress at the end of the year		
a)	Aggregate amount of cost incurred up to year end	7,989.61	2,436.56
b)	Aggregate amount of profit / loss Recognised	869.07	160.54
c)	Advance Received	457.50	112.06
d)	Retention Amount	207.14	35.27
3.	Gross Amount due from customers for contract work	347.12	711.03
4.	Gross amount due to customers for contract work	Nil	2.56

Percentage completion method for income recognition on long term contracts involves technical estimates by engineers/technical officials, of percentage of completion and costs to completion of each project/contract on the basis of which profit/loss is allocated.

3. The Company has entered into a derivative transaction as under:

Details of Derivative Contract	Date of Termination	Amount (Rs. In million)
INR US Interest Rate SWAP	January 28, 2013	1, 000.00

The Company has provided for losses as at 31.3.2009 arising due to Marked to Market basis of INR US$ interest rate swap aggregating to Rs. 12.68 million. The said amounts have been classified under "Interest and Financial Charges".

Foreign Currency exposures amounting to Euro 54,270/-, which is not hedged.

4. Employee Stock Options

The Board of Directors of the company has approved creation of an Employee Stock Option on December 13, 2007. The company has granted stock options for 758,321 shares on December 15, 2007 at an exercise price of Rs. 190 per share. Options granted have a vesting period of five years. The Compensation Committee administers the plan. The details of the stock option plan are as under:

	For 2008-09		For 2007-08	
	Number of options	Exercise Price (Rs.)	Number of options	Number of options
Outstanding at the beginning of the year				
Loyalty Option	218,740	190	Nil	Nil
Growth Option	561,310	190	Nil	Nil
Granted during the Year:				
Loyalty Option	Nil	Nil	218,740	190
Growth Option	Nil	Nil	561,310	190
Forfeited during the Year:				
Loyalty Option	Nil	Nil	Nil	Nil
Growth Option	Nil	Nil	Nil	Nil
Exercise during the Year:				
Loyalty Option	Nil	Nil	Nil	Nil
Growth Option	Nil	Nil	Nil	Nil
Outstanding at the end of the Year:				

	For 2008-09		For 2007-08	
	Number of options	Exercise Price (Rs.)	Number of options	Number of options
Loyalty Option	218,740	190	218,740	190
Growth Option	561,310	190	561,310	190
Exercisable at the end of the Year:				
Loyalty Option	Nil	Nil	Nil	Nil
Growth Option	Nil	Nil	Nil	Nil

Guidance Note on 'Accounting for employee share based payments' issued by the Institute of Chartered Accountants of India establishes financial accounting and reporting principles for employee share based payment plans.

The Company has applied Intrinsic Value Method of Accounting. The difference between the Fair Value of the Equity Share as at March 31, 2008 (as determined by the Category I Merchant banker) and the exercise price is Rs.NIL. Accordingly no Compensation Cost needs to be required.

Had the Compensation Cost for the plan applied in a manner consistent with the fair value approach described in the guidance note, the Company's Net Income and Basic and Diluted Earnings Per Share as reported would have reduced to the pro forma amounts as under:

	For 2008-09	For 2007-08
Net Profit as reported	4,78.02	2,19.75
Less: Stock based employee Compensation	Nil	2.53
Adjusted Pro forma	478.02	217.22
Basic Earnings Per Share as reported	10.46	4.88
Pro forma Basic Earnings Per Share	10.46	4.84
Basic Diluted Per Share as reported	10.46	4.82
Pro forma Diluted Earnings Per Share	10.46	4.78

Loyalty Option:

	For 2008-09	For 2007-08
Outstanding at the beginning of the Year		
Dividend Yield	Nil	Nil
Weighed Average Dividend Yield	Nil	Nil
Expected Life	2.50 – 6.51	2.50 – 6.51
Risk Free Interest Rates	7.76% - 7.84%	7.76% - 7.84%
Volatility	Nil	Nil
Weighed Average Volatility	Nil	Nil

Growth Option:

	For 2008-09	For 2007-08
Outstanding at the beginning of the Year		
Dividend Yield	Nil	Nil
Weighed Average Dividend Yield	Nil	Nil

	For 2008-09	For 2007-08
Expected Life	2.50 – 6.51	2.50 – 6.51
Risk Free Interest Rates	7.76% - 7.84%	7.76% - 7.84%
Volatility	Nil	Nil
Weighed Average Volatility	Nil	Nil

5. Employee Benefit-Gratuity & Leave Encashment

(i) Contribution to Provident Fund is charged to accounts on accrual basis. The Company operates a defined contribution scheme with recognized provident fund. For this Scheme, contributions are made by the company, based on current salaries, to recognized Fund maintained by the company. In case of Provident fund scheme, contributions are also made by the employees. An amount of Rs. 5.96 million (P.Y. Rs. 4.43 million) has been charged to the Profit & Loss Account on account of this defined contribution scheme.

(ii) The Gratuity benefit is funded through a defined benefit plan. For this purpose the Company has obtained a qualifying insurance policy from Life Insurance Corporation of India.

(iii) The Company provides benefits to its employees under the Leave Encashment pay plan which is a non-contributory defined benefit plan. The employees of the Company are entitled to receive certain benefits in lieu of the annual leave not availed of during service, at the time of leaving the services of the Company. The benefits payable are expressed by means of formulae which takes into account the Salary and the leave balance to the credit of the employees on the date of exit.

(iv) Details Gratuity and Leave Encashment disclosure as required by AS-15 are detailed hereunder:

(Rs. in million)

	As at March 31, 2009		As at March 31, 2008	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Present Value of Obligation as at the beginning of the year	10.01	4.91	7.28	1.67
Interest Cost	0.80	0.39	0.55	Nil
Current Service Cost	2.33	1.97	2.33	2.16
Benefits paid	0.31	0.58	0.76	0.16
Actuarial (Gain) / Loss	(1.50)	(1.87)	0.61	1.11
Present Value of Obligations as at end of year	11.32	4.82	10.01	4.91
Fair Value of Plan Assets at the beginning of the year	12.79	Nil	7.11	Nil
Expected Return on Plan Asset	1.18	Nil	0.63	Nil
Contributions	0.03	Nil	5.81	Nil
Benefits paid	0.31	0.58	0.76	0.16
Actuarial (Gain) / Loss	Nil	Nil	Nil	Nil
Fair Value of Plan Assets at end of year	13.68	Nil	12.79	Nil
Funded Status	2.36	Nil	2.79	Nil
Actual Gain / (Loss) for the year-Obligation	1.50	1.87	(0.61)	1.11
Actual Gain / (Loss) for the year-Plan	Nil	Nil	Nil	Nil

	As at March 31, 2009		As at March 31, 2008	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Assets				
Total (Gain) / Loss for the year	(1.50)	(1.87)	(0.61)	1.11
Amount to be recognised in the Balance Sheet & Profit & Loss Account:				
Present Value of Obligations as at the end of the year	11.32	4.82	10.00	4.91
Fair Value of Plan Assets as at the end of the year	13.68	Nil	12.79	Nil
Funded / Unfunded Status	2.36	4.82	2.79	4.91
Net Asset / (liability) recognised in the balance sheet	2.36	(4.82)	2.79	(4.91)
Expenses recognised in the Profit & Loss Account				
Current Service Cost	2.33	1.97	2.33	2.16
Interest Cost	0.80	0.39	0.55	0.13
Expected Return on Plan Assets	1.18	Nil	0.63	Nil
Net Actuarial (Gain) / Loss recognised in the year	(1.50)	(1.87)	061	(1.11)
Expenses recognised in the Profit & Loss Account	0.45	0.50	2.86	3.41
Financial Assumptions as the Valuation Date				
Discount Rate (p.a.)	8.00%	8.00%	7.50%	8.00%
Salary Escalation (p.a.)	7.00%	4.00%	7.00%	5.00%
Withdrawal Rate (p.a.)	N.A.	1.00%	N.A.	1.00%

6. AS 16 – Borrowing Cost

Interest Cost capitalized and charged to Fixed Assets during the year ended 31.03.2009 - Rs. 5.84 million (P.Y. Rs. 23.13 million).

7. AS – 17 – Segment Reporting

The Company has identified three reportable segments i.e. Construction & Contract related activities, BOT Projects and Sales of Goods. Segments have been identified taking in to account the nature of activities of the Company, differing risks and returns and internal reporting systems.

(Rs. in million)

Primary Segment	Construction and Contract Related Activity	BOT	Sales of Goods	Inter-segment Revenue	Total
Revenue	6,223.08 (2,246.62)	387.82 (337.75)	813.76 (694.99)	(-)1.98 (-15.28)	7,422.62 (3,221.67)
Segment Results	534.35 (453.19)	85.32 (146.38)	40.63 (31.75)		660.30 (588.91)

Primary Segment	Construction and Contract Related Activity	BOT	Sales of Goods	Inter-segment Revenue	Total
Add: Unallocated Income					137.42 (197.94)
Less: Unallocated Expenditure					229.13 (546.72)
Profit Before Tax					568.59 (239.98)
Less: Provision for Current Tax Deferred Tax Add: Last Year Tax					84.72 (30.33) 5.55 (-11.63) 0.30 (1.68)
Net Profit After Tax					478.02 (219.75)
Segment Assets	2,417.30 (1,862.97)	1,707.53 (1,602.53)	2,64.22 (352.29)	Nil (Nil)	4,389.05 (3,817.78)
Corporate and other unallocable assets					4,054.54 (2,876.37)
Segment Liabilities	1,260.58 (1,658.92)	1,279.85 (1,230.02)	87.94 (129.89)	Nil (Nil)	2,628.37 (3,018.83)
Corporate and other unallocable Liabilities					2.488.08 (868.93)
Capital Expenditure during the Year on Segment Assets	318.25 (216.74)	127.13 (764.15)	19.93 (29.86)	Nil (Nil)	465.30 (1,010.75)
Unallocable Capital Expenditure during the Year					8.45 (28.70)
Depreciation Segment	85.11 (69.28)	218.25 (152.06)	27.67 (29.39)	Nil (Nil)	33.10 (25.07)

Figures in bracket relate to Previous Year

8. AS – 18 Related Party Transactions

(a) List of Related Parties

(i) Parties where control exists
Ashoka-DSC Katni Bypass Road P. Ltd.

Ashoka Highways (Bhandara) Ltd.
Ashoka Highways (Durg)Ltd.

(ii) Key Management Personnel
Ashok M. Katariya
Satish D. Parakh
Sunil B Raisoni

Ashoka Infrastructure Ltd.
Ashoka Infraways P. Ltd.
Viva Highways P. Ltd.
Ashoka Precon P. Ltd.
Ashoka Technologies P. Ltd.

(iii) Associates and Joint Ventures

Ashoka Bridgeways
Ashoka High-Way Ad.
Ashoka Infrastructures
Ashoka Valecha JV
Jayaswals Ashoka Infrastructure P. Ltd.

Viva Infrastructure P. Ltd.

(iv) Directors and their relatives

Asha A. Katariya
Ashish Katariya
Astha A. Katariya
S D Parakh HUF
Shubham Agencies

(v) Enterprises in which Key Management Personnel/Directors have significant influence

Ashoka Buildwell & Developers P. Ltd.
Ashoka Builders (Nasik) P. Ltd.
Jaora Nayagaon Toll Road Co. P. Ltd.
Ashoka Engineering Co.
Ashoka Vastuvaibhav
Ashoka E-Tech
Shweta Agro Farm
Ashoka Construwell P. Ltd.
Ashoka Education Foundation

(b) Transaction during the Year

(Rs. In million)

Sr. No.	Nature of Transactions	Parties where Control Exists	Associates and Joint Ventures	Key Management Personnel	Directors' Relatives	Enterprises in which Key Management Or Directors have significant influence
(i)	Contract Receipts	3,635.43 (530.97)	276.45 (441.47)	Nil (Nil)	Nil (Nil)	2,337.78 (Nil)
(ii)	Sale of Goods	2.96 (1.88)	Nil (0.63)	Nil (Nil)	Nil (Nil)	0.10 (3.15)
(iii)	Interest Received	24.40 (176.66)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
(iv)	Receiving of Services	Nil (Nil)	Nil (1.45)	Nil (Nil)	Nil (Nil)	Nil (1.45)
(v)	Sub Contract Expenses	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	1.07 (0.71)
(vi)	Purchase of Goods	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (70.59)	35.46 (7.71)
(vii)	Purchase of Shares	280.00	Nil	Nil	Nil	Nil

Sr. No.	Nature of Transactions	Parties where Control Exists	Associates and Joint Ventures	Key Management Personnel	Directors' Relatives	Enterprises in which Key Management Or Directors have significant influence
		(Nil)	(Nil)	(Nil)	(Nil)	(Nil)
(viii)	Salary Paid	Nil (Nil)	Nil (Nil)	12.58 (13.38)	0.60 (0.49)	Nil (Nil)
(ix)	Rent Paid	Nil (Nil)	Nil (Nil)	0.88 (Nil)	1.84 (Nil)	Nil (Nil)
(x)	Interest Paid	74.51 (38.42)	21.02 (22.78)	Nil (Nil)	Nil (Nil)	Nil (Nil)
(xi)	Investment in Capital	20.55 (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
(xii)	Share Application Money	443.12 (4.70)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
(xiii)	Loans Taken	370.68 (10.50)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
(xiv)	Loans / Advances Given	828.85 (12.50)	315.07 (161.42)	1.10 (0.80)	2.35 (0.15)	Nil (10.66)
	Outstanding payable against:					
(xv)	Purchase of Goods / availing services	127.21 (0.07)	Nil (18.58)	0.11 (1.16)	0.19 (6.37)	Nil (5.12)
(xvi)	Advance Received against Contract / Sale of Goods / rendering of services	407.15 (105.57)	12.53 (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
(xvii)	Loan Taken	799.16 (576.10)	177.72 (228.60)	Nil (Nil)	Nil (0.04)	Nil (Nil)
	Outstanding receivable against:					

Sr. No.	Nature of Transactions	Parties where Control Exists	Associates and Joint Ventures	Key Management Personnel	Directors' Relatives	Enterprises in which Key Management Or Directors have significant influence
(xviii)	Sale of Goods / Rendering services	407.13 (334.71)	Nil (37.45)	Nil (Nil)	Nil (Nil)	94.08 (28.74)
(xix)	Loan / Advance given	844.78 (132.27)	356.99 (166.21)	1.10 (Nil)	2.35 (Nil)	3.67 (19.21)

9. AS - 19 – Accounting for Operating Leases

The Company has various operating leases for equipments and premises, the leases are renewable on periodic basis and cancelable in nature.

10. AS – 20 Earning per Share

Particulars	For 2008-09	For 2007-08
Profit attributable to Equity Shareholders (in Rs. million)	478. 02	219.75
No of Weighted Average Equity Shares outstanding during the Period(Basic)	45,691,702	45,043,526
No of Weighted Average Equity Shares outstanding during the Year(Diluted)	45,691,702	45,420,373
Nominal Value of Equity Shares (in Rs.)	10	10
Basic Earnings per Share (in Rs.) (Basic) (Annualised)	10.46	4.88
Basic Earnings per Share (in Rs.) (Diluted) (Annualised)	10.46	4.84

11. Deferred Tax - AS 22

The components of significant timing differences that resulted in deferred tax assets and liabilities are as follows:

(Rs. in million)

Particulars	As at 31.03.09	As at 31.03.08
Difference in WDV of Fixed Assets	24.34	25.47
Other Timing Differences	(5.95)	(12.63)
Deferred Tax-(Asset)/Liability	**18.39**	**12.84**

The Company is claiming deduction u/s 80-IA of The Income Tax Act, 1961 for certain sites. Accordingly, no provision for deferred tax assets/liabilities on timing differences originating and reversing during tax holiday period has been made.

12. AS – 29 – Details of Provisions

(Rs. in million)

Particulars	Balance at the beginning of the Year	Provisions made during the Year	Provision reversed / adjusted	Balance at the end of the Year
Taxation	70.79 (39.30)	85.02 (32.01)	Nil (0.52)	155.81 (70.79)
Gratuity	(-)2.79 (1.25)	 (Nil)	0.43 (4.04)	(-)2.36 (-2.79)
Leave Encashment	4.91 (4.30)	Nil (3.41)	0.09 (2.79)	4.82 (4.91)
Derivative	32.25 (Nil)	Nil (32.25)	19.57 (Nil)	12.68 (32.25)
Provision for Doubtful Debt	7.78 (2.38)	5.13 (5.40)	(Nil) (Nil)	12.91 (7.78)

(Figures in brackets denote figures for previous year)

13. The Company has initiated steps to make an Initial Public Offering (IPO) of its Equity Shares. The Draft Red Herring Prospectus (DRHP) is filed with the SEBI on January 22, 2008. Expenses incurred amounting to Rs. 35.66 million in connection with this issue is adjusted against the Share Premium Account.

14. Amount paid or payable to Auditor as Fees

(Rs. in million)

Particulars	For 2008-09	For 2007-08
Audit Fees	0.88	0.70
Tax Audit	0.10	0.10
Other Services	1.14	2.17
Out of Pocket Expenses	Nil	0.18
Total	**2.11**	**3.15**

15. Foreign Exchange Earnings and Outflow

(Rs. in million)

Particulars	For 2008-09	For 2007-08
Expenditure in Foreign Currency:		
Raw Materials	Nil	6.92
Capital Goods	43.89	10.55
Spare Parts of Machinery	Nil	0.48
Foreign Travel Expenses	0.53	0.45
Earnings in Foreign Exchange	Nil	Nil

16. Details of Capacity & Production, Sales, Raw Material Consumption and Purchase of Trading Goods

(a) Capacity and Production

Class of Goods	Unit	Licensed capacity	Installed capacity
Ready Mix Concrete	Cu.Mtr.	N.A.	N.A.

(Rs. in million)

	Ready Mix Concrete		Bitumen		Others	Total
	Quantity (Cu.Mtr.)	Amount	Quantity (MT)	Amount	Amount	Amount
Opening Stock as at 1.4.2008	Nil (Nil)	Nil (Nil)	4.11 (15.21)	0.84 (2.67)	Nil (Nil)	0.84 (2.67)
Production	23,362.90 (23,555.90)	N.A. (N.A.)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Purchase during the year	Nil (Nil)	Nil (Nil)	364.52 (223.77)	95.50 (41.30)	Nil (Nil)	95.50 (41.33)
Sales during the year	23,362.90 (23,555.90)	673.23 (627.16)	360.70 (237.32)	105.78 (49.98)	32.67 (2.57)	811.78 (679.71)
Closing Stock as at 31.03.2009	Nil (Nil)	Nil (Nil)	14.87 (4.11)	3.22 (0.83)	Nil (Nil)	3.22 (0.83)

(Figures in brackets denote figures for previous year)

(b) Consumption of Raw Materials:

(Rs. in million)

Particulars	Unit	For 2008-09		For 2007-08	
		Quantity	Amount	Quantity	Amount
Cement	Bags	1,188,100	251.960	1,317,771	267.96
Fly Ash	MT	16,245	18.95	50,518	13.26
Sand	Cub. Mtr	122,799	92.98	163,506	89.32
Metal	Cub. Mtr	186,661	82.67	199,519	84.56
Const. Chem.	Kgs.	1,123,200	36.85	886,165	25.37
Others			2.66		1.58
Total			**486.07**		**4,82.06**

Particulars	For 2008-09	For 2007-08
Imported	Nil	9.24
Indigenous	486.07	472.81
Total	486.07	482.05

17. Contingent Liabilities

(Rs. In million)

Sr. No.	Particulars	As at March 31, 2009	As at March 31, 2008
(a)	Bank Guarantees and Letters of Credit issued by bankers in favour of third parties	2,269.77	907.58
(b)	Corporate Guarantee issued by the Company in favour of Banks/ Financial Institutions for finance raised by Companies under the same management.	12,151.46	4,087.46
(c)	Claims against the Company not acknowledged as debts.	0.67	0.67
(d)	Liability against capital commitments outstanding (net of advances)	3.10	95.00
(e)	Disputed Tax Demands (net of taxes paid)	20.83	73.60

18. Sundry Debtors include:

(Rs. in million)

Sr. No.	Particulars	As at March 31, 2009	As at March 31, 2008
i)	Due from companies under the same management:		
	Ashoka Infrastructure Limited	Nil	65.04
	Ashoka Highways (Bhandara) Limited	Nil	243.68
	Ashoka Highways (Durg) Limited	387.48	Nil
	Jaora-Nayagaon Toll Road Co. P. Ltd.	92.94	Nil
	Ashoka-DSC Katni Bypass Road P. Ltd.	Nil	25.99
	Ashoka Construwell P. Ltd.	Nil	2.06

19. Loans & Advances:

(Rs. In million)

Sr. No.	Particulars	As at March 31, 2009	As at March 31, 2008
i)	**Due from Companies under the same Management:**		
	Viva Infrastructure Pvt. Ltd.	356.96	45.95
	Ashoka Highways (Bhandara) Ltd.	385.39	Nil
	Ashoka Highways (Durg) Ltd.	440.34	Nil
	Ashoka Infraways P. Ltd.	1.15	1,27.37
	Ashoka Infrastructure Ltd.	22.92	4.91
	Jaora-Nayagaon Toll Road. Co. P. Ltd.	Nil	19.21
	Ashoka Builders (Nasik) Pvt. Ltd.	0.15	25.73
	Ashoka Technologies Pvt. Ltd.	0.03	Nil
	Ashoka PreCon Pvt. Ltd.	14.61	Nil
ii)	**Due from Firms in which Directors are interested:**		
	Ashoka Infrastructures (AOP)	Nil	120.26
	Shubham Agencies	3.52	Nil
iii)	**Due from Directors & their relatives** (Deposit placed for leased premises):		
	Satish D. Parakh	1.10	Nil
	Satish D. Parakh-HUF	0.50	Nil
	Asha A. Katariya	1.10	Nil
	Ashish A. Katariya	0.65	Nil
	Astha A. Katariya	0.10	Nil

20. Term Deposits are pledged under / with:

(Rs. in million)

Sr. No.	Particulars	As at March 31, 2009	As at March 31, 2008
1.	security against Bank Guarantee / Overdrafts / Letter of Credits	274.31	239.09
2.	With Government Dept./ Security Deposits	29.44	42.27
3.	With Sales Tax Authorities	0.07	0.06

21. Directors' Remuneration includes

(Rs. in million)

Sr. No.	Particulars	For 2008-09	For 2007-08
1.	Salary	11.91	12.47
2.	Reimbursement	Nil	0.04
3.	Employer's Contribution to Provident Fund	0.67	0.86
Total		12.58	13.37

22. The Company is undertaking following projects on Build Operate & Transfer (BOT) basis viz.:

Sr. No.	Name of the Project	Concession Period
	Under Toll Collection	
1	Nagar – Karmala Road Project	24th August 1999 to 4th November 2015
2	Sherinallah – Bridge	24th October 2000 to 22nd June 2015
3	Nashirabad Railway Over Bridge	24th July 2000 to 15th October 2009
4	Nagar Aurangabad Road Project	18th December 2006 to 18 September 2017

23. A. The Company has entered into Joint Venture in the nature of Jointly controlled Operations, wherein there are no capital contribution with Valecha Engineering Ltd for execution of the construction of Chittorgarh Bypass, wherein the work is to be executed separately as per agreed terms and conditions and the obligations and fortunes of the respective works is being accounted individually of their own works.

B. The Company has also entered into a Joint Venture with Ashoka Buildwell & Developers Pvt. Ltd. by the name of Ashoka Infrastructures, to implement the Dhule Project on BOT basis with a sharing of 99.99% and 0.01% in favour of the company and Ashoka Buildwell & Developers Pvt. Ltd. respectively. Proportionate interest of the company in the said Joint venture is as under:

(Rs. in million)

Balance Sheet	As at March 31, 2009	As at March 31, 2008
Capital	73.04	97.70
Unsecured Loans	Nil	6.62
Fixed Assets (Net)	0.38	0.47
Investments	60.00	63.35
Cash and Bank Balances	0.42	8.93
Loans and advances	12.58	36.15
Current Liabilities	0.34	4.58
Income	48.57	45.66
Expenses	1.77	1.92
Depreciation	0.01	0.10

24. **Details of Investments in Partnership Firms:**

(Rs. in million)

Name of Partnership & Partners	Share in Profit / Loss	Capital	
		As at March 31, 2009	As at March 31, 2008
Ashoka Highway Ad			
– Ashoka Buildcon Ltd.	99.99%	24.08	23.09
– Ashoka Builders (Nasik) Pvt. Ltd.	0.01%	0.18	0.18
Ashoka Bridge ways			
– Ashoka Buildcon Ltd.	5.00%	13.48	8.23
– Ashoka Builders (Nasik) Pvt. Ltd.	95.00%	20.38	15.32

25. The company does not have the information whether the creditors are Small Scale and Ancillary Industrial Undertaking, as defined by "The Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertaking Act, 1992". Hence, amounts, which were overdue and outstanding at the close of the year payable to the said Industrial Undertakings, are not ascertainable. Similarly Suppliers/Service providers covered under Micro, Small Medium Enterprises Development Act, 2006 have not furnished the information regarding filing of necessary memorandum with the appropriate authority. In view of this, information required to be disclosed u/s 22 of the said Act is not given. Accordingly, the following information is furnished:

		For 2008-09	For 2007-08
(i)	The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	-	-
(ii)	The amount of interest paid by the buyer in terms of Section 16 of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iii)	The amount on interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but with out adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	-	-
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v)	The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-

26. Out of the Investments of the Company following investments are pledged with the Financial Institutions /Banks for security against the financial assistance extended to the companies under the same management.

4,000,000 Equity Shares of Jayaswals Ashoka Infrastructure Pvt. Limited of Rs. 10/- each
7,257,864 Equity Shares of Viva Highways Pvt. Limited of Rs.10/- each
49,000 Equity Shares of Viva Infrastructures Pvt. Limited of Rs.10/- each
1,000,000 Equity Shares of Ashoka Infraways Pvt. Limited of Rs.10/- each
1,975,000 Equity Shares of Ashoka Infrastructures Limited of Rs.10/- each
953,750 Preference Shares of Viva Infrastructure Pvt. Limited of Rs.100/- each
4,351,400 Preference Shares of Ashoka Infrastructures Limited of Rs.10/- each
352,527 Preference Shares of Ashoka Infraways Private Limited of Rs.10/- each
14,084,000 Equity Shares of Ashoka Highways (Bhandara) Limited of Rs.10/- each
16,045,000 Equity Shares of Ashoka Highways (Durg) Limited of Rs.10/- each

27. The Status of Redeemable Preference Shares by Company is as follows:

Particulars	No. of Shares	Premium at Redemption	Redemption Period	Redemption Month
Redeemable Non – Cumulative Non – Convertible Preference Shares	59,500	175%	10th Year	March, 2010
Redeemable Non – Cumulative Non – Convertible Preference Shares	2,25,000	175%	10th Year	October, 2010
0% Redeemable Non-Cumulative Preference Shares	4,88,350	150%	12th Year	December 2011
0% Redeemable Non – Cumulative Non – Convertible Preference Shares	2,73,500	150%	12th Year	September 2011
0% Redeemable Non – Cumulative Non – Convertible Preference Shares	2,57,000	150%	12th Year	October 2012

The Company has created a redemption reserve by utilizing the share premium account.

In addition to the above, 239,970 preference shares of Rs.100 each redeemable at Rs.250 per share matured on December 10, 2007 and unclaimed has been classified under Other Liabilities.

28. The company has registered under Employees Provident Fund Act for employees of the company as well as employees of certain group companies.

29. Balance of Debtors, Creditors, Advances, Deposits, etc. are subject to confirmation and reconciliation if any.

30. Previous Year figures have been regrouped/ rearranged wherever necessary, to make them comparable with current year figures.

ANNEXURE: VI

STATEMENT OF SECURED LOANS, AS RESTATED

Particulars	As At (All figures in Rupee millions)				
	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
From Banks					
ABN Amro Bank N.V.	31.25	27.40	52.63	35.25	49.24
Bank of Maharashtra	3.46	3.03	0.91	2.59	4.11
Centurion Bank of Punjab Ltd.	5.02	8.13	11.82	5.40	7.52
DCB-Eicher Bus 2 Nos.	1.38	-	-	-	-
HDFC Ltd.	-	12.68	17.26	21.63	25.32
HDFC Bank Ltd.	23.03	-	0.17	1.47	0.93
ICICI Bank Limited	78.98	158.81	218.25	114.60	57.18
Kotak Mahindra Bank Ltd.	12.38	18.54	24.12	-	-
Ratanakar Bank	-	-	-	0.59	-
Standard Chartered Bank	132.44	107.44	81.30	0.94	0.93
Thane Janata Sah. Bank Ltd.	-	-	-	-	1.50
Axis (UTI) Bank Ltd.	-	43.23	84.16	119.70	151.81
From Financial Institutions					
Cholamandalam DBS Finance Ltd.	0.14	0.93	1.97	1.81	0.94
Citicorp Finance (I) Ltd.	-	0.78	2.30	4.00	5.73
Kotak Mahindra	-	-	-	(0.00)	-
L & T Finance Ltd.	0.24	1.60	2.89	4.09	-
Reliance Capital Ltd.	36.58	-	-	-	-
Srei Infrastructure Finance Ltd.	0.47	4.92	10.61	39.47	69.90
TATA Finance Ltd.	-	2.81	6.41	9.79	12.70
Shreelekha N.S.A.L.	-	-	-	-	0.28
IDFC Ltd.	1,212.82	1,125.00	684.42	736.68	330.72
Cash Credit / Bill Discounting					
Axis (Uti) Bank Ltd. – CC	83.99	126.80	0.13	20.80	-
Bank of India – CC	121.98	115.00	2.33	1.64	-
Bank of Maharashtra – CC	66.45	94.40	-	-	-
Canara Bank	96.52	-	-	-	-
Corporation Bank – CC	50.38	37.07	0.12	-	-
Federal Bank – CC	20.95	50.03	23.61	-	-
Indian Bank – CC	58.00	89.18	0.02	-	-
Indian Bank – DL	-	-	0.00	-	-
Rupee Co-op. Bank Ltd., Nashik	-	-	-	-	0.39
State Bank of India – CC	182.40	115.44	-	-	-
Union Bank of India – CA	-	-	(0.01)	-	-

Particulars	As At (All figures in Rupee millions)				
	March 31, 2009	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**	**March 31, 2005**
Corporation Bank – DL	-	24.08	-	-	-
Overdraft Against Deposit					
ICICI Bank Ltd – OD	0.00				
Canara Bank – OD	58.92	27.40	79.35	102.04	-
Bank of Maharashtra – OD	-	41.92	224.77	-	-
State Bank of India – OD	-	50.42	196.46	-	-
Axis Bank Ltd. – Pune	0.23	-	-	-	-
TOTAL	2,277.99	2,287.04	1,726.03	1,222.48	719.19

ANNEXURE: VII

STATEMENT OF UNSECURED LOANS, AS RESTATED

Particulars	As At (All figures in Rupee millions)				
	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
Unsecured Loan					
From Subsidiaries /Associates/JV					
Ashoka Infrastructures – Loan	-	-	-	-	25.86
* Viva Highways Pvt Ltd (Rate of Interest 12.50 %)	376.76	432.98	589.73	648.06	326.06
Ashoka Builders Nasik Pvt. Ltd.	-	-	-	-	41.75
* Ashoka High-Way Ad (Rate of Interest 13.75 %)	20.78	26.43	32.08	37.73	-
Viva Infrastructure	-	-	0.24	0.51	-
* Jaiswal Ashoka Infrastructure (Rate of Interest 10.91 %)	177.72	202.17	190.06	200.40	
* Ashoka DSC Katni Pvt. Ltd. (Rate of Interest 14 %)	27.86	143.02	-	-	-
* Ashoka Infraways Pvt. Ltd. – Loan (Rate of Interest 14 %)	373.77	-	-	-	-
From Shareholders & Directors					
Aditya S.Parakh	-	-	-	-	0.00
Asha Katariya	-	-	-	-	2.10
Satish D.Parakh (HUF)	-	-	-	-	4.59
Satish D.Parakh	-	-	-	-	3.05
Shobha S Parakh	-	-	-	-	0.59
Snehal S.Parakh	-	-	-	-	0.88
Ashok M. Katariya	-	-	-	-	6.59
Narendra R. Shakadwipi	-	-	-	-	0.29
From Others					
Associated Capsules Pvt Ltd	-	-	-	-	2.54
RBPL Classic Infrastructure Pvt Ltd	-	-	-	-	6.24
Rajdeep Publicity Pvt. Ltd.	-	-	-	0.79	-
TOTAL	976.88	804.60	812.11	887.49	420.54

*Note: * As per information and explanation given by the company, unsecured loans have been taken at floating rate of interest and are payable on demand. Rate of interest indicates here are as of March 31, 2009.*

ANNEXURE: VIII

STATEMENT OF LOANS & ADVANCES, AS RESTATED

Particulars	As At (All figures in Rupee millions)				
	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
Loans & Advances to Subsidiaries					
Advances and loans to Subsidiaries	863.65	143.74	188.67	53.17	26.14
Advances and loans to Partnerships Firms /JVs under same Management	-	-	0.56	200.42	82.72
Advances and loans to Companies under same Management	359.02	21.34	30.12	25.49	81.40
Advances Recoverable in cash or kind or for value to be received	783.19	184.01	202.66	131.62	130.70
Deposits	59.42	214.65	124.44	131.54	9.09
Advance Income Tax / Tax Deducted at Source	210.70	120.96	83.16	22.93	19.21
TOTAL	**2,275.97**	**684.72**	**629.61**	**565.18**	**349.26**

ANNEXURE: IX

STATEMENT OF SUNDRY DEBTORS, AS RESTATED

Particulars	As At (All figures in Rupee millions)				
	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
Outstanding for period exceeding Six Months	91.47	171.49	71.16	106.80	62.55
Other Debtors	649.23	491.05	221.65	370.63	110.18
Less: Provision for doubtful debts	12.91	7.78	2.38	-	-
Total (Balance considered good)	727.80	654.76	290.42	477.43	172.73

ANNEXURE: X

STATEMENT OF INVESTMENTS, AS RESTATED

Particulars	As At (All figures in Rupee millions)				
	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
Non-Trade (unquoted at Cost)					
a) National Saving Certificates	0.23	0.19	0.19	0.19	0.14
b) Fully paid shares of Co-operative Banks / Societies	0.76	0.76	0.76	0.76	0.78
c) Equity Shares of Rs. 10/- each fully paid in subsidiary					
Viva Highways Private Limited	358.43	358.43	358.43	66.31	66.31
Ashoka Infrastructures Limited	220.60	220.60	220.60	59.95	59.95
Ashoka DSC Katni By Pass Road Pvt. Ltd.	29.97	29.97	29.97	0.05	0.05
Ashoka Infraways Private Limited	49.60	49.60	49.60	32.56	32.56
Ashoka Highways (Bhandara)Ltd	140.84	0.45	-	-	-
Ashoka Highway (Durg) Ltd	160.45	0.45	-	-	-
Ashoka Precon Pvt. Ltd.	0.05	-	-	-	-
Ashoka Technologies Pvt. Ltd.	0.10	-	-	-	-
d) Preference Shares fully paid in subsidiary					
12% of Rs. 10/- each of Ashoka Infrastructures Limited	217.57	217.57	217.57	215.12	157.12
10% of Rs. 100/- each of Ashoka Infraways Pvt. Ltd.	71.63	71.63	71.63	12.79	12.79
e) Investment in Joint Venture / Partnership Firms					
Ashoka Infrastructures	73.14	98.32	59.17	116.44	67.02
Ashoka Highway Ad.	24.08	23.09	22.01	20.42	18.92
Ashoka Bridgeways	13.51	8.22	2.39	-	8.75
f) Equity Shares of Rs. 10/- each fully paid in Associates					
Jaiswal Ashoka Infrastructure Pvt. Ltd.	136.54	136.54	136.54	135.60	135.60
Viva Infrastructure Pvt. Ltd.	104.01	104.01	104.01	103.92	103.92
L&T PNG Tollway Pvt. Ltd.	0.03	-	-	-	-
g) Preference Shares fully paid in					

Particulars	As At (All figures in Rupee millions)				
	March 31, 2009	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**	**March 31, 2005**
Associates					
12% Preference Share of Rs.100/- each of Viva Infrastructure Pvt. Ltd.	333.81	333.81	333.81	152.74	152.74
h) Subscription to Memorandum of Association					
Ashoka Highways (Bhandara) Ltd.	-	-	0.45	-	-
Ashoka Highways (Durg) Limited (erstwhile Ashoka Marg Nirman (Durg) Ltd.)	-	-	0.45	-	-
TOTAL	**1,935.33**	**1,653.62**	**1,607.57**	**916.84**	**816.64**

ANNEXURE: XI

STATEMENT OF CURRENT LIABILITIES AND PROVISIONS, AS RESTATED

Particulars	**As At (All figures in Rupee millions)**				
	March 31, 2009	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**	**March 31, 2005**
Sundry Creditors	1,069.15	546.20	228.85	286.62	181.43
Advances from Customers	414.59	154.75	96.38	53.47	270.29
Other Liabilities	373.02	77.42	234.86	35.31	51.27
PROVISIONS					
For Income Tax	146.20	63.70	36.20	15.50	8.25
For Fringe Benefit Tax	9.44	7.37	3.04	1.96	-
For Sub-contracting & Others	-	-	-	-	-
Provision for Unencashed Leave and Gratuity	4.82	4.91	5.54	2.29	1.19
Total	**2,017.22**	**854.35**	**604.87**	**395.16**	**512.43**

ANNEXURE: XII

STATEMENT OF OTHER INCOME, AS RESTATED

Particulars	As At (All figures in Rupee millions)				
	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
Interest (Including TDS)	65.75	85.86	77.36	30.06	11.59
Miscellaneous Income	10.11	14.47	14.85	15.25	6.85
Claim / Rebate and relief	-	-	1.20	-	-
Profit / (Loss) from Joint Venture & Partnership	61.57	55.21	47.46	61.21	59.92
Hire charges of Machinery / Vehicle	-	-	17.56	22.65	24.37
Total	**137.42**	**155.54**	**158.44**	**129.17**	**102.73**

ANNEXURE: XIII

STATEMENT OF CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

CONTINGENT LIABILITIES

Particulars	As At (All figures in Rupee millions)				
	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
Bank Guarantees and Letters of Credit issued by bankers in favour of third parties	2,269.77	907.58	1,300.90	688.72	296.48
Corporate Guarantee issued by the Company in favour of Banks/ Financial Institutions for finance raised by Companies under the same management	12,151.46	4,087.46	3,457.55	3,631.41	3,121.99
Claims / Dispute against the Company not acknowledged as debts.	0.67	0.67	0.67	0.67	-
Disputed tax demands (net of taxes paid)	20.83	73.60	9.70	-	-
Total	14,442.73	5,069.31	4,768.82	4,320.80	3,418.47

CAPITAL COMMITMENTS

Particulars	As At (All figures in Rupee millions)				
	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
Liability against capital commitment outstanding	3.10	95.00	816.15	718.91	-
Total	3.10	95.00	816.15	718.91	-

ANNEXURE: XIV

STATEMENT OF DIVIDENDS DECLARED / PAID / PROPOSED

Particulars	As At (All figures in Rupee millions)				
	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
	NIL	NIL	NIL	NIL	NIL
TOTAL	0.00	0.00	0.00	0.00	0.00

ANNEXURE: XV

STATEMENT OF ACCOUNTING RATIOS, AS RESTATED

	Particulars	**As At (All figures in Rupee millions)**				
		March 31, 2009	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**	**March 31, 2005**
(A)	Net worth (Rs.)	3,308.75	2,866.39	2,726.25	1,576.26	1,490.38
(B)	Adjusted Profit after Tax (Rs.)	478.03	220.49	147.38	85.89	113.46
(C)	No. of Shares outstanding at the end	45,691,702	45,691,702	5,607,881	4,326,784	4,326,784
(D)	Weighted average number of shares outstanding	45,691,702	45,043,526	38,834,525	30,287,488	30,287,488
(E)	Weighted average number of shares outstanding (Diluted)	45,691,702	45,420,373	38,834,525	30,287,488	30,292,705
(B/D)	Earnings per Share (EPS) (Rs.)	10.46	4.90	3.79	2.84	3.75
(B/E)	Earnings per Share - Diluted (EPS) (Rs.)	10.46	4.85	3.79	2.84	3.75
(B/A)	Return on Net worth (%)	14.45%	7.69%	5.41%	5.45%	7.61%
(A/C)	Net Asset Value per Share (Rs.)	72.41	62.73	486.15	364.30	344.45

Notes:

1. The above ratios are calculated as under

$$\text{EPS} = \frac{\text{Net profit after tax, as restated, attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the period}}$$

$$\text{Return on Net worth} = \frac{\text{Net profit after tax, as restated}}{\text{Net worth, as restated, at the end of the period}}$$

$$\text{Net Asset Value per Share} = \frac{\text{Net worth, as restated, at the end of the period}}{\text{Number of equity shares outstanding at the end of the period}}$$

2. The figures disclosed above are based on the restated financial information of Earnings per Share (EPS) calculations are done in accordance with the Accounting Standard 20, Earnings per Share' issued by Institute of Chartered Accountants of India.

ANNEXURE: XVI

STATEMENT OF CAPITALISATION AS AT MARCH - 2009

(All figures in Rupees million)

Particulars	Pre Issue As At 31-Mar-09	Post Issue*
- Long Term Debt	1,538.18	
- Short Term Debt	1,716.69	
Share holders' funds :		
Share Capital	587.25	
Security Premium	1,393.32	
Preference Share redemption Reserve	159.33	
Profit and Loss Account	1,168.86	
Less :		
Preference Share	130.34	
Preference Share redemption Reserve	159.33	
Miscellaneous expenditure (to the extent not written off)		
Total Share holders' funds	3,019.09	
Long Term Debt to Equity	0.51 : 1	

ANNEXURE- XVII

Transactions with Related Parties

	Particulars	Parties Where Control Exists					Associates And Joint Ventures					Key Management Personnel				
		2004-05	2005-06	2006-07	2007-08	2008-09	2004-05	2005-06	2006-07	2007-08	2008-09	2004-05	2005-06	2006-07	2007-08	2008-09
1	Contract Receipts	31.80		221.88	530.97	3635.43	356.97	582.75	317.26	441.47	276.45					
	Sub Contract Payments															
	Reimbursement of expenses paid						3.93	0.27				0.01	0.03			
	Reimbursement of Exp. Received						0.76	2.76		1.45						
	Salary Paid											7.04	9.35	12.04	13.38	12.58
	Rent Paid													0.08		0.88
	Retainership Paid															
	Commission Paid															
	Machinery / Vehicle Charges Paid											0.56	0.51			
	Machinery / Vehicle Charges Received						0.10	0.03								
	Material Sold															
	Interest Paid		0.06	69.93	38.42	74.51	5.29	44.54	21.09	22.78	21.02	2.07	0.98			
	Interest Received		2.79	17.34	17.67	2.44	0.06	11.25					0.01			
	Sale of Material			1.68	1.88	2.96	129.44	49.92	0.47	0.63						
	Purchase of Material						0.32	0.32								
	Investment in															
	- Equity / Pref Shares			0.31		20.55	2.86	58.00								
	- Share Application				4.70	443.12	8.75									
	- Partnership Firms															
	- Joint Ventures															
	Share Application Received	0.87					0.38									
	Share Application Refund	18.92						0.38								
	Purchases of shares			93.53		280.00			283.67					4.43		
	Guarantees Issued	3.40	10.00				615.40	765.00					5.59			
	Guarantees Received															

	Particulars	Parties Where Control Exists					Associates And Joint Ventures					Key Management Personnel				
		2004-05	2005-06	2006-07	2007-08	2008-09	2004-05	2005-06	2006-07	2007-08	2008-09	2004-05	2005-06	2006-07	2007-08	2008-09
	Loan Taken		30.00	429.10	10.50	370.68	306.71	816.90	289.51			7.35	1.67	21.28		
	Loans Repaid						50.45					5.94				
	Loans Given	41.82	37.26	17.82	12.50	828.85	2.61		1.33	161.42	315.07				0.8	1.10
	Loans Refund	15.68	30.00				13.58	246.22					11.55			
	Outstanding Payable															
	- for purchases				0.07	127.21				18.58					1.16	0.11
	- for loans				576.10	799.16				228.06	177.72					
	- Advances Received against Contract				105.57	407.15					12.53					
	Outstanding Receivables															
	- For Purchases/services				334.71	407.13				37.45						
	- For Loans				132.27	844.78				166.21	356.99					1.10

	Particulars	Director and their Relatives					Enterprises in which key management or Directors have significant influence				
		2004-05	2005-06	2006-07	2007-08	2008-09	2004-05	2005-06	2006-07	2007-08	2008-09
1	Contract Receipts						1378.25	284.80			2337.78
	Sub Contract Payments						367.81	191.52	39.34	0.71	1.07
	Reimbursement of expenses paid						13.67	1.60			
	Reimbursement of Exp. Received						18.36	0.58			
	Salary Paid	3.17	0.19		0.49	0.60					
	Rent Paid	0.36	0.36			1.84					
	Retainership Paid	0.06									
	Commission Paid						0.51	037			
	Machinery / Vehicle Charges Paid	1.90	1.70				22.82	0.90	0.25		
	Machinery/ Vehicle Hire			0.63			2.46	0.73	0.80	1.46	

	Particulars	Director and their Relatives					Enterprises in which key management or Directors have significant influence				
		2004-05	2005-06	2006-07	2007-08	2008-09	2004-05	2005-06	2006-07	2007-08	2008-09
	Charges Recived										
	Repairs And Maintenance										
	Interest Paid	0.56	1.00				0.41				
	Interest Received			0.28			3.40	0.57	0.06		
	Sale of Material						0.18	3.64	7.91	3.15	0.10
	Purchase of Material			87.13	70.59		2.21	7.37	6.19	7.71	35.46
	Purchase of Fixed Assets										
	Investment in										
	- Equity Shares										
	- Share Application										
	- Partnership Firms										
	- Joint Ventures										
	Share Application Received										
	Purchases of shares			1.04					329.62		
	Guarantees Issued	0.33						41.49			
	Guarantees Received							1950.00			
	Loan Taken	0.51	023				51.38		32.09		
	Loans Repaid	0.76					12.10				
	Loans Given	0.17		3.00	0.15	2.35	143.26		51.54	10.66	
	Loans Refund		8.65				72.44				
	Outstanding Payable										
	- for purchases			0.04	6.37	0.19			8.57	5.12	
	- for loans				0.04						
	- Advances Received against Contract										
	Outstanding Receivables										
	- For Purchases/services			0.58					4.28	28.74	94.08
	- For Loans					2.35			29.77	19.21	3.67

ANNEXURE XVIII

STATEMENT OF TAX SHELTERS

TAX SHELTER STATEMENT

Particulars	**As At (All figures in Rupee millions)**				
	March 31, 2009	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**	**March 31, 2005**
Profit/(Loss) Before Tax	568.59	240.14	159.89	120.54	109.88
Tax Rate	33.99%	33.99%	33.66%	33.66%	36.59%
Tax thereon at above rate	193.26	81.62	53.82	40.57	40.21
Permanent Differences					
Income Exempt from Tax	259.90	318.34	190.47	117.47	85.38
Other Adjustments (LTCG/STCG)	(0.60)	(0.07)	1.02	0.83	(3.47)
Timing Differences					
Depreciation	84.91	(92.95)	(72.06)	(67.89)	(10.11)
Preliminary Expenses	-	2.30	2.30	0.10	0.11
Amounts inadmissible u/s 43B (b)	-	(1.94)	(7.05)	(0.47)	0.28
Amounts inadmissible u/s 40(a)	-	5.31	(4.63)	38.40	(44.52)
Set off of brought forward losses	-	-	-	-	69.12
Other timing differences	(13.49)	(38.73)			
Total Timing Differences	71.42	(126.01)	(81.44)	(29.85)	14.88
Net Adjustments (D+F)	330.72	192.26	110.06	88.44	96.79
Tax (Saving) /Burden thereon					
Penalty	112.41	65.35	37.04	29.77	35.42
Tax on Income at other than notional rates					
Interest on Tax Liability					
Tax on net adjustments	112.41	65.35	37.04	29.77	35.42
NET TAX LIABILITY(C + I)	80.85	16.27	16.77	10.80	4.79
Payment under MAT	-	25.74	-	-	8.34

ANNEXURE XIX

STATEMENT OF SEGMENT REPORTING

Particulars	As At (All figures in Rupee millions)				
	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
Segment Revenue					
a) Construction and contract related Activity	6,223.02	2,246.62	2,445.41	1,181.32	777.60
b) BOT	387.82	337.75	280.50	218.72	219.45
c) Toll Collection Contract		-	345.40	20.42	-
d) Sales of Goods	813.76	694.99	487.49	273.00	311.55
Total	7,424.60	3,279.36	3,558.80	1,693.46	1,308.60
Less : Intersegment	(1.98)	(15.28)	(5.63)	(25.62)	(15.30)
Net sales / income from operations	7,422.62	3,264.08	3,553.17	1,667.84	1,293.30
Segment Results					
a) Construction and contract related Activity	534.35	453.19	237.39	110.49	78.51
b) BOT	85.32	146.38	108.71	76.93	71.05
c) Toll Collection Contract		-	16.88	2.49	-
d) Sales of Goods	40.63	31.75	9.55	(8.54)	3.01
Total	660.30	631.32	372.53	181.37	152.56
Less : Intersegment	-				
Add : Unallocated income	137.42	155.54	158.44	129.17	102.73
Less : Unallocated Expenses	229.12	545.98	372.79	(191.55)	(144.84)
Profit before Tax	568.60	240.88	158.18	118.99	110.46
Less :Adjustments	-	-	(1.00)	0.29	(1.18)
Less : Provisions for Current Taxes	84.72	30.33	(14.14)	(17.83)	(6.12)
Less : Provisions for Deferred Taxes	5.55	(11.62)	2.35	(14.98)	7.95
Add : Last year Taxes	0.30	1.68	-	-	-
Net Profit after Tax	478.03	220.49	147.38	85.89	113.46
Segment Assets					
a) Construction and contract related Activity	2,417.30	1,862.97	1,393.80	1,949.06	870.86
b) BOT	1,707.53	1,602.53	1,322.08	963.92	1,065.43
c) Toll Collection Contract		-	89.12	-	-
d) Sales of Goods	264.22	352.28	316.81	148.47	112.39
Total	4,389.05	3,817.78	3,121.81	3,061.44	2,048.68
Add : Corporate and other unallocable Assets	4,054.54	2,936.37	2,771.91	1,046.76	1,105.69
	8,443.59	6,754.15	5,893.72	4,108.20	3,154.37
Segment Liabilities					
a) Construction and contract related Activity	1,260.58	1,658.92	863.47	573.21	575.46

Particulars	As At (All figures in Rupee millions)				
	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
b) BOT	1,279.85	1,230.02	790.96	904.94	546.01
c) Toll Collection Contract		-	0.42	-	-
d) Sales of Goods	87.94	129.89	96.80	88.02	62.80
Total	2,628.37	3,018.83	1,751.63	1,566.18	1,184.27
Add : Corporate and other unallocable Liabilities	2,488.08	868.93	1,417.39	966.31	479.78
	5,116.45	3,887.76	3,169.02	2,532.49	1,664.05
Capital Expenditure					
a) Construction and contract related Activity	318.25	216.74	361.47	230.15	157.00
b) BOT	127.13	764.15	146.67	0.33	3.69
c) Toll Collection Contract			-	-	-
d) Sales of Goods	19.93	29.86	82.41	32.68	51.93
Unallocable Capital Expenditure	8.45	30.83	28.70		
Total	473.76	1,041.58	619.24	263.15	212.61
Depreciation					
a) Construction and contract related Activity	85.11	69.28	54.44	47.98	29.63
b) BOT	218.25	152.06	144.08	124.39	130.45
c) Toll Collection Contract		-	-	-	-
d) Sales of Goods	27.67	29.39	17.75	11.08	7.69
Total	331.03	250.73	216.27	183.45	167.78

AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
M/s Ashoka Buildcon Limited
Survey No. 861, Ashoka House
Ashoka Marg, Vadala
Nashik, Maharashtra - 422 011

Dear Sirs,

1. We have examined the consolidated financial information of M/s Ashoka Buildcon Limited (the 'Company'), its subsidiaries, joint ventures and associates (collectively referred to as 'the Group'), annexed to this report, as approved by The Board of Directors of the company, prepared in terms of:

   ❖ Paragraph B (1) of Part II of Schedule II of the Companies Act, 1956
   ❖ SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, (the "Regulations)"
   ❖ Our engagement letter agreed upon with you with the proposed issue of equity shares of the company.

2. The consolidated financial information has been extracted by the Management from the financial statements for the year ended March 31, 2005, 2006, 2007, 2008 and 2009and approved by the Board of Directors.

3. We did not audit the stand alone financial statements of the holding company, its subsidiaries, joint ventures and associates for the financial years ended March 31, 2005 and 2006. We did not audit the financial statements of certain subsidiaries and associates for the years ended March 31, 2005, 2006, 2007, 2008 and 2009 and our opinion in so far as it relates to the amounts included in the summary statement of consolidated assets and liabilities, profit and loss and cash flows, as restated are based solely on the report of the other auditors. Details of auditors of each company that has been consolidated including total assets, total revenue and profits are as detailed below:

(Rupees in Million)

Financial year ended	Name of the company	Name of the auditor	Total assets	Total revenue	Profit after tax
2004-05	Holding Company				
	Ashoka Buildcon Ltd.	Rathi Daga & Co.	2,660.05	1,396.03	-
	Subsidiaries				
	Ashoka Infraways Pvt. Ltd.	Rathi Daga & Co.	543.84	58.96	-
	Joint Ventures				
	Ashoka Highway Ad	Rathi Daga & Co	32.94	13.65	-
	Ashoka Infrastructure	Rathi Daga & Co.	120.15	59.57	-
	Associates				
	Ashoka DSC Katni Bypass Pvt. Ltd.	Sanjay. V. Goyal & Co.	Since profit is consolidated in case of associates, figures of assets and revenues are not indicated.		-
	Viva Infrastructure Pvt. Ltd.	Rathi Daga & Co.			(0.30)
	Jaiswal's Ashoka Infrastructures Pvt.	Agarwal Challani &			13.63

Financial year ended	Name of the company	Name of the auditor	Total assets	Total revenue	Profit after tax
	Ltd.	Co.			
2005-06	Holding Company				
	Ashoka Buildcon Ltd.	Rathi Daga & Co.	3,713.07	1,797.01	-
	Subsidiaries				
	Ashoka Infraways Pvt. Ltd.	Rathi Daga & Co.	522.29	73.53	-
	Joint Ventures				
	Ashoka Highway Ad	Rathi Daga & Co	72.66	20.62	-
	Ashoka Infrastructure	Rathi Daga & Co.	118.60	53.57	-
	Associates				
	Ashoka DSC Katni Bypass Pvt.Ltd.	Sanjay. V. Goyal & Co.	-	-	-
	Ashoka Infrastructure Ltd.	C.B.Alizad & Co.	Since profit is consolidated in case of associates, figures of assets and revenues are not indicated.		(9.19)
	Viva Infrastructure Pvt. Ltd.	Rathi Daga & Co.			(0.01)
	Jaiswals Ashoka Infrastructures Pvt. Ltd.	Agarwal Challani & Co.			4.60
2006-07	Subsidiaries				
	Ashoka DSC Katni Bypass Pvt. Ltd.	Sanjay. V. Goyal & Co.	-	-	-
	Associates				
	Viva Infrastructure Pvt. Ltd.	Rathi Daga & Co.	Since profit is consolidated in case of associates, figures of assets and revenues are not indicated.		1.00
	Jaiswal's Ashoka Infrastructures Pvt. Ltd.	Agarwal Challani & Co.			22.09
2007-08	Subsidiaries				
	Ashoka DSC Katni Bypass Pvt. Ltd.	Sanjay. V. Goyal & Co.	258.91	13.37	-
	Ashoka Highway (Durg) Ltd.	Sanjay. V. Goyal & Co.	116.57	Nil	-
	Ashoka Highway (Bhandara) Ltd.	Sanjay. V. Goyal & Co.	2.10	Nil	-
	Associates				
	Viva Infrastructure Pvt. Ltd.	Rathi Daga & Co.	Since profit is consolidated in case of associates, figures of assets and revenues are not indicated.		0.53
	Jaiswal's Ashoka Infrastructures Pvt. Ltd.	Agarwal Challani & Co.			45.49
2008-09	Subsidiaries				
	Ashoka DSC Katni Bypass Pvt. Ltd.	Sanjay. V. Goyal & Co.	796.57	140.46	-
	Ashoka Highway (Durg) Ltd.	Natvarlal Vepari & Co.	1,440.95	-	-
	Ashoka Highway (Bhandara) Ltd.	Natvarlal Vepari & Co.	2,815.91	-	-

Financial year ended	Name of the company	Name of the auditor	Total assets	Total revenue	Profit after tax
	Ashoka Precon Pvt. Ltd.	Rathi Daga & Co.	32.96	-	-
	Ashoka Technologies Pvt. Ltd.	Sanjay. V. Goyal & Co.	0.10	-	-
	Associates				
	Viva Infrastructure Pvt. Ltd.	Rathi Daga & Co.	Since profit is consolidated in case of associates, figures of assets and revenues are not indicated.		0.92
	Jaiswal's Ashoka Infrastructures Pvt. Ltd.	Agarwal Challani & Co.			39.80

4. In accordance with the requirements of Paragraph B (1) of Part II of Schedule II of the Act, the Regulations and terms of our engagement agreed with you, we further report that:

a) The consolidated restated Summary Statement of Assets and Liabilities, consolidated restated summary statement of profits and losses and consolidated restated statement of cash flows of the Company, as at March 31, 2005 2006, 2007, 2008 and 2009 examined by us as set out in the **Annexure I, II and III** to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in the notes on adjustments for re-stated financial statements and significant accounting policies for re-stated financial statements as set out in **Annexures IV and V**.

b) Based on our examination above we are of the opinion that that the consolidated restated financial information has been made after incorporating:

(i) adjustments for the material amounts in the respective financial years to which they relate,
(ii) adjustments for qualifications retrospectively in the respective financial years to reflect the accounting treatment to be followed had there been no qualification,

c) Based on our examination, we are of the opinion that the consolidated restated financial statements have been prepared on the basis of accounting policies adopted as at and for the year ended March 31, 2009.

d) There are no extraordinary items which need to be disclosed separately in the consolidated restated financial information.

5. We have also examined the following other financial information set out in the below mentioned annexures prepared by the management and approved by the Board of Directors relating to the Company for the year ended March 31, 2005, 2006, 2007, 2008 and 2009.

(i) Statement of Secured and Unsecured Loans included in **Annexure VI & VII**
(ii) Statement of Loans & Advances included in **Annexure VIII**
(iii) Statement of Sundry Debtors included in **Annexure IX**
(iv) Statement of Investments included in **Annexure X**
(v) Statement of Current Liabilities & Provisions included in **Annexure XI**
(vi) Statement of Other Income included in **Annexure XII**
(vii) Statement of Contingent Liabilities & Capital Commitments included in **Annexure XIII**
(viii) Statement of Dividend paid/proposed included in **Annexure XIV**
(ix) Statement of Accounting Ratios included in **Annexure XV**
(x) Statement of Capitalisation included in **Annexure XVI**

(xi) Statement of Related Parties included in **Annexure XVII**
(xii) Statement of Segment Reporting included in **Annexure XVIII**

6. In our opinion the financial information contained in **Annexure I to XVIII** of this report read along with the Significant Accounting Policies, and Notes to accounts prepared after making 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 Regulations.

7. Our report is intended solely for use of the management and for inclusion in the offer document in connection with the proposed issue of equity shares of the Company. Our report and should not be used, referred to or distributed for any other purpose except with our prior written consent.

For **M P Chitale & Co.**
Chartered Accountants

Murtuza Vajihi
Partner
ICAI M. No. 112555

Mumbai,
September 14, 2009

ANNEXURE: I

SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

Particulars	As At (All figures in Rupee millions)				
	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
ASSETS (A) :					
Fixed assets - Gross block	1,349.72	1,131.86	910.92	568.66	498.43
Less: Depreciation Resrve	443.91	341.09	227.48	149.16	124.98
Net block (1)	905.81	790.77	683.44	419.50	373.45
Intangible Assets*					
Fixed assets - Gross block	6,143.55	5,098.65	4,561.03	1,856.55	1,831.26
Less: Amortisation Reserve	2,143.89	1,566.47	1,184.96	427.04	299.38
Net block (2)	3,999.66	3,532.18	3,376.07	1,429.51	1,531.88
Add : Capital Work in Progress (3)	3,730.22	1,293.30	617.13	48.17	9.96
Total (1 + 2 + 3)	**8,635.69**	**5,616.25**	**4,676.64**	**1,897.18**	**1,915.29**
INVESTMENTS (B)	**910.95**	**716.54**	**662.32**	**755.29**	**709.43**
CURRENT ASSETS, LOANS & ADVANCES :					
Inventories	670.02	905.47	588.59	297.21	191.04
Sundry debtors	349.50	333.68	226.85	466.35	144.17
Cash & bank balances	691.83	993.77	1,389.87	473.39	275.03
Loans and advances	1,349.22	674.85	490.98	526.51	348.45
Total (C)	**3,060.57**	**2,907.77**	**2,696.29**	**1,763.46**	**958.69**
TOTAL ASSETS (A + B +C)	**12,607.21**	**9,240.56**	**8,035.25**	**4,415.93**	**3,583.41**
LIABILITIES AND PROVISIONS :					
Unsecured loans	262.22	202.17	190.29	888.06	440.51
Secured Loans	6,963.79	4,918.61	4,185.30	1,569.76	1,095.96
Minority Interest	237.49	162.35	126.04	56.32	65.58
Deferred tax liability	18.39	12.84	31.85	26.81	11.82
Current liabilities & provisions :					
Current liabilities	1,429.37	718.40	569.95	384.18	530.28
Provisions - Staff benefits	5.14	5.30	5.88	2.28	1.19
Provisions for taxation	218.01	107.67	52.37	17.02	8.26
Total (D)	**9,134.41**	**6,127.34**	**5,161.70**	**2,944.43**	**2,153.60**
NET WORTH					
Represented by:					
Share capital	587.25	587.25	224.21	211.40	211.40
Share Application Money	49.82	0.10	0.00	0.00	0.00
Security premium (Net of Share Issue Expenses)	1,379.63	1,435.60	1,858.90	856.01	904.96
Preference Share redemption Reserve	159.33	141.62	176.39	211.25	163.20

Particulars	As At (All figures in Rupee millions)				
	March 31, 2009	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**	**March 31, 2005**
Profit and loss account	1,296.77	948.65	614.09	192.84	150.25
Less: Preliminary / share issue expenses not written off	-	-	0.04	0.00	0.00
Total (E)	**3,472.80**	**3,113.22**	**2,873.55**	**1,471.50**	**1,429.81**
TOTAL LIABILITIES (D + E)	**12,607.21**	**9,240.56**	**8,035.25**	**4,415.93**	**3,583.41**

Notes: In the financial year 2007-2008 balance of Profit and loss Account increased by Rs 3.71 million due to effect of transitional provision of A.S. 15

** Includes Goodwill arising on consolidation aggregating to Rs. 6.30 million*

ANNEXURE: II

SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATE

Particulars	Year Ended (All figures in Rupee millions)				
	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
INCOME :					
Turnover					
- Construction Revenue	2,930.55	1,376.92	2,229.00	1,165.26	725.98
- Sales	808.58	677.83	480.18	247.38	296.25
- Toll Income - BOT	1,444.56	1,172.93	976.31	358.30	349.64
- Toll Income - Contract	-	-	345.40	20.42	-
Total Turnover	5,183.69	3,227.68	4,030.89	1,791.36	1,371.87
Other Income	149.92	175.69	158.80	66.85	57.83
TOTAL INCOME	**5,333.61**	**3,403.37**	**4,189.69**	**1,858.21**	**1,429.70**
EXPENDITURE :					
Contract / O & M Expenses *	2,647.32	1,198.01	2,050.84	965.37	628.24
Cost of Material Sold	581.56	525.22	373.89	221.90	240.59
Toll Expenses	-	-	316.88	17.92	-
Staff Expenses	158.80	129.39	112.18	65.86	51.15
Administrative Expenses	155.80	141.74	122.48	68.18	49.58
Finance Costs	646.22	473.97	451.64	212.24	162.49
Depreciation	119.31	102.68	79.04	61.44	38.56
Amortisation	525.44	429.23	420.74	181.49	179.94
****TOTAL EXPENDITURE**	**4,834.45**	**3,000.24**	**3,927.69**	**1,794.40**	**1,350.55**
Profit before tax , prior period items and Adjustments	**499.16**	**403.13**	**262.00**	**63.81**	**79.15**
Provision for taxation :					
Current Tax (Net)	108.00	53.52	23.64	15.90	6.12
Deferred Tax	5.55	(19.01)	(6.72)	14.98	(7.95)
Fringe Benefit Tax	2.59	3.47	1.88	2.11	-
Profit before prior period items and Adjustments	**383.02**	**365.15**	**243.20**	**30.82**	**80.98**
ADJUSTMENTS (see Note 1 of Annexure IV)	**-**		**(1.54)**	**0.67**	**(1.41)**
Current Tax Impact of Adjustments	-	-	0.49	(0.50)	0.26
Net Profit before Minority Interest	**383.02**	**365.15**	**244.25**	**30.65**	**82.13**
Profit / Loss transferred to Minority Interest	34.88	34.31	1.87	(11.94)	(11.96)
Net Profit attributable to Shareholders	**348.14**	**330.83**	**242.38**	**42.59**	**94.09**
Profit Brought Forward from Previous years	948.63	614.09	192.84	150.25	56.16

Particulars	Year Ended (All figures in Rupee millions)				
	March 31, 2009	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**	**March 31, 2005**
Profit of Merged Entities	-	-	-	-	-
Profit Brought Forward from Previous years of subsidiaries added	-	-	178.87	-	-
Balance carried to Balance sheet	1,296.78	944.93	614.09	192.84	150.25

Notes :

** Profit Brought Forward from Previous years in financial year 2008 - 2009 is increased by Rs. 3.71 million due to transitional provision of A.S. 15*

*** Net of all expenditure transferred to capital work in progress*

ANNEXURE: III

STATEMENT OF CASH FLOW, AS RESTATED

Particulars	As At (All figures in Rupee millions)				
	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
A. CASH FLOW FROM OPERATING ACTIVITIES :					
Net Profit before Tax	499.15	403.13	263.54	64.66	79.66
Adjustments for :	-	-	-	-	-
Depreciation / Amortisation	645.61	583.47	499.78	242.57	218.49
Investment Income	(41.03)	(46.38)	(23.79)	4.40	(13.04)
Interest (Net)	646.22	494.50	451.64	212.25	162.49
Impact of Transitional Provision As per AS-15		3.71	-	-	-
Share Issue Expenses written off	-	-	-	-	-
Operating Profit before Working Capital Changes	**1,749.95**	**1,438.42**	**1,191.17**	**523.87**	**447.60**
Adjustments for :	-	-			
Inventories	235.45	(316.89)	(291.37)	(106.17)	(132.71)
Trade and Other Receivables	(579.99)	(235.40)	267.99	(500.25)	76.90
Trade Payables and other payables	835.82	184.41	293.83	(143.88)	(165.58)
Cash Generated from the Operations	**2,241.22**	**1,070.53**	**1,461.61**	**(226.42)**	**226.21**
Direct Taxes provision	(110.59)	(57.00)	(25.52)	(18.01)	(5.34)
Adjustments	-	-	(1.54)	0.67	(1.41)
(Profit) / Loss transferred to minority interest	(37.48)	(45.41)	(1.87)	11.95	11.96
Net Cash from/(used in) Operating Activities	**2,093.16**	**968.12**	**1,432.67**	**(231.81)**	**231.42**
B. CASH FLOW FROM INVESTING ACTIVITIES :					
(Purchase) / Sales of Fixed Assets	(3,665.05)	(1,523.14)	(3,279.18)	(227.79)	(245.77)
Investments :	-	-	-	-	-
(Purchase) / repayment & reduction of Investments	(194.41)	(54.22)	271.93	(46.76)	11.76
Share of profits/ (losses) Associates /Joint Ventures	41.03	46.38	22.45	(4.40)	13.04
Net Cash (used in) Investing Activities	**(3,818.43)**	**(1,530.98)**	**(2,984.80)**	**(278.94)**	**(220.97)**
C. CASH FLOW FROM FINANCING ACTIVITIES :					
Increase in Share Capital	-	(83.94)	1,002.61	-	-
Proceeds from /(Repayment of) borrowings	2,105.22	745.20	1,917.76	921.36	192.36
Interest Paid	(646.22)	(494.50)	(451.64)	(212.25)	(162.49)

Particulars	As At (All figures in Rupee millions)				
	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
Preliminary and Share Issue Expenses	(35.66)	-	-	-	-
Net Cash from/(used in) Financing activities	**1,423.34**	**166.76**	**2,468.74**	**709.11**	**29.87**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**(301.93)**	**(396.10)**	**916.61**	**198.36**	**40.32**
Cash & Cash Equivalent, end of year / period	691.83	993.77	1,390.00	473.39	275.03
Cash & Cash Equivalent, beginning of year / period	993.77	1,389.87	473.39	275.03	234.71
NET INCREASE IN CASH AND CASH EQUIVALENTS	**(301.93)**	**(396.10)**	**916.61**	**198.36**	**40.32**
COMPONENTS OF CASH AND CASH EQUIVALENTS					
Cash in hand	8.01	6.77	9.41	4.90	3.32
Balances with Banks:	-	-			
-On Current Account	191.28	242.25	223.42	58.42	69.25
-On Deposit Account	492.55	744.75	1,157.04	410.07	202.46

ANNEXURE IV

BREAK UP OF ADJUSTMENTS / RESTATMENTS MADE IN RESTATED FINANCIAL INFORMATION

The adjustments / restatements made while preparing the Restated Financial Information are summarized below:

Particulars	As At (All figures in Rupee millions)				
	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
Net Profit After Tax and after Extraordinary items as per Audited Financial Statements	383.02	365.15	243.20	30.82	80.98
Restatements / Adjustments on account of :					
- Prior Period items (refer Note 1 (a) below)	-	-	(0.74)	(0.28)	1.52
- Provision for Leave Encashment (refer Note 1 (b) below)	-	-	-	(1.10)	(0.81)
- Adjustment of Amortisation for Prior Years (refer Note 1 (c) below)	-	-	2.29	0.70	0.70
Current Tax impact of Adjustments	-	-	(0.49)	0.50	(0.26)
Net Profit After Tax and after Extraordinary items as per Restated Financial Information of profits and losses	383.02	365.15	244.25	30.65	82.13

NOTES ON ADJUSTMENTS MADE IN THE RESTATED FINANCIAL INFORMATION

CHANGE IN ACCOUNTING POLICIES:

1 (a) In the restated financial statements prior period items are considered as expenditure / income in the financial year for which these items pertain to.

1 (b) Leave encashment was accounted for on payment basis till financial year 2005-06 and no provision was made for outstanding leave. In the restated financial statements the provision for leave encashment has been made from financial year 2002-2003 onwards.

1 (c) In the restated financial statements error in calculation of amortisation are accounted for, in the respective financial year.

ANNEXURE V

Notes on adjustments for re-stated financial statements and significant accounting policies

COMPANY OVERVIEW:

The Company is incorporated in 1993. It is presently in the business construction of infrastructure facilities on Engineering, Procurement and Construction Basis (EPC) and Built, Operate and Transfer (BOT) Basis and Sale of Ready Mix Concrete and Bitumen. The Company has promoted Special Purpose Vehicles (SPVs) for some of its projects. The SPVs significantly engage the services of the Company for contract related activities due to inherent execution capabilities / expertise and experience of the Company.

1. Principles of Consolidation

a) The consolidated financial statements include accounts of Ashoka Buildcon Ltd. (The Company / ABL) and its subsidiaries and associates. Subsidiary undertakings are those companies in which ABL, directly or indirectly, has an interest of more than one half of voting power or otherwise has power to exercise control over the operations. Subsidiaries are consolidated from the date on which effective control is transferred to the Group till the date of such control exists. The consolidated financial statements have been prepared in accordance with historical cost convention, the applicable accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

b) In case of Inter Company contract revenue consolidated the same is reduced from the contract revenue from the respective opening and closing Work-In-Progress and also contract receipt. Expenditure incurred & apportioned related to this contract revenue are reduced from respective schedules under the A/c. head "Elimination of Inter Company Transaction in respect of CWIP Projects

c) In respect of Inter company transactions that are contract revenue in nature for the holding company and fixed assets/CWIP in the subsidiary company, the company follows a process of elimination of the contract revenue and related/ allocated expenditure in the holding company and elimination of the profit on such transaction in the subsidiary company. Elimination of such profit has been effected in the Revenue account of the holding company and the fixed assets/CWIP of the subsidiary company.

d) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra-group transactions in accordance with the Accounting Standard (AS) 21 – "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

e) In case of associates, where the Company directly or indirectly through subsidiaries holds more than 20% of equity, investments in associates are accounted for using the equity method in accordance with Accounting Standard 23 on Accounting of Investments in Associates in Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India. Investments in associate companies which have been made for temporary purposes have not been considered for consolidation.

f) The Company accounts for its share in the change on the net assets of the associates, post acquisition, after eliminating profits and losses resulting from transactions between the Company and its associates to the extent of its shares, through its Profit and Loss Account to the extent attributable t the associates' profit and loss account and through its reserves for the balance, based on available information.

g) Minority Interest's share of net assets / reserves of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders. Share of minority interest in the preference redemption reserve of subsidiary companies has been reduced from the Share premium of the holding company being an appropriation of the share premium account.

h) As far as possible, the consolidated financial statement are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements. And accordingly, Amortisation / Depreciation policy has been reinstated in case of Viva Highways Pvt. Ltd. (A Subsidiary) and Jaiswal Ashoka Infrastructure Pvt. Ltd. (An Associate) due to which Amortisation /Depreciation reserve is reduced to the extend of Rs. 425.25 million and Rs. 213.08 million, respectively.

i) The Companies considered in consolidated financial statements are listed below:

Sr. No.	Name of Concern	Relationship	Ownership as on 31st March, 2009	Ownership as on 31st March, 2008
1)	Ashoka Infrastructure Ltd.	Subsidiary (Associate till 14.04.2006)	100%	100%
2)	Ashoka Infraways Pvt. Ltd.	Subsidiary	100%	100%
3)	Viva Highways Pvt. Ltd.	Subsidiary	74.00%	74.00%
4)	Ashoka DSC Katni Road Project Pvt. Ltd.	Subsidiary	99.89%	99.89%
5)	Ashoka Highway Ad	Subsidiary	99.99%	99.99%
6)	Ashoka Infrastructures	Subsidiary	99.99%	99.99%
7)	Ashoka Highways (Durg) Ltd.	Subsidiary	90.00%	89.00%
8)	Ashoka Highways (Bhandara) Ltd.	Subsidiary	70.73%	89.00%
9)	Ashoka Precon Pvt. Ltd.	Subsidiary	51.00%	-
10)	Ashoka Technologies Pvt. Ltd.	Subsidiary	99.80%	-
11)	Viva Infrastructure Pvt. Ltd.	Associates	49.00%	49.00%
12)	Jayaswal Ashoka Infrastructure Pvt. Ltd.	Associates	50.00%	50.00%
13)	L & T PNG Tollway Pvt. Ltd.	Associates	26.00%	-

j) The Company has entered in to a following Joint Venture with nature of Joint Control Operations, wherein there is no capital contribution with Valecha Engineering Ltd for execution of the construction of Chittorgarh Bypass, wherein the work is to be executed separately as per agreed terms and conditions and the obligations and fortunes of the respective works is being accounted individually of their own works Since the JV is in the nature of jointly controlled operations, the same have not been considered for consolidation as prescribed by AS-27 –Financial reporting of interest in Joint ventures.

k) M/s Ashoka Buildcon ltd holds a 5% stake in a joint venture, M/s Ashoka Bridgeways. In the opinion of the management, holding of a mere 5% stake would not result in joint control of the entity, hence, the same has not been consolidated in the period under audit. The management has not consolidated 'investment in partnership firms' since, in the opinion of the management, they are not in the nature of a joint ventures.

2. **Statement of Significant Accounting Policies**

a) Basis & Method of Accounting

The Company follows mercantile system of accounting and recognizes income and expenditure on an accrual basis. Financial Statements are prepared under historical cost convention, in accordance with the Generally Accepted Accounting Principles in India (GAAP) and comply in all material aspects, with mandatory accounting standards and statements issued by the Institute of Chartered Accountants of India. The significant accounting policies followed by the Company are set out below. Management has made certain estimates and assumptions in conformity with the GAAP in the preparation of these financial statements, which are reflected in the preparation of these financial statements. Difference between the actual results and estimates are recognized in the period in which the results are known.

b) Fixed Assets & Depreciation

a) Fixed assets are stated at cost less accumulated depreciation and any write downs for permanent diminution in value. Assets under construction are carried at cost and are not depreciated until brought into use in the business. Cost being cost of acquisition and expenditure directly attributable for commissioning of the asset including taxes, duties, cess and other levies not refundable and claimable. In respect of assets acquired on merger, fixed assets are stated at their fair market value on the effective date of merger less depreciation.

b) Depreciation has been provided on Written Down Value method at the rates specified in Schedule XIV to the Companies Act, 1956.

c) Intangible assets & Amortization

i) Intangible assets are carried at cost of acquisition less any subsidies or grants. These assets include all duties, non-refundable taxes, levies and costs incurred (which are directly attributable) for bringing assets into working conditions for its intended use. Intangible assets include assets that are incidental for the purpose of Toll Collection and which will be handed over at the end of the concession period. Fees incurred in order to arrange long-term financing are capitalized and amortized over the life of the asset.

ii) Intangible assets are amortized on straight line method over the useful life of the asset/ Concession period. Amortization of these Intangible Assets commences when the Right to Collect Toll is established by the Company.

d) Investments

Long term Investments are stated at acquisition cost. Investments acquired on merger are stated at their fair market value on the effective date of merger.

e) Revenue Recognition

i) Construction Contracts

Revenue from long term contracts is recognized on percentage completion basis. Provisions for future foreseeable losses are fully provided for. Claims and variations for escalations/damages are recognized only when accepted by the client. Claims under arbitration/disputes are accounted as income based on final award. Expenses on arbitration are accounted as incurred.

ii) Sales

Sales are recognized on dispatches to customers. Sales exclude VAT and are net of incentives and discounts.

iii) Toll Collection – BOT & Contracts

Income from toll collection is recognized on the basis of actual collections. Sale of discounted coupons / swipe cards is recognized as income at the time of sale.

f) Inventory

i) Inventory of construction / raw material is valued at cost or net realizable value whichever is lower. Cost includes all taxes and expenses incurred to bringing inventory to their present location and condition. Cost is arrived at using FIFO basis.

ii) Work in Progress in respect of construction contracts is valued on the basis of technical estimates and percentage completion basis.

iii) Stores and spares are expensed as and when purchased.

g) Retirement Benefits

i) Provision for liabilities in respect of leave encashment is made on the basis of an actuarial valuation.

ii) Provision for gratuity liability is made on the basis of premium payable in respect of Group Gratuity Policy with an insurance company.

iii) Provident Fund benefit to employees is provided for on accrual basis and charged to Profit and Loss Account of the year

iv) Compensation Cost of ESOP to employees is accounted on Intrinsic Value Method. Intrinsic value is the amount by which the quoted market price of the underlying shares on the grant date exceeds the exercise price of the options. Accordingly, the compensation cost is amortized over the vesting period.

h) Borrowing Cost

Borrowing costs directly attributable to acquisition and construction of capital assets are capitalized till the asset is put to use/ready for use. Borrowing costs directly attributable to construction contract project are charged to profit & loss account and are included in work in progress. All other borrowing costs are recognized as an expenditure in the period when they were incurred.

i) Foreign Exchange Transactions

Transactions in foreign currency are recorded at exchange rates prevailing on the dates of respective transactions. The difference in translation and realized gains and losses on foreign exchange transactions are recognized in the Profit and Loss Account.

j) Impairment of Fixed Assets

Wherever events or changes in circumstances indicate that the carrying value of fixed assets may be impaired, such assets are subject to a test of recoverability, based on discounted cash flows expected from use or disposal thereof. If the assets are impaired, loss is recognized.

k) Taxes on income

i) Tax expense comprises both current and deferred tax at the applicable enacted/substantively enacted rates. Current tax represents the amount of income tax payable/recoverable in respect of the taxable income/loss for the reporting period.

ii) Deferred tax represents the effect of timing differences between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. Such assets are reviewed as at each Balance Sheet date to reassess realization.

l) Provisions and contingencies

Provisions are recognized when the company has a legal and constructive present obligation as a result of a past event, for which it is probable that outflow of resources will be required and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed when there is a possible obligation that may result in an outflow of resources. Contingent assets are neither recognized nor disclosed.

m) Deferred Grants and subsidies

Grants and subsidies relating to investments on Fixed / Intangible assets are recognized in the financial statements by reducing the cost of the relevant assets.

3. **AS 7 – Accounting for Construction Contracts**

Rs. in million

Sr. No.	Particulars	2008-09	2007-08
1)	Revenue from fixed price construction contracts are recognized on the percentage of completion period, measured by reference to the percentage of cost incurred up to the year end to estimated total cost for each contract		
2)	Total Contract revenue recognized during the year	2,930.55	1,376.92
3)	Particulars about contracts in progress at the end of the year:		
a)	Aggregate amount of cost incurred up to year end	4,066.73	1,722.26
b)	Aggregate amount of profit / Loss Recognized	461.55	102.25
d)	Advance from Customers	50.38	6.49
e)	Retention Amount	129.48	35.27
4)	Gross Amount due from customers for contract work	307.25	244.31

Sr. No.	Particulars	2008-09	2007-08
5)	Gross amount due to customers for contract work	Nil	2.56

Percentage completion method for income recognition on long term contracts involves technical estimates by engineers/technical officials, of percentage of completion and costs to completion of each project/contract on the basis of which profit/loss is allocated.

4. The Company has entered into a derivative transaction as under:

Details of Derivative Contract	Date of Termination	Amount (Rs. in million)
INR US Interest Rate SWAP	January 28, 2013	1,000.00

The Company has provided for losses as at March 31, 2009 arising due to Marked to Market basis of INR US$ interest rate swap aggregating to Rs. 12.68 million. The said amounts have been classified under "Interest and Financial Charges".

Foreign Currency exposures amounting to Euro 54,270/-, which is not hedged.

5. Employee Stock Options

The Board of Directors of the company has approved creation of an Employee Stock Option on December 13, 2007. The company has granted stock options for 7,58,321 shares on December 15, 2007 at an exercise price of Rs. 190 per share. Options granted have a vesting period of five years. The Compensation Committee administers the plan. The details of the stock option plan are as under:

	For 2008-09		For 2007-08	
	Number of options	Exercise Price (Rs.)	Number of options	Number of options
Outstanding at the beginning of the year				
Loyalty Option	218,740	190	Nil	Nil
Growth Option	561,310	190	Nil	Nil
Granted during the Year:				
Loyalty Option	Nil	Nil	218,740	190
Growth Option	Nil	Nil	561,310	190
Forfeited during the Year:				
Loyalty Option	Nil	Nil	Nil	Nil
Growth Option	Nil	Nil	Nil	Nil
Exercise during the Year:				
Loyalty Option	Nil	Nil	Nil	Nil
Growth Option	Nil	Nil	Nil	Nil
Outstanding at the end of the Year:				
Loyalty Option	218,740	190	218,740	190
Growth Option	561,310	190	561,310	190
Exercisable at the end of the Year:				
Loyalty Option	Nil	Nil	Nil	Nil
Growth Option	Nil	Nil	Nil	Nil

Guidance Note on 'Accounting for employee share based payments' issued by the Institute of Chartered Accountants of India establishes financial accounting and reporting principles for employee share based payment plans.

The Company has applied Intrinsic Value Method of Accounting. The difference between the Fair Value of the Equity Share as at March 31, 2008 (as determined by the Category I Merchant banker) and the exercise price is Rs.NIL. Accordingly no Compensation Cost needs to be required.

Had the Compensation Cost for the plan applied in a manner consistent with the fair value approach described in the guidance note, the Company's Net Income and Basic and Diluted Earnings Per Share as reported would have reduced to the pro forma amounts as under:

	For 2008-09	For 2007-08
Net Profit as reported	4,780.19	2,197.52
Less: Stock based employee Compensation	Nil	25.26
Adjusted Pro forma	4,780.19	2,172.26
Basic Earnings Per Share as reported	10.46	4.88
Pro forma Basic Earnings Per Share	10.46	4.84
Basic Diluted Per Share as reported	10.46	4.82
Pro forma Diluted Earnings Per Share	10.46	4.78

Loyalty Option:

	For 2008-09	For 2007-08
Outstanding at the beginning of the Year		
Dividend Yield	Nil	Nil
Weighed Average Dividend Yield	Nil	Nil
Expected Life	2.50 – 6.51	2.50 – 6.51
Risk Free Interest Rates	7.76% - 7.84%	7.76% - 7.84%
Volatility	Nil	Nil
Weighed Average Volatility	Nil	Nil

Growth Option:

	For 2008-09	For 2007-08
Outstanding at the beginning of the Year		
Dividend Yield	Nil	Nil
Weighed Average Dividend Yield	Nil	Nil
Expected Life	2.50 – 6.51	2.50 – 6.51
Risk Free Interest Rates	7.76% - 7.84%	7.76% - 7.84%
Volatility	Nil	Nil
Weighed Average Volatility	Nil	Nil

6. AS 15 – Employee Benefit-Gratuity & Leave Encashment

(i) Contribution to Provident Fund is charged to accounts on accrual basis. The Company operates a defined contribution scheme with recognized provident fund. For this Scheme, contributions are made by the company, based on current salaries, to recognized Fund maintained by the company. In case of Provident fund scheme, contributions are also made by the employees. An amount of Rs. 7.30 million (P.Y. Rs. 5.16 million) has been charged to the Profit & Loss Account on account of this defined contribution scheme.

(ii) The Company provides benefits to its employees under the Leave Encashment pay plan which is a non-contributory defined benefit plan. The employees of the Company are entitled to receive certain benefits in lieu of the annual leave not availed of during service, at the time of leaving the services of the Company. The benefits payable are expressed by means of formulae which takes into account the Salary and the leave balance to the credit of the employees on the date of exit.

(iii) The benefit of Gratuity is funded defined benefit plan. For this purpose the Company has obtained qualifying insurance policy from Life Insurance Corporation of India.

(iv) Details Gratuity and Leave Encashment disclosure as required by AS-15 are detailed hereunder:

(v) Details Gratuity and Leave Encashment disclosure as required by AS-15 are detailed hereunder:

(Rs. million)

	As at March 31, 2009	**As at March 31, 2008**	**As at March 31, 2009**	**As at March 31, 2008**
	Gratuity	**Gratuity**	**Leave Encashment**	**Leave Encashment**
Present Value of Obligation as at the beginning of the year	10.50	7.78	5.30	1.90
Interest Cost	0.80	0.58	0.42	Nil
Current Service Cost	2.47	2.47	2.18	2.41
Benefits paid	0.31	0.76	0.58	0.50
Actuarial (Gain) / Loss	(1.53)	0.42	2.18	1.01
Present Value of Obligations as at end of year	11.94	10.50	5.14	5.30
Fair Value of Plan Assets at the beginning of the year	13.75	7.55	Nil	Nil
Expected Return on Plan Asset	1.25	0.66	Nil	Nil
Contributions	0.04	6.29	Nil	Nil
Benefits paid	0.55	0.76	0.58	0.50
Actuarial (Gain) / Loss	Nil	Nil	Nil	Nil
Fair Value of Plan Assets at end of year	14.49	13.75	Nil	Nil
Funded Status	2.55	3.25	Nil	Nil
Actual Gain / (Loss) for the year-Obligation	1.53	(0.42)	2.18	(1.01)
Actual Gain / (Loss) for the year-Plan Assets	(0.29)	Nil	Nil	Nil
Total (Gain) / Loss for the year	(1.29)	0.42	2.18	(1.01)
Amount to be recognized in the Balance Sheet & Profit & Loss Account:				
Present Value of Obligations as at the end of the year	11.94	10.50	5.14	5.30
Fair Value of Plan Assets as at the end of the year	14.49	13.75	Nil	Nil
Funded / Unfunded Status	2.55	3.25	5.14	5.30

	As at March 31, 2009 Gratuity	As at March 31, 2008 Gratuity	As at March 31, 2009 Leave Encashment	As at March 31, 2008 Leave Encashment
Net Asset / (liability) recognized in the balance sheet	2.17	3.25	(5.14)	(5.30)
Expenses recognized in the Profit & Loss Account				
Current Service Cost	2.47	2.47	2.18	2.41
Interest Cost	0.80	0.58	0.42	0.15
Expected Return on Plan Assets	1.10	0.66	Nil	Nil
Net Actuarial (Gain) / Loss recognized in the year	(1.29)	0.42	2.18	(1.01)
Expenses recognized in the Profit & Loss Account	0.74	2.81	0.56	3.58
Financial Assumptions as the Valuation Date				
Discount Rate (p.a.)	8.00%	7.50%	8.00%	8.00%
Salary Escalation (p.a.)	7.00%	7.00%	4.00%	5.00%
Withdrawal Rate (p.a.)	N.A.	N.A.	1.00%	1.00%

7. AS 16 – Borrowing Cost

Rs. in million

Particulars	2008-09	2007-08
Interest Cost capitalized and charged to qualified assets during the year	5.84	23.13

8. AS – 17 – Segment Reporting

The Company has identified four reportable segments i.e. Construction and contract related activities, BOT Projects, Toll Collection Contracts and Sales of Goods. Segments have been identified taking in to account the nature of activities of the Company, differing risks and returns and internal reporting systems.

Rs. in million

Primary Segment	Construction and Contract	BOT	Sales of Goods	Inter-segment	Total
Revenue	2,930.55 (1,376.92)	1,444.56 (1,172.93)	808.58 (6,93.11)	Nil (-15.29)	5,183.68 (3,227.68)
Segment Results Segment Results	279.81 (404.10)	547.24 (579.64)	37.42 (29.87)	Nil (Nil)	864.46 (1,013.61)
Add: Unallocated other income					149.92 (175.6.0)
Less: Unallocated expenditure					515.23 (786.82)
Profit Before Tax					499.15 (402.44)
Less: Prior Period					

Primary Segment	Construction and Contract	BOT	Sales of Goods	Inter-segment	Total
Adjustment					Nil (0.13)
Less: Provision for					
Current Tax					110.29 (51.63)
Deferred Tax					5.55 (-19.00)
Add: Last Year Tax					0.30 (5.36)
Net Profit After Tax					383.01 (364.59)
Segment Assets	2,029.82 (1,533.52)	8,316.53 (5,488.80)	264.21 (347.96)	Nil (Nil)	10,610.56 (7,272.11)
Corporate and other unallocable assets					1,778.80 (1,860.80)
Segment Liability	1,260.58 (1,658.96)	55,23.25 (3,802.79)	87.94 (125.57)	Nil (Nil)	6,871.77 (5,586.55)
Corporate and other unallocable liabilities					2,044.77 (433.14)
Capital Expenditure during the year on Segment Assets	318.25 (216.74)	4,898.04 (2,187.27)	40.18 (29.86)	Nil (Nil)	525.65 (2,464.71)
UnallocableCapital Expenditure during the year					8.45 (30.83)
Depreciation Segment	223.47 (69.28)	460.08 (502.62)	27.67 (29.39)	Nil (Nil)	7,11.21 (601.29)

(Figures in brackets denote figures for previous year)

9. AS – 18 Related Party Transactions:

9.1 List of Related Parties

9.1.1 Parties where control exists (Associates and Joint Ventures)

1 Viva Infrastructures Pvt. Ltd.
2 Jayaswals Ashoka Infrastructure Pvt. Ltd.
3 Ashoka Valecha JV
4 Ashoka Bridgeways

9.1.2 Other parties with whom the Company has entered into transaction (s) during the year

A Key Management Personnel

1 Ashok M. Katariya
2 Satish D. Parakh
3 Sunil B Raisoni
4 Sanjay P Londhe
5 Ashish A. Katariya
6. Rajendra C. Burad
7 Narendra Shakadwipi

B Enterprises in which Key Management Personnel / Directors have significant influence

1 Ashoka Buildwell & Developers Pvt. Ltd.
2 Ashoka Builders (Nasik) Pvt. Ltd.
3 Ashoka Construwell Pvt. Ltd.
4 Ashoka E-Tech
5 Shweta Agro
6 Ashoka Education Foundation
7 Ashoka Vastuvaibhav
8 Ashoka Engineering Co.

C Directors and their relatives

1 Astha A. Katariya
2 Asha A. Katariya
3 Anjali Londhe
4 Satish Parakh (HUF)

5 AM Katariya (HUF)   6 Shubham Agencies

9.2 AS – 18 Related Party Transaction:

9.2.1 Transaction during the Year

(Rs. in million)

Sr. No.	Nature of Transactions	Associates and Joint Ventures	Key Management Personnel	Directors' Relatives	Enterprises in which Key Management Or Directors have significant influence
(i)	Contract Receipts	276.45 (441.47)	Nil Nil	Nil Nil	2,377.78
(ii)	Sub Contract Expenses	Nil Nil	Nil Nil	Nil Nil	1.07 (0.71)
(iii)	Salary Paid	Nil Nil	12.58 (14.02)	0.60 (0.49)	Nil Nil
(iv)	Rent Paid	Nil	0.88	1.84	Nil
		Nil	Nil	Nil	Nil
(v)	Interest Paid	21.02 (22.78)	Nil Nil	Nil Nil	Nil Nil
(vi)	Sale of Material / Rendering Services	Nil (0.63)	Nil Nil	Nil Nil	0.10 (3.15)
(vii)	Purchase of Material / Receiving Services	Nil (1.45)	Nil Nil	Nil Nil	35.46 (9.17)
(viii)	Investment in Shares	Nil (0.05)	Nil (0.01)	(0.00)	Nil Nil
(ix)	Share Application Received	Nil (22.85)	Nil Nil	Nil Nil	Nil Nil
(x)	Loans / Advance Taken	Nil Nil	Nil Nil	Nil Nil	Nil Nil
(xi)	Loans / Advance Given	315.03 (161.42)	Nil (0.80)	Nil (0.15)	Nil (10.66)
Outstanding Payable Against					
(xii)	Purchase of Goods / availing services	Nil (18.58)	0.11 (1.31)	0.19 (6.37)	Nil (5.12)

Sr. No.	Nature of Transactions	Associates and Joint Ventures	Key Management Personnel	Directors' Relatives	Enterprises in which Key Management Or Directors have significant influence
(xiii)	Loan Taken	177.72 (228.60)	Nil Nil	Nil (0.04)	Nil Nil
Outstanding Receivable Against					
(xiv)	Sale of Goods / Rendering services	Nil (37.45)	Nil Nil	Nil Nil	95.59 (28.74)
(xv)	Loan Given	384.46 (1,66.21)	Nil Nil	Nil Nil	Nil (19.21)
(xvi)	Advance Paid Against Contract	Nil Nil	Nil Nil	Nil Nil	3.67 Nil

(Figures in brackets denote figures for previous year)

10. Contingent Liabilities

(Rs. in million)

Sr. No.	Particulars	As at March 31, 2009	As at March 31, 2008
(a)	Bank Guarantees and Letters of Credit issued by bankers in favour of third parties	2,472.29	919.58
(b)	Corporate Guarantee issued by the Company in favour of Banks/ Financial Institutions for finance raised by Companies under the same management.	12,151.46	4,087.46
(c)	Claims against the Company not acknowledged as debts.	9.47	9.47
(d)	Liability against capital commitments outstanding (net of advances)	15.65	118.55
(e)	Disputed Tax Demands (net of taxes paid)	26.31	78.80

11. AS – 19 – Accounting for Operating Leases

The Company has various operating leases for equipments and premises, the leases are renewable on periodic basis and cancelable in nature.

12. AS – 20 Earning per Share

Particulars	For 2008-09	For 2007-08
Profit attributable to Equity Shareholders (in Rs. million)	348.13	330.28
No of Weighted Average Equity Shares outstanding during the year(Basic)	45,691,702	45,043,526
No of Weighted Average Equity Shares outstanding during the year(Diluted)	45,691,702	45,420,373
Nominal Value of Equity Shares (in Rs.)	10	10
Basic Earnings per Share (in Rs.) (Basic)	7.62	7.35
Basic Earnings per Share (in Rs.) (Diluted)	7.62	7.29

13. Deferred Tax - AS 22

The components of significant timing differences that resulted in deferred tax assets and liabilities are as follows:

Rs. in million

	As at 31.3.2009	As at 31.3.2008
Difference in Depreciation on Fixed Assets	24.34	25.47
Other Timing Differences	(5.95)	(12.63)
Deferred Tax Liabilities	18.39	12.84

The company and some its subsidiaries and joint venture entities are claiming deduction under Section 80-IA of The Income tax act, 1961. Significant timing differences that result in deferred tax assets/liabilities are originating and reversing during the said tax holiday period. Consequently, the company has not provided for any deferred tax asset/liability on such non taxable income.

14. AS – 29 – Details of Provisions

Rs. in million

	Opening	Provisions made during the year	Provision reversed / adjusted	Closing
Taxation	108.66	110.68	(1.12)	220.46
Group Gratuity	(3.25)	Nil	0.73	(2.52)
Leave encashment	5.30	Nil	0.16	5.14
Provision for Doubtful Debts	8.04	5.96	(Nil)	13.99
Derivatives	32.25	Nil	19.57	12.68

Outflow in respect of above provisions both timing and certainty would depend on development or outcome of these events.

15. **The Company is carrying following projects as on the basis of developing, maintaining and operating infrastructure facilities, directly or through its subsidiaries and Joint Ventures viz.:**

Sr. No	Name of the Project	Concession Period
	Under Toll Collection	
1	Nagar – Karmala Road Project	24th August 1999 to 4th November 2015
2	Sherinallah – Bridge	24th October 2000 to 22nd June 2015
3	Nashirabad Railway Over Bridge	24th July 2000 to 15th October 2009
4	Indore Edlabad Road Project	22nd September 2001 to 31s July 2017
5	Dewas Bye-pass Road Project	24th May, 2004 to 17th August 2015
6	Pune Shirur Road Project	6th July, 2005 to 6th July, 2015
7	Dhule Bye pass	28th August 1997 to 20th June 2009
8	Foot over bridges on Eastern Express Highway - NH3	16th Aug 1997 to 15th May 2018
9	Nagar Aurangabad	18th December 2006 to 18 September 2017
10	Katni Bye-pass Road Project	19th Aug 2002 to 16-th Aug 2014
	Under Construction	
1	Bhandara to Maharashtra Border	16th March 2007 to 15th March 2028
2	End of Durg Bypass to Chhatisgarh	21st July 2008 to 20th July 2028

Sr. No	Name of the Project	Concession Period
	Maharashtra Border	

16. **Details of Investments in Partnership Firms:**

Rs. in million

Name of Partnership & Partners	Share in Profit/ Loss	Capital As At March 31, 2009	Capital As At March 31, 2008
Ashoka Bridge ways			
Ashoka Buildcon Ltd.	5.00%	13.48	8.22
Ashoka Builders (Nasik) Pvt. Ltd.	95.00%	20.38	15.32

17. The company does not have the information whether the creditors are Small Scale and Ancillary Industrial Undertaking, as defined by "The Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertaking Act, 1992". Hence, amounts, which were overdue and outstanding at the close of the year payable to the said Industrial Undertakings, are not ascertainable. Similarly Suppliers/Service providers covered under Micro, Small Medium Enterprises Development Act, 2006 have not furnished the information regarding filing of necessary memorandum with the appropriate authority. In view of this, information required to be disclosed u/s 22 of the said Act is not given. Accordingly, the following information is furnished:

		For 2008-09	For 2007-08
(i)	The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	-	-
(ii)	The amount of interest paid by the buyer in terms of Section 16 of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iii)	The amount on interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but with out adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	-	-
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v)	The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-

18. The Company has initiated steps to make an Initial Public Offering (IPO) of its Equity Shares. The Draft Red Herring Prospectus (DRHP) is filed with the SEBI on January 22, 2008. Expenses incurred amounting to Rs. 35.66 million in connection with this issue is adjusted against the Share Premium Account.

19. Expenditure in the nature of major maintenance for projects under BOT are accounted for in the year in which the same are incurred.

20. The Company has got registered itself under The Employees "Provident Fund Act for discharging provident liability of some of its subsidiaries and group companies.

21. Balance of Debtors, Creditors, Advances, Deposits, etc. are subject to confirmation and reconciliation if any.

22. Figures pertaining to the subsidiary companies and joint ventures have been reclassified wherever necessary to bring them in line with the company's financial statements

23. Previous year figures have been regrouped/ rearranged wherever necessary, to make them comparable with current year figures.

ANNEXURE: VI

STATEMENT OF SECURED LOANS, AS RESTATED

Particulars	As At (All figures in Rupee millions)				
	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
Secured Loan					
From Banks					
ABN Amro Bank N.V.	31.25	27.40	52.63	35.25	49.24
Bank of Maharashtra	3.46	3.03	0.91	2.59	4.11
HDFC Bank Ltd. (Erstwhile Centurion Bank of Punjab Ltd.)	5.02	8.13	11.82	5.40	7.52
DCB-Eicher Bus 2 Nos.	1.38	-	-	-	-
HDFC Ltd.	-	12.68	17.26	21.63	25.32
HDFC Bank Ltd.	23.03	-	0.17	1.47	0.93
ICICI Bank Limited	78.98	158.88	218.46	114.60	57.18
IDBI Bank	265.30	-	-	-	-
Kotak Mahindra Bank Ltd.	12.38	18.54	24.12	-	-
Punjab National Bank	446.10	-	-	-	-
Ratanakar Bank	-	-	-	0.59	-
Standard Chartered Bank	132.44	107.44	81.30	0.94	0.93
State Bank of India	931.67	413.70	453.99	-	-
Thane Janata Sah. Bank Ltd., Pune	-	-	-	-	1.50
ICICI Bank Ltd.	-	-	-	-	25.30
Axis Bank Ltd.	536.20	149.81	224.18	291.11	349.02
Canara Bank	28.59	36.77	44.27	52.12	-
Bank of India	349.10	397.69	201.07	-	-
Oriental Bank of Commerce	112.38	147.43	178.88	-	-
Allahabad Bank	98.21	126.31	150.89	-	-
Indian Overseas Bank	95.81	124.92	150.83	-	-
Indian Bank	59.27	76.09	90.91	-	-
Federal Bank	190.07	199.99	-	-	-
SIDBI	98.07	126.10	150.94		
From Financial Institutions					
Cholamandalam DBS Finance Ltd.	0.14	0.93	1.97	1.81	0.94
Citicorp Finance (I) Ltd.	-	0.78	2.30	4.00	5.73
Kotak Mahindra Finance Ltd.	-	-	-	-	-
L & T Finance Ltd.	0.24	1.60	2.89	4.09	-
Reliance Capital Ltd.	36.58	-	-	-	-
Srei Infrastructure Finance Ltd.	0.47	4.92	10.61	39.47	69.90
TATA Finance Ltd.	-	2.81	6.41	9.79	12.70
SICOM Ltd.	-	-	-	123.74	153.63
Shreelekha N.S.A.L.	-	-	-	-	0.28
IDFC Ltd.	2,152.68	1,947.11	1,581.70	736.68	330.72
IIFCL	467.60	-	-	-	-

Particulars	As At (All figures in Rupee millions)				
	March 31, 2009	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**	**March 31, 2005**
Shreelekha N.S.A.L.	-	-	-	-	0.62
Cash Credit / Bill Discounting					
Axis Bank Ltd. – CC	83.99	126.80	0.13	20.80	-
Bank of India – CC	121.98	115.00	2.33	1.64	-
Bank of Maharashtra – CC	66.45	94.40	-	-	-
Canara Bank – CC	96.52				
Corporation Bank – CC	50.38	-	0.11	-	-
Federal Bank – CC	20.95	37.07	23.61	-	-
Indian Bank – CC	58.00	50.03	0.02	-	-
Indian Bank – DL	-	89.18	0.00	-	-
Rupee Co-op. Bank Ltd.	-	-	-	-	0.39
SICOM – BD	-	-	-	-	-
State Bank of India – CC	182.40	115.44	-	-	-
Union Bank of India – CA	-	-	(0.01)	-	-
Corporation Bank – DL	-	24.08	-	-	-
Overdraft Against Deposit					
Canara Bank – OD	0.30	27.40	79.35	102.04	-
Canara Bank – OD	58.62				
Bank of Maharashtra – OD	-	77.92	224.77	-	-
ICICI Bank Ltd. – OD	0.00				
State Bank of India – OD	29.95	50.42	196.46	-	-
Axis Bank Ltd.	0.23	-	-	-	-
Bank of India – OD	37.63	17.81	-	-	-
TOTAL	**6,963.79**	**4,918.61**	**4,185.30**	**1,569.76**	**1,095.96**

ANNEXURE: VII

STATEMENT OF UNSECURED LOANS, AS RESTATED

Particulars	As At (All figures in Rupee millions)				
	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
Unsecured Loan					
From Associates / JV					
Ashoka Infrastructures	-	-	-	-	0.52
Viva Highways Pvt. Ltd.	-	-	-	686.36	334.10
* Jaiswal Ashoka Infrastructure Pvt. Ltd. (Rate of Interest 10.91%)	177.72	202.17	190.05	200.40	-
Ashoka Builders Nasik Pvt Ltd	-	-	-	-	41.75
Viva Infrastructure Pvt. Ltd.	-	-	0.24	0.51	37.24
From Shareholders & Directors					
Aditya S. Parakh – Loan	-	-	-	-	0.00
Asha Katariya – Loan	-	-	-	-	2.10
Satish D. Parakh (HUF) - Loan	-	-	-	-	4.59
Satish D. Parakh – Loan	-	-	-	-	3.05
Shobha S. Parakh-Loan	-	-	-	-	0.59
Snehal S. Parakh – Loan	-	-	-	-	0.88
Ashok M. Katariya – Loan	-	-	-	-	6.59
Narendra R. Shakadwipi - Loan	-	-	-	-	0.30
A. J. Kothari	-	-	-	-	0.00
D. J. Kothari	-	-	-	-	0.02
From Others					
Associated Capsules Pvt. Ltd.	-	-	-	-	2.54
RBPL Classic Infrastructure Pvt. Ltd.	-	-	-	-	6.24
Rajdeep Publicity Pvt. Ltd.	-	-	-	0.79	-
*IDFC Ltd. (Rate of Interest 0%)	84.50	-	-	-	-
TOTAL	**262.22**	**202.17**	**190.29**	**888.06**	**440.51**

*Note: *As per information and explanation given by the company, unsecured loans have been taken at floating rate of interest and are payable on demand. Rate of interest indicates here are as of March 31, 2009.*

ANNEXURE: VIII

STATEMENT OF LOANS & ADVANCES, AS RESTATED

Particulars	As At (All figures in Rupee millions)				
	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
Loans & Advances					
Advances and loans to Partnerships Firms under same Management	-	-	0.77	200.42	82.73
Advances and loans to Companies under same Management	430.83	21.34	33.53	25.49	88.91
Advances Recoverable in cash or kind or for value to be received	544.03	260.59	232.45	132.50	124.81
Deposits	60.59	225.99	125.18	143.83	32.52
Advance Income Tax / Tax Deducted at Source	313.77	166.93	99.05	24.27	19.48
TOTAL	**1,349.22**	**674.85**	**490.98**	**526.51**	**348.45**

ANNEXURE: IX

STATEMENT OF SUNDRY DEBTORS, AS RESTATED

Particulars	As At (All figures in Rupee millions)				
	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
Outstanding for period exceeding Six Months	95.08	108.93	71.35	95.72	33.99
Other Debtors	268.41	232.79	157.88	370.63	110.18
Less: Provision for doubtful debts	13.99	8.04	2.38	-	-
TOTAL (Balance considered good)	349.50	333.68	226.85	466.35	144.17

ANNEXURE: X

STATEMENT OF INVESTMENTS, AS RESTATED

Particulars	As At (All figures in Rupee millions)				
	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
A) Non-Trade (unquoted at Cost)					
a) National Saving Certificates	0.23	0.19	0.19	0.19	0.14
b) Mutual Fund	0.01	0.00	0.08	-	-
c) Fully paid shares of Co-operative Banks / Societies	0.76	0.76	0.76	0.76	0.78
d) Jaora Nayagaon Toll Road Pvt.Ltd.	141.80	-	-	-	-
d) Equity Shares of Rs. 10/- each fully paid in Associates					
Viva Highways Private Limited	-	-	-	92.99	92.46
Ashoka Infrastructures Limited	-	-	-	8.16	18.32
Ashoka DSC Katni By Pass Road Pvt. Ltd.	-	-	-	-	0.05
Jaiswal Ashoka Infrastructure Pvt. Ltd.	276.25	236.45	190.96	168.52	163.93
Viva Infrastructure Pvt. Ltd.	106.33	105.41	104.87	103.92	103.82
L & T PNG Tollway Pvt. Ltd.	0.03				
e) Preference Shares fully paid in Associates			-	-	-
12% of Rs. 10/- each of Ashoka Infrastructure Ltd.	-	-	-	228.12	157.12
12% Preference Share of Rs.100/- each of Viva Infrastructure Pvt. Ltd.	333.81	333.81	333.81	152.63	165.48
Preference Shares of Rs 100 each of Jayaswals Ashoka Infrastructure Pvt. Ltd.	28.35	28.35	28.35	-	-
f) Investment in Joint Venture / Partnership Firms					
Ashoka Bridgeways	13.51	8.22	2.40	-	7.33
g) Subscription to Memorandum of Association in					
Ashoka Highways (Bhandara) Ltd.	-	-	0.45	-	-
Ashoka Highways (Durg) Limited (Erst. Ashoka Marg Nirman (Durg) Ltd.)	-	-	0.45	-	-
B) Trade (Quoted at Cost)					
a) 177903 Shares of Glory Polyfilm Ltd. Rs. 48 per share	-	3.35	-	-	-
Immovable Properties	9.87				

Particulars	As At (All figures in Rupee millions)				
	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
TOTAL	**910.95**	**716.54**	**662.32**	**755.29**	**709.43**

ANNEXURE: XI

STATEMENT OF CURRENT LIABILITIES AND PROVISIONS, AS RESTATED

Particulars	As At (All figures in Rupee millions)				
	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
Sundry Creditors	993.11	568.27	221.66	291.54	199.92
Advances from Customers	65.08	49.18	96.38	53.47	270.29
Other Liabilities	358.50	68.70	251.92	39.17	60.08
PROVISIONS					
For Income Tax	206.98	99.28	48.86	15.54	8.26
For Fringe Benefit Tax	11.03	8.38	3.50	1.48	-
Provision for Unencashed Leave and Gratuity	5.14	5.30	5.88	2.28	1.19
Provision for Deravative Loss	12.68	32.25	-	-	-
TOTAL	**1,652.52**	**831.37**	**628.20**	**403.48**	**539.73**

ANNEXURE: XII

STATEMENT OF OTHER INCOME, AS RESTATED

Particulars	As At (All figures in Rupee millions)				
	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
Interest	87.28	108.60	101.69	28.80	13.44
Miscelleanous Income	21.61	20.71	15.71	19.81	6.98
Claim / Rebate and relief	-	-	1.20	-	-
Profit / (Loss) from Joint Venture & Partnership	0.31	0.36	0.08	(4.40)	(0.56)
Profit from Associate Companies	40.72	46.02	22.37	-	13.60
Hire charges of Machinery / Vehicle	-		17.56	22.64	24.37
Profit on Derivatives	-	-	0.19	-	-
TOTAL	**149.92**	**175.69**	**158.80**	**66.85**	**57.83**

ANNEXURE: XIII

STATEMENT OF CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

CONTINGENT LIABILITIES

Particulars	As At (All figures in Rupee millions)				
	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
Bank Guarantees and Letters of Credit issued by bankers in favour of third parties	2,472.29	919.58	1,316.30	692.12	299.88
Corporate Guarantee issued by the Company in favour of Banks/ Financial Institutions for finance raised by Companies under the same management	12,151.46	4,087.46	629.15	3,203.01	2,690.89
Claims / Dispute against the Company not acknowledged as debts.	9.47	9.47	9.37	9.37	8.70
Disputed tax demands (net of taxes paid)	26.31	78.80	9.70	0.00	0.00
TOTAL	14,659.53	5,095.31	1,964.52	3,904.50	2,999.47

CAPITAL COMMITMENTS

Particulars	As At (All figures in Rupee millions)				
	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
Liability against capital commitment outstandings	15.65	118.55	1,078.19	718.91	0.00
TOTAL	15.65	118.55	1,078.19	718.91	0.00

ANNEXURE: XIV

STATEMENT OF DIVIDENDS DECLARED / PAID / PROPOSED

Particulars	As At (All figures in Rupee millions)				
	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
	NIL	NIL	NIL	NIL	NIL
TOTAL	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**

ANNEXURE: XV

STATEMENT OF ACCOUNTING RATIOS, AS RESTATED

	Particulars	**As At (All figures in Rupee millions)**				
		March 31, 2009	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**	**March 31, 2005**
(A)	Net worth (Rs.)	3,472.80	3,113.22	2,873.55	1,471.50	1,429.81
(B)	Net Profit attributable to Shareholders	348.14	330.83	242.38	42.59	94.09
(C)	No. of Shares outstanding at the end	45,691,702	45,691,702	5,607,881	4,326,784	4,326,784
(D)	Weighted average number of shares outstanding	45,691,702	45,043,526	38,834,525	30,287,488	30,287,488
(E)	Weighted average number of shares outstanding (Diluted)	45,691,702	45,420,373	38,834,525	30,287,488	30,292,705
(B/D)	**Earnings per Share (EPS) (Rs.)**	**7.62**	**7.35**	**6.24**	**1.41**	**3.11**
(B/E)	**Earnings per Share - Diluted (EPS) (Rs.)**	**7.62**	**7.29**	**6.24**	**1.41**	**3.11**
(B/A)	**Return on Net worth (%)**	**10.02%**	**10.63%**	**8.43%**	**2.89%**	**6.58%**
(A/C)	**Net Asset Value per Share (Rs.)**	**76.01**	**68.14**	**512.41**	**340.09**	**330.45**

Notes:

1. The above ratios are calculated as under

$$\text{EPS} = \frac{\text{Net profit after tax, as restated, attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the period}}$$

$$\text{Return on Net worth} = \frac{\text{Net profit after tax, as restated}}{\text{Net worth, as restated, at the end of the period}}$$

$$\text{Net Asset Value per Share} = \frac{\text{Net worth, as restated, at the end of the period}}{\text{Number of equity shares outstanding at the end of the period}}$$

2. The figures disclosed above are based on the restated financial information of
   Earnings per Share (EPS) calculations are done in accordance with the Accounting Standard 20, Earnings per Share' issued by Institute of Chartered Accountants of India.

ANNEXURE: XVI

STATEMENT OF CAPITALISATION AS AT MARCH - 2009

(All figures in Rupees million)

Particulars	Pre Issue As At 31-Mar-09	Post Issue*
- Long Term Debt	6,156.40	
- Short Term Debt	1,069.60	
Share holders' funds :		
Share Capital	587.25	
Security Premium	1,379.63	
Preference Share redemption Reserve	159.33	
Profit and Loss Account	1,296.77	
Less :		
Preference Share	130.34	
Preference Share redemption Reserve	159.33	
Miscellaneous expenditure (to the extent not written off)		
Total Share holders' funds	3,133.32	
Long Term Debt to Equity	1.96 : 1	

ANNEXURE - XVII

Transactions with Related Parties

	Particulars	Associates And Joint Ventures					Key Management Personnel				
		2004-05	2005-06	2006-07	2007-08	2008-09	2004-05	2005-06	2006-07	2007-08	2008-09
1	Contract Receipts	356.97	582.75	317.26	441.47	276.45					
	Sub Contract Payments										
	Reimbursement of expenses paid	3.93	0.27				0.01	0.03			
	Reimbursement of Exp. Received	0.76	2.76								
	Salary Paid						7.04	9.35	12.04	14.02	12.58
	Rent Paid										0.88
	Retainership Paid										
	Commission Paid										
	Machinery / Vehicle Charges Paid						0.56	0.51			
	Machinery / Vehicle Charges Received	0.10	0.03						0.08		
	Material Sold										
	Interest Paid	5.29	44.54	17.38	22.78	21.02	2.07	0.98			
	Interest Received	0.06	11.25					0.01			
	Sale of Material	129.44	49.92	0.47	0.63						
	Purchase of Material	0.32	0.32		1.45						
	Investment in										
	- Equity / Pref Shares	2.86	58.00		0.05					0.01	
	- Share Application	8.75									
	- Partnership Firms										
	- Joint Ventures										
	Share Application Received	0.38			22.85						
	Share Application Refund		0.38								
	Purchases of shares			224.41					4.43		
	Guarantees Issued	615.40	765.00					5.59			
	Guarantees Received										
	Loan Taken	306.71	816.90	249.83			7.35	1.67	21.28		

	Particulars	Associates And Joint Ventures					Key Management Personnel				
		2004-05	2005-06	2006-07	2007-08	2008-09	2004-05	2005-06	2006-07	2007-08	2008-09
	Loans Repaid	50.45					5.94				
	Loans Given	2.61		1.33	161.42	315.03				0.80	
	Loans Refund	13.58	246.22					11.55			
	Outstanding Payable										
	- for purchases				18.58					1.31	0.11
	- for loans				228.60	177.72					
	Outstanding Receivables										
	- For Sales of Goods/ Rendering services				37.45						
	- For Loan				166.21	384.46					

	Particulars	Director and their Relatives					Enterprises in which key management or Directors have significant influence				
		2004-05	2005-06	2006-07	2007-08	2008-09	2004-05	2005-06	2006-07	2007-08	2008-09
1	Contract Receipts						137.83	28.48			2377.78
	Sub Contract Payments						367.81	191.52	39.34	0.71	1.07
	Reimbursement of expenses paid						14.15	2.48			
	Reimbursement of Exp. Received						18.36	0.58			
	Salary Paid	3.17	0.19		0.49	0.60					
	Rent Paid	0.36	0.36			1.84					
	Retainership Paid	0.06									
	Commission Paid						0.51	0.37			
	Machinery / Vehicle Charges Paid	1.89	1.70				22.85	0.90	0.25		
	Machinery/ Vehicle Hire Charges Recived			0.74			2.46	0.73	0.80		
	Repairs And Maintenance							1.05			
	Interest Paid	0.56	0.98				0.47	2.27			
	Interest Received			0.28			3.40	0.57	10.22		

	Particulars	Director and their Relatives					Enterprises in which key management or Directors have significant influence				
	Sale of Material						0.18	3.64	7.91	3.15	0.10
	Purchase of Material			87.13			2.21	7.37	6.19	9.17	35.46
	Purchase of Fixed Assets						1.15				
	Investment in										
	- Equity Shares										
	- Share Application										
	- Partnership Firms										
	- Joint Ventures										
	Share Application Received										
	Purchases of shares			1.04					400.67		
	Guarantees Issued	0.33						41.49			
	Guarantees Received							1950.00			
	Loan Taken	0.51	0.23				59.42	58.00	32.09		
	Loans Repaid	0.76					12.10	30.00			
	Loans Given	0.17		3.00	0.15		143.26		183.62	10.66	
	Loans Refund		8.65				72.44				
	Outstanding Payable										
	- for purchases				6.37	0.19				5.12	
	- for loans				0.04						
	Outstanding Receivables										
	- For Sales of Goods/ Rendering services									28.74	95.59
	-For Loans									19.21	
	-Advance paid against Contract										3.67

ANNEXURE XIX

STATEMENT OF SEGMENT REPORTING

Particulars	As At (All figures in Rupee millions)				
	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
Segment Revenue					
a) Construction and contract related Activity	2,930.55	1,376.92	2,229.00	1,165.26	725.98
b) BOT	1,444.56	1,172.93	976.31	358.30	349.65
c) Toll Collection Contract		-	345.40	20.42	-
d) Sales of Goods	808.58	693.11	480.18	273.00	311.55
Total	**5,183.69**	**3,242.96**	**4,030.89**	**1,816.98**	**1,387.17**
Less : Intersegment		(15.28)	-	(25.62)	(15.30)
Net sales / income from operations	**5,183.69**	**3,227.68**	**4,030.89**	**1,791.36**	**1,371.87**
Segment Results					
a) Construction and contract related Activity	279.81	404.10	212.43	89.83	36.25
b) BOT	547.23	579.64	448.17	31.27	95.53
c) Toll Collection Contract	-	-	16.88	2.49	-
d) Sales of Goods	37.42	29.87	7.87	(8.54)	3.01
Total	**864.46**	**1,013.61**	**685.35**	**115.05**	**134.79**
Less : Intersegment			(0.13)	31.33	-
Add : Unallocated income	149.92	175.69	158.80	66.85	57.83
Less : Unallocated Expenses	515.22	786.17	582.28	86.75	112.05
Profit before Tax	**499.16**	**403.13**	**262.00**	**63.81**	**79.15**
Less : Adjustments	-		(1.05)	0.17	(1.16)
Less : Provisions for Current Taxes	110.29	51.63	29.88	17.70	8.31
Less : Provisions for Deferred Taxes	5.55	(19.01)	(6.72)	14.98	(7.95)
Less : Last year Taxes	0.30	5.36	(4.36)	0.32	(2.19)
Less : Share of Profit / (Loss) Transferred to minority	34.88	34.31	1.87	(11.94)	(11.96)
Net Profit after Tax	**348.14**	**330.83**	**242.38**	**42.59**	**94.09**
Segment Assets					
a) Construction and contract related Activity	2,029.82	1,533.52	1,325.23	1,559.18	822.81
b) BOT	8,316.53	5,488.80	4,650.55	1,830.00	1,657.03
c) Toll Collection Contract		-	89.12	-	-
d) Sales of Goods	264.21	347.96	316.81	148.47	112.39
Total	10,610.56	7,370.28	6,381.70	3,537.65	2,592.23
Add : Corporate and other unallocable Assets	1,778.80	1,762.62	1,653.55	878.29	991.17
	12,389.36	9,132.90	8,035.25	4,415.94	3,583.41
Segment Liabilities					

Particulars	As At (All figures in Rupee millions)				
	March 31, 2009	**March 31, 2008**	**March 31, 2007**	**March 31, 2006**	**March 31, 2005**
a) Construction and contract related Activity	1,260.58	1,658.96	836.72	618.54	635.44
b) BOT	5,523.25	3,802.02	3,273.69	1,258.59	928.01
c) Toll Collection Contract		-	0.41	-	-
d) Sales of Goods	87.94	125.57	96.80	76.81	62.80
Total	6,871.77	5,586.55	4,207.62	1,953.94	1,626.24
Add : Corporate and other unallocable Liabilities	2,044.78	433.14	954.20	990.50	527.36
	8,916.55	6,019.69	5,161.81	2,944.43	2,153.60
Capital Expenditure					
a) Construction and contract related Activity	318.25	216.74	330.85	178.20	157.00
b) BOT	4,898.04	2,187.27	494.40	1.51	29.48
c) Toll Collection Contract			-	-	-
d) Sales of Goods	40.18	29.86	82.41	32.68	51.93
Add Unallocable Capital Expenditure	8.45	30.83	-	-	-
Total	**5,264.92**	**2,464.70**	**907.65**	**212.38**	**238.41**
Depreciation					
a) Construction and contract related Activity	223.47	69.28	54.44	47.28	28.93
b) BOT	460.08	502.62	430.29	183.66	181.17
c) Toll Collection Contract			-	-	-
d) Sales of Goods	27.66	29.39	17.75	11.08	7.69
Total	**711.21**	**601.29**	**502.48**	**242.02**	**217.79**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS ON A CONSOLIDATED BASIS

You should read the following discussion of our financial condition and results of operations on a consolidated basis together with our consolidated financial statements as at and for the years ended March 31, 2005, 2006, 2007, 2008 and 2009 and the report thereon and annexures thereto, which have been restated in accordance with paragraph B(1) of Part II of Schedule II to the Companies Act and with the SEBI Regulations, 2009, and which are all included in this Draft Red Herring Prospectus. You should also read the section titled "Risk Factors" beginning on page xxi of this Draft Red Herring Prospectus, which discusses a number of factors and contingencies that could impact our financial condition and results of operations. This discussion also contains forward looking statements and you should refer to the section titled "Forward-Looking Statements" on page xx of this Draft Red Herring Prospectus.
Our financial statements are prepared in conformity with Indian GAAP. Indian GAAP differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles and auditing standards in other countries with which prospective investors may be familiar.

Overview

We build and operate roads and bridges in India on a build, operate and transfer ("BOT") basis. We believe we currently operate one of the highest number of toll-based BOT projects in India. In addition, to BOT projects, we also (1) engineer and design, procure the raw materials and equipment for and construct roads, bridges, distribution transformers, electricity substations, commercial buildings, industrial buildings and institutional buildings, for third parties as well as perform maintenance for third parties, (2) manufacture and sell ready-mix concrete ("RMC") and bitumen, (3) collect tolls on roads and bridges owned and constructed by third parties.

Our business is organised into four divisions:

- the BOT division;
- the engineering, procurement and construction ("EPC") division;
- the RMC and bitumen division; and
- the toll collection contract division.

BOT Division. We currently operate or have an interest in 21 BOT road projects totalling approximately 2,523 kilometres of lanes in Maharashtra, Madhya Pradesh and Chhattisgarh, the concessions for which were awarded on a BOT basis. In order to meet specific eligibility requirements for certain larger BOT projects, including requirements relating to particular types of experience and financial resources, we have entered into project-specific joint ventures or special purpose vehicles with other companies. Out of the 21 BOT projects mentioned above, 17 are in operation and three are under construction and we are yet to begin construction of one. Of the 17 BOT projects in operation:

- four are operated by the Company;
- 11 are operated by the subsidiaries of the Company/joint ventures controlled by the Company;
- one is operated by an associate company in which the Company has a 50% interest; and
- one is operated by a joint venture in which the Company has a 5% interest.

Of the four BOT projects under construction/yet to begin construction:

- two are being developed by subsidiaries of the Company;
- one is being developed through an associate of the Company; and
- one is being developed by a company in which the Company has an 14.47% beneficial interest.

In addition, we have built, operated and successfully transferred three BOT projects at the end of the concession periods, thereby experiencing the complete life cycle of a BOT project.

EPC Division. Our EPC division primarily engineers and designs, procures the raw material and equipment for and constructs roads and bridges for our BOT division and third parties. Our EPC division also (a) maintains and repairs existing roads for our BOT division, (b) constructs and modernises power distribution networks, comprising distribution transformers and electricity substations, for third parties and (c) constructs commercial, industrial and institutional buildings for third parties. We own a large fleet of construction equipment. As at June 30, 2009, the Company, its subsidiaries and its predecessor entities had constructed 44 roads and bridges and built over 5.4 million square feet of commercial, industrial and institutional projects. As at June 30, 2009, our Order Book, which comprises the unfinished and uncertified portion of projects that we have been awarded, was Rs. 17,849.99.00 million. Our Order Book as at June 30, 2009 does not include the value of the EPC contract for the construction of part of the 452 lane kms Maharashtra Pimpalgaon-Nashik-Gonde section of NH-3, the concession for which was awarded to L&T PNG Tollway Private Limited pursuant to an agreement dated July 8, 2009. The Company has a 26% interest in L&T PNG Tollway Private Limited. In August 2009, the Company received a letter of intent from L&T PNG Tollway Private Limited for appointing the Company to provide the EPC services for the construction of the road, except for an elevated corridor, for a total of Rs. 5,805.40 million.

RMC and Bitumen Division. Our RMC and bitumen division sells ready-mix concrete and bitumen and supports the EPC division by ensuring that it has an adequate and timely supply of high-quality RMC and bitumen. We have 13 RMC plants with a total production capacity of 590 cubic metres per hour and 71 concrete transit trucks and 18 concrete pumps. This division also sells and processes bitumen to a higher grade for use in road projects and supports our EPC division by supplying it with bitumen. We have one plant in Pune for the processing of bitumen with a capacity of 60 metric tonnes per day.

Toll Collection Contract Division. We set up our toll collection contract division to leverage our experience of collecting tolls on our BOT projects and our proprietary computerised toll revenue auditing system. To date, we have entered into four agreements to collect tolls on roads/bridges owned and constructed by third parties, although our last contract expired in February 2007.
In order to capitalize on our EPC commercial building experience, we entered into two agreements in September 2008 to develop two shopping malls in Kalyan, Maharashtra on a BOT basis. The construction of these projects has not yet begun. These two malls will have an estimated leaseable area of 12,453 sq. metres. These two shopping malls will be the first commercial buildings we will have built to lease out to third parties. We do not currently plan to undertake any further development of commercial property.

Factors Affecting our Results of Operations, Cash Flows and Financial Condition

Changes in government policies with respect to infrastructure: Our business is substantially dependent on road and bridge projects in India undertaken or awarded by governmental authorities and other entities funded by governments. Any change in government policies resulting in a decrease in the amount of road and bridge projects undertaken or a decrease in private sector participation in road and bridge projects may adversely affect our business and results of operations.

Timing and terms of EPC contracts: The revenue from our EPC division, which represented 54.95% of our total income in fiscal 2009, is derived primarily from contracts awarded to us on a project-by-project basis, and our results of operations and cash flows can fluctuate materially from period depending on the timing of contract awards. Although we have been successful in obtaining new contracts and growing the size of our order book (which was Rs. 17,849.99 million as at June 30, 2009 compared with Rs. 17,034.90 million as at March 31, 2009 and Rs. 14,021.52 million as at March 31, 2008), we cannot predict when we will be awarded new EPC contracts and our ability to win new EPC contracts depends on various factors such as the demand for the EPC services we provide and competition for those contract awards.

Our Order Book as at June 30, 2009 of Rs. 17,849.99 million comprised Rs. 12,673.26 million in work to be carried for third parties and associates and Rs. 5,176.73 million in estimated construction costs for our BOT projects. Construction costs for our BOT projects still under construction are shown in our financial statements as capital works in progress in our statement of assets and liabilities and as such Rs. 5,176.73 million of our Order Book as at June 30, 2009 does not represent potential revenue for our EPC division. The part of our Order Book which relates to EPC contracts with third parties and associates does not necessarily indicate future earnings related to the performance of that work and if we do not achieve our expected margins or if we suffer losses on one or more of these contracts, this could reduce our income or cause us to incur a loss. Although projects in the Order Book represent business that we consider firm, cancellations or scope adjustments may occur. Due to changes in project scope and schedule, we cannot predict with any certainty when or if the projects in our Order Book will be performed and will generate revenue.

General risks relating to the long-term nature of our EPC contracts and BOT projects: Infrastructure projects involve agreements that are long-term in nature (as much as three years in EPC contracts and five to 25 years in BOT road projects). All long-term projects have inherent risks associated with them and involve variables that may not necessarily be within our control. Accordingly, we are exposed to a variety of implementation and other risks, including construction delays, material shortages, unanticipated cost increases, cost overruns, inability to negotiate satisfactory arrangements with joint venture partners, and disagreements with our joint venture partners. In addition, the long-term nature of our contracts exposes us to increased risk of unforeseen business and industry changes which could have a material adverse effect on our business, financial condition and results of operations.

Unanticipated increases in cost of labour, materials and other inputs for our EPC division: The cost of labour, materials and other inputs constitutes a significant part of our operating expenses for our EPC division. The construction of projects we work on generally takes more than a year and can take as much as four years. In addition, especially for BOT projects, there is often a delay of more than 180 days between the submission of our tender and the beginning of construction work. Due to the often long-period between the submission of our tender and completing the construction of a project, the cost of labour, materials and other inputs may increase more than we expected and our actual expenses in constructing a project may vary substantially from the assumptions underlying our bid. Our ability to pass on unanticipated increases in the price of labour, construction materials, and other inputs may be limited in the case of EPC fixed-price contracts, contracts with limited price escalation provisions and BOT projects, which may have a material adverse effect on our results of operations and financial condition.

Changes in the price of oil: When we tender for a contract to construct a bitumen road we assume that the cost of bitumen to pave the road will constitute between 15-16% of the costs of constructing the road. The price of bitumen is linked to the price of oil. The price of oil has been volatile and we currently do not hedge our exposure to changes in the price of oil. Our ability to pass on unanticipated increases in the price of bitumen may be limited in the case of EPC fixed-price contracts, contracts with limited price escalation provisions and BOT projects, which may have a material adverse effect on our results of operations and financial condition. On the other hand, if the price of bitumen decreases from the price assumed in our tender, our profit from the project will increase from that expected in the tender.

Exposure to larger projects: We are increasingly bidding for and winning contracts for large-scale infrastructure projects. There are various risks associated with the execution of large-scale projects. Large contracts may take up an increasingly large part of our portfolio, increasing the potential volatility of our results through increased exposure to individual contract risks. Managing large-scale integrated projects may also increase the potential relative size of cost overruns and negatively affect our operating margins. In addition, we may need to execute large-scale projects through joint ventures with other companies, which exposes us to the risk of default by our joint venture partners.

Differences between forecasted and actual traffic volumes: Our business is substantially dependent on us accurately forecasting traffic volumes for toll-based BOT projects and contracts to collect tolls. Projects that we undertake on a BOT basis involve agreements that are long-term in nature, usually involving a Concession Period of between from five to 25 years. When preparing our tender for a toll-based BOT project (a road or a bridge) or a contract to collect tolls, we need to forecast the traffic volume for the road or bridge in order to work out our expected revenue over the Concession Period or the contract period, as applicable, in order to arrive at the price we are going to bid to pay or be paid for taking on such BOT project or contract. Any material decrease between the actual traffic volume and our forecast traffic volume for a toll-based BOT project or a contract to collect tolls could have a material adverse effect on our cash flows, results of operations and financial condition.

Contractual restrictions on toll increases: Our ability to increase tolls on a BOT project is limited by the terms of the contract governing the BOT project and future increase in tolls may be inadequate to meet increases in maintenance and operating costs and debt payments over a project's life.

Access to capital resources: Our business requires a large amount of working capital. In many cases, significant amounts of working capital are required to finance the purchase of materials, the hiring of equipment and the performance of engineering, construction and other work on projects before payments are received from clients. In certain cases, we are contractually obligated to our clients to fund the working capital requirements of our projects. We require a larger amount of working capital for our EPC power work compared with our EPC road work as our contracts for our EPC power work typically provide for payment on completion of different parts of a job rather than time-based payment, which is typical for our EPC road work. As it can take up to 12 months to complete an EPC power project, we are required to fund the costs for that time before we receive payment from the client. As we expect to increase the amount of EPC power work we undertake, we will require a greater amount of working capital than before. In addition, we require significant debt to finance our BOT projects. Between July and November 2008, the Indian credit market experienced a tight contraction, just as virtually everywhere else in the word, and we experienced difficulties to raise fresh loans from banks in that time. To make sure we that did not experience any cash flow problems we borrowed Rs. 500.00 million in October 2008 at 14.5% per annum and Rs. 200.00 million in November 2008 at 17.5% per annum from L&T Infrastructure Company Limited, which loans were repaid before the end of fiscal 2009. If we experience insufficient cash flows to allow us to make required payments on our debt or fund working capital requirements, there may be an adverse effect on our business and results of operations.

Out of the 20 BOT projects constructed for the Company and its subsidiaries, partnerships and associates, we have leveraged 15 of these by borrowing additional amounts on completion of the projects in order to generate additional working capital. If we are unable to secure additional debt on reasonable interest rates and terms on completing the construction of a BOT project, it could have a material adverse effect on our business, cash flow, results of operations and financial condition.

Changes in interest rates: As at March 31, 2009, we had Rs. 7,226.01 million in outstanding debt, Rs. 6,664.91 million, or 95.71%, of which, consisted of variable rate debt obligations. Increases in interest rates will have an adverse effect on our results of operations. Likewise, decreases in interest rates will have a positive effect on our results of operations. Interest charges for loans taken to finance construction of a BOT project are shown in our financial statements as capital work in progress until such time as the project is fully constructed and ready for use.

Our ability to attract and retain employees: Our ability to meet future business challenges depends on our ability to attract, recruit and retain talented and skilled personnel. We are highly dependent on our senior management, our Directors and other key personnel, including skilled project management personnel. A significant number of our employees are skilled engineers, and we face strong competition to recruit and retain skilled and professionally qualified staff. Due to the limited pool of available skilled personnel, competition for senior management and skilled engineers in our industry is intense. We could experience difficulties in attracting, recruiting and retaining an appropriate number of managers and engineers for our business needs. In the last year, wages for skilled personnel have increased by as much as 30%. We may need to further increase our pay structures to attract and retain such personnel. Our future performance will depend upon the continued services of these persons.

Competition: We operate in a competitive environment. The competition for EPC contracts and BOT projects varies depending on the size, nature and complexity of the project and on the geographical region in which the project is to be executed. Some of the EPC businesses and BOT project businesses we compete against have greater financial resources, economies of scale and operating efficiencies.

Co-operation of third parties: Timely and successful completion of our projects is dependent upon our performance and, in the case of some of our projects, the cooperation of our joint venture partners, other members of special purpose vehicles and sub-contractors. If our joint venture partners, members of special purpose vehicles or sub-contractors default on their obligations and they do not have adequate financial resources to meet their indemnity obligations to us, it could have a material adverse effect on results of operations and financial condition.

Changes in income tax laws: Presently, infrastructure development projects enjoy certain benefits under Section 80IA of the Income Tax Act, 1961. For details, see "Statement of Tax Benefits", beginning on page 56 of this Draft Red Herring Prospectus. As a result of these incentives, most of our BOT projects are subject to relatively low tax liabilities. Our income tax exemptions for various BOT projects currently expire at various points of time. There is no assurance that the BOT projects will continue to enjoy the tax benefits under Section 80IA in the future. For example, the Indian Finance Ministry issued a clarification in the budget for fiscal 2007 on certain benefits not being applicable to contractors for construction of infrastructure projects (only the company developing the infrastructure project may benefit), which has a retrospective effect, although this clarification had no impact on our tax liability. When our tax incentives expire or terminate, our tax expense will materially increase, reducing our net profits. Further, the GOI could enact laws in the future that may adversely impact our tax incentives and consequently, our tax liabilities and net profits.

For a discussion of other factors that could affect our results of operations, cash flows and financial condition, please see "Risk Factors" beginning on page xxi of this Draft Red Herring Prospectus

Principles of Consolidation

The principles of consolidation are set forth in the section titled "Auditor's Report on Consolidated Financial Information" beginning on page 234 of this Draft Red Herring Prospectus.

The list of entities that are included in the consolidated financial statements and the Company's beneficial holdings therein are set forth below:

Name of Entity	% Beneficial Ownership as at March 31,			
	2006	2007	2008	2009
Ashoka Infrastructure Limited	30.35	100(1)	100	100
Ashoka Infraways Private Limited	65.55	100(2)	100	100
Viva Highways Private Limited	6.29	86.74(3)	86.74	86.74
Ashoka-DSC Katni Bypass Road Private Limited	49.00	99.89(4)	99.89	99.89
Ashoka High-Way Ad	99.99(5)	99.99	99.99	99.99
Ashoka Infrastuctures	99.99(6)	99.99	99.99	99.99
Ashoka Highways (Durg) Limited(7)	-	89.00	89.00	90.00
Ashoka Highways (Bhandara) Limited(8)	-	89.00	89.00	90.00
Ashoka Pre-Con Private Limited	-	-	-	51.00(9)
Ashoka Technologies Private Limited	-	-	-	99.80(10)
Viva Infrastructure Private Limited	40.00	49.00(11)	49.00	49.00
Jayaswal Ashoka Infrastructure Private Limited(12)	48.83	50.00	50.00	50.00
L&T PNG Tollway Private Limited	-	-	-	26.00(13)

(1) *The Company's percentage ownership increased to 67.82% with effect from April 14, 2006 and 100% from May 20, 2006.*
(2) *The Company's percentage ownership increased to 100% with effect from April 8, 2006.*
(3) *The Company's percentage ownership increased to 12.50% on 16 May 2006 and 74.00% with effect from May 20, 2006. The Company also owns 12.74% of the shares indirectly through its 49% ownership interest in Viva Infrastructure Private Limited, which owns 26% of the shares in Viva Highways Private Limited.*
(4) *The Company's percentage ownership increased to 99.89% with effect from July 15, 2006.*
(5) *The Company's percentage ownership increased to 99.99% with effect from April 1, 2005.*
(6) *The Company's percentage ownership increased to 99.99% with effect from April 1, 2005.*
(7) *The Company's percentage ownership increased to 90.00% with effect from September 2, 2008. The Company's percentage ownership decreased to 61.84% with effect from August 4, 2009.*
(8) *The Company's percentage ownership increased to 90.00% with effect from July 11, 2008 and it decreased to 55.08% with effect from July 14, 2009.*
(9) *The Company acquired its 51.00% interest with effect from October 24, 2008.*
(10) *The Company acquired its 99.80% interest with effect from October 14, 2008.*
(11) *The Company acquired its 49.00% interest with effect from May 16, 2006.*
(12) *An associate of the Company. The Company acquired its 50% interest with effect from April 19, 2006.*

(13) The Company acquired its 26.00% interest with effect from March 2, 2009.

Significant Accounting Policies

Our significant accounting policies are described in the section entitled "Auditor's Report on Consolidated Financial Information" beginning on page 234 of this Draft Red Herring Prospectus.

Summary of Results of Operations

The table below sets forth, for the periods indicated, our restated profit and loss account, both in absolute terms and with each line item represented as a percentage of total income:

	Fiscal 2009		Fiscal 2008		Fiscal 2007		Fiscal 2006	
	Rs. Millions	% of Total Income	Rs. Millions	% of Total Income	Rs. Millions	% of Total Income	Rs. Millions	% of Total Income
INCOME:								
Turnover:								
- Construction Revenue	2,930.55	54.94%	1,376.92	40.46%	2,229.00	53.20%	1,165.26	62.71%
- Sales	808.58	15.16%	677.83	19.92%	480.18	11.46%	247.38	13.31%
- Toll Income – BOT	1,444.56	27.08%	1,172.93	34.46%	976.31	23.30%	358.30	19.28%
- Toll Income – Contract	-	-	-	-	345.40	8.24%	20.42	1.10%
Total Turnover	**5,183.69**	**97.19%**	**3,227.68**	**94.84%**	**4,030.89**	**96.21%**	**1,791.36**	**96.40%**
Other Income	149.92	2.81%	175.69	5.16%	158.80	3.79%	66.85	3.60%
TOTAL INCOME	**5,333.61**	**100%**	**3,403.37**	**100%**	**4,189.69**	**100%**	**1,858.21**	**100%**
EXPENDITURE:								
Contract and Operation and Maintenance Expenses	2,647.32	49.63%	1,198.01	35.20%	2,050.84	48.95%	965.37	51.95%
Cost of Materials Sold	581.56	10.90%	525.22	15.43%	373.89	8.92%	221.90	11.94%
Toll Expenses	-	-	-	-	316.88	7.56%	17.92	0.96%
Staff Expenses	158.80	2.98%	129.39	3.80%	112.18	2.68%	65.86	3.54%
Administrative Expenses	155.80	2.92%	141.74	4.16%	122.48	2.92%	68.18	3.67%
Finance Costs	646.22	12.12%	473.97	13.93%	451.64	10.78%	212.24	11.42%
Depreciation	119.31	2.24%	102.68	3.02%	79.04	1.89%	61.44	3.31%
Amortisation	525.44	9.85%	429.23	12.61%	420.74	10.04%	181.49	9.77%
TOTAL EXPENDITURE	**4,834.45**	**90.64%**	**3,000.24**	**88.16%**	**3,927.69**	**93.75%**	**1,794.40**	**96.57%**
Profit before Tax, Prior Period Items and Adjustments	**499.16**	**9.36%**	**403.13**	**11.84%**	**262.00**	**6.25%**	**63.81**	**3.43%**
- Current Year (net)	108.00	2.02%	53.52	1.57%	23.64	0.56%	15.90	0.86%
- Deferred Tax	5.55	0.10%	(19.01)	-0.56%	(6.72)	-0.16%	14.98	0.81%
- Fringe Benefit Tax	2.59	0.05%	3.47	0.10%	1.88	0.04%	2.11	0.11%
Net Profit before Prior Period Items and Adjustments	**383.02**	**7.18%**	**365.15**	**10.73%**	**243.20**	**5.80%**	**30.82**	**1.66%**
Adjustments	-	-	-	-	(1.54)	-0.04%	0.67	0.04%
Current tax impact of Adjustments	-	-	-	-	0.49	0.01%	(0.50)	-0.03%
Net Profit before Minority Interests	**383.02**	**7.18%**	**365.15**	**10.73%**	**244.25**	**5.83%**	**30.65**	**1.65%**

	Fiscal 2009		Fiscal 2008		Fiscal 2007		Fiscal 2006	
	Rs. Millions	% of Total Income	Rs. Millions	% of Total Income	Rs. Millions	% of Total Income	Rs. Millions	% of Total Income
Profit /(Loss) transferred to Minority Interests	**34.88**	**0.65%**	**34.31**	**1.01%**	**1.87**	**0.04%**	**(11.94)**	**-0.64%**
Net Profit Attributable to Shareholders	**348.14**	**6.53%**	**330.83**	**9.72%**	**242.38**	**5.79%**	**42.59**	**2.29%**

Income

Our turnover (income from operations) consists of revenue from our:

- EPC division from revenue from third parties and the Company's associates (shown in our financial statements as construction revenue);
- BOT division (shown in our financial statements as toll income – BOT);
- RMC and bitumen division from sales to third parties and the Company's associates and sales of miscellaneous construction material to third parties and the Company's associates (shown in our financial statements as sales); and
- toll contract collection division (shown in our financial statements as toll income – contract).

Our EPC division earns revenue from the provision of engineering, procurement and construction services to third parties and the Company's associates and from EPC work performed for entities whose results are consolidated with the Company's. However, for the purposes of consolidation, as per AS-21 and AS-27, revenue from EPC work performed for entities whose results are consolidated with the Company's is reduced from the gross consolidated turnover and is shown in the consolidated statement of profit and loss net of these amounts.

Our BOT division earns revenue from the tolls we collect on our BOT projects and from the sale of advertising space at our BOT projects.

Our RMC and bitumen division earns revenue from sales of ready-mix concrete and bitumen to third parties and associates and from sales at cost to entities whose results are consolidated with the Company's. This division also earns revenue from sales of miscellaneous materials such as steel and scrap, the sales of which have been insignificant. However, for the purposes of consolidation, as per AS-21 and AS-27, revenue from sales to entities whose results are consolidated with the Company's is reduced from the gross consolidated turnover and is shown in the consolidated statement of profit and loss net of these amounts.

Our toll collection contract division earns income from the tolls it collects on roads and bridges owned and constructed by third parties. However, our last toll collection contract with a third party expired in February 2007.

Our other income comprises (i) interest earned from bank deposits and advances paid (ii) profit from associates, (iii) profit from joint ventures and partnerships, (iv) hire charges from the renting out of machinery and vehicles, (v) claims on EPC contracts received, (vi) profit from derivatives, and (vii) miscellaneous income.

Expenditure

Our total expenditure comprises (i) contract and operation and maintenance expenses, (ii) cost of materials sold, (iii) toll expenses, (iv) staff expenses, (v) administrative expenses, (vi) finance costs, (vii) depreciation and (viii) amortisation.

Contract and Operation and Maintenance Expenses

Our contract and operation and maintenance expenses include: (i) labour charges and sub-contracting charges; (ii) purchase of construction materials; (iii) diesel fuel and lubricant expenses; (iv) transport and material handling charges; (v) machinery repairs and maintenance; and (vi) rates and taxes on account of works contracts and service tax on goods transported. Our contract and operation and maintenance expenses are shown after capitalization of expenses on our BOT projects.

Cost of Materials Sold

Our cost of materials sold is the cost of the materials for the manufacture of ready-mix concrete, the cost of bitumen and the transportation costs for these materials. Our raw materials for ready-mix cement include cement, sand, aggregates and construction chemicals.

Toll Expenses

Toll expenses comprise the licence fees for securing the right to collect tolls on roads/bridges owned and constructed by third parties and, in some cases, maintenance expenses for the roads/bridges. We have not had any toll expenses since February 2007, when the last toll collection contract with a third party expired.

Staff Expenses

Staff expenses consist of (i) salaries, wages and bonus, (ii) contribution to provident funds and gratuity and (iii) staff welfare expenses.

Administrative Expenses

The more material administrative expenses are: (i) rent, rates, taxes and insurance premiums; (ii) office and miscellaneous expenses; (iii) fuel and maintenance expenses for vehicles used by our employees; and (vi) legal and professional fees.

Finance Costs

Finance costs comprise (i) interest on loans, (ii) financial charges, such as loan processing and prepayment fees, and (iii) bank charges, such as bank guarantee commission charges, bank service charges and letter-of-credit charges and (iv) fluctuations on account of foreign exchange financial derivative transactions. Finance costs on BOT projects still under development are shown in our financial statements as capital works in progress.

Depreciation

Depreciation includes depreciation on buildings, plant and machinery, vehicles, furniture and fixtures, computers, office equipment and other fixed assets.

Amortisation

Amortisation comprises the amortisation of the capitalized costs of constructing our BOT projects, which is referred to in this Draft Red Herring Prospectus as the Project Cost, including the EPC cost, interest paid on debt taken to partially fund the construction of the project and other expenses incidental to the project during the construction period. The project cost of a BOT project is amortised on a straight line method over the concession period. Amortisation commences on the date we start to collect tolls.

Results of Operations

Due to the nature of our EPC business and BOT business, the completion schedules of our projects, the way we recognise 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, 2009 Compared with Year Ended March 31, 2008

Income

Our total income increased to Rs. 5,333.61 million in fiscal 2009 from Rs. 3,403.37 million in fiscal 2008, an increase of Rs. 1,930.24 million or 56.72%.

Turnover (Income from Operations)

Our turnover increased to Rs. 5,183.69 million in fiscal 2009 from Rs. 3,227.68 million in fiscal 2008, an increase of Rs. 1,956.01 million or 60.60%.

Our construction revenue increased to Rs. 2,930.55 million in fiscal 2009 from Rs. 1,376.92 million in fiscal 2008, an increase of Rs. 1,553.63 million or 112.83%. Our construction revenue in fiscal 2009 was principally due to Rs. 2,308.16 million of work done for Jaora Nayagaon Toll Road Company on the Jaora Nayagaon Road, which compared with Rs. 87.13 million of work done in fiscal 2008, and Rs. 190.16 million of work done for MSEDCL. We undertook work for MSEDCL for the first time in fiscal 2009 and it is our first client for EPC work in the power sector.

Our income from our BOT division increased to Rs. 1,444.56 million in fiscal 2009 from Rs. 1,172.93 million in fiscal 2008, an increase of Rs. 271.63 million or 23.16%. The major reasons for the increase were the addition of toll collections from the Ahemednagar – Aurangabad Road, which began in May 2008, and a full fiscal year of toll collection on the Katni Bypass compared with only one full month of toll collection on that road in fiscal 2008, which was partially offset by the fact that we did have any toll collection from the Akola Bypass as the concession for that project expired in February 2008. The other reasons for the increase in toll collection was a general increase in traffic volumes and increases in toll rates as per the concession agreements.

Our sales income increased to Rs. 808.58 million in fiscal 2009 from Rs. 677.83 million in fiscal 2008, an increase of Rs. 130.75 million or 19.29%. Sales of RMC were Rs. 684.42 million in fiscal 2009 compared with Rs. 629.73 million in fiscal 2008. This increase was due to an increase in the average sales price per cubic metre, which was partially offset by a 0.82% decrease in sales volume in fiscal 2009 compared with fiscal 2008. The volume of sales was adversely affected by the fact that we closed three RMC plants, one located in Surat and the other two in Pune, in the later part of fiscal 2009 due to a decrease in residential and commercial property construction activity. These three RMC plants had a production capacity of 150 cubic metres per hour, which left us with a total RMC production capacity of 180 cubic metres per hour. Due to our reduced production capacity, we expect sales of RMC for fiscal 2010 to be less than in fiscal 2009. Sales of bitumen were Rs. 104.59 million in fiscal 2009 and were Rs. 49.98 million in fiscal 2008. The increase in sales of bitumen in fiscal 2009 was due to a 51.99% increase in sales volume and 39% increase in the average sale price per metric ton. The price of bitumen is linked to the price of oil, from which it is processed. Therefore, changes in the price of oil impact the price of bitumen.

Other Income

Other income decreased to Rs. 149.92 million in fiscal 2009 from Rs. 175.69 million in fiscal 2008, a decrease of Rs. 25.77 million or 14.67%. This decrease was primarily due to a Rs. 21.32 million decrease in interest earned, which was due to a decrease in bank interest rates and the amount of money placed on deposit.

Expenditure

Our total expenditure increased to Rs. 4,834.45 million in fiscal 2009 from Rs. 3,000.24 million in fiscal 2008, an increase of Rs. 1,834.21 million or 61.14%. As a percentage of total income, total expenditure increased to 90.64% in fiscal 2009 compared with 88.16% in fiscal 2008.

Contract and Operation and Maintenance Expenses

Our contract and operation and maintenance expenses increased to Rs. 2,647.32 million in fiscal 2009 from Rs. 1,198.01 million in fiscal 2008, an increase of Rs. 1,449.31 million or 120.98%. Our contract expenses were Rs. 2,453.74 million in fiscal 2009 compared with Rs. 1,124.28 million in fiscal 2008 and our operation and maintenance expenses were Rs. 193.57 million in fiscal 2009 compared with Rs. 73.73 million in fiscal 2008. As a percentage of our construction revenue, our contract expenses increased to 83.73% in fiscal 2009 from 81.65% in fiscal 2008. The major reason for this increase was an increase in our construction material costs and increase in sub-contracting expenses, which was due to unanticipated increases in the costs of construction materials, not all of which could be passed on to our clients. The rate of inflation for the cost of construction materials had come down by the end of fiscal 2009. As a percentage of our BOT revenue, our operation and maintenance expenses increased to 13.40% in fiscal 2009 from 6.29% in fiscal 2008 this increased mainly due to major maintenance in the form of overlaying the road surface on the Indore-Edalabad Road.

Our contract and operation and maintenance expenses of Rs. 2,647.32 million in fiscal 2009 comprised our total contract and operation and maintenance expenses of Rs. 5,485.71 million less our capitalised expenses for our BOT projects of Rs. 2,838.39 million. Our contract and operation and maintenance expenses of Rs. 1198.01 million in fiscal 2008 comprised our total contract and operation and maintenance expenses of Rs. 1,932.07 million less our capitalised expenses for our BOT projects of Rs. 734.06 million.

Cost of Materials Sold

Our cost of material sold increased to Rs. 581.56 million in fiscal 2009 from Rs. 525.22 million in fiscal 2008, an increase of Rs. 56.34 million or 10.73%. As a percentage of sales, our cost of materials sold decreased from 77.49% in fiscal 2008 to 71.92% for fiscal 2009.

Staff Expenses

Staff expenses increased by 22.73% from Rs. 129.39 million in fiscal 2008 to Rs. 158.80 million in fiscal 2009. The increase in Staff expenses was attributable to an increase in our staff, which increased from 2,165 full-time employees as at the end of fiscal 2008 to 2,220 full-time employees as at the end of fiscal 2009, and an average increase of 14% in the salary packages of existing staff. Salary increases for our staff continue to outstrip inflation, which trend we do not see changing for a while yet.

Administrative Expenses

Administrative expenses increased by 9.92% from Rs. 141.74 million in fiscal 2008 to Rs. 155.80 million in fiscal 2009. As a percentage of total income, administrative expenses decreased slightly from 4.16% in fiscal 2008 to 2.92% in fiscal 2009.

Finance Costs

Our finance costs increased by 36.34% from Rs. 473.97 million in fiscal 2008 to Rs. 646.22 million in fiscal 2009. The major reasons for the increase were:

- The addition of finance charges paid by the Company on loans taken to partially finance the construction of the Ahemednagar – Aurangabad Road from May 2008, which is when toll collection began, prior to which the finance charges for such loans were included as capital work in progress. The total of these loans were Rs. 630.78 million as at March 31, 2009;

- A full fiscal year of finance charges paid by Ashoka-DSC Katni Bypass Road Private Limited on its loans compared with only one full month of finance charges for such loans in fiscal 2008, prior to which the finance charges for such loans were included as capital work in progress. The total of these loans were Rs. 418.56 million as at March 31, 2009; and

- The Company borrowed Rs. 500.00 million in October 2008 at 14.5% per annum and Rs. 200.00 million in November 2008 at 17.5% per annum from L&T Infrastructure Company Limited to meet its working capital requirements, which loans were repaid before the end of fiscal 2009.

The increase in finance charges was also due several increases in bank prime lending rates in India during the first half fiscal 2009 and most of our borrowings are at floating rates of interest. For example, Axis Bank's prime lending rates increased from 15.00% to 15.25% in June 2008, then increased to 15.75% in August 2008 before decreasing to 14.75% in May 2009. Axis Bank is the lead lender for our working capital facility.

Depreciation

Depreciation increased by 16.19% from Rs. 102.68 million in fiscal 2008 to Rs. 119.31 million in fiscal 2009. This increase was due to the addition of Rs. 217.86 million in fixed assets in fiscal 2009, primarily plant and machinery for our EPC division.

Amortisation

Amortisation increased by 22.41% from Rs. 429.23 million in fiscal 2008 to Rs. 525.44 million in fiscal 2009. This increase was primarily due to the amortisation of the Project Cost for the Katni Bypass for a full fiscal year compared with one full month of amortisation in fiscal 2008 and the amortisation of the Project Cost for the Ahemednagar – Aurangabad road from May 2008. The addition of the amortisation of the Project Costs for these BOT projects was slightly offset by the fact that we had finished amortising the Project Cost for the Akola Bypass as the concession for that road ended in February 2008.

Profit before Tax, Adjustments and Prior Period Items

Principally for the reasons discussed above, our profit before tax, prior period items and adjustments increased to Rs. 499.16 million in fiscal 2009 from Rs. 403.13 million in fiscal 2008, an increase of Rs. 96.03 million, or 23.82%. Our profit before tax, prior period items and adjustments as a percentage of total income was 9.36% in fiscal 2009 compared with 11.84% in fiscal 2008.

Provision for Tax

Our provision for tax increased to Rs. 116.14 million in fiscal 2009 from Rs. 37.99 million for fiscal 2008. Our effective tax rate in fiscal 2009 was 23.27% compared with the statutory rate of 33.99%. Our effective rate of tax was lower than the statutory rate of tax mainly due to the differences between depreciation rates on certain items as per the Income Tax Act and the Companies Act and the availing of the tax benefits provided under Section 80IA of the Income Tax Act, 1961, which provides for the exemption of profits on infrastructure projects from tax.

Our effective tax rate in fiscal 2008 was 9.42% compared with the statutory rate of 33.99%. Our effective rate of tax was lower than the statutory rate of tax mainly due to the reversal of a deferred tax provision of Rs. 19.01 million, which was due to the differences between depreciation rates on certain items as per the Income Tax Act and the Companies Act and the availing of the tax benefits provided under Section 80IA of the Income Tax Act, 1961 which provides for the exemption of profits on infrastructure projects from tax.

Year Ended March 31, 2008 Compared with Year Ended March 31, 2007

Income

Our total income decreased to Rs. 3,403.37 million in fiscal 2008 from Rs. 4,189.69 million in fiscal 2007, a decrease of Rs. 786.32 million or 18.77%.

Turnover (Income from Operations)

Our turnover decreased to Rs. 3,227.68 million in fiscal 2008 from Rs. 4,030.89 million in fiscal 2007, a decrease of Rs. 803.21 million or 19.93%.

Our construction revenue decreased to Rs. 1,376.92 million in fiscal 2008 from Rs. 2,229.00 million in fiscal 2007, a decrease of Rs. 852.08 million or 38.23%. The decrease was principally due to the fact that no new major EPC contract for a third party or associate was executed by the Company during fiscal 2008, whereas in fiscal 2007 we recognised Rs. 1,258.08 million from construction of the Phalodi-Pachpadra road for RIDCOR.

Our income from our BOT division increased to Rs. 1,172.93 million in fiscal 2008 from Rs. 976.31 million in fiscal 2007, an increase of Rs. 196.62 million or 20.14%. The major reasons for the increase were that in fiscal 2008 the consolidation of Viva Highways Private Limited and Ashoka Infrastructure Limited was for a full year whereas in fiscal 2007 the consolidation for these two subsidiaries was for 10 months and 11 days as these companies became subsidiaries on May 20, 2006. In fiscal 2008 there was a toll rate increase on the Pune - Shirur road, which only occurs after every three years. The other reasons for the increase in toll collection was an increase in traffic volume and regular toll rate increases on a yearly basis as per the terms of the concession agreements.

Our sales income increased to Rs. 677.83 million in fiscal 2008 from Rs. 480.18 million in fiscal 2007, an increase of Rs. 197.65 million or 41.16%. Sales of RMC were Rs. 629.73 million in fiscal 2008 compared with Rs. 420.18 million in fiscal 2007. This increase was due to a 22.37% increase in the volume of sales and a 23.18% increase in average sales price. This increase in sales volume was also due to additional sales from a new RMC plant at Nasik. This RMC plant was commissioned February 2007 and it increased our RMC production capacity by 30 cubic metres per hour, or 10%. Sales of bitumen were Rs. 49.98 million in fiscal 2008 and Rs. 60.49 million in fiscal 2007. This decrease was primarily due to a decrease in the volume of sales.

Our income from our toll collection division was nil in fiscal 2008 compared to Rs. 345.40 million in fiscal 2007. We only had one toll collection contract in fiscal 2007, which expired in March 2007, and we did not have any toll collection contracts in fiscal 2008.

Other Income

Other income increased to Rs. 175.69 million in fiscal 2008 from Rs. 158.80 million in fiscal 2007, an increase of Rs. 16.89 million or 10.64%. This increase was primarily due to a 23.66 million increase in the share of profit from associates in fiscal 2008, primarily due to a Rs. 23.40 million increase in our share of profits from Jayaswal Ashoka Infrastructure Private Limited.

Expenditure

Our total expenditure decreased to Rs. 3,000.24 million in fiscal 2008 from Rs. 3,927.69 million in fiscal 2007, a decrease of Rs. 927.44 million or 23.61%. As a percentage of total income, total expenditure decreased from 93.75% in fiscal 2007 to 88.16% in fiscal 2008.

Contract and Operation and Maintenance Expenses

Our contract and operation and maintenance expenses decreased to Rs. 1,198.01 million in fiscal 2008 from Rs. 2,050.84 million in fiscal 2007, a decrease of Rs. 852.82 million or 41.58%. The primary reason for the decrease was the decrease in the amount of EPC work we undertook for third parties and associates. Our contract expenses were Rs. 1,124.28 million in fiscal 2008 compared with Rs. 1,992.81 million in fiscal 2007 and our operation and maintenance expenses were Rs. 73.77 million in fiscal 2008 compared with Rs. 58.03 million in fiscal 2007. As a percentage of our construction revenue, our contract expenses decreased to 81.65% in fiscal 2008 from 89.40% in fiscal 2007. As a percentage of our BOT revenue, our operation and maintenance expenses increased to 6.29% in fiscal 2008 from 5.94% in fiscal 2007.

Our contract and operation and maintenance expenses of Rs. 1,198.01 million in fiscal 2008 comprised our total contract and operation and maintenance expenses of Rs. 1,932.07 million less our capitalised expenses for our BOT projects of Rs. 734.06 million. Our contract and operation and maintenance expenses of Rs. 2,050.84 million in fiscal 2007 comprised our total contract and operation and maintenance expenses of Rs. 2,232.35 million less our capitalised expenses for our BOT projects of Rs. 181.51 million.

Cost of Materials Sold

Our cost of material sold increased to Rs. 525.22 million in fiscal 2008 from Rs. 373.89 million in fiscal 2007, an increase of Rs. 151.33 million or 40.47%. As a percentage of sales, our cost of materials sold decreased from 77.87% in fiscal 2007 to77.49% for fiscal 2008.

Toll Expenses

Our toll expenses were nil in fiscal 2008 compared to Rs. 316.88 million in fiscal 2007. We only had one toll collection contract in fiscal 2007, which expired in March 2007, and we did not have any toll collection contracts in fiscal 2008.

Staff Expenses

Staff expenses increased by 15.34% from Rs. 112.18 million in fiscal 2007 to Rs. 129.39 million in fiscal 2008. The increase in staff expenses was primarily attributable to increase in the number of our fulltime employees, which increased from 1,897 as at the end of fiscal 2007 to 2,165 as at the end of fiscal 2008.

Administrative Expenses

Administrative expenses increased by 15.73% from Rs. 122.48 million in fiscal 2007 to Rs. 141.74 million in fiscal 2008. The increase in administrative expenses was primarily attributable to increase in travelling cost and vehicle repairs and maintenance expenses. As a percentage of total income, administrative expenses increased to 4.16% in fiscal 2008 from 2.92% in fiscal 2007.

Finance Costs

Our finance costs increased by 4.94% from Rs. 451.64 million in fiscal 2007 to Rs. 473.97 million in fiscal 2008. This increase was primarily due to a Rs. 32.25 million mark to market provision on a derivative transaction. The company had entered into a Rupee-US Interest Rate Swap with a value of Rs. 1000.00 million maturing on January 28, 2013 with quarterly settlements. Due to steep fluctuation in the dollar rates company had to provide mark to market provision.

Depreciation

Depreciation increased by 29.91% from Rs. 79.04 million in fiscal 2007 to Rs. 102.68 million in fiscal 2008. This increase was due to the net addition of Rs. 220.94 million in fixed assets, primarily plant and equipment for our EPC division.

<u>Amortisation</u>

Amortisation increased by 2.02% from Rs. 420.74 million in fiscal 2007 to Rs. 429.23 million in fiscal 2008. This increase was due to amortisation of the Project Cost for the Katni Bypass, on which toll collection started in February 2008.

Profit before Tax, Adjustments and Prior Period Items

Principally for the reasons discussed above, our profit before tax, prior period items and adjustments increased to Rs. 403.13 million in fiscal 2008 from Rs. 262.00 million in fiscal 2007, an increase of Rs. 141.13 million or 53.87%. Our profit before tax, prior period items and adjustments as a percentage of total income was 11.85% in fiscal 2008 compared with 6.25% in fiscal 2007.

Provision for Tax

Our provision for tax increased to Rs. 37.98 million in fiscal 2008 from Rs. 18.80 million for fiscal 2007. Our effective tax rate in fiscal 2008 was 9.42% compared with the statutory rate of 33.99%. Our effective rate of tax was lower than the statutory rate of tax mainly due to the reversal of a deferred tax provision of Rs. 19.01 million in fiscal 2008, which was due to the differences between depreciation rates on certain items as per the Income Tax Act and the Companies Act, the provision for loss on mark to market of a derivative contract and the availing of the tax benefits provided under Section 80IA of the Income Tax Act, which provides for the exemption of profits on infrastructure projects from tax. Our effective tax rate in fiscal 2007 was 7.18% compared with the statutory rate of 33.66%. Our effective rate of tax was lower than the statutory rate of tax mainly due to the availing of the tax benefits provided under Section 80IA of the Income Tax Act, which provides for the exemption of profits on infrastructure projects from tax.

Year Ended March 31, 2007 Compared with Year Ended March 31, 2006

Income

Our total income increased to Rs. 4,189.69 million in fiscal 2007 from Rs. 1,858.21 million in fiscal 2006, an increase of Rs. 2,331.48 million or 125.47%.

<u>Turnover (Income from Operations)</u>

Our turnover increased to Rs. 4,030.89 million in fiscal 2007 from Rs. 1,791.36 million in fiscal 2006, an increase of Rs. 2,239.53 million or 125.02%.

Our construction revenue increased to Rs. 2,229.00 million in fiscal 2007 from Rs. 1,165.26 million in fiscal 2006, an increase of Rs. 1,063.74 million or 91.29%. The major reasons for the increase were that we began construction on the Phalodi-Pachpadra road for RIDCOR, the revenue from which for fiscal 2007 was Rs. 1,258.08 million, and we undertook further construction of the Chittorgarh Bypass for NHAI, the revenue from which for fiscal 2007 was Rs. 343.32 million.

Our income from our BOT division increased to Rs. 976.31 million in fiscal 2007 from Rs. 358.30 million in fiscal 2006, an increase of Rs. 618.01 million or 172.48%. The major reason for the increase was due to the consolidation for the first time of two operating subsidiaries, namely Viva Highways Private Limited and Ashoka Infrastructure Limited. In addition, the increase was also due to the fact that we began collecting tolls on the Akola Bypass in July 2006.

Our sales income increased to Rs. 480.18 million in fiscal 2007 from Rs. 247.38 million in fiscal 2006, an increase of Rs. 232.80 million or 94.11%. This increase was primarily due to the opening of one additional RMC plant and the conversion of one RMC plant from captive use to commercial use.

Our toll income – contract increased significantly to Rs. 345.40 million in fiscal 2007 from Rs. 20.42 million in fiscal 2006, an increase of Rs. 324.98 million. We only had one toll collection contract in fiscal

2006 and fiscal 2007, which began in March 2006 and ended in March 2007. The reason for the increase in revenue was that we collected tolls for 11 months in fiscal 2007 compared with one month in fiscal 2006.

Other Income

Other income increased to Rs. 158.80 million in fiscal 2007 from Rs. 66.85 million in fiscal 2006, an increase of Rs. 91.95 million or 137.55%. The increase was primarily due to an increase in interest income from Rs. 28.80 million to Rs. 101.69 million. The increase in interest income was primarily due to the interest earned on the unutilised net proceeds from the Rs. 1,000.00 million raised through the issuance of Equity Shares in August 2006 and Rs. 35.73 million in interest earned by the new subsidiaries.

Expenditure

Our total expenditure increased to Rs. 3,927.69 million in fiscal 2007 from Rs. 1,794.40 million in fiscal 2006, an increase of Rs. 2,133.29 million or 118.89%. As a percentage of total income, total expenditure decreased from 96.57% in fiscal 2006 to 93.75% in fiscal 2007.

Contract and Operation and Maintenance Expenses

Our contract and operation and maintenance expenses increased to Rs. 2,050.84 million in fiscal 2007 from Rs. 965.37 million in fiscal 2006, an increase of Rs. 1,085.47 million or 112.44%. The major reasons for the increase were work done on the construction of the Phalodi-Pachpadra road for RIDCOR and further construction of the Chittorgarh bypass for NHAI. Our contract expenses were Rs. 1,992.81 million in fiscal 2007 compared with Rs. 956.53 million in fiscal 2006 and our operation and maintenance expenses were Rs. 58.03 million in fiscal 2007 compared with Rs. 8.84 million in fiscal 2006. As a percentage of our construction revenue, our contract expenses increased to 89.40% in fiscal 2007 from 82.09% in fiscal 2006. As a percentage of our BOT revenue, our operation and maintenance expenses increased to 5.94% in fiscal 2007 from 2.47% in fiscal 2006.

Our contract and operation and maintenance expenses of Rs. 2,050.84 million in fiscal 2007 comprised our total contract and operation and maintenance expenses of Rs. 2,232.35 million less our capitalised expenses for our BOT projects of Rs. 181.51 million. Our contract and operation and maintenance expenses of Rs. 965.37 million in fiscal 2006 comprised our total contract and operation and maintenance expenses of Rs. 965.72 million less our capitalised expenses for our BOT projects of Rs. 0.35 million.

Cost of Materials Sold

Our cost of material sold increased to Rs. 373.89 million in fiscal 2007 from Rs. 221.90 million in fiscal 2006, an increase of Rs. 151.99 million or 68.50%. The primary reason for the increase was an increase in the volume of sales of RMC and increases in raw material prices.

Toll Expenses

Our toll expenses increased significantly to Rs. 316.88 million in fiscal 2007 from Rs. 17.92 million in fiscal 2006, an increase of Rs. 298.96 million. We only had one toll collection contract in fiscal 2006 and fiscal 2007, which began in March 2006 and ended in March 2007. The reason for the increase in expenses was that we collected tolls for more than 11 months in fiscal 2007 compared with less than one month in fiscal 2006.

Staff Expenses

Staff expenses increased by 70.33% from Rs. 65.86 million in fiscal 2006 to Rs. 112.18 million in fiscal 2007. The increase in staff expenses was primarily attributable to increases in wages, which averaged approximately 12%, and a 44% increase in the number of our employees from 1,315 as at March 31, 2006 to 1,897 as at March 31, 2007. In addition, staff expenses increased by Rs. 12.79 million due to the consolidation of two subsidiaries consolidated for the first time in fiscal 1997, namely Viva Highways Private Limited and Ashoka Infrastructure Limited.

Administrative Expenses

Administrative expenses increased by 79.64% from Rs. 68.18 million in fiscal 2006 to Rs. 122.48 million in fiscal 2007. The increase in administrative expenses was primarily attributable to a Rs. 31.99 million increase in legal and professional fees, which was primarily due to the advisory fees paid for the working capital appraisal process carried out for the enhancement of our working capital facility from lenders, and fees paid for the private placement of Rs. 1,000.00 million of our Equity Shares in August 2006. In addition, administrative fees increased due to the consolidation of two subsidiaries for the first time, namely Viva Highways Private Limited and Ashoka Infrastructure Limited.

Finance Costs

Our finance costs increased by 112.80% from Rs. 212.24 million in fiscal 2006 to Rs. 451.64 million in fiscal 2007. This increase was primarily due to a total of Rs. 239.40 million in interest paid by the two subsidiaries consolidated for the first time.

Depreciation

Depreciation increased by 28.65% from Rs. 61.44 million in fiscal 2006 to Rs. 79.04 million in fiscal 2007. This increase was due to the depreciation on the net addition of Rs. 342.26 million of fixed assets, primarily plant and machinery for our EPC division.

Amortisation

Amortisation increased by 131.83% from Rs. 181.49 million in fiscal 2006 to Rs. 420.74 million in fiscal 2007. This increase was primarily due to the amortisation of the Project Costs for the BOT projects operated by our two subsidiaries consolidated for the first time. In addition, we began amortising the Project Cost for the Akola Bypass in July 2006.

Profit before Tax, Adjustments and Prior Period Items

Principally for the reasons discussed above, our profit before tax, prior period items and adjustments increased to Rs. 262.00 million in fiscal 2007 from Rs. 63.81 million in fiscal 2006, an increase of Rs. 198.19 million, or 310.59%. Our profit before tax, prior period items and adjustments as a percentage of total income was 6.25% in fiscal 2007 compared with 3.43% in fiscal 2006.

Provision for Tax

Our provision for tax decreased to Rs. 18.80 million in fiscal 2007 from Rs. 32.99 million for fiscal 2006. Our effective tax rate in fiscal 2007 was 7.18% compared with the statutory rate of 33.66%. Our effective rate of tax was lower than the statutory rate of tax due to the availing of the tax benefits provided under Section 80IA of the Income Tax Act, which provides for the exemption of profits on infrastructure projects from tax. Our effective tax rate in fiscal 2006 was 51.70% compared with the statutory rate of 33.66%. Our effective tax rate was higher than the statutory tax rate because of the deferred tax provision of Rs. 14.98 million, which was due to the differences between depreciation rates on certain items as per the Income Tax Act and the Companies Act.

Liquidity and Capital Resources

Historically, our principal liquidity and capital resources requirements have been to finance our working capital needs, our capital expenditures and our investment in subsidiaries, associates and joint ventures that undertake BOT projects.

Most of our recent EPC contracts provide for an advance payment of 10% of the contract amount and provide that we are to be paid a certain amount of the contract on completion of stages of the project, which reduces our working capital needs. However, our business still requires a significant amount of working capital to finance the purchase of raw materials and goods and the performance of construction business projects before payment is received from our clients.

To fund the capital needs for our BOT projects, we have generally relied on our cash flow from operations, term loans on receivables of operational BOT projects, and short term and working capital loans until BOT project based loans are made.

To fund our capital needs for fixed assets other than BOT project assets, we have generally relied on cash flows from operating activities, hire purchase/hypothecation loans and long term loans.

For details of what we intend to use the net proceeds of the Issue for, please see the section entitled "Objects of the Issue" beginning on page 46 of this Draft Red Herring Prospectus".

We believe that our cash flow from operations, the net proceeds of this Issue and our borrowings will be sufficient to provide us with the funds for our working capital, capital expenditures and our planned investments for at least the next 12 months. In the future, as we expand our business, our capital needs will increase and we may need to raise additional capital through further debt finance and additional issues of Equity Shares.

Cash Flows

The table below sets forth our cash flows for the periods indicated:

	Fiscal 2009	**Fiscal 2008**	**Fiscal 2007**	**Fiscal 2006**
Net cash from /(used in) operating activities	2,093.16	968.12	1432.67	(231.81)
Net cash from /(used in) investing activities	(3,818.43)	(1,530.98)	(2,984.80)	(278.94)
Net cash from financing activities	1,423.34	166.76	2,468.74	709.11
Net increase / (decrease) in cash and cash equivalents	**(301.93)**	**(396.10)**	**916.61**	**198.36**

Cash Flows from /(used in) Operating Activities

Our net cash from operating activities in fiscal 2009 was Rs. 2,093.16 million, while our operating profit before working capital changes for that fiscal year was Rs. 1,749.95 million. The difference was primarily attributable to an increase in trade and other payables of Rs. 835.82 million and a decrease in inventories of Rs. 235.45 million, which was partially offset by an increase in trade and other receivables of Rs. 579.99 million.

Our net cash from operating activities in fiscal 2008 was Rs. 968.12 million, although our operating profit before working capital changes for that fiscal year was Rs. 1,438.42 million. The difference was primarily attributable to an increase in trade and other receivables of Rs. 235.40 million and an increase in inventories of Rs. 316.89 million, which were partially offset by an increase in trade and other payables of Rs. 184.41 million.

Our net cash from operating activities in fiscal 2007 was Rs. 1,432.67 million, although our operating profit before working capital changes for that fiscal year was Rs. 1,191.17 million. The difference was mainly attributable to a decrease in trade and other receivables of Rs. 267.99 million and an increase in trade and other payables of Rs. 293.83 million, which were partially offset by an increase in inventories of Rs. 291.37 million.

Our net cash used in operating activities in fiscal 2006 was Rs. 231.81 million, although our operating profit before working capital changes for that fiscal year was Rs. 523.87 million. The difference was mainly attributable to a Rs. 106.17 million increase in inventories, a Rs. 500.25 million increase in trade and other receivables and a Rs. 143.88 million decrease in trade and other payables.

Cash Flows from /(used in) Investing Activities

Our net cash used in investing activities in fiscal 2009 was Rs. 3,818.43 million, which primarily reflected Rs. 3,481.82 million used for the construction of BOT projects, including Rs. 1,966.73 million for the NH-6 Bhandara Road, Rs. 1,320.93 million for the NH-6 Durg Bypass, Chhattisgarh - Maharashtra border Road and Rs. 124.12 million for the Ahmednagar – Aurangabad Road. We also used Rs. 271.01 million to acquire other fixed assets, primarily plant and machinery for our EPC division. In addition, we used Rs. 141.80 million to purchase equity shares of Jaora Nayagoan Toll Road Company Private Limited. We also received Rs. 39.80 million in our share of profits from Jayaswal Ashoka Infrastructure Private Limited.

Our net cash used in investing activities in fiscal 2008 was Rs. 1,530.98 million, which primarily reflected Rs.—1,271.35 million used for the construction of BOT projects, including Rs. 750.04 million for the Ahmednagar – Aurangabad Road and Rs. 277.27 million for the Katni Bypass, and Rs. 228.50 million used to acquire other fixed assets, primarily plant and machinery for our EPC division. We also received Rs. 45.49 million in our share of profits from Jayaswal Ashoka Infrastructure Private Ltd.

Our net cash used in investing activities in fiscal 2007 was Rs. 2,984.80 million, which primarily reflected Rs. 420.37 million used for the construction of BOT projects, including Rs. 74.25 million towards construction of the Akola Bypass, Rs. 68.83 million towards construction of the Pune-Shirur Road, Rs. 152.47 million towards construction of the Ahmednagar-Aurangabad road and Rs. 124.82 million towards construction of the Katni Bypass Project We also used Rs. 338.81million to acquire other fixed assets, primarily plant and machinery for our EPC division. In addition, we used Rs. 181.18 million to purchase 12% preference shares of Viva Infrastructure Limited and we received Rs. 22.09 million in our share of profits from Jayaswal Ashoka Infrastructure Private Ltd. In fiscal 2007 Ashoka Infrastructure Limited and Viva Highways Private Limited became subsidiaries of the Company, prior to which they had been associates of the Company, as a result of which Rs. 329.27 million in investments were not considered for the purposes of consolidation and this was shown in our cash flow statement as a reduction in investments. In addition, as Ashoka Infrastructure Limited and Viva Highways Private Limited became subsidiaries of the Company, their fixed assets comprising Rs. 1,289.39 million of the Project Cost (net of amortisation) of the Pune-Shirur Road and Rs. 849.21 million of the Project Cost (net of amortisation) of the Indore – Edalabad Road were consolidated for the first time in fiscal 2007 and shown in our statement of cash flows as purchases of investments.

Our net cash used in investing activities in fiscal 2006 was Rs. 278.94 million, which reflected Rs. 227.97 million used for the purchase of fixed assets, Rs. 46.76 million used for the purchase of investments and Rs. 4.40 million paid as our share losses in associates and unconsolidated joint ventures.

Cash Flows from/(Used in) Financing Activities

Our net cash from financing activities in fiscal 2009 was Rs. 1,423.34 million. This cash flow reflects Rs. 2,105.22 million in proceeds received from borrowings, which loans were primarily taken to part finance construction of the NH-6 Bhandara Road and the Ahmednagar – Aurangabad Road and to leverage the Dewas Bypass after its construction, Rs. 646.22 million in interest, commitment and finance charges paid and Rs. 35.66 million in preliminary expenses paid in connection with the Issue.

Our net cash from financing activities in fiscal 2008 was Rs. 166.76 million. This cash flow reflects Rs. 745.20 million in proceeds received from new borrowings, the payment of Rs. 494.50 million of interest, commitment and finance charges, Rs. 93.14 million on the redemption of preference shares in the Company, and Rs. 9.20 million in net proceeds from the issuance of 919,505 Equity Shares at Rs. 10 per share.

Our net cash from financing activities in fiscal 2007 was Rs. 2,468.74 million. This cash flow reflects Rs. 1,002.61 million in net proceeds received from the issuance of 261,480 Equity Shares at Rs. 10 per share and 1,019,617 Equity Shares at Rs. 980.76 per share, Rs. 1,917.76 million in proceeds received from new borrowings and Rs. 451.64 million in interest and commitment and finance charges paid.

Our net cash from financing activities in fiscal 2006 was Rs. 709.11 million. This cash flow reflects Rs. 921.36 million in proceeds received from new borrowings and Rs. 212.25 million in interest, commitment and finance charges paid.

Capital Expenditures

We need to make capital expenditures on a regular basis in order to acquire needed fixed assets and undertake our BOT projects.

In fiscal 2009, we capitalised Rs. 1,044.90 million of Project Costs for BOT projects, which was the Project Cost for the Ahmednagar – Aurangabad Road, our capital work in progress increased by Rs. 2,436.92 million, which included Rs. 1,966.73 million of project costs for the construction of the NH-6 Bhandara Road, Rs. 1,320.93 million of project costs for the construction of the Durg Bypass, Chhattisgarh – Maharashtra border Road and Rs. 19.11 million of project expenses for the construction of the pre-cast poles factory. We purchased Rs. 271.01 million of fixed assets consisting of Rs. 195.01 million in plant and machinery for our EPC division and the remainder on leasehold land, buildings, vehicles, computers and other assets, which was partially offset by the sale of Rs. 49.69 million of fixed assets, primarily plant and machinery.

In fiscal 2008, we capitalised Rs. 604.61 million of Project Costs for BOT projects, which was the Project Cost for the Katni Bypass, our capital work in progress increased by Rs. 676.17 million (net), Rs. 750.04 million of which related to project costs for construction of the Ahmednagar – Aurangabad Road, and we purchased Rs. 228.50 million of other fixed assets consisting of Rs. 191.57 million in plant and machinery for our EPC division and the remainder on leasehold land, buildings, vehicles, computers and other assets, which was partially offset by the sale of Rs. 7.56 million of fixed assets, primarily plant and machinery.
In fiscal 2007, we capitalised Rs. 2,370.76 million of project costs for BOT projects, our capital work in progress increased by Rs. 568.96 million and we purchased Rs. 342.98 million of other fixed assets, Rs. 302.28 million of which was spent on various plant and machinery for our EPC division and the remainder on vehicles, computers and other assets, In fiscal 2007, we capitalized Rs. 849.21 million (net of amortization) for the Project Costs of the Indore – Edalabad Road, which was developed by Viva Highways Private Limited, and Rs. 1,289.39 million for the Project Costs (net of amortisation) for the Pune-Shirur Road, which was developed by Ashoka Infrastructure Limited. In fiscal 2007, our capital work in progress included Rs. 124.82 million of project costs for the construction of the Katni Bypass, which was undertaken by Ashoka-DSC Katni Bypass Private Limited. Ashoka-DSC Katni Bypass Private Limited was consolidated for the first time in fiscal 2007.

In fiscal 2006, Rs. 79.12 million of project costs for BOT projects, our capital work in progress increased by Rs. 38.21 million and we purchased Rs. 107.49 million of other fixed assets consisting of various plant and machinery, vehicles, computers and other assets.

We intend to use some of the net proceeds of the Issue to fund capital expenditures. For further details, see the section entitled "Objects of the Issue" beginning on page 46 of this Draft Red Herring Prospectus.
We expect in future years to continue to make capital expenditures to acquire needed fixed assets and undertake our BOT projects. We propose to finance these expenditures principally our cash flow from operations, term loans on receivables of operational BOT projects, and short term and working capital loans until BOT project based loans are made.

Total Indebtedness

As at March 31, 2009, we had total outstanding indebtedness of Rs. 7,226,01 million, Rs. 6,963.79 million was for secured loans and Rs. 262.22 million was for unsecured loans.

As at March 31, 2009, we had three unsecured loans: a Rs. 42.00 million loan, which is repayable after the repayment of the term loan taken to partly finance construction of the NH-6 Bhandara Road; a Rs. 42.50 million loan, which is repayable after the repayment of the term loan taken to partly finance construction of the NH-6 Durg Bypass, Chhattisgarh - Maharashtra border Road; and a Rs. 177.72 million loan, which is repayable on demand.

The following table sets forth our repayment obligations under the terms of our secured indebtedness as at March 31, 2009, except for working capital loans:

(Rs. in millions)

	Payments due during the year ending March 31,			
Indebtedness	**2010**	**2011**	**2012**	**After 2012**
Secured loans for BOT projects	399.90	620.59	803.31	9,890.57
Secured loans for other fixed assets	155.73	104.19	45.29	20.15

We have a working capital loan with a maximum drawing limit of Rs. 1,000 million. However, the amount we are able to borrow under the facility is dependent on our level of inventories and debtors, net of current liabilities. As at March 30, 2009, the amount borrowed under the facility was Rs. 680.65 million. For further details, see the section titled "Indebtedness–Details of Secured Borrowings–Working Capital Loan" on page 184 of this Draft Red Herring Prospectus. In addition, we have sanctioned non-funds based credit limits with a consortium of banks totalling Rs. 6,000.00 million as at March 31, 2009, out of which Rs. 2,472.29 million of bank guarantees and letters of credit issued by banks in favour of third parties had been used as at that date. Non-fund based credit limits are contingent liabilities and are not shown in our statements of assets and liabilities.

All of our financing agreements contain conditions and restrictive covenants. For details, see the section titled "Indebtedness" beginning on page 184 of this Draft Red Herring Prospectus.

Capital Expenditure Commitments

As at March 31, 2009, our capital expenditure commitments were Rs. 2,085.22 million. The following table sets forth our capital expenditure commitments as at March 31, 2009:

(Rs. in millions)

	Capital Expenditure Commitments During the Year Ending March 31,			
	2010	**2011**	**2012**	**After 2012**
BOT projects	1,366.56	584.46	131.10	Nil
Other fixed assets	3.10	Nil	Nil	Nil

Contingent Liabilities

As at March 31, 2009, an aggregate amount of Rs. 14,659.53 million of contingent liabilities was outstanding, comprising:

- Rs. 2,472.29 million of bank guarantees and letters of credit issued by banks in favour of third parties;
- Rs. 12,151.46 million in guarantees issued by the Company in favour of banks/financial institutions, of which:
    - Rs. 11.879.30 million is for loans taken out by the Company's associates and joint ventures not controlled by the Company; and

  - o Rs. 272.16 million is for loans taken by the Company's subsidiaries and other entities controlled by the Company and against assets purchased.

- Rs. 9.47 million of claims not acknowledged as debts; and

- Rs. 26.31 million of disputed tax demands, net of taxes paid.

Market Risks

Foreign Currency Risk

Our future capital expenditures, including equipment and machinery, may be in currencies other than Indian Rupees. We have not historically hedged our foreign currency exposure and we have no current plans to do so. Therefore, declines in the value of the Rupee against such other currencies would increase the Rupee cost of making such purchases.

Interest Rate Risk

As at March 31, 2009, we had fixed and floating rate debt that exposed us to market risk as a result of changes in interest rates. As at March 31, 2009, Rs. 6,664.91 million, or 95.71% of our total debt outstanding, consisted of variable rate debt obligations. Upward fluctuations in interest rates increase the cost of debt and interest cost of outstanding variable rate borrowings.

From time to time we enter into derivative transactions to modify the nature of our debt so as to help manage our interest rate risk. On January 31, 2008 we entered into a coupon only swap under which the Company receives interest at 4% p.a. on Rs. 1,000 million in exchange for interest payments on US$25.38 million (with an implied exchange rate of Rs. 39.3975 = US$1). The Company's quarterly interest payment liability is in two parts:

(a) To pay interest at 3.15% p.a. on the US$25.38 million until January 31, 2013; and

(b) To pay the interest spread if, in a particular interest period, the 10-year constant maturity swap rate for 10 Year US Treasury Bonds ("10YCMS") is always above 5.75%. This liability is called a range accrual swap, which is a series of binary options with a provision for knock out of this spread should the 10YCMS rate move below 3.65%. Since the 10YCMS rate moved below 3.65% on January 28, 2009, the Company's obligation under paragraph (b) is now completely extinguished.

Unusual or Infrequent Events or Transactions

Except as described in this Draft Red Herring Prospectus, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

Known Trends or Uncertainties

Except as described in "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations on a Consolidated Basis" beginning on pages xxi, 85 and 278, respectively, of this Draft Red Herring Prospectus, to our knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.

Future Relationship between Cost and Income

Except as described in "Risk Factors", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations on a Consolidated Basis", beginning on pages xxi, 85 and 278, respectively, of this Draft Red Herring Prospectus, to our knowledge there are no known factors that will have a material adverse impact on our operations and finances.

Competitive Conditions

Please refer to the sections entitled "Our Business – Competition", "Industry" and "Risk Factors" beginning on pages 115, 66 and xxi, respectively, of this Draft Red Herring Prospectus for discussions regarding competition.

Significant Developments after March 31, 2009

We have entered into an agreement with India Infrastructure Fund for it to purchase 9,135,470 equity shares of Ashoka Highways (Bhandara) Limited and 12,876,583 equity shares Ashoka Highways (Durg) Limited for Rs. 624.40 million and Rs. 706.04 million respectively and as a result of which we expect the Company's beneficial interest in these subsidiaries will decrease from 90% as at March 31, 2009 to 51% before the end of fiscal 2010. India Infrastructure Fund purchased 766,342 equity shares in Ashoka Highways (Bhandara) Limited for Rs. 7.66 million on July 14, 2009 from Ashoka Buildcon Limited and 3,836,000 equity shares for Rs. 38.36 million from Viva Highways Private Limited, as a result of which our beneficial interest in Ashoka Highways (Bhandara) Limited decreased to 55.08%, and it purchased 2,747,266 equity shares in Ashoka Highways (Durg) Limited for Rs. 27.47 million on August 4, 2009, as a result of which our beneficial interest in Ashoka Highways (Durg) Limited decreased to 61.84%.

After March 31, 2009, Ashoka Highways (Durg) Limited received a total of Rs. 1,233.40 million in loan funds out of a total sanctioned loan amount of Rs. 4,150.00 million. As at June 30, 2009, the total outstanding on these loans was Rs. 1,233.40 million. After March 31, 2009, Ashoka Highways (Bhandara) Limited received a total of Rs. 529.20 million in loan funds out of a total sanctioned loan amount of Rs. 3,750.00 million. As at June 30, 2009, the total outstanding on these loans was Rs. 2,418.70 million.

We received work orders of Rs. 3,579.50 million for three power EPC contracts from Maharashtra State Electricity Distribution Company Limited in the three months ended June 30, 2009.

L&T PNG Tollway Private Limited, in which the Company has a 26% interest, was awarded the concession for the construction of 452 lane kms Maharashtra Pimpalgaon-Nashik-Gonde section of the NH-3 on a BOT basis. Our increase in capital commitments by fiscal year as a result of our investment in L&T PNG Tollway Private Limited is set forth below:

(Rs. in millions)

Increase in capital commitments due to the Company's investment in L&T PNG Tollway Private Limited				
	Fiscal 2010	**Fiscal 2011**	**Fiscal 2012**	**After Fiscal 2012**
BOT projects	733.20	1,466.40	244.40	-

Except as stated above, there are no subsequent developments after March 31, 2009 that we believe are expected to have material impact on our reserves, profits, earnings per share or book value.

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Save as stated below there are no outstanding litigation, suits, criminal or civil prosecutions, proceedings or tax liabilities against the Company, our subsidiaries, our directors, our Promoter and Group Companies and there are no defaults, non payment of statutory dues, over-dues to banks/financial institutions/small scale undertaking(s), defaults against banks/financial institutions/small scale undertaking(s), defaults in dues payable to holders of any debenture, bonds and fixed deposits and arrears of preference shares issued by the Company, defaults in creation of full security as per terms of issue/other liabilities, proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of the Company and no disciplinary action has been taken by SEBI or any stock exchanges against the Company, our Promoter or Directors.

Litigation involving the Directors

1. Deepak M. Katariya (the "Plaintiff") has filed a civil suit against Ashok M. Katariya, the Urban Land Ceiling Department and others in the court of the Civil Judge, Senior Division, Nashik for appointment of an arbitrator under Section 20 of the Arbitration and Conciliation Act, 1940. Earlier, the Plaintiff was partner in two firms, namely, Ashoka Builders and Ashoka Group and shareholder in two companies, namely, Ashoka Buildwell and Developers Private Limited and Hotel Evening Inn Private Limited. Under the deed of partnership, disputes were to be settled by an arbitrator. The Plaintiff allegedly appointed Suresh Kela as arbitrator for partition of commonly held properties. Suresh Kela drafted his award which was not accepted by Ashok M. Katariya but was accepted by the Plaintiff. In the civil suit, the Plaintiff has alleged that as provided in the draft award, Plaintiff is entitled to receive cash and certain properties. Further, the Plaintiff has alleged that Ashok M. Katariya intends to alienate the properties that were to be awarded to the Plaintiff. The Second Joint Civil judge, Nashik passed an order restraining Ashok M. Katariya from alienating properties. This order was challenged by Ashok M. Katariya in Civil Miscellaneous Appeal, which was allowed. The Plaintiff filed a writ petition before the Bombay High Court, which was rejected on the ground that the Plaintiff had not approached the competent court under the Arbitration and Conciliation Act, 1996. The Plaintiff filed a Special Leave Petition before the Supreme Court which was dismissed. Consequently, the Plaintiff has filed the instant application for issuance of directions to the respondents to file the impugned arbitration agreement with Suresh Kela and directed Suresh Kela (one of the respondents) to declare an award if he agrees to continue as the arbitrator. If Suresh Kela disagrees to act as the arbitrator, the Plaintiff has prayed that the court should appoint a new arbitrator and complete the arbitration proceedings within a stipulated time. The Plaintiff prayed for an injunction to restrain Ashok M. Katariya from selling the disputed properties. Ashok M. Katariya has denied the existence of any arbitration agreement. Further, none of the four firms mentioned above have been made a party to the suit. The matter is currently pending.

2. Deepak M. Katariya (the "Plaintiff") has filed a writ petition against Hotel Evening Inn Private Limited, Ashok Katariya and Suresh Chaturbhuj Kela. Earlier, Hotel Evening Inn Private Limited had filed a civil suit against Deepak M. Katariya, Ashok Katariya and Suresh Kela stating that under an alleged arbitration agreement executed by Deepak M. Katariya and Ashok Katariya; Suresh Kela was appointed as an arbitrator in respect of arbitration between the shareholders of Hotel Evening Inn Private Limited i.e. Deepak M. Katariya and Ashok Katariya, with Hotel Evening Inn Private Limited as the subject matter of the arbitration. Hotel Evening Inn Private Limited and Ashok Katariya denied the existence of such arbitration agreement. The court decreed that the arbitration agreement was null and void and hence, not binding on Hotel Evening Inn Private Limited. The said judgment was challenged by Deepak M. Katariya in a civil appeal. This appeal was dismissed on grounds of being barred by limitation. Hence, Deepak M. Katariya filed the present writ petition. The appeals are currently pending.

3. Deepak M. Katariya has filed civil appeals (Nos. 99/2005, 100/2005 and 101/2005) before the District Judge, Nashik, against the decrees in the civil suits (Nos. 349/1998, 355/1998, 398/1998)

respectively. The said civil suits were filed by Ashoka Group, Ashoka Buildwell & Developers Private Limited and Ashoka Builders, against Deepak M. Katariya, Ashok Katariya and Suresh Kela, challenging the appointment of Suresh Kela as arbitrator under the alleged arbitration agreement (which is referred in the above CMA No.321/2000) executed by Deepak M. Katariya and Ashok Katariya and the validity of the agreement. Ashoka Group, Ashoka Buildwell & Developers Private Limited, Ashoka Builders and Ashok Katariya denied the existence of the arbitration agreement. The court decreed that the arbitration agreement was null and void and hence, not binding on Ashoka Group, Ashoka Buildwell & Developers Private Limited and Ashoka Builders. The said judgments have been challenged by Deepak M. Katariya in civil appeals (Nos. 99/05, 100/05 and 101/05). The appeals are currently pending.

4. A special civil suit has been filed in the court of the Civil Judge (Senior Division) Nashik by Smt. Parvatabai Tidke and others (the "Plaintiffs") against Ashok Katariya, Satish Parakh and Ashish A. Katariya (the "Defendants"). The Plaintiffs, who are the land owners, have stated that the Defendants have committed a breach of the development agreement entered into between the Plaintiffs and the Defendants. The Plaintiffs have prayed for the cancellation of the development agreement and repossession of their property. As per the development agreement, the total consideration payable to them is Rs. 2.6 million plus 4000 square feet built up area after development of the said land. One M/s Thakker Developers have also impleaded themselves as a party in the said suit. Further, M/s. Thakker Developer has filed a suit (Sp. C. No. 291/96) against the Plaintiffs, wherein the Defendants have impleaded themselves as a party. Both the suits are currently pending.

5. Sharda D. Patel and others (the "Plaintiffs") have filed a suit, in the court of Civil Judge (Senior Division) Nashik, against Ashok Katariya, Asha Ashok Katariya and others (the "Defendants"). The Plaintiffs are the owners of land adjoining the property owned by the Defendants. The Plaintiffs have claimed access to land adjoining the Defendants' property and have also sought an injunction against final approval of the lay out with respect to the Defendants' property from the Nashik Municipal Corporation. However, no injunction was granted, consequent whereto the Plaintiffs filed civil miscellaneous appeal in the court of District Judge, Nashik. The said appeal has been dismissed. The matter is currently pending.

6. A criminal complaint has been filed by Vadilal Milk Products Limited ("Complainant"), against Ashok Buildwell and Developers Private Limited, Ashok M. Katariya, Satish D. Parakh and Deepak M. Katariya under Section 420 of the Indian Penal Code, 1860, in the Court of the Metropolitan Magistrate, Andheri, Mumbai. The Complainant has alleged that the directors of the Ashok Buildwell and Developers Private Limited have cheated the Complainant by not paying charges for management services provided by the Complainant. The amount claimed by the Complainant aggregates approximately to Rs. 1.38 million. The matter is currently pending.

7. A motor accident claim has been filed against, Sunil B. Raisoni, New India Assurance Company and one Prashant Kale, before the Motor Accident Claims Tribunal. Sunil Raisoni has contended that the vehicle involved in the accident had been sold by him to Prashant Kale at the time of the accident. Prashant Kale is presently mentioned as the owner of the vehicle in RTO records. However, the insurance policy was, at the time of the accident, in the name of Sunil B. Raisoni. Sunil B. Raisoni has sought the dismissal of proceedings against him. The claimant has claimed Rs. 0.1 million under Section 166 of the Motor Vehicles Act, 1988 and Rs. 0.025 million under Section 140 of the Motor Vehicles Act, 1988 along with interest of 24 per cent per annum. The matter is currently pending.

8. The Government of Maharashtra through the Urban Land Ceiling Department, Nashik has filed a criminal complaint against Ashoka Buildwell and Developers Private Limited, Ashok Katariya (as director) and Deepak M. Katariya (as erstwhile director) ("Respondents") before the Judicial Magistrate, First Class, Nashik. Respondents were charged with inducting tenants into a flat allotted to the government allottees. Ashok Katariya has alleged that Deepak M. Katariya inducted the tenants without his knowledge and further contended that the case against him should be

dismissed. The said application was rejected by the court and the court held that both directors were responsible for acts of their company. In the meanwhile, the nominees of the government were given possession of the flats allotted to them by Ashoka Buildwell & Developers Private Limited. Consequently, Ashok Katariya has filed another application for discharge, which is currently pending for proceedings on the discharge application.

9. A criminal complaint had been filed by Pratap Kesharchand Doshi, against Ashoka Builders (Nashik) Private Limited, Ashok M. Katariya, Sunil B. Raisoni and others, in the court of Judicial Magistrate First Class, Baramati under Section 138 of the Negotiable Instrument Act, 1881. The complaint pertains to the dishonour of cheques amounting to Rs. 0.79 million. Ashok M. Katariya, in his individual capacity, had filed revision against the issuance of process. The said revision was allowed and the Sessions Court, Baramati, quashed the process issued against Ashok M. Katariya. Pratap Kesharchand Doshi has filed a criminal revision petition challenging the order of the Sessions Court, Baramati. The revision petition has been decided in favour of Ashok M. Katariya. Sunil B. Raisoni has filed another revision petition before the Bombay High Court challenging the jurisdiction of Sessions Court, Baramati which was also dismissed. However, this matter was stayed in the court of Judicial Magistrate First Class. Subsequently, Ashoka Builders (Nashik) Private Limited filed a criminal complaint against Pratap Kesharchand Doshi and Sunil B. Raisoni at Nashik Court which was dismissed. Pursuant to this dismissal, Ashoka Builders (Nashik) Private Limited has filed a criminal revision petition before the District Court, Nashik which is currently pending.

10. Five criminal complaints, under Section 138 of the Negotiable Instruments Act, 1881, have been filed against Sagar Developers. The aggregate amount involved is Rs. 2.75 million. Sunil Bansilal Raisoni, Asha Ashok Katariya and Shobha Satish Parakh are the partners of the firm. The complaints are currently pending.

11. Five criminal complaints, under Section 138 of the Negotiable Instruments Act, 1881, have been filed against R. K. Developers. The aggregate amount involved is Rs. 1.57 million. Ashok Motilal Katariya, Vimal Bansilal Raisoni and Shobha Satish Parakh are the partners of the firm. The complaints are currently pending.

12. Two criminal complaints, under Section 138 of the Negotiable Instruments Act, 1881, have been filed against Puja Developers. The aggregate amount involved is Rs. 1.08 million. Pradip Bansilal Raisoni, Ashish A. Katariya and Satish Dhondulal Parakh are the partners of the firm. The complaints are currently pending.

13. Two criminal complaints, under Section 138 of the Negotiable Instruments Act, 1881, have been filed against Trimurti Developers. The aggregate amount involved is Rs. 0.73 million. Ashok Motilal Katariya, Satish Dhondulal Parakh and Bansilal B. Raisoni are the partners of the firm. The complaints are currently pending.

14. A special civil suit has been filed by Ashok Katariya (the "Plaintiff") against Prakash Nigal and others (the "Defendants") for specific performance of a contract. The Plaintiff claimed that the Defendants have executed an agreement of sale in favour of the Plaintiff regarding land situated at Nashik and accepted an advance of Rs. 0.05 million in respect thereof and have sought the specific performance of the said agreement. The court has granted an interim stay in favour of the Plaintiff. The matter is currently pending.

15. A special civil suit has been filed before Civil Judge, Senior Division, Nashik by Satish D. Parakh against Pandurang T. Khaire for specific performance of a contract. Satish D. Parakh claimed that Pandurang T. Khaire executed a sale receipt of land situated at Nashik in his favour and accepted an advance of Rs. 0.10 million. The court has granted an interim stay in favour of Satish D. Parakh. The matter is pending for hearing.

16. A special civil suit has been filed by Satish D. Parakh against Balkrushna S. Gadhave and others before Civil Judge, Senior Division, Nashik, for specific performance of a contract. Satish D. Parakh has claimed that Balkrushna S. Gadhave & others executed a sale receipt of land situated at Village Advan, Tal-Igatpuri, Dist-Nasik in his favour and accepted an advance of Rs. 0.015 million. The matter is currently pending.

17. A special civil suit has been filed by Satish D. Parakh against Mohan Gogaji Adole and others before Civil Judge, Senior Division, Nashik, for specific performance of a contract. Satish D. Parakh has claimed that Mohan Gogaji Adole and others executed a sale receipt of land situated at Village Kurnoli, Tal-Igatpuri, Dist-Nasik in his favour and accepted an advance of Rs. 0.01 million. The matter is currently pending.

18. A civil suit has been filed by Satish D. Parakh against Ramchandra Chauvan for declaration of ownership and injunction against wrongful dispossession of one Markal property before Chief Justice Junior Division, Khed court. The matter is pending for return of summons.

19. A civil appeal has been filed by Satish D. Parakh against Keru Knahu Chauvan against judgment and order passed by the Circle officer, Khed in relation to wrong mutation entry filed by the Circle Officer. The matter is pending for hearing.

20. Viva Infrastructure Private Limited through its director, Satish D. Parakh, has filed a civil suit before Civil Judge Senior Division, Nashik against Vitthal Ganpat Ghare for permanent injunction and compensation of Rs. 0.20 million for non-performance under one development agreement which was executed by Vitthal Ganpat Ghare in favour of Viva Infrastructure Private Limited in relation to certain property located in Talegaon, Igatpuri. Pursuant to the order of the court, Vitthal Ganpat Ghare had given an undertaking that he will not dispose of the property without the consent of the court. Separately, Vitthal Ganpat Ghare filed a criminal complaint against Satish D. Parakh, Ashish A. Katariya and Yogesh Dixit under Section 138 of the Negotiable Instrument Act, 1881 alleging that the cheque issued by Viva Infrastructure Private Limited in relation to the development agreement was dishonoured. The criminal complaint was decided against Satish D. Parakh, Ashish A. Katariya and Yogesh Dixit. Subsequently, Satish D. Parakh, Ashish A. Katariya and Yogesh Dixit have filed a criminal revision petition before the District and Session Court which stayed the criminal proceeding against the said defendants. Both civil and criminal matters are currently pending.

21. The Commissioner of Income Tax, Nashik has passed an order against the Company, Ashok M. Katariya (Director) and Satish D. Parakh (Director), in their capacity as directors of the Company, stating that there were delays in payment of tax deducted at source of Rs. 1.06 million, Rs. 2.99 million, Rs. 12.41 million, Rs. 8.15 million and Rs. 3.45 million for the assessment years 2001-02, 2002-03, 2003-04, 2004-05 and 2005-06, respectively. The Company has paid the tax deducted at source along with interest for the delay. However, the Commissioner of Income Tax has initiated criminal proceedings against the Company and its directors Ashok M. Katariya and Satish D. Parakh. The matter is currently pending.

22. The Assistant Commissioner of Income Tax, Nashik Circle had issued an assessment order to Ashok M. Katariya for the assessment year 2000-01. The order pertains to disallowance of business loss and the loss on sale of land to be considered as capital loss, and as ad-hoc additions due to reduction in gross profit ratio. Ashok M. Katariya Katariya filed an appeal against the said assessment order before the Commissioner of Income Tax (Appeals), Nashik, which was decided in his favour. The Income Tax Department has preferred an appeal against the order of Commissioner of Income Tax, Appeals, Nashik before the Income Tax Appellate Tribunal, Pune and the matter was partly decided in favour of Income Tax Department. Aggrieved by the said order, Katariya has preferred an appeal before the Bombay High Court. He has, however, paid the demand of Rs. 0.28 million. The appeal has been admitted by the Bombay High Court and is currently pending.

23. Ashok Motilal Katariya has filed a) 8 compounding applications for the financial years 2000 to 2009 as director of the Company; b) 5 compounding applications for the financial years 2004 to 2009 as director of Viva Highways Private Limited; c) 4 compounding application for the financial years 2003 to 2007 as director of Ashoka Infraways Private Limited; and d) 2 compounding application for the financial years 2006 to 2008 as the director of Ashoka-DSC Katni Bypass Road Private Limited, with the Registrar of Companies under Section 621 of the Companies Act, 1956 for compounding of various instances of violation of Section 297 of the Companies Act, 1956 committed by the companies. The matters are currently pending.

24. Satish Dhondulal Parakh has filed a) 8 compounding applications for the financial years 2001 to 2009 as director of the Company; b) 5 compounding applications for the financial years 2004 to 2009 as director of Viva Highways Private Limited; c) 4 compounding applications for the financial years 2003 to 2007 as director of Ashoka Infraways Private Limited; and d) 2 compounding applications for the financial years 2006 to 2008 as director of Ashoka-DSC Katni Bypass Road Private Limited, with the Registrar of Companies under Section 621 of the Companies Act, 1956 for compounding of various instances of violation of Section 297 of the Companies Act, 1956 committed by the companies. The matters are currently pending.

Litigation against the Company

Civil Cases

1. Jugalkishor B. Ginodiya and another (the "Plaintiffs") have filed a suit against the Company and the Government of Maharashtra before the Civil Judge Senior Division, Dhule. The Government of Maharashtra has awarded a project for the construction of a road outside Dhule city to the Company. The Plaintiffs claimed that they own a piece of land bearing Survey no. 506 / 2B2 admeasuring 1 hectare and 94 ares (the "Property"). The Plaintiffs further alleged that certain portion of the suit property was proposed to be acquired for construction of the Surat-Nagpur Bypass and the requisite notifications in respect of the same were made under the Land Acquisition Act, 1894. The project for the construction of the said bypass was awarded to the Company by the Government of Maharashtra. The Plaintiffs filed their objections to the notification under the Land Acquisition Act, 1894. However, no further action was taken in respect of the objections. The Plaintiffs later contended that the Property has been illegally encroached upon by the Company. The Plaintiffs have claimed Rs. 1.8 million with 18 per cent interest per annum, compensation for future mesne profits estimated at Rs. 0.2 million and Rs. 0.001 million as costs for the legal notice. The suit is currently pending.

2. An appeal has been filed by Ashoka Info Private Limited (now merged with the Company) against the State of Maharashtra and another before the Revenue Minister, Government of Maharashtra. During the execution of the project for construction of the Ahmednagar-Karmala Road by Ashoka Info Private Limited, dubber and murum (minerals) were extracted at the construction site. The Tahsildar, Karjat issued an order directing Ashoka Info Private Limited to pay a royalty of Rs. 2.17 million for extraction of the minerals. Ashoka Info Private Limited contended that the Collector had granted permission to it to extract minerals and pursuant to that land was purchased. Ashoka Info Private Limited appealed to the Sub-Divisional Officer, Karjat who ordered the payment of a royalty of Rs. 0.243 million. Ashoka Info Private Limited appealed to the Additional Collector who quashed the Sub-Divisional Officer's order and confirmed the Tahsildar's order. Ashoka Info Private Limited filed a revision application before the Revenue Commissioner, Nashik who returned the matter to the Additional Collector. The Additional Collector again passed an order directing Ashoka Info Private Limited, to pay an amount of Rs. 0.26 million. Ashoka Info Private Limited filed a revision application before the Revenue Commissioner, Nashik. The Revenue Commissioner set aside the order of the Additional Collector and confirmed the order passed by the Tahsildar, Karjat. Ashoka Info Private Limited filed an appeal, before the Revenue Minister, against the order passed by the Revenue Commissioner, Nashik. The appeal is currently pending.

3. A writ petition has been filed by Chandrakant Gattani (the "Petitioner") against Ashok Info Private Limited (now merged into the Company) and the State of Maharashtra before the Bombay High Court. The Petitioner had filed the writ petition against i) collection of toll twice at two toll booths along Ahmednagar-Karmala road; ii) collection of toll before the completion of the improvement works; and iii) increase in toll rates every three years. Ashok Info Private Limited has conceded that the earlier terms of agreement with the Government of Maharashtra permitted collection of toll only upon the completion of the entire project. However, subsequent to the amendment of the agreement, Ashok Info Private Limited was permitted to commence collection of toll at the end of each phase. The Petitioner has prayed that the court set aside clauses of the Government's sanction order that permits the Company to collect toll at the end of each phase and strike down the rate of increase of toll every three years from 5 per cent to 8 per cent. The petition is currently pending.

4. A civil suit has been filed by Basantbai (the "Claimant") against Ashoka Group before the Additional District Judge, Khandwa. The Claimant has alleged that her husband died in an accident on the Mortakka Bridge which was being maintained by the Company and has prayed for a compensation of approximately Rs. 0.86 million. The suit has been dismissed and no appeal has been filed.

5. The Sub Divisional Officer, Mhow has passed an order for payment of royalty aggregating to approximately Rs. 0.22 million for murum allegedly extracted by the Company without the requisite permission. An appeal has been filed by the Company, before the Additional Commissioner, Indore, against the Madhya Pradesh Government and Sarpanch, Gram Panchayat, Simrol, Tehsil Mhow. The Additional Commissioner has called for the records and proceedings in relation to this matter. The appeal is currently pending.

6. A public interest litigation has been filed by Mohd. Rafique and Rajesh Baheti, Secretary of Khandwa Truck Owners Association, (the "Plaintiffs") against the State of Madhya Pradesh, Madhya Pradesh Rajya Setu Nirman Nigam Limited, Viva Highways Private Limited ("VHPL") and others before the Jabalpur Bench of Madhya Pradesh High Court. The Plaintiffs have contended that two toll booths at Deshgaon and Dulhar Phata on the Indore – Edalabad road have been illegally constructed as they were not envisaged under the concession agreement signed between the Madhya Pradesh Rajya Setu Niman Nigam Limited and VHPL for the construction of the Indore- Edalabad road. VHPL has stated that as per the concession agreement, in the event of the construction of a bypass or road due to which there is leakage in the collection of toll, VHPL would be permitted to erect check posts such that the leakage in collection of toll was minimized. The court vide an interim order dated July 28, 2004, directed that VHPL should give additional concession to the frequent users of the road by way of issuing them monthly passes vide which 50 per cent toll shall be charged on local commercial vehicles frequently plying the road. The matter is currently pending.

7. Manoj Pawar and others ("Plaintiffs") have filed a civil suit against the Madhya Pradesh Public Works Department, the Company, Ashoka Infraways and others before the Additional District Judge, Dewas. The Company had entered into a concession agreement with the Madhya Pradesh Public Works Department to construct the Dewas Bypass. Under the terms of the concession agreement it was permitted to erect three toll booths for collection of toll tax. A notification to this effect was issued in the State Gazette pursuant whereto a suit was filed by the Plaintiffs seeking a declaration that the collection of toll was illegal and a permanent injunction against the collection thereof. The court rejected the application for temporary injunction consequent whereto the Plaintiffs filed an appeal seeking the appointment of a Commissioner. The Company and Ashoka Infraways filed a writ petition before the Indore Bench of the Madhya Pradesh High Court, against the order appointing the Commissioner. The writ petition has been admitted and the civil suit has been stayed pending final disposal of the writ petition. The matter is pending.

8. Hema Katariya, wife of Deepak M. Katariya, had sent a notice addressed to the Company, Ashok Katariya, Satish Parakh, Asha Katariya and others including various promoter group entities and

some of the directors of the promoter group entities. In the said notice, Hema Katariya stated that she is a partner of Ashoka Builders and alleged that she was not allowed active participation in the firm and consequently intended to retire from Ashoka Builders. She also wanted to dissolve the firm and liquidate her share of 10 per cent in Ashoka Builders. Hema Katariya had threatened to invoke arbitration proceedings if the firm is not dissolved and her share not given. She has, further, alleged that Satish Parakh and other partners have diverted funds of the partnership firm and incorporated 35 separate private limited companies and partnership firms. She has, therefore, claimed a share in the net assets of the said firms and companies. Ashok Katariya, Satish Parakh and Asha Katariya have replied to the notice wherein they have denied all the allegations. Further to the above notice, Hema Katariya (the "Plaintiff") had filed a suit along with an application for temporary injunction against the Company, Ashok Katariya, Asha Katariya, Sunil B. Raisoni, Satish D. Parakh and others including certain promoter group companies, in the court of the Civil Judge, Junior Division, Nashik for an injunction to restrain the Company from undertaking an IPO. The court granted a stay on undertaking of IPO which was subsequently vacated and the said application was dismissed. However, the suit for permanent injunction is currently pending for framing of issues. Against the order passed by the lower court, Hema Katariya has filed an appeal before the District Court, Nashik. The matter is currently pending.

9. A public interest litigation ("PIL") has been filed by Vyankatesh Dhondu Kulkarni (the "Petitioner") against the State of Maharashtra and others including the Company. The Petitioner has filed the PIL in relation to the construction of a major bridge across Mandave nalla at Mahad-Pandharpur road on State Highway No.70 (the "Bridge") undertaken by the Company. The Bridge was to be completed in 37 days whereas the prescribed period for construction was one year. The Petitioner alleged that the Bridge could not be constructed within 37 days. The Petitioner further alleged that the respondents had failed, *inter alia*, to strictly follow the tender conditions, check the constructions, grant timely approvals to designs after scrutiny and get monthly toll collection data. Furthermore, the Petitioner has stated that in accordance with the relevant law, the Company is entitled to collect only the capital outlay and that the Company's total collection of toll exceeds the total capital outlay as reflected in their tender documents. Consequently, it was claimed that the government should recover the excess toll collected by the Company. The Petitioner has also raised grievance regarding the change in the prime lending rates of banks and the effect thereof on the concession period. The Petitioner has, *inter alia*, prayed for initiation of a departmental inquiry against the officials of the Public Works Department for causing loss to the government. The toll collection period granted to the Company expired on May 23, 2003 and the said road has already been handed over to the government. The matter is currently pending and is yet to be admitted.

10. A special civil suit has been filed by Chapke, an advocate practicing at Nagar, Shirur & Pune, against the Company against deployment of police for collection of toll. Chapke has submitted in the plaint that he had orally requested the staff of the Company on toll booths and had also submitted a written request for removal of unnecessary police force from the toll booths. But concerned staff of the Company did not pay any heed to his request. Therefore Chapke has filed this suit against the Company for claiming damages of Rs. 0.1 million. In this matter, the court has appointed a Court Commissioner and the report has been submitted. The matter is pending.

11. A public interest litigation ("PIL") has been filed by one, Changede Shashikant Premraj & others (the "Petitioners") against the State of Maharashtra and others including the Company. The Petitioner has alleged that, initially the cost of the tender was Rs. 750 million, which was unilaterally increased to Rs.1080 million. The Petitioners have filed this PIL for appointment of an independent Court Commissioner to inspect the four lane state highway and ascertain the actual position of the road in question. The Bombay High Court appointed a committee for giving report on the issues raised by the Petitioners. Accordingly the committee was constituted and the report has been submitted. The matter is pending.

.

12. Bhavanr Kanvar Rajput has filed a civil suit in the court of the Additional District & Sessions Judge, Chittorgarh against the Company claiming compensation of Rs. 0.18 million for death of

her son who drowned in water which had accumulated in the pits excavated by the Company for execution of their work. The matter is currently pending.

13. Mahesh Durbude has filed a civil suit in the Court Civil Judge Senior Division, Bhandara against Sugratabai Sakhare and others including the State of Maharashtra and the Company claiming that his property was illegally acquired by the State of Maharashtra for road widening project which was allotted to the Company and hence has claimed declaration of ownership over the property and compensation of Rs. 0.04 million from the State Government. The matter is currently pending.

14. Two civil suits have been filed by Kesharbai and Rajubai respectively against the State of Madhya Pradesh and the Company and others before Additional District Judge, Nimach, Madhya Pradesh, for permanent injunction against wrongful acquisition of landed property by the State of Madhya Pradesh. Interim application for injuction in both the suit are dismissed by the trial court and original plaintiff filed appeal against the said order of dismissal of interim application and the matters are pending in appeal before the Indore Bench, Madhya Pradesh High Court.

15. Suresh Khureja and others have filed a writ petition in the Bombay High Court against the Kalyan Dombivali Municipal Corporation ("KDMC") wherein the Company has been included as a respondent for *inter alia* stay on the BOT work and issue of an injunction restraining the respondents from evicting the petitioners from their shop premises.The Company is the BOT contractor for construction of a multiplex and a shopping Centre on the said land bearing Survey Nos. 3231 and 3245. The matter is still pending.

16. Yashwant Sakhare and others had filed a civil suit before the Civil Judge Senior Division, Pune with respect to encroachment of land by the State Government in relation to Pune Ahmednagar Road project. The Company was included as a necessary party. The Civil Judge Senior Division, Pune decided the case in favour of Yashwant Sakhare and others. The State Government along with the Company has filed an appeal before the District Court, Pune which set aside the judgment of the Civil Judge Senior Division, Pune. The matter is pending.

17. The Company has filed 8 compounding application for financial years 2001 to 2009 with the Registrar of Companies under Section 621 of the Companies Act, 1956 for compounding of various instances of violation of Section 297 of the Companies Act, 1956 by the Company. The matters are currently pending.

18. The plaintiff, Tikaram Bhirilal, has filed a civil suit before the Civil Judge Class II at Indore against the Company and State of Madhaya Pradesh for declaration and injunction. The plaintiff has claimed that he is in possession of block no. 461 of village Bhouri Taluka – Hujur Dist. Bhopal for the last 30 years. The said land has been owned by the State of Madhaya Pradesh but as the plaintiff has been in possession of the said land for 30 years, he is claiming title to the land under adverse possession. Therefore, he has claimed interim injunction against the Company and the State of Madhaya Pradesh from excavating the soil / murum from the said land. Further, the plaintiff has also sought a declaration that the order for excavation dated June 12, 2009 for soil issued by the State of Madhya Pradesh in favour of the Company. The matter is currently pending for hearing on application for rejection of plaint filed by Company.

19. The petitioner, Basant Agro-Tech (India) Limited, has filed a writ petition before the Madhya Pradesh High Court, Bench at Indore. The petitioner has claimed that due to the acquisition of land bearing Survey No. 44, 45 and 46 for the proposed toll plaza of the Company for Jaora-Nayagaon BOT project, access (entry) to the factory premises of the petitioner is completely obstructed and therefore the petitioner has demanded reasonable entry passage for passing of the vehicles to the factory premises of the petitioner. Therefore the petitioner has filed this writ petition for quashing the acquisition proceeding of the said land and the notification dated May 8, 2009 and June 5, 2009 issued pursuant to the acquisition of the said land situated in village Nayagaon, Tal-Javed, Dist- Neemach. The petitioner has also prayed for consequential interim relief that the State of Madhya Pradesh be restrained from publishing further notifications under

Section 6 of the Land Acquisition Act, 1894. In this matter, the Madhaya Pradesh High Court has passed an interim order stating that the State of Madhya Pradesh shall ensure that the entire gate of the factory of the petitioner should not be obstructed in any manner till further order. The matter is pending for admission and appearance of other respondents.

20. Gram Panchayat, Perne and others filed a writ petition against the State of Maharashtra and others before the Bombay High Court for wrongful acquisition of land, bearing Gat No. 944 located in village Perne, by the State of Maharashtra for the construction of a toll naka. The matter is currently pending.

21. Reliance Infrastructure Limited and others ("Petitioners") have filed a writ petition against Maharashtra State Road Transport Corporation, the Company and others before the Bombay High Court for not calling them for the second stage of competitive bidding in relation to a tender notice for a execution of a project named "Securitization of Toll at five entry points in Mumbai". The Petitioners have prayed for cancellation of the bidding process and initiation of a fresh bidding process.

22. Polly Engineers and Technical Consultants Private Limited has filed a civil suit against the Company in the court of District Judge, Mandsaur, Madhya Pradesh for the recovery of compensation of Rs. 2.51 million for delay in payment for various civil works provided by the plaintiff for the project at Mandsaur. The Company appeared in the said suit and has filed an application under Order 7 Rule 11 challenging the jurisdiction and pointing out the alternate remedy of conciliation / arbitration available to the parties under the agreement. The matter is pending.

Labour Cases

1. There are six disputes pertaining to workmen's compensation filed by the legal heirs of employees/ ex-employees against the Company. The aggregate amount involved is approximately Rs. 2.21 million. The matters are currently pending.

2. Devidas Savate (the "Complainant") has filed a workmen's compensation case, against the Company and New India Assurance Company, before the Commissioner for Workmen's Compensation, Pune. The Complainant, a workman of the Company, claims to have suffered 47 per cent disability due to an accident sustained at a worksite. The Claimant has demanded Rs. 0.203 million as compensation. The case is currently pending.

3. Pushpa Kanwar Rajput ("Plaintiffs") and others have filed a claim against the Company and ICICI Lombard General Insurance Company Limited before the Labour Court at Bhilwada, Rajasthan. The Plaintiffs have claimed an aggregate amount of approximately Rs. 0.4 million, in their capacity as legal heirs of Puran Singh who died in a motor accident. The matter is currently pending.

4. Ashoka Info Private Limited (now merged into the Company) had hired Raju Hulgunde to carry out stone crushing work. Ashoka Info Private Limited has alleged that even though Raju Hulgunde was paid for his services, yet he made further demands for money and also threatened to go on a hunger strike. Despite being paid an additional sum, of upto Rs. 0.03 million, on humanitarian grounds, Raju Hulgunde made even further demands for money and threatened to go on a hunger strike. Ashoka Info Private Limited has now filed a police complaint against Raju Hulgunde. Ashoka Info Private Limited has received a notice from the Labour Commissioner based on representations made by Raju Hulgunde. The matter is pending.

5. Mangalbai N. Kamble (the "Claimant") and another have filed a workmen's compensation claim against the Company and New India Assurance Company Limited. The Claimant's son, a worker who was working at a project site, was run over by a transit mixer vehicle and succumbed due to his injuries. Both worker and vehicle were insured by New India Assurance Company Limited.

The Claimant has prayed for compensation of Rs. 0.45 million along with a penalty of 50 per cent per annum and interest at the rate of 12 per cent per annum. The Claimant has also filed a claim before the Motor Accident Claims Tribunal of Rs. 0.1 million along with interest at the rate of 18 per cent per annum. Furthermore, the Claimant has reserved the right to increase the amount of claim. The Company has contended that at least one of the claims must be withdrawn. The claims are currently pending.

6. Ishwarappa Natekar, (through his legal heirs) has filed a workman's claim, against Ashoka E-Tech, the Company and Oriental Insurance Company Limited, before the Commissioner for Workmen's Compensation, Pune. The claimant has alleged that Ishwarappa Natekar's hand was stuck in a machine in the WMM Plant and broken, leading to 15 per cent disability in that hand. It is further alleged that the Company removed Ishwarappa Natekar from work and did not pay any compensation. Ishwarappa Natekar has prayed for compensation of Rs. 0.294 million along with 18 per cent interest per annum. The matter is currently pending.

7. One Nanibai widow of Suresh Bhilala has filed a claim, against the Company and others, in the Labour Court, Dhar (Madhya Pradesh) regarding the death of her husband who died in an accident which took place at one of the worksites of the Company. The claim is for an amount of Rs. 0.10 million plus interest. The claim is currently pending.

Motor Accident Claims

1. Five motor accidents claims have been filed against the Company, involving an aggregate amount of approximately Rs. 5.8 million. The claims are currently pending.

Criminal Cases

1. A criminal complaint has been filed by Santosh Moghe under Section 3 (1)(10) of the Schedule Caste and Schedule Tribes (Prevention of Atrocities) Act, 1989 against certain employees of the Company before the Judicial Magistrate First Class ("JM1C"), Malshiras. The matter is currently pending. The JM1C has ordered investigation by Malshiras Police before issuing process. The employees of the Company have preferred a criminal writ petition in the Bombay High Court, which is currently pending. The Bombay High Court has stayed the order of the JM1C during the pendency of the writ petition. There was a revision petition that was filed before the Bombay High Court which has been withdrawn. The matter is currently pending.

2. The Government of Maharashtra has filed a criminal complaint against the Company before the Judicial Magistrate, First Class, Murtijapur. The complaint was registered for violation of various provisions of the Contract Labour (Regulation & Abolition) Act, 1974, which include employing contract labour without possessing a contract labour license. The complaint is currently pending.

3. The Government of Maharashtra has filed a criminal complaint, against the Company, before the Judicial Magistrate, First Class, Murtijapur. The complaint was registered for violation of various provisions of the Interstate Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and Central Rules, 1980 which include employing inter-state migrant workmen without obtaining a license. The complaint is currently pending.

4. A criminal complaint has been filed by one J. K. Varma (the "Complainant") against the Company through its director R. C. Burad and others in the court of Judicial Magistrate First Class, Dewas under Sections 107, 120B, 166, 167, 405, 415 of the Indian Penal Code, 1860. The main grievance of the Complainant is that the accused has unauthorizedly collected the toll tax from the toll plaza situated at Km. 159/4 of S.H.-18 on Bhopal - Ujjain Road. The court has passed an order for the issue of process. The accused has filed a criminal writ petition before the Indore Bench of Madhya Pradesh High Court challenging the said order. The criminal writ petition has been disposed off with the direction to file an application for discharge before the trial court. A discharge application has been filed with the Judicial Magistrate First Class, Dewas, and the matter is currently pending.

Tax Cases

Direct Taxes

1. The Company has filed an appeal before the Commissioner of Income Tax, Nashik against the order passed under regular scrutiny by the Assistant Commissioner of Income Tax, Circle 2, Nashik. The impugned order had disallowed depreciation, on the right to collect toll as an intangible asset, while allowing amoritisation over the life of project and pertains to financial year 2003-04. There was no tax demand due to this addition by the Assistant Commissioner. The matter is currently pending at CIT Appeals (II) Nashik.

2. The Company has filed an appeal before the Commissioner of Income Tax, Nashik against the order passed on re-opening of assessment by Assistant Commissioner of Income Tax, Circle 2, Nashik. The impugned order had disallowed carry forward of losses and unabsorbed depreciation of amalgamating companies in the hands of amalgamated company matter pertains to financial year 2003-04. The matter is currently pending at Commissioner of Income Tax Appeals Nashik. The demand raised is to the tune of Rs 0.92 million and the Company has requested to adjust the demand against the refunds of succeeding years. The appeal is currently pending.

3. The Joint Commissioner of Income Tax, Range 2, Nashik, had completed the assessment for the financial year 2004-2005 and tax demand against the Company. The tax demand was raised for disallowance of carry forward of losses and unabsorbed depreciation of amalgamating company to the amalgamated company, and disallowance of depreciation on the right to collect toll as an intangible asset, allowing amoritisation over the life of the project. The demand raised is to the tune of Rs 18.39 million (inclusive of interest). The Company filed an appeal before the Commissioner of Income Tax (Appeals-I), Nashik against the said order. The Company has requested adjustment of demand against the refunds due to the Company for assessment year 2006-07 and assessment year 2007-08. The matter is currently pending.

4. The Commissioner of Income Tax, Nashik has initiated a revision proceeding under Section 263 of the Income Tax Act, 1961, against the Company. The proceedings pertain to assessment year 2004-05 and assessment year 2005-06. The Company has filed its reply. The matter is currently pending.

5. The Commissioner of Income Tax, Nashik had initiated a revision proceeding under Section 263 of the Income Tax Act, 1961, against the Company for assessment year 2003-04. In furtherance thereof, the Commissioner of Income Tax, Nashik set aside the assessment and issued directions for framing the assessment afresh by the Assessing Officer, Assistant Commissioner of Income Tax, Circle II, Nashik. Aggrieved by the said order, the Company preferred an appeal before Income Tax Appellate Tribunal, Pune. The appeal is currently pending.

   However, pursuant to the directions of the Commissioner of Income Tax for framing the assessment afresh, the Assistant Commissioner of Income Tax, Circle II, Nashik raised a demand of Rs. 5.61 million including interest. The Company preferred an appeal before Commissioner of Income Tax (Appeals), Nashik against the said order. The appeal is currently pending.

6. The Commissioner of Income Tax had initiated a revision proceeding under Section 263 of the Income Tax Act, 1961 against erstwhile Ashoka Vastu Private Limited (since merged with the Company) for assessment year 2003-04. In furtherance thereof, the Commissioner of Income Tax, Nashik set aside the assessment and issued directions for framing the assessment afresh by the assessing officer (Assistant Commissioner of Income Tax, Circle II, Nashik). Aggrieved by the said order, the Company preferred an appeal before Income Tax Appellate Tribunal, Pune. The appeal is currently pending.

   However, pursuant to the directions of the Commissioner of Income Tax for framing the assessment afresh, the Assistant Commissioner of Income Tax, Circle II, Nashik raised a demand of Rs. 1.39 million including interest. The Company has preferred an appeal before Commissioner of Income Tax (Appeals), Nashik against the said order. The appeal is currently pending.

7. The Assistant Commissioner of Income Tax, Nashik Circle had issued an assessment order to the Company for the assessment year 2003-04 pertaining to disallowance of the provisions of construction expenses for future liability in case of a composite contract. Aggrieved by the said assessment order, the Company filed an appeal before the Commissioner of Income Tax (Appeals), Nashik, which was decided in favour of the Company. The Income Tax Department has preferred an appeal against the order of Commissioner of Income Tax (Appeals), Nashik before the Income Tax Appellate Tribunal, Pune. The appeal is currently pending.

8. The Commissioner of Income Tax, Nashik has passed an order against the Company and Ashok M. Katariya (Director) and Satish D. Parakh (Director), in their capacity as directors of the Company, stating that there were delays in payment of tax deducted at source of Rs. 1.06 million, Rs. 2.99 million, Rs. 12.41 million, Rs. 8.15 million and Rs. 3.45 million for the assessment years 2001-02, 2002-03, 2003-04, 2004-05 and 2005-06, respectively. The Company has paid the tax deducted at source along with interest for the delay. However, the Commissioner of Income Tax has initiated criminal proceedings against the Company, Ashok M. Katariya and Satish D. Parakh. The matter is currently pending.

9. The Additional Commissioner of Income Tax, Pune has sent a notice for recovery of demand against the assessment of H. S. Soni, excluding interest, under Section 220 (2) of the Income Tax Act, 1961. During the course of an income tax department raid on Shreeram Soni (“Assessee”), the materials seized during the income tax department raid indicated that the Company owed the assessee Rs.1 million excluding interest at the rate of 2 per cent per month, as on July 29, 2003. The Income Tax Department has made a demand for the principal along with interest. The Company had sent a letter dated February 1, 2007 to the Income Tax Department seeking the details of the materials, relying whereon the Income Tax Department had concluded that a loan of Rs. 1 million was outstanding. The Income Tax Department has asked for the details of outstanding loans payable as per Company’s books of accounts to which the satisfactorily replied vide its letter dated May 31, 2007. There has been no further communication thereafter. The matter is currently pending.

Indirect Taxes

Customs

1. The Assistant Commissioner of Customs, Mumbai, has issued a notice for the year 2001-02 against the Company (erstwhile Ashoka Info Private Limited, which merged into the Company) for adjudication of duty on bitumen. The Company had classified the goods as natural bitumen, which was not acceptable to the department. On the basis of the show cause notice, the Commissioner of Customs (Import) has adjudicated the matter against the Company stating that the goods were petroleum bitumen classifiable under CTH 2713.20, raised a demand of Rs. 3.94 million along with interest, ordered confiscation of goods, which may be redeemed on payment of redemption fine of Rs. 4.00 million and payment of penalty of Rs. 2.40 million (including penalty imposed on employees of the Company). Aggrieved by the said order, the Company has preferred an appeal before the Custom Excise and Service Tax Appellate Tribunal, Mumbai. The appeal is currently pending.

2. A show cause notice was issued to the joint venture of the Company with Valecha Engineering Limited (“ABL-Valecha JV”) for the year 2007-08 pertaining to custom duty exemption granted to the Company for importation of machinery for executing infrastructure projects. On the basis of the show cause notice, the Commissioner of Customs (Import) adjudicated the matter against the ABL-Valecha JV stating that the duty exemption granted under notification no. 21/2003 dated March 1, 2002 was denied and raised a demand of Rs. 18.97 million including interest and ordered confiscation of goods which may be redeemed on payment of redemption fine of Rs. 9.00 million

and payment of penalty of Rs. 1.50 million (including penalty imposed on employees of the Company). The Company has paid the customs duty. The redemption fine and penalty amounting to Rs 10.50 million are currently outstanding. Aggrieved by the said order, the Company has preferred an appeal before the Custom Excise and Service Tax Appellate Tribunal, Mumbai. The appeal is currently pending.

Sales Tax

1. The Assistant Commissioner (CT), Chinglepet Assessment Circle has issued three assessment orders for financial years 2004-05, 2005-06 and 2006-07, whereby the assessment was revised and the total and taxable turnover of the work contract receipts was re-determined. In terms of the assessment order, civil works contract of maintenance of road executed by the Company was determined to be taxable at the rate of 4 per cent of the total contract value of the works executed, under Section 7C (ii) of the Tamil Nadu General Sales Tax Act, 1959. The aggregate demand raised and penalties in the said assessment orders was Rs. 0.29 million and Rs. 0.36 million, respectively. The Company paid Rs. 0.15 million and has given bank guarantee of Rs. 0.50 million. Aggrieved by the said orders, the Company filed appeals before the Appellate Deputy Commissioner (CT), Kanchipuram. The appeals are currently pending.

Arbitration Claims

1. *Claims in relation to Ankali BOT*

   a. The Company has filed an application under Section 9 of the Arbitration and Conciliation Act, 1996 for permanent injunction against takeover of the facility pertaining to the construction of bridge across Krishna river near Ankali Village on BOT (“Ankali BOT”) basis before the District Court, Sangli and the same was granted by the District Court. The State Government has filed an appeal before the Bombay High Court under Section 37 of the Arbitration and Conciliation Act, 1996. The matter is currently pending.

   b. The Company has filed another application before the District Court, Sangli under Section 34 of the Arbitration and Conciliation Act, 1996 before the District Court, Sangli against the award of Rs. 8.99 million passed by the arbitrator with respect to Arbitration Reference-I. The Company had originally claimed the amount of Rs. 105.02 million for *inter alia* unilateral change in scope by the State of Government. The District Court, Sangli has partially set aside the award passed by the arbitrator and the matter has been referred back to the arbitrator for valuation. The State Government has filed an application under Section 37 of Arbitration and Conciliation Act, 1996 before the Bombay High Court against the order of the District Court, Sangli and the High Court has granted a stay on the said order. The matter is currently pending.

   c. In relation to Ankali BOT, the Public Works Department, Sangli had also filed an application under Section 34 of the Arbitration and Conciliation Act, 1996, before the court of the Senior Judge, Sangli which was rejected. Against the said order, the State Government has filed an application under Section 37 of the Arbitration and Conciliation Act, 1996 before the Bombay High Court against the order of the District Court, Sangli. The Bombay High Court has stayed the said order. The matter is currently pending.

Complaints against the initial public offering of Equity Shares proposed to be undertaken in terms of Draft Red Herring Prospectus dated January 16, 2008

The Company had filed a draft red herring prospectus dated January 16, 2008 with SEBI in relation to proposed initial public offering of Equity Shares (the “Proposed IPO”). Deepak M. Katariya and Hema Katariya filed letters of objection dated April 9, 2008 in relation to the Proposed IPO, which were replied to by the book running lead managers for the Proposed IPO (“Lead Managers”) through letters dated May 6, 2008 and informed by the book running lead managers to SEBI of their reply through a letter dated May 7,

2008. Thereafter, Deepak M. Katariya filed a letter dated May 10, 2008 with SEBI ("Objection Letter") which was forwarded to the Lead Managers by SEBI through letter dated May 21, 2008, whereby he had, inter alia, objected to the Proposed IPO. The Lead Managers replied to the Objection Letter through a letter dated August 11, 2008 and informed SEBI of their reply through a letter dated August 11, 2008.

Additionally, Hema Katariya filed a suit (no. 451/2007) (the "Civil Suit") against the Company, Ashok M. Katariya and others before the court of Civil Judge, Senior Division, Nashik (the "CJSD, Nashik"). Further, Hema Katariya filed an application for temporary injunction dated April 23, 2008 (the "Temporary Injunction Application") in the Civil Suit inter alia demanding that the Company be restrained from going forward with the IPO until the final disposal of the Civil Suit. The CJSD, Nashik through an order dated April 24, 2008 directed both parties to maintain the status-quo until further orders are issued by the court. Hema Katariya through a letter dated April 24, 2008 informed SEBI of the status quo order. SEBI through letter dated April 24, 2008 sought complete details in this regard from the Lead Managers. The Lead Managers through a letter dated April 30, 2008 informed SEBI of the complete details regarding the Order. The CJSD, Nashik through an order dated May 2, 2008 (the "Vacation Order") rejected the application of the Complainant for a temporary injunction and vacated the status quo order, which was notified to SEBI by the Lead Managers through a letter dated May 8, 2008. Hema Katariya filed an appeal (no. 58/08) dated June 12, 2008 (the "Appeal") in the Court of District and Sessions Judge, Nashik, which is currently pending. Hema Katariya filed a copy of the appeal with SEBI through a letter dated August 25, 2008, which was intimated by SEBI to the Lead Managers through letter dated August 27, 2008. The Appeal is currently pending.

Litigation by the Company

Civil Cases

1. In relation to a contract for construction of a building for the Central Bank of India, the Company had certain outstanding claims that were rejected by the Central Bank of India. Consequently, the Company invoked the arbitration clause of the contract. The sole arbitrator passed an award aggregating approximately to Rs. 3.04 million in favour of the Company, which was challenged by Central Bank of India in the court of Additional District Judge, Nashik. The Court ordered the modification of the award whereby one claim relating to price escalation due to Gulf War, which amounted to approximately Rs. 0.38 million was rejected. The Central Bank of India deposited a portion of the award amounting to approximately Rs. 2.44 million. Meanwhile, the Company filed execution proceedings, before the Court of the Additional District Judge, Nashik, for the recovery of the awarded amount and the interest thereon. The Additional District Judge awarded interest at the rate of 18 per cent per annum on Rs. 2.47 million from May 4, 1999 to July 25, 2003, 18 per cent interest per annum on Rs. 0.029 million and a further amount of Rs. 0.029 million. The Company has filed an appeal challenging the disallowance of price escalation claim and a writ petition against the order in relation to calculation of interest before the Bombay High Court. The Central Bank of India has also filed a writ petition against the order of the Additional District Judge, Nashik challenging the calculation of interest. The appeal filed by the Company has been admitted. The writ petitions filed by the Company and the Central Bank of India have been disposed off by the Bombay High Court. The Bombay High Court has set aside the order passed by the Additional District Judge, Nashik and upheld that the Company is entitled to interest of 18 per cent per annum from May 4, 1999 until the actual realization of the total decreed amount. The Central Bank of India has challenged the High Court's order by filing a special leave petition in the Supreme Court of India, which was dismissed. The application regarding cost of litigation is still pending for disposal before the Additional District Judge, Nashik in an execution proceeding. The matter is currently pending.

2. The Company had entered into a contract for construction of a bridge for Niphad Sahakari Sakhar Karkhana Ltd. ("NSSKL"). The Company had certain outstanding claims in relation to the said contract which were rejected by NSSKL, causing the Company to invoke the arbitration clause in the contract. Pursuant to the arbitration proceedings, an award aggregating approximately to Rs. 15.93 million was passed in favour of the Company. The arbitral award was challenged by

NSSKL before the District Judge, Nashik, who rejected the challenge. NSSKL filed an appeal before the Bombay High Court. The Bombay High Court stayed the order of the District Judge on the condition that NSSKL deposit 50 per cent of the value of the arbitral award and also submit for the balance of 50 per cent in the form of a bank guarantee from a nationalized bank within 12 weeks of the order of stay. On April 17, 2006, the Bombay High Court stated that since no money had been deposited, the arbitration execution proceedings could proceed. The Company filed for an execution proceeding before the Civil Judge (Senior Division), Niphad for execution of arbitral award. However, the Civil Judge (Senior Division), Niphad denied it had jurisdiction. NSSKL has since executed a promissory note in favour of Nashik District Central Co-operative Bank for an amount of Rs. 915 million. A loan of Rs. 1,361.95 million was granted to NSSKL in lieu of certain property mortgaged with the bank. The Company had filed a writ petition before the Bombay High Court challenging the order of the Civil Judge, Niphad. The High Court of Bombay has allowed the said writ petition and directed the Civil Judge Senior Division, Niphad to proceed with the Darkhast filed by the Company. Accordingly, the Company has again filed the execution proceedings in the court of Civil Judge (Senior Division), Niphad. The matters are currently pending.

3. The Company has filed a summary suit against Sunil Sinnarkar, the proprietor of M/s Brain Controls and Systems for recovery of Rs. 0.072 million along with interest at the rate of 24 per cent per annum. This suit has been filed by the Company for refund of the advance payment along with interest and cost of the suit for Rs. 0.072 million. The amount of Rs. 0.045 million was paid by the Company to Brain Controls & Systems towards the advance payment against the installation of UPS system on its project at Surat. However, the defendant has failed to install the UPS system at the Company's site at Surat. The matter is currently pending.

4. The Company had entered into a contract, for the construction of a factory building, with Europlast India Limited ("Europlast"). The Company was not paid by Europlast as per the bill raised, consequent whereto the Company invoked the arbitration clause in the contract. Pursuant to the arbitral proceedings, an award of Rs. 9.76 million along with interest was passed in favor of the Company. Europlast filed an application before the Bombay High Court for setting aside of the award, which was rejected. The Company filed an execution proceeding before the Civil Judge, Senior Division, Panvel for the enforcement of the award. Meanwhile certain unsecured creditors of Europlast filed a petition before the Bombay High Court claiming refund of their deposits. The Bombay High Court ordered the sale of Europlast's factory building in satisfaction of the claims of the unsecured creditors. During the Company's execution proceedings before the Civil Judge, Panvel, the order of sale of the factory building passed by the Bombay High Court came to light, as a result of whereof, the execution proceedings were stayed. The Company filed an application before the Bombay High Court and was joined as an unsecured creditor. The Bombay High Court has ordered the formation of a committee which is empowered to sell Europlast's factory building and distribute the sale proceeds proportionately amongst the unsecured creditors. During the pendency of the petition, the directors of Europlast sold entire land along with the factory building to one Gorakhnath Electrical Private Limited ("GEPL") which in return further sold the said property to S.H. Kelkar & Company ("SKC"). Therefore, the Company filed an application before the Bombay High Court and prayed for initiation of a contempt proceeding against the directors of Europlast, GEPL and SKC and also prayed for setting aside the sale deeds executed in favour of GEPL and also the sale deed executed by GEPL in favour of SKC. The Company further prayed that SKC be restrained from creating any third party interest on the factory building and land situated at village Vanvate, Talula Khalapur, District Ragad. The Bombay High Court has passed an injunction against SKC and restrained them from creating any third party interest on the factory building and land situated at Village Vanvate, Taluka Khalapur, District Ragad. The final hearing in this matter is completed and the final judgment is awaited. The matter is currently pending.

5. The Company has filed a recovery suit against Sanghvi Movers Limited before the Civil Judge, Pune pertaining to outstanding claims for certain construction work done by the Company aggregating to approximately Rs. 2.46 million. The matter is currently pending.

6. A civil suit has been filed by the Company through Ashoka Constructions, whose project was taken over by the Company, against Yashwantrao Chavan Maharashtra Open University ("University"), Nashik before the Additional District Judge, Nashik. It pertains to outstanding claims aggregating to approximately Rs. 106.25 million. The claims had arisen in relation to the construction of an administrative building for the University. The Company had filed an application for referring the matter to arbitration by appointing a sole arbitrator, which was allowed. The final award has been given in favour of the Company and the University has been ordered to pay an amount of approximately Rs. 25.64 million to the Company. The said award has been challenged by the University through an application filed under Section 34 of the Arbitration and Conciliation Act, 1996, in the court of District Judge, Nashik. The application is currently pending. The Company through Ashoka Constructions has also challenged the award by filing an arbitration application. The matter is currently pending.

7. The Company has filed two suits in the Co-operative Court, Pune in respect of the contract relating to construction of an industrial complex for Pavana Industrial Premises Co-operative Society Limited. The claim amounts to approximately Rs. 10 million plus interest. The Company had also filed application under Section 89 of the Code of Civil Procedure, 1908, for the appointment of an arbitrator, which was rejected. The Company filed an appeal against the said order before the Co-operative Tribunal, which is currently pending. The matter is pending.

8. The Company, through Ashoka Constructions, has filed a suit, against Pune Municipal Corporation, in the Senior Division Court, Pune. It relates to a contract regarding the construction of flyover-bridge at Paud Phata, Pune. The Company has claimed for an amount of Rs. 6.44 million plus interest. Pune Municipal Corporation has paid an amount of Rs. 0.62 million in the court. The Company has submitted an application for appointment of an arbitrator under Section 89 of the Code of Civil Procedure, 1908. The matter is currently pending.

9. The Company has filed civil appeals, against Kalyan Dombiwali Municipal Corporation, challenging the judgment of the Senior Division Court, Kalyan, before the Bombay High Court. The Senior Division Court, Kalyan had partially rejected the Company's claims for illegal termination and damages for an amount of Rs. 10.80 million plus interest. The claims related to the contract for construction of a foot overbridge connected to the railway bridge on the east and the west side of Borivali Railway Station. The appeal has been admitted by the Bombay High Court and the Company has withdrawn the amount of Rs. 0.15 million against bank guarantee deposited by the respondent. The respondent has also filed appeal against the same order in the Bombay High Court against partial allowing of the claims. The appeals are currently pending.

10. The Company has filed a suit for permanent injunction, against Nashik Municipal Corporation ("NMC"), in the Court of Civil Judge (Senior Division), Nashik. NMC had sent a notice to the Company mandating the removal of its ready mix plant as it was illegal and had been installed without requisite permissions. The said ready mix plant is situated at the premises bearing Survey no. 46/1 of Gangapur, Nashik. The court has granted an interim injunction in favour of the Company. Nasik Municipal Corporation has filed an appeal against the order of injunction before the District Court, Nashik. The matter is currently pending.

11. The Company has filed an appeal before the Chief Controlling Revenue Authority, Pune challenging the issuance of notice by the Collector of Stamps, Sangli for paying the deficit stamp duty and fine amounting to Rs. 65.90 million on the BOT Agreement dated March 23, 1999 between the Company, the Government of Maharashtra and others. The Company had filed an application for the grant of stay of the order of the Collector of Stamps, Sangli. The matter is currently pending.

12. The Company has filed a recovery suit against Kamathe Construction Company (the "Respondent") before the Civil Judge, Pune pertaining to outstanding claims for sale of ready mix concrete by the Company aggregating to approximately Rs. 0.086 million. The matter is currently pending.

13. The Company has filed a recovery suit against Infosys Technologist Limited before the Civil Judge, Pune pertaining to outstanding claims for sale of ready mix concrete by the Company aggregating to approximately Rs. 4.05 million. The matter is currently pending.

14. The Company has filed a recovery suit against R. J. Gandhi before the Civil Judge, Pune pertaining to outstanding claims for sale of ready mix concrete by the Company aggregating to approximately Rs. 0.03 million. The matter is currently pending.

15. The Company has filed a suit for damages and injunction against Glory Polyfilms Limited and others before Civil Judge Senior Division, Nashik. The suit has been filed by the Company for recovery of an amount of Rs. 5 million which was given by the Company to Glory Poly Films Limited by way of inter-corporate deposit. The Company has claimed the principal sum along with interest totaling to Rs. 10.7 million. An ad-interim injunction has been granted in favour of the Company. The matter is currently pending. The Company has also filed a winding up petition against Glory Polyfilms Limited in the Bombay High Court. This matter is pending for admission.

16. The Company has filed a civil suit against the Government of Maharashtra before Court of Civil Judge Senior Division, Pune in relation to a contract for construction of viaduct on realignment of Mahad-Pandharpur Road State Highway 70. The Company had claimed an amount of Rs. 54.41 million plus interest due to *inter alia* change in scope etc. Earlier to filing of the civil suit, a committee was set up by the Government of Maharashtra which had allowed Rs. 1.16 million in relation to the said dispute. The matter is currently pending.

17. The Company has filed a civil suit against Shivam Infrastructure Engineering in the court of Civil Judge Junior Division, Chittorgarh for an injunction in relation to construction of bridge and underpass works for Chittorgarh Bypass Project. The court rejected the application as an alternative remedy of conciliation was available in contract. The Company had submitted a requisite application for conciliation pursuant to which the conciliation mechanism was initiated. The matter is pending.

18. The Company has has filed a civil suit against the Public Works Department, Government of Maharashtra, before the court of Civil Judge Senior Division, Pune, in relation to a contract between the parties pertaining to the project for construction of viaduct on realignment of Mahad-Pandharpur Road S.H. 70 going under submergence due to Nira Deoghar Irrigation project Sec. 11 viaduct at Ch. 14/270 Bhor Taluka District Pune. The Company has claimed a compensation of Rs. 54.41 million plus interest for non-payment of compensation by the defendant for additional work done by the Company and heavy losses suffered by the Company due to heavy rainfall during the course of the execution of the project. Though a part claim of Rs. 1.16 million has been sanctioned by the defendant, no payment has been made to the Company. The matter is currently pending.

Criminal Cases

1. There are 45 criminal complaints filed by the Company against various individuals and entities under Section 138 of the Negotiable Instrument Act, 1881 for dishonour of cheques before the Metropolitan Magistrate, Mumbai, the Judicial Magistrate, Nashik and the Judicial Magistrate, Pune and Indore. The aggregate amount involved is approximately Rs. 13.52 million. The complaints are currently pending.

Tax Cases

1. The BMC had assessed, the foot overbridges at Priyadarshini circle, Godrej factory, Tagore Nagar and Praveen hotel on the Eastern express highway, Mumbai, for an annual assessment of Rs. 1.20 million. The foot bridges were constructed by Ashoka High-Way Ad on BOT basis in terms of the

contract with the Public Works Department, Mumbai. The total accumulated taxes to be paid was held to be Rs. 4.36 million plus interest. Ashoka High-Way Ad has appealed against the assessment in the Small Causes Court, Mumbai challenging the levy of the property tax on properties constructed on BOT basis. The appeal is currently pending.

Arbitration Claims

1. The Company has initiated an arbitration proceeding in relation to Arbitration Reference II against the Public Works Department, Miraj, before an arbitration tribunal in Pune. It arose in relation to a contract between the parties pertaining to construction of a major bridge and its approaches across river Krishna at Ankali on Ratnagiri – Kolhapur - Solapur Road on BOT basis. The Company had made various claims including *inter alia* change in scope. The arbitral tribunal has awarded a total amount of Rs. 18.98 million plus interest against the total amount of Rs. 29.95 million plus interest originally claimed by the Company. The matter is pending for execution.

2. The Company has initiated an arbitration proceeding against the Government of India, Ministry of Surface Transport before a sole arbitrator in Nagpur in July 2007 in relation to the joint venture agreement with Jayaswals Ashoka Infrastructure Private Limited. The joint venture agreement relates to a contract for construction of a bridge and its approaches across Wainganga river in km. 491/00 of Nagpur-Raipur road section of NH-6 in Bhandara District on BOT basis. The Company has claimed a total amount of Rs. 152.30 million plus interest due to *inter alia* change in scope, toll rate for TATA mini buses etc. The amount and concession period claimed are Rs. 143.01 million plus extension of concession period of 77 days respectively. The matter is currently pending.

3. Ashoka Info Private Limited ("AIPL") (now merged with the Company) has initiated an arbitration proceeding against the Public Works Department, Ahmednagar, Government of Maharashtra before an arbitral tribunal at Pune. The proceedings have been initiated in relation to a contract pertaining to improvement of Ahmednagar-Karmala Road State Highway No. 141 (k.m. 0/00 to 80/600) on the border of Ahmednagar district under BOT Scheme (with toll rights). AIPL is claiming damages for delay in toll notification and grant of extension in construction period. The total amount claimed is Rs. 77.78 million plus interest thereon. The respondent has filed the statement of defence and AIPL has filed a rejoinder thereto. The matter is presently pending.

4. The Company has initiated arbitration proceedings against the Public Works Department, Jalgaon, Government of Maharashtra, before the arbitral tribunal at Nashik. The proceedings have arisen out of a contract pertaining to construction of Railway Over Bridge with approaches near Nashirabad village at km. 415/800 of Dhule -Nagpur Road, NH-6 in lieu of level railway crossing at k.m. 433/17-19 and strengthening of road from k.m. 414/00 to 419/00 of the NH-4 under BOT with toll rights. The Company has claimed a total amount of Rs. 31.22 million plus interest thereon and extension of concession period by thirteen months and seventeen days. The arbitral tribunal has awarded a total amount of Rs. 25.79 million equivalent to additional concession period of approximately 10 years in favour of the Company. The Company is not filing an application challenging the said award.

5. *Sheri Nalla BOT*

    a. The Company has initiated an arbitration proceeding against the Public Works Department, Miraj, before an arbitral tribunal in Pune (Arbitration Reference-I). The proceedings have been initiated in relation to a contract between the parties pertaining to construction of a major bridge and its approaches across river Krishna at Sheri Nalla on BOT basis ("Sheri Nalla BOT"). The Company is claiming extra items amounting to Rs. 29.20 million plus interest due to *inter alia* change in scope. The award has been declared by the tribunal, whereby it has awarded Rs. 12 million equivalent to additional concession period of approximately 17 years. The Public Works Department has challenged the award before the District Court, Sangli under Section 34 of the Arbitration and Conciliation Act, 1996 which was rejected. The Company has not received any notice of an appeal filed by the State Government against the said order.

b. In relation to Sheri Nalla BOT, the Company has initiated another arbitration proceeding against PWD, Miraj, Government of Maharashtra before an arbitration tribunal in Pune (Arbitration Reference-II). The Company has claimed a total amount to Rs. 10.15 million plus interest and extension of concession period by 148 days due to *inter alia* change in scope. The arbitration proceeding is over and the final award is awaited.

6. The Company along with Birla GTM Entrepose Limited have initiated an arbitration proceeding against NHAI before an arbitral tribunal in Delhi. It relates to a contract between the parties for widening of 4 lanes and strengthening of the existing 2 lane carriageway of westerly diversion (km 0.00 to km 34.250) on NH 4, outside Pune, Maharashtra. The Company is claiming an amount of Rs. 398.48 million plus interest due to *inter alia* change in scope. The arbitral tribunal has declared an award granting amount of Rs. 318.7 million. Both NHAI and the Company have filed applications under Section 34 of the Arbitration and Conciliation Act, 1996, before the District Court, Pune against the award. The matter is pending.

7. The Company in joint venture with Bhagiratha Engineering Limited, Kochi has initiated arbitration proceedings against the Government of Mizoram before an arbitration tribunal in Guwahati. It relates to a contract between the parties for improvement and up gradation of Mizoram state roads project phase-I. The Company has set forth various claims which include wrongful termination, damages therefore and additional cost anticipated by the Government of Mizoram on withdrawal of contract. The matter is currently pending.

8. The Company has filed a suit in the Bombay High Court for damages against the encashment of bank guarantee and illegal termination of contract. The Company has also filed an application under section 11 of the Arbitration and Conciliation Act, 1996 for appointment of an arbitrator, before the Bombay High Court regarding the non-grant of full relief for the amount of Rs. 25.20 million plus interest. The amount relates to a contract for collection of toll on Daund Patas Road, SH 67 near Daund Rail Over Bridge, District Pune and near Bhima Bridge in District Nagar. The Bombay High Court has rejected the said application. The Company has filed a review petition before the Bombay High Court. The matter is currently pending.

9. The Company is an approved sub-contractor of IRCON Limited for the contract awarded by M.S.R.D.C. The settlement committee of the M.S. R.D.C granted claims to the tune of Rs. 6.80 million, Rs. 3.48 million and Rs. 11.41 million against claims of Rs. 86.34 million plus interest, Rs. 18.80 million plus interest and Rs. 36.71 million interest respectively. The Company has approached the Bombay High Court for the appointment of an arbitrator under Section 11 of the Arbitration and Conciliation Act, 1996. The Bombay High Court decided that the claims are arbitrable and hence, directed IRCON to appoint an arbitrator. The arbitrator has been appointed and the notice for submission of statement of claims has been issued. The matter is currently pending.

10. The Company had filed an application under Section 20 of the Arbitration Act, 1940 in the court of Civil Judge Senior Division, Nashik against Vadilal Dairy International Ltd. for appointment of an arbitrator to decide the disputes as the architect failed to appoint an arbitrator. The Civil Judge Senior Division, Nashik rejected the application stating that the disputes were excepted matters under the relevant work contract. The Company filed the first appeal in the Bombay High Court against the decision of the Civil Judge Senior Division, Nashik. The matter is pending.

Contingent Liability as of March 31, 2009:

Contingent Liabilities	As of March 31, 2009
Bank Guarantees and Letters of Credit issued by bankers in favour of third parties	2,472.29

Contingent Liabilities	As of March 31, 2009
Corporate Guarantee issued by the Company in favour of Banks/ Financial Institutions for finance raised by Companies under the same management	12,151.46
Claims against the Company not acknowledged as debts.	9.47
Disputed tax demands (net of taxes paid)	26.31
Total	**14,659.53**

Litigation involving Subsidiaries

Ashoka Infrastructure Limited

1. A writ petition has been filed in the Bombay High Court by Nagar Road Industries Chamber of Commerce and Agriculture (the "Petitioners") against the State of Maharashtra; the Secretary PWD (Roads); Chief Engineer PWD, Pune division; Superintending Engineer, Public Works Circle, Solapur; Executive Engineer, PWD Akluj and Ashoka Infrastructure Limited (together referred as the "Respondents"). Ashoka Infrastructure Limited ("AIL") had undertaken the work of four-laning and strengthening of Pune - Ahmednagar Road State Highway no.60, Km. 10/600 to 64/000 on BOT basis. On completion of the said road, AIL started the collection of toll in accordance with notification dated July 5, 2005. It is the grievance of the Petitioners that the State of Maharashtra had not granted any concession to the vehicles which frequently used the said road. Further, the Petitioners have stated that since they are using only a part of the road, they should not be charged toll tax for the entire stretch of the road, but in proportion to the length of the road used by them. The Petitioners have, therefore, prayed for quashing and setting aside of the notification dated July 5, 2005, declaration that the toll charges fixed by the government as per the notification dated July 5, 2005 are discriminatory and directions to the Respondents for making monthly pass available to the frequent and multiple users of the said road. The Petitioners have further prayed that the Respondents be directed to provide a third lane at the tollbooths and have also sought an interim injunction against the Respondents to prevent them from charging toll from the members of the Petitioners. The matter is currently pending and no interim relief has been granted to the Petitioners.

2. AIL has initiated arbitration proceedings against Public Works Department, Pune, Government of Maharashtra before the arbitral tribunal in Pune. The proceedings have arisen in relation to a contract between the parties regarding the four laning and strengthening of Pune-Ahmednagar Road State Highway No. 60 (km 10/600 to 64/000), with private finance and toll rights on BOT basis. AIL has claimed an amount of Rs. 195.30 million plus interest. The matter is pending.

3. A criminal complaint has been filed by AIL, before the Judicial Magistrate, Shirur, against Santosh Lande (the "Defendant"). The Defendant has been alleged to have refused to pay the requisite toll, physically assaulted an employee and abused the personnel at the toll booth at the Ranjangaon Toll plaza on Pune–Shirur Road operated by AIL. The complaint is currently pending.

4. A criminal complaint has been filed by AIL, before the Judicial Magistrate, Pune, against Anil Chondhe and some others (the "Defendants"). AIL alleges that its employees were severely beaten by the Defendant and others and that the Defendant and others refused to pay toll at the toll booth on the Pune-Ahmednagar road which is being operated by AIL. The complaint is currently pending.

5. AIL has filed a criminal case against Shri Consultancy and Services and its proprietor, Sanjay Malik, under Section 138 of the Negotiable Instruments Act, 1881 for dishonour of a cheque of Rs. 0.07 million drawn in its favour. The complaint is currently pending.

6. Labour officer has filed a criminal case before Judicial Magistrate First Class as per the provisions of the Payment of Wages (Mines) Rules, 1956 due to certain irregularities under the Payment of Wages (Mines) Rules, 1956 in relation to quarry of Lonicand. The matter is pending.

7. Nitin Bhujbal has filed a revision petition against the order of issuance of process passed by the Judicial Magistrate First Class, Shirur, in a toll evasion case. The matter is pending for final hearing.

8. The Commissioner of Sales Tax, Mumbai has issued a notice, to AIL, for registering one special purpose vehicle of AIL for the purposes of sales tax. AIL had sought a clarification from the Commissioner of Sales Tax, Mumbai by way of Determination of Disputed Questions regarding applicability of sales tax to the special purpose vehicle. The Commissioner of Sales Tax, Mumbai issued clarification confirming the requirement of registration of the special purpose vehicle. The said clarification has been challenged by AIL before the Sales Tax Tribunal, Mumbai. The case is currently pending.

Contingent Liability as of March 31, 2009: Nil.

Viva Highways Private Limited

1. Sanjay Prasad and others (the "Plaintiffs") have filed a suit against Viva Highways Private Limited ("VHPL"), the State of Madhya Pradesh and others in the Court of Second Civil Judge, Class II, Mhow, Indore. Under the concession agreement with the State of Madhya Pradesh in respect of the Indore-Edalabad Highway Project which was awarded to VHPL, the latter was permitted by the State of Madhya Pradesh to erect a toll booth to collect and retain toll tax from vehicles using the highway. To prevent the loss in collection of toll, VHPL contends that the State of Madhya Pradesh permitted the construction of a check post by VHPL. The Plaintiffs filed suit against the erection of toll booth and the check post as a public nuisance on the ground that the vehicles were being taxed twice, both at the toll booth and the check post. Plaintiffs have prayed for an injunction to prevent the collection of toll. Due to the public character of the dispute, VHPL challenged the jurisdiction of the court at Mhow on the ground that the case was an instance of public interest litigation and should, therefore, be filed before the Bombay High Court. The court dismissed VHPL's contentions holding that it had jurisdiction in the case of a public nuisance and also dismissed a revision petition filed by VHPL. VHPL has filed a civil revision suit in the High Court of Madhya Pradesh, Indore Bench. VHPL has filed this application for rejection of plaint in civil suit against Sanjay Prasad and others in the court of Second Civil Judge, Class II, Mhow, which was dismissed by the court. The matter is currently pending.

2. The Assistant Commissioner of Income Tax, Nashik Circle, had issued an assessment order to the VHPL for the assessment year 2006-07. The order pertains to disallowance of depreciation on project cost and has allowed amortization over the useful life of the project, and also disallowed supervision charges paid as prior period expenses. VHPL filed an appeal against the said assessment order before the CIT (Appeals), Nashik. The appeal currently pending.

3. The Commissioner of Service Tax, Nashik had issued a show cause notice issued against VHPL for liability of service tax on maintenance and repairs on the project developed by VHPL by dividing the agreement (entered with the employer) between the agreement for repair and agreement for maintenance. The Commissioner of Service Tax, Nashik has raised demand of Rs. 58.26 million plus applicable interest and penalty of Rs. 58.26 million. VHPL is required to pay the said demand and penalties within 30 days from the date of communication of the order and the penalty may be reduced to the extent of 25 per cent if the payment of service tax and applicable interest is made within 30 days from the date of communication of the order.

4. VHPL has filed 3 compounding applications for the financial years 2005 to 2009 with the Registrar of Companies under Section 621 of the Companies Act, 1956 for compounding of various instances of violations of Section 297 of the Companies Act, 1956. The matters are currently pending.

Contingent Liability as of March 31, 2009: Rs. 215.03 million

Ashoka Infraways Private Limited

1. A writ petition has been filed by Ashoka Infraways Private Limited ("AIPL"), in the Madhya Pradesh High Court at Indore against the order of the Assistant Commissioner, Commercial Tax, Division 3, Indore. The aggregate amount involved is Rs. 0.32 million. The petition is currently pending.

2. A revision petition has been filed before the Additional Commissioner Commercial Tax (Revision), Indore, against the Assistant Commissioner, Commercial Tax, Division 3, Indore, by AIPL. The aggregate amount involved is Rs. 5.2 million. The matter is currently pending.

3. The Assistant Commissioner of Income Tax, Nashik Circle, had issued an assessment order to the VHPL for the assessment year 2006-07. The order pertains to disallowance of depreciation on project cost and has allowed amortization over the useful life of the project. AIPL filed an appeal against the said assessment order before the CIT (Appeals), Nashik. The appeal is currently pending.

4. The Assistant Commissioner of Income Tax, Nashik Circle had issued an assessment order to the Company for the financial year 2005-06. The order pertains to disallowance of depreciation on project cost and has allowed amortization over the useful life of the project. AIPL filed an appeal against the said assessment order before the CIT (Appeals), Nashik. No demand has been raised as there being carry forward unabsorbed depreciation. The matter is currently pending.

5. The Commissioner of Service Tax, Nashik had issued a show cause notice issued against AIPL for liability of service tax on maintenance and repairs on the project developed by AIPL by dividing the agreement (entered with the employer) between the agreement for repair and agreement for maintenance. The Commissioner of Service Tax, Nashik has raised demand of Rs. 13.24 million plus applicable interest and penalty of Rs. 13.24 million. AIPL is required to pay the said demand and penalties within 30 days from the date of communication of the order and the penalty may be reduced to the extent of 25 per cent if the payment of service tax and applicable interest is made within 30 days from the date of communication of the order. The matter is currently pending.

6. AIPL has filed 4 compounding applications for the financial years 2003 to 2007 with the Registrar of Companies under Section 621 of the Companies Act, 1956 for compounding of various instances of violation of section 297 of the Companies Act, 1956 by AIPL. The matters are currently pending.

Contingent Liability as of March 31, 2009: 14.20 million

Ashoka-DSC Katni Bypass Road Private Limited

1. Ashoka-DSC Katni Bypass Road Private Limited has filed 2 compounding applications for the financial years 2006 to 2008 with the Registrar of Companies under Section 621 of the Companies Act, 1956 for compounding of various instances of violation of section 297 of the Companies Act, 1956. The matters are currently pending.

Outstanding Litigation: Nil
Contingent Liability as of March 31, 2009: Nil

Ashoka Highways (Bhandara) Limited

Outstanding Litigation: Nil
Contingent Liability as of March 31, 2009: Rs. 2,526.72 million

Ashoka Highways (Durg) Limited

Outstanding Litigation: Nil
Contingent Liability as of March 31, 2009: Rs. 3,790.76 million

Ashoka Pre-Con Private Limited

Outstanding Litigation: Nil
Contingent Liability as of March 31, 2009: Nil

Ashoka Technologies Private Limited

Outstanding Litigation: Nil
Contingent Liability as of March 31, 2009: Nil

Litigation involving Associate Companies

Viva Infrastructure Private Limited

1. A summary suit has been filed by Viva Infrastructure Private Limited ("VIPL") in the court of Civil Judge Senior Division, Nasik against Vishal Khemani. This suit has been filed for recovery of an amount of Rs. 2.30 million which was given by VIPL by way of non corporate deposit to Vishak Khemani which became due and the same was not paid. The matter is currently pending.

2. A civil suit has been filed by VIPL before Civil Judge Senior Division, Nasik against Vitthal Ganpat Ghare for permanent injunction and compensation of Rs.0.20 million. In the present suit, VIPL claimed performance of development agreement which had been executed by Vitthal Ganpat Ghare in favour of VIPL. Further, Vitthal Ganpat Ghare had given an undertaking that he will not dispose of the property without the consent of the court. The matter is currently pending. Further, in connection with this transaction, Vitthal Ganpat Ghare has filed criminal complaint against Satish Dhondulal Parakh and others under Section 138 of Negotiable Instrument Act, 1881 and claimed that the cheque issued by the Company against the transaction had been dishonoured. Against the order of issue of process in the said criminal complaint, Satish Dhondulal Parakh, Ashish A. Kataria and Yogesh Dixit have filed criminal revision before the District and the Sessions Court. The District Court has stayed the proceedings of criminal complaint pending before the lower court. The matters are currently pending.

3. VIPL has filed a suit for an injunction against one Mahale and others in the court of the Civil Judge Senior Division, Nashik. VIPL had entered into a development agreement with one Vitthal Ganpat Ghare, and in pursuance of the development agreement the Company is in possession of the property taken for development. Mahale is a co-owner in the said property and has been trying to encroach the property taken by the company for development. Hence, VIPL has filed a suit for injunction against Mahale and in the said suit ex-parte injunction has been granted in favour of VIPL and the matter is currently pending.

4. VIPL through its director, Satish D. Parakh, has filed a civil suit before Civil Judge Senior Division, Nashik against Vitthal Ganpat Ghare for permanent injunction. For further details, paragraph 18 of "Litigation against Directors".

Contingent Liability as of March 31, 2009: Nil

Litigation involving Partnership Firms

Ashoka Highway-Ad

Outstanding Litigation: Nil

Contingent Liability as of March 31, 2009: Nil

Ashoka Infrastructures

1. *Dhule BOT*

   a. Ashoka Infrastructures has initiated an arbitration proceeding against the Government of Maharashtra before an arbitral tribunal (Arbitration Reference-I) in relation to a contract for construction of diversion outside Dhule – Town on BOT basis. The arbitral tribunal awarded an amount of Rs. 11.41 million against the Ashoka Infrastructures' claim of Rs. 21.47 million plus interest and additional concession period of approximately 7 years. Both Ashoka Infrastructures and the Government of Maharashtra filed applications under the Section 34 of the Arbitration and Conciliation Act, 1996 before the District Court, Dhule which were rejected. In view of the arbitral award, the Government of Maharashtra issued a notification to give effect to the award. However, the notification provided for shorter concession period than that awarded. Ashoka Infrastructures has filed an execution application before the District Court, Dhule, for complete implementation of the award. The District Court held that Ashoka Infrastructures should be compensated in cash in lieu of the additional concession period. Ashoka Infrastructures has filed an appeal before the Aurangabad bench of the Bombay High Court against the decision of the District Court. During the pendency of the appeal, the State Government has, through a notification, extended the concession period upto September 20, 2009. Considering this, the Bombay High Court has allowed Ashoka Infrastructures to press for interim relief if the Government of Maharashtra does not issue further notification. The matter is still pending.

   b. In relation to Dhule BOT, Ashoka Infrastructures has initiated another arbitration proceeding before a sole arbitrator against the decision of the Public Works Department, Dhule, the Government of Maharashtra due to reduction of the concession period by 228 days on account of change in lending rates. Additionally, the Government of Maharashtra has granted Rs. 6.8 million due to *inter alia* delay in diversion of traffic outside Dhule city, etc. The arbitral tribunal has set aside the said action of the Government of Maharashtra. The Ashoka Infrastructure has filed an execution application before the District Court, Dhule, for enforcement of the award. The matter is presently pending.

2. The Commissioner of Sales Tax, Maharashtra State, Mumbai has issued notice to Ashoka Infrastructures, for registering one special purpose vehicle of Ashoka Infrastructures for the purposes of sales tax. Ashoka Infrastructures had sought a clarification from the Commissioner of Sales Tax, Mumbai by way of Determination of Disputed Questions regarding applicability of sales tax to the special purpose vehicle. The Commissioner of Sales Tax, Mumbai issued clarification confirming the requirement of registration of the special purpose vehicle. The said clarification has been challenged by Ashoka Infrastructures before the Sales Tax Tribunal, Mumbai. The case is currently pending.

Contingent Liability as of March 31, 2009: Nil

Litigation involving Promoters

1. Aditya Satish Parakh (the "Plaintiff") has filed a special civil suit, in the Court of Civil Judge (Senior Division), Nashik, seeking permanent injunction and for the specific performance of agreement of sale entered into between Raghunath Bansilal Malpani (the "Defendant") and the Plaintiff. The Plaintiff has claimed that the Defendant entered into an agreement of sale dated May 21, 2005 with the Plaintiff for the sale of land bearing block no. 199 area H.00: 86R of Igatpuri. The Plaintiff has, further, claimed that he had given Rs. 0.005 million as earnest money to the Defendant and that the balance amount was payable on the execution of the sale deed of the said land. The Plaintiff has also filed an application for interim injunction seeking that the Defendant be restrained from creating any third party interest on the suit property. The court has rejected grant of an injunction and therefore, the Company has filed an appeal in the Bombay High Court

and the Court has directed the parties to maintain status quo. The suit in the lower court is currently pending.

2. Aditya Satish Parakh had entered into an agreement of sale of land (S. No. 137/A, Manori, Dindori) with Ganpat Bhaurao Shelke. However, since the landowners were obstructing the possession, Aditya S. Parakh filed a civil suit for injunction in the Court of Civil Judge Junior Division, Dindori for restraining the land owners from dispossessing him. In this matter, land owners reached a compromise and consent decree was passed in favour of Aditya Parakh. However, after the consent decree was passed, M/s Samrat Activities and Thakkar Developers attempted to take possession of the said land forcefully. To avert such attempts, Aditya Parakh filed a criminal complaint against them. Simultaneously M/s Samrat Activities and Thakkar Developers also filed a criminal complaint against Aditya S. Parakh and others. M/s Samrat Activities and Thakkar Developers have also filed a special civil suit in the Court of Civil Judge (Senior Division), Nashik against the land owners, Ganpat Bhaurao Shelke and Aditya Satish Parakh. In the said suit, the Court has granted ad-interim injunction in favour of plaintiff and the matter is currently pending.

   Simultaneously Aditya Satish Parakh has also filed suit for injunction & declaration against M/s Samrat Activities and Thakkar Developers in the court of Civil Judge Junior Division at Dindori and the matter is pending. M/s Samrat Activites and Thakkar Developers have also filed a criminal complaint against Aditya Satish Parakh and others alleging that the forged documents have been prepared in collusion with the land owners. A process has been issued in the said matter and the matter is currently pending. Similarly Aditya Satish Parakh through his authorised representative has also filed a criminal complaint against M/s Samrat Activities and Thakkar Developers. However, since the report called for by the court from the police has been challenged by the complainant i.e. Aditya Satish Parakh, the court is again reviewing the evidence filed by the complainant before issuing process against the accused i.e. M/s Samrat activities and Thakkar Developers.

3. A motor accident claim has been filed by Chanchal Liladhar Bhole against Ashish A. Katariya, ICICI Lombard Insurance Company and has submitted that the vehicle involved in the accident is owned by Ashish A. Katariya and has claimed compensation to the tune of Rs. 0.15 million under Section 166 of the Motor Vehicles Act, 1989 and Rs. 0.025 million under Section 140 of the Motor Vehicles Act, 1989 along with 18 per cent interest per annum. The matter is currently pending.

4. A motor accident claim has been filed by Sulochana Karbhari Gayakwad against Ashish A. Katariya, ICICI Lombard Insurance Company and has submitted that the vehicle involved in the accident is owned by Ashish A. Katariya and has claimed compensation to the tune of Rs. 0.15 million under Section 166 of the Motor Vehicles Act, 1989, and Rs. 0.025 million under Section 140 of the Motor Vehicles Act, 1989, along with 18 per cent interest per annum. The matter is currently pending.

For details regarding litigation involving Ashok M. Katariya and Satish D. Parakh, please refer to section entitled, "Litigation involving Directors" on page 300 of this Draft Red Herring Prospectus.

Except for the litigation in which the Company is also a party, none of the litigation against Group Companies is likely to have any adverse effect on the financial performance of the Company.

Litigation involving Group Companies

Litigation by Hema Katariya

1. Hema Katariya, wife of Deepak M. Katariya, had sent a notice addressed to the Company, Ashok Katariya, Satish Parakh, Asha Katariya and others including various promoter group entities and some of the directors of the promoter group entities. In the said notice, Hema Katariya stated that

she is a partner of Ashoka Builders and alleged that she was not allowed active participation in the firm and consequently intended to retire from Ashoka Builders. She also wanted to dissolve the firm and liquidate her share of 10 per cent in Ashoka Builders. Hema Katariya had threatened to invoke arbitration proceedings if the firm is not dissolved and her share not given. She had, further, alleged that Satish D. Parakh and other partners have diverted funds of the partnership firm and incorporated 35 separate private limited companies and partnership firms. She had, therefore, claimed a share in the net assets of the said firms and companies. Ashok Katariya, Satish Parakh and Asha Katariya have replied to the notice wherein they have denied all the allegations. Further to the above notice, Hema Katariya had filed a suit along with an application for temporary injunction, against the Company, Ashok Katariya, Asha Katariya, Sunil B. Raisoni, Satish D. Parakh and others including certain group companies, before the court of Civil Judge, Senior Division, Nashik (the "CJSD, Nashik") for an injunction to restrain the Company from undertaking an IPO. The court granted a stay on undertaking of IPO which was subsequently vacated and the said application was dismissed, against which Hema Katariya has filed an appeal before the District and Sessions Judge, Nashik. The appeal and the suit for permanent injunction are currently pending. For further details, please see "-Complaints against the initial public offering of Equity Shares proposed to be undertaken in terms of Draft Red Herring Prospectus dated January 16, 2008" on page 312 of this Draft Red Herring Prospectus.

Ashoka Bitucon Exim Private Limited

Outstanding Litigation: Nil

Contingent Liability as of March 31, 2009: Nil

Ashoka Buildwell and Developers Private Limited

1. Ashoka Buildwell and Developers Private Limited ("ABDPL") had filed a criminal complaint against the directors of Vadilal Dairy International Limited ("VDIL") under Section 420 of the Indian Penal Code, 1860, before the Judicial Magistrate, Class I, Nashik. ABDPL has alleged that VDIL, who had contracted to provide management and supervisory services, did not do so despite having charged fees for the same. Subsequently, VDIL filed a criminal complaint, against ABDPL, and two of its directors (Ashok Katariya and Satish Parakh) under Section 420 of the Indian Penal Code, 1860 in the Court of the Judicial Magistrate, Andheri, Mumbai. ABDPL has alleged that the directors of the company have cheated the ABDPL by not paying charges for management services provided by the ABDPL. The amount claimed by ABDPL aggregates approximately to Rs. 1.38 million. The complaints are currently pending.

2. ABDPL has filed a special civil suit against Deepak M. Katariya and others, in the court of Civil Judge, Senior Division, Nashik for defamation and has *inter alia* pleaded for compensation aggregating approximately to Rs. 0.6 million. The matter is currently pending.

3. ABDPL has filed a criminal complaint against Deepak M. Katariya and others in the court of Judicial Magistrate First Class, Nashik alleging defamation and cheating. The matter is currently pending.

4. Deepak M. Katariya ("Appellant") has filed three appeals (Civil Appeal Nos. 99/2005, 100/2005 and 101/2005), against the Ashoka Group, Ashoka Builders and ABDPL, in the court of Additional District Judge, Nashik. The Appellant has filed these appeals against the orders passed by the Civil Judge, Junior Division in three regular civil suits (Nos. 349/98, 355/98 and 398/98) filed by Ashoka Group, Ashoka Builders and ABDPL against Deepak M. Katariya and others. The appeals are currently pending.

5. Deepak M. Katariya (the "Plaintiff") has filed a civil suit against ABDPL and others (the "Defendants"), in the court of the Civil Judge, Senior Division, Nashik. The Plaintiff filed an application for temporary injunction against the Defendants from obstructing the Plaintiff's

possession over Flat No.1, Building No.1 in Ashoka Presidency. Earlier, Daya Subhas Ghuge and others (the "Complainants") had filed a consumer complaint (No. 375 / 1999) against ABDPL and the Plaintiff in which it was decided that ABDPL and the Plaintiff should deliver possession of the above flat to the Complainants or refund the amount received from them with 18 per cent interest. This order was challenged before State Consumer Forum through an appeal (No. 1576 / 2005). During the pendency of that appeal, the Complainants filed an application to remove the Plaintiff's name from the First Appeal and the First Appeal was accordingly disposed off. In spite of this, the Plaintiff had received a notice to deliver vacant possession of the suit flat. The Civil Judge, Senior Division rejected the Plaintiff's application for interim injunction. The Plaintiff has filed an appeal (No. 37/2006) challenging the interim order passed by the Civil Judge Senior Division, Nashik. The appeal (No. 37/2006) and the civil suit (No. 41/06) have been dismissed by the court.

6. Deepak M. Katariya has filed a criminal revision suit against ABDPL and others in the court of the Sessions Judge, Nashik. The criminal revision suit has been filed against an order passed by the lower court with regard to properties being returned to ABDPL. The matter is currently pending.

7. Deepak M. Katariya has filed an appeal against ABDPL in the State Consumer Forum, Mumbai. This appeal has been filed against the order passed by the District Consumer Redressal Forum, Nashik in Consumer Complaint No. 15/2001. The District Consumer Forum ordered that the possession of flat should be handed over to Yogesh Madhrele; nominee of the government. The matter is currently pending.

8. ABDPL has filed a criminal complaint under Section 406 of the Indian Penal Code, 1860, in the court of Judicial Magistrate, Class I, Nashik, against M/s. Dx-Deepsons for breach of trust. ABDPL has alleged that Deepak M. Katariya, ex-director of the company, took possession of the shops and agreed to sell them to M/s Dx-Deepsons, in which he is a partner, without the knowledge of the ABDPL and without making the full payment before taking possession of the shops. The complaint is currently pending.

9. Hema Katariya has filed a suit in the court of the Civil Judge, Senior Division, Nashik. For further details, please see "-Litigation by Hema Katariya" on page 324 of this Draft Red Herring Prospectus.

Contingent Liability as of March 31, 2009: Nil

Ashoka Construwell Private Limited

1. Five cases have been filed against Ashoka Construwell Private Limited ("ACPL") in relation to motor accident claims. The amounts involved in these claims aggregate approximately Rs. 1.5 million. The matters are currently pending.

2. ACPL has filed a criminal case, against M/s Sonu Constructions (the "Respondent"), under Section 138 of the Negotiable Instruments Act, 1881 before the Judicial Magistrate, Nashik for the dishonour of a cheque of Rs. 0.179 million drawn by the Respondent. The matter is currently pending.

3. The Commissioner of Income Tax had initiated revision proceedings under Section 263 of the Income Tax Act, 1961 against ACPL for assessment year 2003-04. In furtherance thereof, the Commissioner of Income Tax, Nashik set aside the assessment and issued directions for framing the assessment afresh by the assessing officer (Assistant Commissioner of Income Tax, Circle II, Nashik). Aggrieved by the said order, the Company preferred an appeal before Income Tax Appellate Tribunal, Pune. The appeal is currently pending. However, pursuant to the directions of the Commissioner of Income Tax for framing the assessment afresh, the assessing officer (Assistant Commissioner of Income Tax, Circle II, Nashik) undertook fresh assessment but has not raised any additional demand.

Contingent Liability as of March 31, 2009: Nil

Ashoka Promoters Private Limited

1. Rafiq Memon has filed a civil suit against Ashoka Promoters Private Limited ("APPL") and others in the court of Civil Judge Senior Division, Nashik. The suit is for specific performance with an alternate relief for compensation of an amount aggregating approximately to Rs. 3.51 million with respect to land situated at Sinnar, Nashik. The suit is currently pending.

2. Lahanu Pawar has filed a civil suit against APPL and others in the court of Civil Judge Senior Division, Nashik. The suit is for specific performance with an alternate relief aggregating approximately to Rs. 0.36 million in respect of land situated at Sinnar, Nashik. The court has rejected the application filed by APPL under Section 9A of Civil Procedure Code, 1908. A civil revision application filed by APPL against that order in the Bombay High Court was also dismissed. APPL has filed a review petition in the High Court of Bombay, which is currently pending. The Bombay High Court has stayed the proceeding till the applicability of Section 9A of the Code of Civil Procedure, 1908 is decided. The matter is currently pending.

3. Badruddin Kazi and others (the "Plaintiffs") have filed a civil suit against APPL, Ashoka Premises Private Limited and Ashoka Nirmiti Private Limited (the "Defendants") and others in the court of Civil Judge Senior Division, Nashik. The Plaintiffs claim that they are the owners of land situated at Sinnar, Nashik bearing Survey Nos. 935-937 admeasuring 98 acres and 14 guntas (the "Suit Property") which certain persons have illegally transferred to the Defendants. The Plaintiffs have prayed that the allegedly illegal transfers in respect of the suit property be set aside and that Defendants be restrained by way of perpetual injunction from carrying out any construction activity on the Suit Property. The Plaintiffs have also asked for partition of property vis-à-vis certain persons, also parties to the suit. In the alternative, the Plaintiffs have asked for a compensation of Rs. 100 million along with interest of 18 per cent per annum. The suit is currently pending.

4. Hema Katariya has filed a suit in the court of the Civil Judge, Senior Division, Nashik. For further details, please see "-Litigation by Hema Katariya" on page 324 of this Draft Red Herring Prospectus.

Contingent Liability as of March 31, 2009: Nil

Ashoka Builders (Nasik) Private Limited

1. Dinkar Bhujwal (the "Plaintiff") has filed a civil suit against Ashoka Builders (Nasik) Private Limited ("ABNPL") in the Court of Civil Judge, Junior Division, Ghodnadi. The Plaintiff is allegedly aggrieved that ABNPL has constructed a road on his land. The Plaintiff has, *inter alia,* pleaded for a mandatory injunction to stop construction. ABNPL has alleged that the Plaintiff did not obey the building norms himself and has come to the court with unclean hands. The suit is currently pending.

2. A criminal complaint had been filed by Pratap Kesharchand Doshi, against ABNPL, Ashok M. Katariya, Sunil B. Raisoni and others, in the court of Judicial Magistrate First Class, Baramati under Section 138 of Negotiable Instrument Act, 1881. The complaint pertains to dishonour of cheques amounting to Rs. 0.79 million. Ashok Motilal Katariya had filed revision against the issuance of process. The said revision was allowed and the Sessions Court, Baramati, quashed the process issued against Ashok Motilal Katariya. P. Doshi has filed a criminal revision petition, in the Bombay High Court, challenging the order of the Sessions Court. The revision petition is currently pending.

3. ABNPL has filed a case at the Employees State Insurance Corporation Court, Pune against the Employees State Insurance authorities for recovery of an amount aggregating to approximately Rs. 0.1 million. An inspection had been initially carried out by the Employees State Insurance authorities and pursuant to the examination, ABNPL had paid the arrears with interest. Subsequently a re-examination was carried out which led to the imposition of additional contribution towards the Employees State Insurance fund. ABNPL alleges that the re-examination was unlawful and the money was paid under duress and threat of its bank account being attached. The matter has been dismissed by the court.

4. ABNPL has filed three criminal complaints under Section 138 of the Negotiable Instruments Act, 1881 against Prakash Salunke, M/s Sharda Iron Steel and M/s Vibration Controllers before the Judicial Magistrate, Pune, for dishonour of cheques amounting to Rs.0.319 million, Rs. 0.49 million and Rs. 0.039 million respectively. The cases are currently pending.

5. Shivkailashram Devnandanram Chouhan has filed a claim against ABNPL and New India Assurance Co. before the Motor Accidents Claims Tribunal, Pune. The claimant has prayed for compensation of Rs. 0.5 million regarding the death of a cleaner of a vehicle owned by ABNPL, which was insured by New India Assurance Company Limited. The claim is currently pending.

6. Hema Katariya has filed a civil suit in the court of the Civil Judge, Senior Division, Nashik. For further details, please see "-Litigation by Hema Katariya" on page 324 of this Draft Red Herring Prospectus.

7. The Chief Executive Engineer has filed a civil suit in the court of Civil Judge, Junior Division, Pune against ABNPL and Yashwant Sakhare. This suit was decided against the Company. The Company along with other respondents has filed an appeal against the judgment and decree passed by the Court. The said appeal is currently pending.

8. Balasaheb Gaikwad has filed a claim against ABNPL and others before the Motor Accidents Claims Tribunal, Pune. The claimant has prayed for compensation of Rs.0.1 million. The matter is currently pending.

9. ABNPL has filed a civil suit against Pune Municipal Corporation ("PMC") for declaration and injunction. In this matter, PMC by way of an order under Section 205 of the Bombay Provincial Municipal Corporation Act, 1949 had given sanction for approaching our site. The Company has obtained the order for maintaining status quo against PMC. The matter is pending.

10. An appeal has been filed by ABNPL before Senior Divisional Officer, Pune under Section 247 of the Maharashtra Land Revenue Code, 1966, against the judgment passed by Junior Divisional Officer, Pune in relation to the certification of Mutation Entry No. 8544 in respect of Survey No. 126/2/3, admeasuring 36.05 are in village Katraj. The matter is pending for judgment.

11. A claim has been filed before the Motor Accident Claim Tribunal for the compensation of Rs. 0.015 million due to a casualty at one of the work sites of ABNPL. However, no notice was served on the relevant insurer. Therefore, the matter has been fixed for return of notice against the insurance company. The matter is pending.

Contingent Liability as of March 31, 2009: Nil

Jayaswals Ashoka Infrastructure Limited

1. Jayaswals Ashoka Infrastructure Private Limited ("JAIPL") along with Ashoka Vastu Private Limited (now merged with the Company) (the "Plaintiffs") has filed a suit against United India Insurance Company Limited and Standered Surveyors Private Limited before the Civil Judge Senior Division, Bhandara for an insurance claim aggregating approximately to Rs. 1.45 million

and interest. Due to loss of centering and shuttering material which was washed away because of a flash flood in Wainganga; river Ashoka Vastu Private Limited and JAIPL had made the insurance claim. The claim was rejected by the insurance company pursuant to the surveyor's report which stated that the damage was due to the willful negligence of the Plaintiffs. In the civil suit, damages of Rs. 2.27 million at 15 per cent per annum have been claimed by the Plaintiffs. The claim is currently pending.

2. JAIPL has filed a writ petition in the Bombay High Court, Nagpur Bench against the order of the Inspector General of Revenue Stamps, Pune for the payment of arrears of stamp duty. The stamp duty arrears had arisen in relation to the contract for construction of bridge and its approaches across Wainganga river in Km. 491/00 of Nagpur-Raipur road section of NH-6 in District Bhandara (BOT Project). The amount involved is Rs. 78.4 million plus penalty. The petition is currently pending.

3. JAIPL has filed an appeal in the High Court, Nagpur under Section 37 of the Arbitration and Conciliation Act, 1996 challenging the judgment of District Court, Nagpur. The District Court, Nagpur had rejected the majority award and accepted the minority award for an amount of Rs. 25.3 million plus interest against United India Assurance Company, towards damages for collapse of span of the bridge during construction. The High Court has allowed Rs. 17.06 million against bank guarantee deposited by United India Insurance Company. The appeal is currently pending.

4. Ashoka Bridgeways has initiated an arbitration proceeding against the Company before an arbitral tribunal in relation to a contract regarding the improvement to SH-76 to Takali Kasegaon Anwali Road Major District Road. The Company has claimed an amount of Rs. 56.58 million plus interest due to inter alia reduction of concession period, etc. The matter is currently pending.

Contingent Liability as of March 31, 2009: Nil

Ashoka City Towers Constructions Private Limited

Hema Katariya has filed a suit in the court of the Civil Judge, Senior Division, Nashik. For further details, please see "-Litigation by Hema Katariya" on page 324 of this Draft Red Herring Prospectus.

Contingent Liability as of March 31, 2009: Nil

Ashoka Deserts and Developers Private Limited

Hema Katariya has filed a suit in the court of the Civil Judge, Senior Division, Nashik. For further details, please see "-Litigation by Hema Katariya" on page 324 of this Draft Red Herring Prospectus.

Contingent Liability as of March 31, 2009: Nil

Ashoka Erectors Private Limited

Hema Katariya has filed a suit in the court of the Civil Judge, Senior Division, Nashik. For further details, please see "-Litigation by Hema Katariya" on page 324 of this Draft Red Herring Prospectus.

Contingent Liability as of March 31, 2009: Nil

Hotel Evening Inn Private Limited

Hema Katariya has filed a suit in the court of the Civil Judge, Senior Division, Nashik. For further details, please see "-Litigation by Hema Katariya" on page 324 of this Draft Red Herring Prospectus.

Contingent Liability as of March 31, 2009: Nil

Ashoka Housing Constructions Private Limited

Hema Katariya has filed a suit in the court of the Civil Judge, Senior Division, Nashik. For further details, please see "-Litigation by Hema Katariya" on page 324 of this Draft Red Herring Prospectus.

Contingent Liability as of March 31, 2009: Nil

Ashoka Nirmiti Private Limited

1. Hema Katariya has filed a suit in the court of the Civil Judge, Senior Division, Nashik. For further details please see the paragraph above entitled "Litigation by Hema Katariya".

2. Badruddin Kazi and others (the "Plaintiffs") have filed a special civil suit against Ashoka Promoters Private Limited, Ashoka Premises Private Limited and Ashoka Nirmiti Private Limited. For further details please see the paragraph above entitled "Litigation involving subsidiaries."

Contingent Liability as of March 31, 2009: Nil

Ashoka Premises Private Limited

1. Hema Katariya has filed a suit in the court of the Civil Judge, Senior Division, Nashik. For further details, please see "-Litigation by Hema Katariya" on page 324 of this Draft Red Herring Prospectus.

2. Badruddin Kazi and others (the "Plaintiffs") have filed a special civil suit against Ashoka Promoters Private Limited, Ashoka Premises Private Limited and Ashoka Nirmiti Private Limited. For further details please see the paragraph above entitled "Litigation involving subsidiaries."

Contingent Liability as of March 31, 2009: Nil

Ashoka Shilp Akruti Private Limited

Hema Katariya (the "Plaintiff") has filed a civil suit against the Company, Ashok Katariya, Asha Katariya, Sunil B. Raisoni, Satish D. Parakh and others including certain promoter group companies, in the court of the Civil Judge, Junior Division, Nashik. In this matter, the Plaintiff filed an application for an injunction to restrain the Company from issuing IPO. However the said application has been dismissed on merit and suit is currently pending.

Against the order passed by the lower court, Hema Katariya filed an appeal before the District Court and the appeal is currently pending.

Contingent Liability as of March 31, 2009: Nil

Ashoka Vastu Akruti Private Limited

Hema Katariya has filed a suit in the court of the Civil Judge, Senior Division, Nashik. For further details, please see "-Litigation by Hema Katariya" on page 324 of this Draft Red Herring Prospectus.

Contingent Liability as of March 31, 2009: Nil

Ashoka Vastukala Nirman Private Limited

Outstanding Litigation: Nil

Contingent Liability as of March 31, 2009: Nil

A-One Tiles Private Limited

Hema Katariya has filed a suit (451/2007) in the court of the Civil Judge, Senior Division, Nashik. For further details, please see "-Litigation by Hema Katariya" on page 324 of this Draft Red Herring Prospectus.

Contingent Liability as of March 31, 2009: Nil

Ashoka Bitucon International Private Limited

1. The Assistant Commissioner of Income Tax, Nashik Circle had issued an assessment order to Ashoka Bitucon International Private Limited (the "Assessee") for the assessment year 2000-01. The order pertains to disallowance business loss due to cancellation of tender. The Assessee had filed an appeal against the said assessment order before the Commissioner of Income Tax (Appeals), Nashik, which was decided in favour of the Assessee. The Income Tax Department has preferred an appeal against the order of Commissioner of Income Tax (Appeals, Nashik) before the Income Tax Appellate Tribunal, Pune and the matter is currently pending.

Contingent Liability as of March 31, 2009: Nil

Ashoka Path Nirman (Nashik) Private Limited

Outstanding Litigation: Nil

Contingent Liability as of March 31, 2009: Nil

Viva Infrastructure Private Limited

Outstanding Litigation: Nil

Contingent Liability as of March 31, 2009: Nil

Ashoka Vanrai Developments Private Limited

Hema Katariya has filed a suit in the court of the Civil Judge, Senior Division, Nashik. For further details, please see "-Litigation by Hema Katariya" on page 324 of this Draft Red Herring Prospectus.

Contingent Liability as of March 31, 2009: Nil

Ashoka Biogreen Private Limited

Outstanding Litigation: Nil

Contingent Liability as of March 31, 2009: Nil

Ashoka Universal Academy Private Limited

Outstanding Litigation: Nil

Contingent Liability as of March 31, 2009: Nil

Ashoka Estate Developers Private Limited

Outstanding Litigation: Nil

Contingent Liability as of March 31, 2009: Nil

L&T PNG Tollway Private Limited

Outstanding Litigation: Nil

Contingent Liability as of March 31, 2009: Nil

Ashoka Bridgeways

1. Santosh Moghe (the "Plaintiff") has filed a suit against the Ashoka Group and Ashoka Bridgeways in the Labour Court, Solapur, praying for reinstatement into service with back wages from February 7, 2005. Ashoka Bridgeways alleges that Plaintiff and some twenty of his colleagues regularly issued false toll receipts to vehicles at a toll booth and misappropriated the proceeds. The amount claimed by the Plaintiff aggregates approximately to Rs. 0.07 million. The suit has been withdrawn.

2. The Public Works Department, Akluj (Pandharpur), Government of Maharashtra has challenged two awards, in the Court of Additional District Judge, Solapur. The awards relate to the contract for construction of bridge across Mandve - Nallah on Mahad-Pandharpur road, SH-70 (at k.m. 179/600) under B.O.T-(Reference I and II). The award in respect of reference I pertains to damages for diversion of traffic, transporter's strike and premature withdrawal of facility. The award in respect of reference II pertains to counter claim by the Public Works Department towards encashment of bank guarantee and non-laying of asphalt coat. Ashoka Bridgeways is defending the award amounting to Rs. 1.6 million plus interest and rejection of counter claim. The cases are currently pending.

Contingent Liability as of March 31, 2009: Nil

Ashoka Engineering Company

Hema Katariya has filed a suit in the court of the Civil Judge, Senior Division, Nashik. For further details, please see "-Litigation by Hema Katariya" on page 324 of this Draft Red Herring Prospectus.

Contingent Liability as of March 31, 2009: Nil

Shubham Developers

Outstanding Litigation: Nil

Contingent Liability as of March 31, 2009: Nil

A.P. Equipments

1. Hema Katariya has filed a suit in the court of the Civil Judge, Senior Division, Nashik. For further details, please see "-Litigation by Hema Katariya" on page 324 of this Draft Red Herring Prospectus.

2. The Commissioner of Income Tax had initiated revision proceedings under Section 263 of the Income Tax Act, 1961 against A.P. Equipments for the assessment year 2004-05. In furtherance thereof, the Commissioner of Income Tax, Nashik set aside the assessment and issued directions for framing the assessment afresh by the assessing officer (Assistant Commissioner of Income Tax, Circle II, Nashik). Aggrieved by the said order, the Company preferred an appeal before Income Tax Appellate Tribunal, Pune. The appeal is currently pending.

Contingent Liability as of March 31, 2009: Nil

Ashoka Con Creations

Hema Katariya has filed a suit in the court of the Civil Judge, Senior Division, Nashik. For further details, please see "-Litigation by Hema Katariya" on page 324 of this Draft Red Herring Prospectus.

Contingent Liability as of March 31, 2009: Nil

Ashoka Builders and Developers

1. Assistant Commissioner of Income Tax, Nashik Circle had issued an assessment order to Ashoka Builders and Developers (the "Assessee") for the assessment year 2000-01. The order pertains to set off of losses due to change in status as the firm was assessed as an Association of Persons. The Assessee had filed an appeal against the said assessment order before the Commissioner of Income Tax (Appeals), Nashik, which was decided in favour of the Assessee. The Income Tax Department has preferred an appeal against the order of Commissioner of Income Tax (Appeals), Nashik before the Income Tax Appellate Tribunal, Pune and the matter is currently pending.

Contingent Liability as of March 31, 2009: Nil

Ashoka E-Tech

1. Ishwarappa Natekar, (through legal heirs) has filed a workmen's claim against Ashoka E-Tech, the Company and Oriental Insurance Company, before the Commissioner for Workmen's Compensation, Pune. For further details please see the paragraph above entitled "Litigation against the company."

2. Kumar Dattatraya Kamble has filed a motor accidents claim before the Motor Accidents Claim Tribunal, Pune against Ashoka E-Tech and the New India Assurance Company for compensation of Rs. 0.45 million under section 166 of the Motor Vehicles Act, 1988 on account of injury sustained by the claimant in the accident occurred on January 25, 2004 due to negligence of the driver of a vehicle owned by Ashoka E-Tech. The claim is pending.

Contingent Liability as of March 31, 2009: Nil

Ashoka Lawns

Hema Katariya has filed a suit in the court of the Civil Judge, Senior Division, Nashik. For further details, please see "-Litigation by Hema Katariya" on page 324 of this Draft Red Herring Prospectus.

Contingent Liability as of March 31, 2009: Nil

Ashoka Vastuvaibhav

Outstanding Litigation: Nil

Contingent Liability as of March 31, 2009: Nil

Ashoka Township

Outstanding Litigation: Nil

Contingent Liability as of March 31, 2009: Nil

Shweta Agro

Hema Katariya has filed a suit in the court of the Civil Judge, Senior Division, Nashik. For further details, please see "-Litigation by Hema Katariya" on page 324 of this Draft Red Herring Prospectus.

Contingent Liability as of March 31, 2009: Nil

GOVERNMENT 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.

Approvals for the Issue

1. In-principle approval from the National Stock Exchange dated [●];

2. In-principle approval from the Bombay Stock Exchange dated [●].

Approvals to carry on our Business

The Company requires various approvals for it to carry on its business in India. Certain approvals have elapsed in their normal course and the Company has either made an application to the appropriate authorities for renewal of such licences and/or approvals or is in the process of making such applications. The approvals that the Company requires include the following:

Name of the Licensing/ Registration Authority	Number and Date of Registration/License	Validity Period		Purpose
		(From)	(To)	
Ministry of Labour, Kota	KT-57(41)/2006-ALC(C); dated December 13, 2006	-	-	Certificate of registration under Section 7 (3) of the Building and Other Construction Workers (Regulation of employment and Condition of Service) Act, 1996 for construction of 4/6 lane access controlled Chittorgarh By-pass product.
Chief Controller of Explosives	P/NC/RJ/14/2386(P154699); dated December 12, 2008	December 12, 2008	December 31, 2009	License to store petroleum in tanks in connection with pump outfit for fueling motor conveyance for premises on Chittorgarh to Gangrar Road, Chittorgarh.
Office of the District Magistrate	AK/Mag/Ws/1421/07; dated June 19, 2007	-	-	NOC for use of explosives by the Company at Deori, Gondia, Bhandara for use of explosives not exceeding 1000 detonators and 100 kg of gelatine in Deori, Gondla.
Directorate of Industries	DIC/B/EM-ACKNT/2353; dated August 22, 2008	August 21, 2008	August 21, 2010	Acknowledgement of filing of memorandum expressing intent to set

Name of the Licensing/ Registration Authority	Number and Date of Registration/License	Validity Period		Purpose
		(From)	(To)	
				up a manufacturing wet mix maladam at Ukaka, Bhandara.
Directorate of Industries	DIC/B/EM-ACKNT/2352; dated August 22, 2008	August 21, 2008	August 21, 2010	Acknowledgement of filing of memorandum expressing intent to set up a manufacturing wet mix Maladam at Manegaon, Bhandara.
Ministry of Labour, Nagpur	ALCN-I/46/L/17/2008-CL; dated March 3, 2008	March 3, 2008	February 6, 2010	License under the Contract Labour (Regulation and Abolition) Act, 1970 and Central Rules, 1971 for carriageway on Chhatisgarh/Maharashtra border.
Office of the Additional District Magistrate	JC/MagII/ws/1994/07; dated January 8, 2007	-	-	No-Objection Certificate for use of explosives by the Company in Nashik Camp, Bhandara.
Office of the Additional District Magistrate	JC/Mag.II/ws/2085/2006; dated December 21, 2006	-	-	No-Objection Certificate for use of explosives up to 1000 detonators and 100 kg of gelatine by the Company in Lakhani, Bhandara.
Employees State Insurance Corporation	R/NS/28301 (33/33944/101); dated January 8, 2002	-	-	The authority informed the Company that it fell within the purview of the Employees' State Insurance Act, 1948.
Petroleum & Explosives Safety Organisation, Ministry of Commerce and Industry	P/NC/RJ/14/2386 (P154699); dated December 12, 2008	December 12, 2008	December 31, 2009	License for storage of 30 kilo litre Petroleum Class B in tanks in Chittaorgarh, Rajasthan.
Petroleum & Explosives Safety Organisation, Nagpur	A/P/HQ/MH/15/6575 (P232792); dated June 19, 2009	-	-	Letter from the Organisation noting the storage of the Company that storage of 40 kilo litre of furnace oil/LDO and has also intimated that storage beyond 45 kilo litre will require a separate license.
Chief Inspector of Factories, Government of	314/13385/grid/2m; dated May 30, 2009	May 30, 2009	December 31, 2009	License for setting up a concrete mixing plant employing not more than

Name of the Licensing/ Registration Authority	Number and Date of Registration/License	Validity Period		Purpose
		(From)	(To)	
Madhya Pradesh				20 employees and having installed motive power not exceeding 250 horse powers.
Chief Inspector of Factories, Government of Madhya Pradesh	160/13302/MDR/2MUD; dated April 16, 2009	April 16, 2009	December 31, 2009	License for setting up a concrete crusher employing not more than 50 employees and having installed motive power not exceeding 2000 HP.
Office of Labour Commissioner, Mandsore	14/09/00834; dated February 19, 2009	April 1, 2008	March 31, 2010	Registration certificate of the Company as per Building and Other Construction Workers Act, 1996 in relation to Jaora Nayagaon Road Project, Mandsore.
Office of the Inspector under the Bombay Shops and Establishments Act, 1948	DII/2180; dated June 16, 1998	June 16, 1998	December 24, 2010	Registration certificate of establishment under the Shops and Establishments Act, 1948 for construction company office.
Office of the Inspector under the Bombay Shops and Establishments Act, 1948	GUL/II/3458; dated April 28, 1999	April 28, 1999	April 28, 2010	Registration certificate of establishment under the Shops and Establishments Act, 1948 for civil construction.
Office of the Inspector under the Bombay Shops and Establishments Act, 1948	Chinchwad/II/25357; dated October 1, 2007	October 1, 2007	October 10, 2009	Registration certificate of establishment under the Shops and Establishments Act, 1948 for ready mix concrete plant and office.
Madhya Pradesh Pollution Control Board, Ujjain	453/PCB/URO/2009; dated May 19, 2009	May 15, 2009	April 14, 2010	Grant of consent under section 21 of the Air (Prevention & Control of Pollution) Act, 1981 for the factory at Nayagaon, Neemach.
Maharashtra Pollution Control Board	ROM/CC-233; dated February 13, 2008	February 13, 2008	January 31, 2010	Consent under section 26 of the Water (Prevention & Control of Pollution) Act, 1974 and section 21 of the Air (Prevention & Control of Pollution) Act, 1981.
Mumbai Metropolitan Region	BS/Vabhag/Tajava/Pollution/471/09; dated May 19, 2009	-	-	Temporary permission for restarting the RCM Plant, Phase III, Wadala

Name of the Licensing/ Registration Authority	Number and Date of Registration/License	Validity Period (From)	Validity Period (To)	Purpose
Development Authority				with direction to obtain approval from Maharashta Pollution Control Board.
Office of the Regional Labour Commissioner	RP-54(142)/2009; dated September 14, 2009	September 14, 2009	September 13, 2010	License under section 12(1) of the Contract Labour (Regulation and Abolition) Act, 1970 for doing the work of NH-6 Highway 4 laning and its improvement.
Ministry of Labour and Employment	RP-57(01)/2009; dated February 11, 2009	-	-	Certificate of registration under section 3(7) of the Building and Other Construction Workers (Regulation of Employment & Conditions of Services) Act, 1996 for works at Chattisgarh/Maharashtra Border from Durg Bypass.
Regional Office, Environment Conservation Board	461/RO/TS/CECB/2008; dated July 2, 2008	September 1, 2008	August 31, 2011	Renewal of consent under sections 25 and 26 of Water (Prevention and control of pollution) Act, 1974 valid for production of bituminous hot mix and stone chips.
Regional Office, Environment Conservation Board	462/RO/TS/CECB/2008; dated July 2, 2008	September 1, 2008	August 31, 2011	Renewal of consent under section 21 of Air (Prevention and Control of Pollution) Act, 1974 valid for production of bituminous hot mix and stone chips.
Regional Office, Environment Conservation Board	463/RO/TS/CECB/2008; dated July 2, 2008	July 1, 2008	June 31, 2011	Renewal of consent under section 25/26 of Water (Prevention and Control of Pollution) Act, 1974 valid for production of bituminous hot mix and stone chips
Profession Officer, Nashik	1/5/9/3739; dated October 26, 2007	-	-	Certificate of registration under section 5(1) of the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975
Office of the Assistant	MH/50403/PF/APP/SRO/MSK/3577; dated May 5, 1993	-	-	The Company was informed that their

Name of the Licensing/ Registration Authority	Number and Date of Registration/License	Validity Period (From)	(To)	Purpose
Provident Fund Commissioner				factory was covered under the purview of the Employees Provident Funds and Miscellaneous Provisions Act, 1952 w.e.f March 1, 1993.
Employees Provident Fund Organisation	MH/PF/NGP/66363/Circle-II/228; dated June 9, 2008	-	-	The Company was informed that the EPF & MP Act, 1952 will be applicable for Ashoka Highway (Bhandara) Ltd.
Maharashtra Pollution Control Board	NRO/Gondia/E-17 of 2008/2-CC/21/2009; dated April 30, 2009	April 30, 2009	September 30, 2010	Consent under section 26 of the Water (Prevention & Control of Pollution) Act, 1974 and section 21 of the Air (Prevention & Control of Pollution) Act, 1981 for construction of ready mix concrete of 11,000 MT/month and precast RCC arches of 10,000 MT/month for works at Sadak, Gondia.
Maharashtra Pollution Control Board	NRO/Bhandara/E-17 of 2008/02-CC/22/2009; dated April 30, 2009	April 30, 2009	January 31, 2011	Consent under section 26 of the Water (Prevention & Control of Pollution) Act, 1974 and section 21 of the Air (Prevention & Control of Pollution) Act, 1981 for manufacture of stone aggregate of various size at 20,000 MT/month for works at Lakhani, Bhandara.
Maharashtra Pollution Control Board	NRO/Gondia/E-17 of 2008/1-CC/04/2009; dated April 13, 2009	April 13, 2009	September 30, 2010	Consent under section 26 of the Water (Prevention & Control of Pollution) Act, 1974 and section 21 of the Air (Prevention & Control of Pollution) Act, 1981 for manufacture of wet mix macadam & bitumen hot mix at 20,000 MT/month for works at Deori, Gondia.
Maharashtra Pollution Control Board	NRO/Gondia/E-25 of 1998/04-CC/70/2008; dated May 20, 2009	December 31, 2008	December 31, 2009	Consent under section 26 of the Water (Prevention & Control of Pollution)

Name of the Licensing/ Registration Authority	Number and Date of Registration/License	Validity Period (From)	(To)	Purpose
				Act, 1974 and section 21 of the Air (Prevention & Control of Pollution) Act, 1981 for manufacture of gitti at 14,400 MT/month for works at Deori, Gondia.
Maharashtra Pollution Control Board	NRO/Gondia/E-25 of 1998/1-CC/04/2009; dated April 30, 2009	October 14, 2008	September 30, 2010	Consent under section 26 of the Water (Prevention & Control of Pollution) Act, 1974 and section 21 of the Air (Prevention & Control of Pollution) Act, 1981 for manufacture of wet mix macadam & bitumen hot mix at 20,000 MT/month for works at Deori, Gondia.
Office of Licensing Officer, Government of Maharashtra	88/2008; dated September 8, 2008	December 31, 2008	December 31, 2009	License under section 12 (2) of the Contract Labour (Regulation and Abolition) Act, 1970 for works at Awankhed, Dindori. The number of workmen allowed to be employed is 100.
Office of Licensing Officer, Aurangabad, Government of Maharashtra	ALOB/2612/09; dated March 6, 2009	March 6, 2009	December 31, 2009	License under the Contract Labour (Regulation and Abolition) Act, 1970 and Central Rules, 1971 for supply of test, transport and commission of sub transmission lines to Maharashtra State Electricity Distribution Co. Ltd. The license has been granted for the maximum of 500 employees.
Ministry of Labour	ALCN-I/46/L/17/2008-CL; dated March 3, 2009	March 3, 2009	February 6, 2010	Renewal of license under the Contract Labour (Regulation and Abolition) Act, 1970 and Central Rules for works at Wainganga bridge Section II Gondia to Bhandara on NH-6.
Ministry of Labour	ALCN-I/42(R)/11/2008-BOCW; dated February 7, 2008	February 7, 2008	February 6, 2010	Certificate granted under Section 7(3) of the Building & Other

Name of the Licensing/ Registration Authority	Number and Date of Registration/License	Validity Period (From)	(To)	Purpose
				Construction Workers (Regulation of Employment & Conditions of Service) Act, 1996 for works at Wainganga bridge Section II Gondia to Bhandara on NH-6.
Madhya Pradesh Pollution Control Board, Ujjain	3801/ROU/MPPCB/2009; dated March 6, 2009	January 1, 2009	December 31, 2009	Renewal of consent under Air (Prevention & Control of Pollution) Act, 1981 for crusher including hot mix and Wet Mix Madacam Plants located at Malharagarh, Mandsaur, Madhya Pradesh.
Forest & Welfare Culture Department, Government of Chattisgarh	6-CHC044/2008-BHO/1594; dated June 26, 2009	-	-	Clearance for four lane road construction on 22.963 hector forest land situated in Rajnandagaon and Kherwadi District.
Directorate of Industrial Safety & Health, Mumbai	Dish/LIC/2025/2007	-	-	The Authority has certified that the Company has applied for registration and grant of license under the Factories Act, 1948 for the year 2007.
Industrial Health and Safety, Mumbai	Dated November 18, 2008	-	-	Application for renewal of license for the factory for the year ending December 31, 2009.
Office of Commissioner of Labour, Mandsore	330/MDS/2008; dated August 29, 2008	January 12, 2009	December 31, 2009	Permission under the rules and regulations of the Contract Labour (Regulation and Abolition) Act, 1970.
Office of Collector (Mining Division), Neemach	223/Mining/D/2008; dated January 21, 2008	January 21, 2008	January 20, 2013	Approval under the Mining Act, 1996 for carrying out mining activities of 2.7 hectare stone crusher at Arniya Mangir, Survey No. 259, Neemach.

Name of the Licensing/ Registration Authority	Number and Date of Registration/License	Validity Period		Purpose
		(From)	(To)	
Industrial Safety & Health, Mumbai	Design/37/06/SDJ/3502/06; dated July 3, 2009	July 3, 2009	December 31, 2009	License renewal under the Factories Act, 1948 for factory at Wadala Truck Terminal.
Food and Consumers Section, Government of Maharashtra	MH-595; dated March 7, 2009	March 13, 2009	March 12, 2010	Inspection Report for certification under Weight and Measures Act, 1985 for Bhagi Deori Project.
Food and Consumers Section, Government of Maharashtra	MH-597; dated March 30, 2009	March 30, 2009	March 30, 2010	Inspection Report for certification under Weight and Measures Act, 1985 for Ready Mix Concrete Plant, Wadala.
Trade Mark Registry, Government of India	1607021 & 1607022; dated October 1, 2007	-	-	Application for registration of "Ashoka" logo as a trade mark and service mark for the purposes of roads, bridges and construction.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The issue of Equity Shares in the Issue by the Company has been authorized by the resolution of the Board of Directors passed at their meeting held on September 7, 2009, subject to the approval of shareholders through a special resolution to be passed pursuant to section 81 (1A) of the Companies Act.

The shareholders have authorised the Issue by a special resolution in accordance with Section 81(1A) of the Companies Act, passed at the Extra-Ordinary General Meeting of the Company held on September 7, 2009, at Mumbai.

The Company will file an application to the RBI seeking confirmation that FIIs are permitted to subscribe to Equity Shares in the Issue under the portfolio investment scheme and that Press Note 2 (2005 Series) is not applicable to investments by FIIs in initial public offerings.

Prohibition by SEBI

The Company, Promoters, Directors, Promoter Group entities and Group Companies, have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI.

The companies, with which Promoters, Directors or persons in control of the Company are associated as promoters, directors or persons in control have been have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI.

None of the Directors are associated with any entities, which are engaged in securities market related business and are registered with SEBI for the same.

Prohibition by RBI

Neither the Company, Promoters, the relatives of Promoters (as defined under the Companies Act) and group companies have been been identified as wilful defaulters by the RBI or any other governmental authority. There are no violations of securities laws committed by them in the past or are pending against them.

Eligibility for the Issue

The Company is eligible for the Issue in accordance with Regulation 26(1) of the SEBI Regulations as explained under the eligibility criteria calculated in accordance with financial statements under Indian GAAP:

- The Company has net tangible assets of at least Rs. 30.00 million in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;

- The 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;

- The Company has a net worth of at least Rs. 10 million in each of the three preceding full years (of 12 months each);

- The aggregate of the proposed Issue and all previous issues made in the same financial years in terms of the issue size is not expected to exceed five times the pre-Issue net worth of the Company ; and

- The Company has not changed its name in the last fiscal year.

The Company's net profit, dividend, net worth, net tangible assets and monetary assets derived from the Auditor's Report included in this Draft Red Herring Prospectus as at, and for the last five years ended Fiscal 2009 are set forth below:

(In Rs. millions)

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006	Fiscal 2005
Distributable Profits[(1)]	478.03	220.49	147.38	85.89	113.46
Net Worth[(2)]	3,149.42	2,724.77	2,549.86	1,424.62	1,363.50
Net Tangible assets[(3)]	3,181.25	2,762.31	2,737.79	1,855.12	841.64
Monetary assets[(4)]	479.07	525.06	1,050.32	448.63	256.10
Monetary assets as a percentage of the net tangible assets	15.06%	19.01%	38.36%	24.18%	30.43%

[(1)] *'Distributable profits' have been defined in terms of Section 205 of the Companies Act.*

[(2)] *'Net worth' has been defined as the aggregate of equity share capital and reserves, excluding preference share redemption reserve and miscellaneous expenditures, 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 issued by Institute of Chartered Accountants of India.*

[(4)] *Monetary assets comprise of cash and bank balances and public deposit accounts with the Government.*

Further, as the Issue size is proposed to be more than 10% and less than 25%, we shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted shall not be less than 1,000; otherwise the entire application money will be refunded forthwith. In case of delay, if any, in refund the Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

Further, the Issue is subject to the fulfillment of the following conditions as required by Rule 19(2)(b) SCRR:

- A minimum 2,000,000 Equity Shares (excluding reservations, firm Allotments and promoters contribution) are offered to the public;
- The Net Issue size, which is the Issue Price multiplied by the number of Equity Shares offered to the public, is a minimum of Rs. 1,000 million; and
- The Issue is made through the Book Building method with 60% of the Net Issue size allocated to QIBs as specified by SEBI

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS AND THE CO-BOOK RUNNING LEAD MANAGER HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS AND THE CO-BOOK RUNNING LEAD MANAGER ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY

DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS AND THE CO-BOOK RUNNING LEAD MANAGER, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 22, 2009 WHICH READS AS FOLLOWS:

WE, THE LEAD MERCHANT BANKER(S) TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**

   (A) **THE DRAFT RED HERRING PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**

   (B) **ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

   (C) **THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE 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 PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS/DRAFT PROSPECTUS.

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. NOT APPLICABLE.**

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. NOTED FOR COMPLIANCE.**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. NOT APPLICABLE.**

    AS THE OFFER SIZE IS MORE THAN RS. 10 CRORES, HENCE UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT ONLY.

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:**

    (A) **AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND**

(B) **AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.**

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.**

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW**

15. **OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.**

16. **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 THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**

The filing of the Draft Red Herring Prospectus does not, however, absolve the Company from any liabilities under Section 63 or Section 68 of the Companies Act or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the Book Running Lead Managers and the Co-Book Running Lead Manager, any irregularities or lapses in the Draft Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies, Maharashtra in terms of Section 60B of the Companiues Act. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Maharashtra in terms of Sections 56, 60 and 60B of the Companiues Act.

Caution - Disclaimer from the Company, the BRLMs and the CBRLM

The Company, the Directors, the BRLMs and the CBRLM 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 the Company's instance and anyone placing reliance on any other source of information, including the Company's web site www.ashokabuildcon.com, would be doing so at his or her own risk.

The BRLMs and the CBRLM accept no responsibility, save to the limited extent as provided in the MoU entered into between the BRLMs, the CBRLM and the Company and the Underwriting Agreement to be entered into between the Underwriter and the Company.

All information shall be made available by the Company, the BRLMs and the CBRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

Neither the Company nor the Syndicate is liable for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Investors that bid in the Issue will be required to confirm and will be deemed to have represented to the Company, the Underwriter 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 the Company and will not Issue, sell, pledge, or transfer the Equity Shares of the Company to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company. The Company, the Underwriter 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 the Company.

Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds) and to FIIs, eligible NRIs and other eligible foreign investors. This Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai 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 and SEBI shall give its observations in due course. 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 the affairs of the Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered, 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 US Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

Disclaimer Clause of BSE

As required, a copy of the Draft Red Herring Prospectus had been submitted to BSE. The Disclaimer Clause as intimated by BSE to the Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer Clause of the NSE

As required, a copy of the Draft Red Herring Prospectus had been submitted to NSE. The Disclaimer Clause as intimated by NSE to the Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Filing

A copy of the Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Plot No.C4-A,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, would be delivered for registration to the ROC and a copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration with ROC at the Office of the Registrar of Companies, Everest 5th Floor, 100, Marine Drive, Mumbai 400 002.

Listing

Applications will made to the BSE and NSE for permission to deal in and for an official quotation of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchanges mentioned above, the Company will 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 8 days after the Company becomes liable to repay it, i.e. from the date of refusal or within 7 days from the Bid/Issue Closing Date, whichever is earlier, then the Company and every Director of the Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% p.a. on application money, as prescribed under Section 73 of the Companies Act.

The Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within 7 working days of finalisation of the Basis of Allotment for the Issue.

Consents

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the auditors, the legal advisors, the Bankers to the Issue; and (b) the Book Running Lead Manager and the Co-Book Running Lead Manager, the Syndicate Members, the Escrow Collection Banks and the Registrar to the Issue to act in their respective capacities, have been obtained and would be filed along with a copy of the Red Herring Prospectus with the ROC as required under Sections 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of the Draft Red Herring Prospectus for registration with the ROC.

In accordance with the Companies Act and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009, M.P. Chitale & Co., Chartered Accountants, the Company's Statutory Auditors have given their written consent to the inclusion of their report dated September 14, 2009 and statement of tax benefits dated September 14, 2009 in the form and context in which it appears in the Draft Red Herring Prospectus and such consent and report has not been withdrawn up to the time of delivery of the Draft Red Herring Prospectus for registration with the ROC.

Expert Opinion

Except the report of [●] in respect of the IPO grading of this Issue annexed herewith, the Company has not obtained any expert opinions.

Issue Related Expenses

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. The estimated expenses of the Issue are as follows:

Activity	Expense* (in Rs. million)	Percentage of the Issue Expenses*	Percentage of the Issue Size*
Lead management, Underwriting and Selling Commission	[●]	[●]	[●]
SCSB Commission	[●]	[●]	[●]
Advertising and marketing expense	[●]	[●]	[●]
Printing and stationery (including courier, transportation charges)	[●]	[●]	[●]
Others (Registrar's fees, legal fees, listing costs etc.)	[●]	[●]	[●]
Fees paid to rating agency	[●]	[●]	[●]
Total	[●]	[●]	[●]

* *Will be incorporated after finalisation of the Issue Price.*

The listing fee and all expenses with respect to the Issue will be borne by us.

Fees Payable to the Book Running Lead Managers, the Co-Book Running Lead Manager and Syndicate Members

The total fees payable to the BRLMs, CBRLM and the Syndicate Member (including underwriting commission and selling commission) will be as stated in the Engagement Letter with the BRLMs and the CBRLM, a copy of which is available for inspection at the registered office of the Company located at Survey No. 861, Ashoka House, Ashoka Marg, Vadala, Nashik, Maharashtra - 422 011.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Memorandum of Understanding signed with the Company, a copy of which is available for inspection at the registered office of the Company.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or allotment advice by registered post/speed post/under certificate of posting.

Particulars regarding Public or Rights Issues during the Last Five Years

We have not made any public or rights issues during the last five years.

Previous issues of Equity Shares otherwise than for cash

Except as stated in the section entitled "Capital Structure" on page 28 of this Draft Red Herring Prospectus and "History and Corporate Matters" on page 124 of this Draft Red Herring Prospectus, the Company has not issued any Equity Shares for consideration otherwise than for cash.

Commission and Brokerage paid on Previous Issues of the Equity Shares

Since this is the initial public issue of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since the Company's inception.

Previous capital issue during the previous three years by listed group companies, subsidiaries and associates of the Company

None of the group companies, associates and subsidiaries of the Company is listed on any stock exchange.

Promise vis-à-vis objects – Public/ Rights Issue of the Company and/ or listed group companies, subsidiaries and associates of the Company

The Company has not undertaken any previous public or rights issue.

None of the group companies, associates and subsidiaries of the Company is listed on any stock exchange.

Outstanding Debentures or Bonds

The Company does not have any outstanding debentures or bonds as of the date of filing this Draft Red Herring Prospectus.

Outstanding Preference Shares

The Company does not have any outstanding preference shares other than those mentioned in the section entitled "Capital Structure" beginning on page 28 in this Draft Red Herring Prospectus.

Stock Market Data of our Equity Shares

This being an initial public issue of the Company, the Equity Shares are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The Memorandum of Understanding between the Registrar to the Issue, and the Company will provide for retention of records with the Registrar to the Issue for a period of at least six months from the last date of dispatch of letters of allotment, demat credit, refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the ASBA Bid cum Application Form was submitted by the ASBA Bidders.

Disposal of Investor Grievances by the Company

The Company estimates that the average time required by the Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders for the redressal of routine investor grievances shall be ten working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, the Company will seek to redress these complaints as expeditiously as possible.

The Company has appointed Manoj Kulkarni, Company Secretary as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue-related problems. He can be contacted at the following address:

Ashoka Buildcon Limited
Survey No. 861, Ashoka House
Ashoka Marg, Vadala
Nashik, Maharashtra - 422 011
Tel No: (91 253) 3011943
Fax: (91 253) 2422704
Email: investors@ashokabuildcon.com

Changes in Auditors

The Company has changed its Statutory Auditor in fiscal 2007. The Company had appointed M/s. M.P. Chitale & Co., Chartered Accountants in place of M/s. Rathi Daga in accordance with terms of the Shareholder's Agreement with IDFC PE II.

Capitalisation of Reserves or Profits

Except as disclosed in this Draft Red Herring Prospectus, we have not capitalised our reserves or profits at any time during the last five years.

Revaluation of Assets

The Company has not revalued its assets in the last five years.

TERMS OF THE ISSUE

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

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of our Memorandum and Articles of Association and shall rank pari-passu with the existing Equity Shares of the Company including rights in respect of dividend. The Allotees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of Allotment. For further details, please see “Main Provisions of the Articles of Association” on page 406 of this Draft Red Herring Prospectus.

Mode of Payment of Dividend

We shall pay dividends to our shareholders in accordance with the provisions of the Companies Act.

Face Value and Issue Price

The face value of the Equity Shares is Rs. 10 each and the Issue Price is Rs. [●] per Equity Share. The Anchor Investor Issue Price is Rs. [●] per Equity Share.

At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with SEBI Regulations

We shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholder

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

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

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the section entitled "Main Provisions of the Articles of Association" on page 406 of this Draft Red Herring Prospectus.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Regulations, the trading of our Equity Shares shall only be in dematerialised form. Since trading of our Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of one (1) Equity Share subject to a minimum Allotment of [●] Equity Shares.

The Price Band and the minimum Bid Lot size for the Issue will be decided by the Company in consultation with the BRLMs and the CBRLM and advertised in [●] edition of [●] in the English language, [●] edition of [●] in the Hindi language and [●] edition of [●] in the Marathi language at least two days prior to the Bid/ Issue Opening Date.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai.

Nomination Facility to Investor

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

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

- To register himself or herself as the holder of the Equity Shares; or
- To make such 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 ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised form, there is no need to make a separate nomination with the Company. Nominations registered with respective depository participant of the applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective depository participant.

Minimum Subscription

If the Company does not receive the minimum subscription of 90% of the Issue, including devolvement of underwriters within 60 days from the Bid/Issue Closing Date, the Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight (8) days after the Company becomes liable to pay the amount, the Company shall pay interest prescribed under Section 73 of the Companies Act.

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

Further, we shall ensure that the number of prospective allotees to whom Equity Shares will be allotted shall not be less than 1,000.

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.

Arrangement for disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restriction on transfer of shares

Except for lock-in of the pre-Issue Equity Shares and Promoters' minimum contribution in the Issue as detailed in the section entitled "Capital Structure" on page 28 of this Draft Red Herring Prospectus, and except as provided in our Articles, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfers of debentures except as provided in our Articles. There are no restrictions on transmission of shares/ debentures and on their consolidation/ splitting except as provided in our Articles. Please see the section entitled "Main Provisions of our Articles of Association" on page 406 of this Draft Red Herring Prospectus.

ISSUE STRUCTURE

Issue of [●] Equity Shares for cash at a price of Rs. [●] per Equity Share (including share premium of Rs. [●] per Equity Share) aggregating to Rs. 2,250 million. The Issue comprises a Net Issue of [●] Equity Shares to the public and a reservation for eligible employees of up to [●] Equity Shares. The Issue will constitute [●]% of the post-issue paid-up capital of the Company and the Net Issue will constitute [●]% of the post issue paid up capital of the company.

The Issue is being made through the 100% Book Building Process.

	QIBs#	Non-Institutional Bidders	Retail Individual Bidders	Employee Reservation Portion
No. of Equity Shares*	At least [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Net Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than [●] Equity Shares available for allocation or Net Issue less allocation to QIB Bidders and Non-Institutional Bidders.	Up to [●] Equity Shares.
Percentage of Issue Size available for Allotment/allocation	At least 60% of the Net Issue Size being allocated. However, up to 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation proportionately to Mutual Funds only.	Not less than 10% of Net Issue or the Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 30% of the Net Issue or the Issue less allocation to QIB Bidders and Non-Institutional Bidders.	Up to [●]% of the Issue
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate as follows: (a) [●] Equity Shares shall be allocated on a proportionate basis to Mutual Funds; and (b) [●] Equity Shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds	Such number of Equity Shares that the Bid Amount exceeds	[●] Equity Shares	[●] Equity Shares

	QIBs#	Non-Institutional Bidders	Retail Individual Bidders	Employee Reservation Portion
	Rs. 100,000 and in multiples of [●] Equity Shares thereafter.	Rs. 100,000 and in multiples of [●] Equity Shares thereafter.		
Maximum Bid	Such number of Equity Shares not exceeding the Net Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the Net Issue subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed Rs. 100,000.	Such number of Equity Shares not exceeding the Issue subject to applicable limits.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Allotment Lot	[●] Equity Shares and in multiples of 1 Equity Share thereafter	[●] Equity Shares and in multiples of 1 Equity Share thereafter	[●] Equity Shares and in multiples of 1 Equity Share thereafter	[●] Equity Shares and in multiples of 1 Equity Share thereafter.
Trading Lot	One Equity Share	One Equity Share	One Equity Share	One Equity Share
Who can Apply **	Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds registered with SEBI, FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, venture capital funds registered with SEBI, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development	Resident Indian individuals, Eligible NRIs, HUF (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals.	Resident Indian individuals, Eligible NRIs and HUF (in the name of Karta)	Eligible Employee

	QIBs[#]	Non-Institutional Bidders	Retail Individual Bidders	Employee Reservation Portion
	Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 250 million, pension funds with minimum corpus of Rs. 250 million in accordance with applicable law, and National Investment Fund.			
Terms of Payment	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Members.[***]	Amount shall be payable at the time of submission of Bid cum Application Form.	Amount shall be payable at the time of submission of Bid cum Application Form.[##]	Amount shall be payable at the time of submission of Bid cum Application Form.
Margin Amount	Up to 10% of Bid Amount	Full Bid Amount on bidding	Full Bid Amount on bidding	Full Bid Amount on bidding

The Company may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors. For further details, please see the section entitled "Issue Procedure" on page 361 of this Draft Red Herring Prospectus.

In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the bank account of the ASBA Bidder that are specified in the ASBA Bid cum Application Form.

* Subject to valid Bids being received at or above the Issue Price. In accordance with Rule 19(2)(b) of the SCRR, this being an Issue for less than 25% of the post–Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue will be allocated on a proportionate basis to QIBs, out of the QIB Portion (excluding the Anchor Investor Portion), 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. Further, not less than 10% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category except in the QIB category would be met with spill-over from other categories at sole discretion of the Company, in consultation with the BRLMs and the CBRLM.

Under subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue. The unsubscribed portion in the Net Issue, except the QIB Portion, shall be allowed to be met from spill over to the extent of under subscription from the Employee Reservation Portion, subject to the Net Issue constituting 10% of the post Issue capital of the Company. If at least 60% of the Net Issue is not allocated to the QIBs, the entire subscription monies shall be refunded.

** In case the Bid cum Application Form is submitted in joint names, the Bidders should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.

*** After the Bid/ Issue Closing Date, depending on the level of subscription, additional Margin Amount, if any, may be called for from the QIB Bidders.

Withdrawal of the Issue

The Company, in consultation with the BRLMs and the CBRLM, reserves the right not to proceed with the Issue anytime after the Bid/Issue Opening Date but before the Allotment of Equity Shares. In such an event the Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue. The Company shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed.

Any further issue of Equity Shares by the Company shall be in compliance with applicable laws.

Bid/ Issue Programme

BID/ISSUE OPENS ON	**[●], 2009***
BID/ISSUE CLOSES ON	**[●], 2009**

* *The Company may consider participation by Anchor Investors. The Anchor Investor Bid/ Issue Period shall be one day prior to the Bid/ Issue Opening Date.*

Bids and any revision in Bids shall be accepted **only between 10 a.m. and 3 p.m.** (Indian Standard Time) during the Bidding/ Issue Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form. On the Bid / Issue Closing Date, the Bids (excluding the ASBA Bidders) shall be uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders, Non-Institutional Bidders and Eligible Employees bidding under the Employee Reservation Portion where the Bid Amount is in excess of Rs. 100,000 and (ii) until 5.00 p.m. or such extended time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders and Employees bidding under the Employee Reservation Portion, where the Bid Amount is up to Rs. 100,000. It is clarified that the Bids not uploaded in the book would be rejected. Bids by the ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the NSE and the BSE.

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

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

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

The Company, in consultation with the BRLMs and the CBRLM, reserves the right to revise the Price Band during the Bidding/ Issue 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 two (2) days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.

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

ISSUE PROCEDURE

Book Building Procedure

The Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue shall be allocated to Qualified Institutional Buyers on a proportionate basis out of the QIB Portion (excluding Anchor Investor Portion), 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price. Allocation to Anchor Investors shall be on a discretionary basis and not on a proportionate basis.

Bidders are required to submit their Bids through the Syndicate. Further, QIB Bids can be procured and submitted only through the BRLMs and the CBRLM or their affiliate syndicate members. In case of QIB Bidders, the Company, in consultation with the BRLMs and the CBRLM, may reject Bids at the time of acceptance of Bid cum Application Form provided that the reasons for such rejection shall be provided to such QIB Bidder in writing. In case of Employee Reservation Portion, Non-Institutional Bidders and Retail Individual Bidders, the Company would have a right to reject the Bids only on technical grounds.

Investors should note that the Equity Shares will be allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account shall be treated as incomplete and rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Bid cum Application Form

Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of this Draft Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorised the Company to make the necessary changes in the Draft Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

ASBA Bidders shall submit a Bid cum Application Form either in physical or electronic form to the SCSB authorising blocking funds that are available in the bank account specified in the Bid cum Application Form used by ASBA Bidders. The ASBA Bidders can only provide one Bid in the Bid cum Application Form at Cut-off Price. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the ASBA Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the ASBA Bid cum Application Form to the SCSB, the ASBA Bidder is deemed to have authorised the Company to make the necessary changes in the Red Herring Prospectus and the ASBA as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis	[●]
Eligible NRIs and FIIs applying on a repatriation basis	[●]
Eligible Employees	[●]
ASBA Bidders	[●]
Anchor Investors*	[●]

**Bid cum Application forms for Anchor Investors have been made available for Anchor Investors at the Registered Office of the Company and the BRLMs and CBRLM.*

- Only Resident Retail Individual Investors can participate by way of ASBA process.

- Only QIBs can participate in the Anchor Investor Portion.

Who can Bid?

- Indian nationals resident in India who are not minors in single or joint names (not more than three);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids by HUFs would be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non repatriation basis subject to applicable laws. NRIs other than eligible NRIs are not eligible to participate in this issue;
- Indian financial institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual;
- Venture Capital Funds registered with SEBI;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their constitution to hold and invest in equity shares;
- Scientific and/or industrial research organisations authorised to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority;
- Provident Funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares;
- Pension Funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares;
- National Investment Fund;
- Eligible Employees; and
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals.

As per the existing regulations, OCBs cannot participate in this Issue.

Participation by Associates of BRLMs, the CBRLM and Syndicate Members

The BRLMs, the CBRLM and Syndicate Members shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLM, the CBRLM and Syndicate Members may subscribe to or purchase Equity Shares in the Issue, either in the QIB Portion or in Non-Institutional Portion as may be applicable to such investors, where the allocation is on a proportionate basis.

The BRLMs, the CBRLM and any persons related to the BRLMs and the CBRLM, the Promoters and the Promoter Group cannot apply in the Issue under the Anchor Investor Portion.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand 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 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.

One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

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

Bids by Eligible NRIs

1. Bid cum Application Forms have been made available for Eligible NRIs at the Registered Office of the Company and with members of the Syndicate.

2. Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians.

3. Non-Residents cannot subscribe to this Issue under the ASBA process.

Bids by FIIs

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

The issue of Equity Shares to a single FII should not exceed 10% of our post-issue issued capital (i.e. 10% of [●] Equity Shares). In respect of an FII investing in our equity shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual. As of now, the aggregate FII holding in us cannot exceed 24% of our total issued capital. With the approval of the board and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%. However, as on this date, no such resolution has been recommended to the shareholders of the company for adoption.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors)

Regulations 1995, as amended (the "SEBI FII Regulations"), an FII , as defined in the SEBI FII Regulations, or its sub-account may issue, deal or hold, off shore derivative instruments (defined under the SEBI 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 issued by it is made to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI Regulations. Associates and affiliates of the underwriters including the BRLMs, the CBRLM and the Syndicate Member that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue.

Bids by SEBI registered Venture Capital Funds

As per the current regulations, the following restrictions are applicable for SEBI Registered Venture Capital Funds:

The SEBI (Venture Capital) Regulations, 1996 prescribe investment restrictions on venture capital funds registered with SEBI.

Accordingly, the holding by any individual venture capital fund registered with SEBI in one company should not exceed 25% of the corpus of the venture capital fund. Further, Venture Capital Funds can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

The above information is given for the benefit of the Bidders. The Company, the BRLMs and the CBRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Maximum and Minimum Bid Size

(a) **For Retail Individual Bidders:** The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Share thereafter, so as to ensure that the Bid Price payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Price does not exceed Rs. 100,000. In case the Bid Price is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allocation under the Non-Institutional Bidders portion. The Cut-off option is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.

(b) **For Other Bidders (Non-Institutional Bidders and QIBs):** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of [•] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay QIB Margin upon submission of Bid.**

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 100,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off'.

(c) **For Bidders in the Employee Reservation Portion:** The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. The maximum Bid in this category cannot exceed [●] Equity Shares.

(d) **For Bidders in the Anchor Investor Portion:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100 million and in multiples of [•] Equity Shares thereafter. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids. A Bid cannot be submitted for more than 30% of the QIB Portion. **Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/ Issue Period.**

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

Information for the Bidders:

(a) The Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/Issue Opening Date.

(b) The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid cum Application Form to potential investors.

(c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/ or the Bid cum Application Form can obtain the same from our registered office or from any of the members of the Syndicate.

(d) Eligible investors who are interested in subscribing for the Equity Shares should approach any of the BRLMs or the CBRLM or Syndicate Members or their authorised agent(s) to register their Bids.

(e) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms should bear the stamp of the members of the Syndicate. Bid cum Application Forms, which do not bear the stamp of the members of the Syndicate will be rejected.

Method and Process of Bidding

(a) The Company, the BRLMs and the CBRLM shall declare the Bid/Issue Opening Date, Bid/Issue Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in one Marathi newspaper with wide circulation. This advertisement shall be in the prescribed format. The Price Band and the minimum Bid Lot size for the Issue will be decided by the Company in consultation with the BRLMs and the CBRLM and advertised in [●] edition of [●] in the English language, [●] edition of [●] in the Hindi language and [●] edition of [●] in the Marathi language at least two (2) working days prior to the Bid/ Issue Opening Date. The Members of the Syndicate shall accept Bids from the Bidders during the Issue Period in accordance with the terms of the Syndicate Agreement.

(b) The Bid/Issue Period shall be for a minimum of three working days and shall not exceed 10 working days. The Bid/ Issue Period maybe extended, if required, by an additional three working days, subject to the total Bid/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be published in two national newspapers (one each in English and Hindi) and one Marathi newspaper with wide circulation and also by indicating the change on the websites of the BRLMs, the CBRLM and at the terminals of the members of the Syndicate.

(c) During the Bid/Issue Period, eligible investors who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or their authorised agents to register their Bid.

(d) Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph entitled "Bids at Different Price Levels" below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.

(e) The Bidder cannot bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph entitled "Build up of the Book and Revision of Bids".

(f) The members of the Syndicate will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.

(g) During the Bid/Issue Period, Bidders may approach the members of the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients / investors who place orders through them and shall have the right to vet the Bids, subject to the terms of the Syndicate Agreement and the Red Herring Prospectus.

(h) The BRLMs and the CBRLM shall accept Bids from the Anchor Investors during the Anchor Investor Bid/ Issue Period i.e. one day prior to the Bid/ Issue Opening Date. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.

(i) Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph entitled "Terms of Payment and Payment into the Escrow Accounts" on page 367.

Bids at Different Price Levels and Revision of Bids

(a) The Bidders can bid at any price within the Price Band, in multiples of Re.1 (One). The Price Band and the minimum Bid Lot size for the Issue will be decided by the Company, in consultation with the BRLMs and the CBRLM, and advertised in [●] edition of [●] in the English language, [●] edition of [●] in the Hindi language and [●] edition of [●] in the Marathi language at least two (2) working days prior to the Bid/ Issue Opening Date.

(b) The Company, in consultation with the BRLMs and the CBRLM, reserves the right to revise the Price Band during the Bidding/ Issue 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 two (2) days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.

(c) In case of revision in the Price Band, the Bid/Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges , by issuing a public notice in two national newspapers (one each in English and Hindi) and also by indicating the change on the websites of the BRLMs, the CBRLM, SCSBs and at the terminals of the members of the Syndicate.

(d) The Company, in consultation with the BRLMs and the CBRLM can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.

(e) The Company, in consultation with the BRLMs and the CBRLM, can finalise the Anchor Investor Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Anchor Investors.

(d) 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 Bidders in the Employee Reservation Portion may bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.

(e) Retail Individual Bidders and Bidders in Employee Reservation Portion, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders and Bidders in Employee Reservation Portion bidding at Cut-Off Price shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the cap of the Price Band with the members of the Syndicate. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders, who Bid at Cut-off Price, shall receive the refund of the excess amounts from the respective Refund Account.

(f) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed Rs. 100,000 if the Bidder wants to continue to Bid at Cut-off Price), with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 100,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of Allotment, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

(g) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders, who have bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account. The Company, in consultation with the BRLMs and the CBRLM, shall decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of Rs. 5,000 to Rs. 7,000.

Escrow mechanism, terms of payment and payment into the Escrow Accounts

For details of the escrow mechanism and payment instructions, please refer to the section entitled "Issue Procedure-Payment Instructions" on page 378 of this Draft Red Herring Prospectus.

Electronic Registration of Bids

(a) The members of the Syndicate will register the Bids using the on-line facilities of BSE and NSE. There will be at least one on-line connectivity in each city, where a stock exchange is located in India and where Bids are being accepted.

(b) The BSE and NSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the Members of the Syndicate and their authorised agents during the Bidding Period. Syndicate Members 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 on a regular basis. On the Bid/ Issue Closing Date, the Members of the Syndicate shall upload the Bids till such time as may be permitted by the Stock Exchanges. This information will be available with the BRLMs and the CBRLM on a regular basis.

(c) The aggregate demand and price for Bids registered on the electronic facilities of BSE and NSE will be uploaded on a regular basis, consolidated and displayed on-line at all bidding centres and the website of BSE and NSE. A graphical representation of consolidated demand and price would be made available at the bidding centres during the Bidding Period.

(d) At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:

- Name of the investor.
- Investor Category – Individual, Corporate, FII, NRI, Mutual Fund, etc.
- Numbers of Equity Shares bid for.
- Bid price.
- Bid cum Application Form number.
- Whether Margin Amount has been paid upon submission of Bid cum Application Form.
- Depository Participant Identification Number and Client Identification Number of the beneficiary account of the Bidder.

(e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate. The registration of the Bid by the member of the Syndicate does not guarantee that the Equity Shares shall be allocated/Allotment either by the members of the Syndicate or the Company.

(f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(g) In case of QIB Bidders, Members of the Syndicate also have the right to accept the bid or reject it. However, such rejection should be made at the time of receiving the bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids would not be rejected except on the technical grounds listed on page 380.

(h) The permission given by BSE and NSE to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by the Company and/or the BRLMs and the CBRLM are cleared or approved by BSE and NSE; 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 Company, our Promoters, our management or any scheme or project of the Company.

(i) Details of Bids in the Anchor Investor Portion will not be registered on the on-line facilities of electronic facilities of BSE and NSE.

(j) It is also to be distinctly understood that the approval given by BSE and NSE should not in any way be deemed or construed that this Draft Red Herring Prospectus has been cleared or approved by the BSE and NSE; 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; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the BSE and NSE.

Build up of the book and revision of bids

(a) Bids registered by various Bidders through the members of the Syndicate shall be electronically transmitted to the BSE or NSE mainframe on a regular basis.

(b) The book gets built up at various price levels. This information will be available with the BRLMs and the CBRLM on a regular basis.

(c) During the Bidding/Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.

(d) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate will not accept incomplete or inaccurate Revision Forms.

(e) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

(f) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Draft Red Herring Prospectus. In case of QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders.

(g) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.

(h) Only Bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for allocation/ Allotment. In case of discrepancy of data between the BSE or the NSE and the members of the Syndicate, the decision of the Company in consultation with the BRLMs and the CBRLM based on the physical records of Bid Application Forms shall be final and binding on all concerned.

Price Discovery and Allocation

(a) After the Bid/Issue Closing Date, the BRLMs and the CBRLM will analyse the demand generated at various price levels and discuss the pricing strategy with the Company.

(b) The Company in consultation with the BRLMs and the CBRLM shall finalise the Issue Price.

(c) The allocation to QIBs will be at least 60% of the Net Issue and 10% and 30% of the Net Issue will be available for allocation to Non-Institutional and Retail Individual Bidders respectively, on a proportionate basis, in a manner specified in the SEBI Regulations and this Draft Red Herring Prospectus, in consultation with the Designated Stock Exchange, subject to valid bids being received at or above the Issue Price.

(d) Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of the Company in consultation with the BRLMs, the CBRLM and the Designated Stock Exchange. Under subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue . In case of under subscription in the Net Issue, spill over to the extent of under subscription shall be permitted from the Employee Reservation Portion subject to the Net Issue constituting 10% of the post Issue capital of the Company. If at least 60% of the Net Issue is not allocated to the QIBs, the entire subscription monies shall be refunded.

(e) Allocation to Non-Residents, including Eligible NRIs and FIIs, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

(f) The BRLMs and the CBRLM, in consultation with us, shall notify the members of the Syndicate of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.

(g) QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.

(h) The allotment details shall be put on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and RoC Filing

(a) The Company, the BRLMs, the CBRLM and the Syndicate Members shall enter into an Underwriting Agreement on finalisation of the Issue Price.

(b) After signing the Underwriting Agreement, we would update and file the updated Red Herring Prospectus with ROC, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue size, underwriting arrangements and would be complete in all material respects.

Filing of the Prospectus with the RoC

The Company will file a copy of the Prospectus with the RoC in terms of Section 56, Section 60 and Section 60B of the Companies Act.

Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, the Company shall, after registering the Red Herring Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one Marathi newspaper with wide circulation.

Advertisement regarding Issue Price and Prospectus

We will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price and the Anchor Investor Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of Confirmation of Allocation Note ("CAN")

(a) Upon approval of the basis of Allotment by the Designated Stock Exchange, the BRLMs or the CBRLM or the Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated/allotted Equity Shares in the Issue. The approval of the basis of Allotment by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail and Non-Institutional Bidders. However, investors should note that the Company shall ensure that the date of Allotment of the Equity Shares to all investors in this Issue shall be done on the same date.

(b) The BRLMs or the CBRLM or members of the Syndicate will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid the entire Bid Amount into the Escrow Account at the time of bidding shall pay in full the amount payable into the Escrow Account by the Pay-in Date specified in the CAN.

(c) Bidders who have been allocated/allotted Equity Shares and who have already paid the Bid Amount into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of his or her cheque or demand draft paid into the Escrow Account. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for the Allotment to such Bidder.

(d) The Issuance of CAN is subject to "Notice to Anchor Investors - Allotment Reconciliation and Revised CANs" and "Notice to QIBs - Allotment Reconciliation and Revised CANs" as set forth under the section "Issue Procedure" on page 361 of this Draft Red Herring Prospectus.

Notice to Anchor Investors: Allotment Reconciliation and Revised CANs

A physical book will be prepared by the Registrar on the basis of Bids uploaded on the BSE/NSE system. Based on the physical book and at the discretion of the BRLMs and the CBRLM, select Anchor Investors may be sent a CAN, within two working days of the Anchor Investor Bid/ Issue Period, indicating the number of Equity Shares that may be allocated to them. The provisional CAN shall constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the Anchor Investors to pay the entire Anchor Investor Issue Price for all the Equity Shares allocated to such Anchor Investor. This provisional CAN and the final allocation is subject to the Issue Price being finalised at a price not higher than the Anchor Investor Issue Price and allotment by the Board of Directors. In the event that the Issue Price is higher than the Anchor Investor Issue Price, a revised CAN may be sent to Anchor Investors. The price of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. Anchor Investors should note that they may be required to pay additional additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares or increased price of Equity Shares. The Pay-in Date in the revised CAN shall not be later than two days after the Bid/ Issue Closing Date. Any revised CAN, if issued, will supersede in entirety the earlier CAN.

Notice to QIBs: Allotment Reconciliation and Revised CANs

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bids uploaded on the BSE/NSE system. This shall be followed by a physical book prepared by the Registrar on the basis of Bid cum Application Forms received. Based on the electronic book or the physical book, as the case may be, QIBs may be sent a CAN, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to SEBI Regulations, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange. As a result, a revised

CAN may be sent to QIBs and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Designated Date and Allotment of Equity Shares

(a). The Company will ensure that the Allotment of Equity Shares is done within 15 (fifteen) days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, the Company would ensure the credit to the successful Bidders depository account within two working days of the date of allotment.

(b). In accordance with the SEBI Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.

(c). Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ allotted to them pursuant to this Issue.

GENERAL INSTRUCTIONS

Do's:

(a). Check if you are eligible to apply;

(b). Ensure that you have Bid within the Price Band;

(c). Read all the instructions carefully and complete the Bid cum Application Form;

(d). Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialised form only;

(e). Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate;

(f). Ensure that you have been given a TRS for all your Bid options;

(g). Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;

(h). Except for Bids submitted on behalf of the Central Government or the State Government and officials appointed by a court, all Bidders should mention their PAN allotted under the IT Act;

(i). Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;

(j). Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form.

Don'ts:

(a). Do not bid for lower than the minimum Bid size;

(b). Do not bid/ revise Bid price to less than the lower end of the Price Band or higher than the higher end of the Price Band;

(c). Do not bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;

(d). Do not pay the Bid Price in cash, by money order or by postal order or by stockinvest;

(e). Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate only;

(f). Do not bid at Cut Off Price (for QIB Bidders and Non-Institutional Bidders, for bid amount in excess of Rs. 100,000 and for Bidders in Employee Reservation Portion bidding in excess of Rs. 100,000);

(g). Do not fill up the Bid cum Application Form such that the Equity Shares bid for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

(h). Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

Bids and Revisions of Bids

Bids and revisions of Bids must be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form.

(b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected.

(c) For Retail Individual Bidders, the Bid must be for a minimum of [•] Equity Shares and in multiples of [•] thereafter subject to a maximum Bid Amount of Rs. 100,000.

(d) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds or equal to Rs. 100,000 and in multiples of [•] Equity Shares thereafter. Bids cannot be made for more than the Issue. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations.

(e) For Anchor Investors, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds or equal to Rs. 100 million and in multiples of [•] Equity Shares thereafter.

(f) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

(g) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

Bidders can obtain Bid cum Application Forms and/or Revision Forms from the members of the Syndicate.

Bidder's Depository Account and Bank Account Details

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as "Demographic Details"). These Bank Account details would be used for giving refunds (including through physical refund warrants, direct credit, ECS, NEFT and RTGS) to the Bidders. Hence, Bidders are advised to immediately update their Bank Account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch/ credit of refunds to Bidders at the Bidders sole risk and neither the BRLMs or the CBRLM the Registrar to the Issue or the Escrow Collection Banks or the SCSBs nor the Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs/Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund Orders/Allocation Advice/CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/allocation advice/CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk and neither the Company, Escrow Collection Banks nor the BRLMs or the CBRLM shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches the three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

The Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice or refunds through electronic transfer of funds, the Demographic Details given on the Bid cum Application Form should be used (and not those obtained from the

Depository of the Bidder). In such cases, the Registrar shall use Demographic Details as given in the Bid cum Application Form instead of those obtained from the depositories.

Bids by Non Residents including NRIs and FIIs on a repatriation basis

Bids and revision to Bids must be made in the following manner:

1. On the Bid cum Application Form or the Revision Form, as applicable (blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

2. In a single name or joint names (not more than three and in the same order as their Depositary Participant Details).

3. Bids on a repatriation basis shall be in the names of individuals, or in the name of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

Bids by Eligible NRIs for a Bid Amount of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. The Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

As per the existing policy of the Government of India, OCBs are not permitted to participate in the Issue.

There is no reservation for Eligible NRIs and FIIs and all applicants will be treated on the same basis with other categories for the purpose of allocation.

Bids by Eligible Employees

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. Bidders under the Employee Reservation Portion can apply for a maximum of the size of the Issue. The allotment in the Employee Reservation Portion will be on a proportionate basis. Bidders under the Employee Reservation Portion applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000 may bid-at Cut off Price.

Bids under Employee Reservation Portion by Eligible Employees shall be:

(a). Made only in the prescribed Bid cum Application Form or Revision Form (i.e. Pink colour Form).

(b). The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. The maximum Bid in this category by an Eligible Employee cannot exceed the size of the Issue.

(c). Eligible Employees should mention their Employee Number at the relevant place in the Bid cum Application Form (d). The sole/ first bidder should be Eligible Employees as defined above.

(e). Only Eligible Employees would be eligible to apply in this Issue under the Employee Reservation Portion.

(f). Bids by Eligible Employees will have to bid like any other Bidder. Only those bids, which are received at or above the Issue Price, would be considered for allocation under this category.

(g). Eligible Employees who apply or bid for securities of or for a value of not more than Rs. 100,000 in any of the bidding options can apply at Cut-Off. This facility is not available to other Eligible Employees whose minimum Bid Amount exceeds Rs. 100,000.

(h). Bid/ Application by Eligible Employees can be made also in the "Net Issue to the Public" and such bids shall not be treated as multiple bids.

(i). If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

(j). Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue. In case of under-subscription in the Net Issue, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion subject to the Net Issue constituting 10% of the post-Issue share capital of the Company.

(k). If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of allocation, refer to para "Basis of Allotment" on page 385 of this Draft Red Herring Prospectus.

Eligible Employees Bidding under the Employee Reservation Portion cannot subscribe to this Issue under the ASBA process.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum of Association and Articles of Association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of Bids made pursuant to a power of attorney by FIIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of Bids made by provident funds with minimum corpus of Rs. 250 million (subject to applicable law) and pension funds with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In case of Bids made by mutual fund registered with SEBI and venture capital fund registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

The Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that the Company, the BRLMs and the CBRLM may deem fit.

PAYMENT INSTRUCTIONS

Escrow Mechanism

The Company and the Members of the Syndicate shall open Escrow Accounts with one or more Escrow Collection Bank(s) in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders in a certain category would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Draft Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Bank (s) for and on behalf of the Bidders shall maintain the monies in the Escrow Account until the Designated Date. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker(s) to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account are per the terms of the Escrow Agreement and the Draft Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between the Company, the Members of the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Each Bidder shall draw a cheque or demand draft or remit the funds electronically through the RTGS mechanism for the amount payable on the Bid and/or on allocation/Allotment as per the following terms:

Payment into Escrow Account

1. QIB Bidders, Non-Institutional Bidders and Retail Individual Bidders would be required to pay their applicable Margin Amount at the time of the submission of the Bid cum Application Form. The Margin Amount payable by each category of Bidders is mentioned under the section entitled "Issue Structure" on page 356 of this Draft Red Herring Prospectus.

2. The Bidders for whom the applicable Margin Amount is equal to 100%, shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the members of the Syndicate.

3. In case the above Margin Amount paid by the Bidders during the Bidding Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account within the period specified in the CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLMs and the CBRLM. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled.

4. The payment instruments for payment into the Escrow Account should be drawn in favour of:

   (a) In case of Resident QIB Bidders: "[●]"

(b) In case of Non Resident QIB Bidders: "[●]"

(c) In case of Resident Retail and Non-Institutional Bidders: "[●]"

(d) In case of Non-Resident Retail and Non-Institutional Bidders: "[●]"

(e) In case of Employees: "[●]"

5. Anchor Investors would be required to pay the Anchor Investor Margin Amount at the time of submission of the application form by the Anchor Investors and the balance shall be payable within two (2) days of the Bid/ Issue Closing Date. In the event of Issue Price being higher than the price at which allocation is made to Anchor Investors, the Anchor Investors shall be required to pay such additional amount to the extent of shortfall between the price at which allocation is made to them and the Issue Price. If the Issue Price is lower than the price at which allocation is made to Anchor Investors, the amount in excess of the Issue Price paid by Anchor Investors shall not be refunded to them.

6. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

(a) In case of resident Anchor Investors: "[●]"

(b) In case of non-resident Anchor Investors: "[●]"

7. In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account. In case of Bids by Eligible NRIs applying on non-repatriation basis, the payments must be made out of NRO account.

8. In case of Bids by NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a Non-Resident Ordinary (NRO) Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.

9. 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.

10. The monies deposited in the Escrow Account will be held for the benefit of the Bidders till the Designated Date.

11. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers

to the Issue.

12. On the Designated Date and no later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation/Allotment to the Bidders.

13. Payments should be made by cheque, or demand draft drawn on any Bank (including a Co-operative Bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ Stockinvest/Money Orders/ Postal orders will not be accepted.

Payment by cash/ stockinvest/ money order

Payment through cash/ stockinvest/ money order shall not be accepted in this Issue.

Submission of Bid cum Application Form

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same.

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. Eligible Employees can Bid in the Employee Reservation Portion and the Net Issue and such Bids shall not be considered as multiple Bids. Bids by QIBs under the Anchor Investor Portion and QIB Portion (excluding Anchor Investor Portion) will not be considered as multiple Bids.

The Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

1. All applications with the same name and age will be accumulated and taken to a separate process file which would serve as a multiple master.

2. In this master, a check will be carried out for the same PAN. In cases where the PAN is different, the same will be deleted from this master.

3. The Registrar to the Issue will obtain, from the depositories, details of the applicant's address based on the DP ID and Beneficiary Account Number provided in the Bid cum Application Form and create an address master.

4. The addresses of all the applications in the multiple master will be strung from the address master. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of address and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the applications processed. A print-out of the addresses will be taken to check for common names. The applications with same name and same address will be treated as multiple applications.

5. The applications will be scrutinised for DP ID and Beneficiary Account Numbers. In case applications bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple applications.

6. Subsequent to the aforesaid procedures, a print out of the multiple master will be taken and the applications physically verified to tally signatures as also father's/ husband's names. On completion of this, the applications will be identified as multiple applications.

PAN

The Bidders, or in the case of a Bid in joint names, each of the Bidders, should mention his/ her PAN allotted under the I.T. Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. **Any Bid cum Application Form 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**.

REJECTION OF BIDS

In case of QIB Bidders, the Company in consultation with the BRLMs and the CBRLM may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders, the Company has a right to reject Bids based on technical grounds. Consequent refunds shall be made by cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected *inter alia* on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares bid for;
- Age of First Bidder not given;
- 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;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not given;

- GIR number furnished instead of PAN;
- Bids for lower number of Equity Shares than specified for that category of investors;
- Bids at a price less than lower end of the Price Band;
- Bids at a price more than the higher end of the Price Band;
- Bids at Cut Off Price by Non-Institutional and QIB Bidders.
- Bids for number of Equity Shares which are not in multiples of [•];
- Category not ticked;
- Multiple Bids as defined in this Draft Red Herring Prospectus;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- Bids accompanied by Stockinvest/money order/postal order/cash;
- Signature of sole and / or joint Bidders missing;
- Bid cum Application Forms does not have the stamp of the BRLMs or the CBRLM or Syndicate Members;
- Bid cum Application Forms does not have Bidder's depository account details;
- Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the Draft Red Herring Prospectus and as per the instructions in the Draft Red Herring Prospectus and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depositary Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bids in respect where the Bid cum Application form do not reach the Registrar to the Issue prior to the finalisation of the Basis of Allotment;
- Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- Bids by QIBs not submitted through the BRLMs, the CBRLM or their affiliates;
- Bids by QIBs not submitted through members of the Syndicate;
- Bids by persons in the United States;
- Bids by FVCIs;

- Bids by multilateral and bilateral development institutions;
- Bids by any person outside India if not in compliance with applicable foreign and Indian Laws; and
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

As per the provisions of Section 68B of the Companies Act, the Allotment of Equity Shares in this Issue shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among the Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated March 9, 2006, between NSDL, the Company and the Registrar to the Issue;
- Agreement dated November 3, 2007, between CDSL, the Company and the Registrar to the Issue.

All Bidders can seek allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

(a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

(b) The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.

(c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder

(d) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

(e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.

(f) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.

(g) Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

(h) The trading of the Equity Shares of the Company would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of bid form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof and a copy of the acknowledgement slip.

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

PAYMENT OF REFUND

Bidders must note that on the basis of name of the Bidders, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain, from the Depositories, the Bidders' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither the Company, the Registrar to the Issue, Escrow Collection Bank(s), Bankers to the Issue nor the BRLMs or the CBRLM shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

Mode of making refunds

The payment of refund, if any, would be done through various modes in the following order of preference:

1. ECS – Payment of refund would be done through ECS for applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of the abovementioned fifteen centres, except where the applicant, being eligible, opts to receive refund through direct credit or RTGS.

2. Direct Credit – Applicants having bank accounts with the Refund Banker(s), as mentioned in the Bid cum Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.

3. RTGS – Applicants having a bank account at any of the abovementioned fifteen centres and whose refund amount exceeds Rs. 5 million, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid cum Application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

4. NEFT (National Electronic Fund Transfer) – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency. The process flow in respect of refunds by way of NEFT is at an evolving stage, hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed

in the sections.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched under certificate of posting for value upto Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The 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 and submit the documents pertaining to the Allotment to the Stock Exchanges within two working days of date of Allotment of Equity Shares.

In case of applicants who receive refunds through ECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 15 days from the Bid/ Issue Closing Date. A suitable communication shall be sent to the bidders receiving refunds through this mode within 15 days of Bid/ Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within seven working days of Allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, the Company further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialised form within 15 days of the Bid/Issue Closing Date;
- Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 15 days of the Bid/Issue Closing Date would be ensured; and

The Company shall pay interest at 15% per annum for any delay beyond the 15 day time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the 15 day time prescribed above as per the guidelines issued by the Government of India, Ministry of Finance.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"*Any person who:*

(a) ***makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or***

(b) ***otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,***

***shall be punishable with imprisonment for a term which may extend to five years.*"**

BASIS OF ALLOTMENT

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

- The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

- If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate basis of Allotment, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.

- The Issue size less Allotment to QIBs and Retail Portion shall be available for Allotment to Non-Institutional Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

- In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate basis of Allotment refer below.

C. For QIBs

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the QIB Bidders will be made at the Issue Price.

- The QIB Portion shall be available for Allotment to QIB Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

- Allotment shall be undertaken in the following manner:

  (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion (excluding Anchor Investor Portion) shall be determined as follows:

(i) In the event that Mutual Fund Bids exceeds 5% of the QIB Portion (excluding Anchor Investor Portion), allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion (excluding Anchor Investor Portion).

(ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion (excluding Anchor Investor Portion) then all Mutual Funds shall get full Allotment to the extent of valid bids received above the Issue Price.

(iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;

(b) In the second instance Allotment to all QIBs shall be determined as follows:

(i) In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.

(ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.

(iii) Under-subscription below 5% of the QIB Portion (excluding Anchor Investor Portion), if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

- The aggregate Allotment to QIB Bidders shall not be less than [●] Equity Shares

D. For Employee Reservation Portion

- The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. The allotment in the Employee Reservation Portion will be on a proportionate basis. Bidders under the Employee Reservation Portion applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000 may bid at Cut off Price.

- Bids received from the Eligible Employees at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all the successful Eligible Employees will be made at the Issue Price.

- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full allocation shall be made to the Employees to the extent of their demand. Under subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue.

- If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiple of one Equity Share thereafter. For the method of proportionate basis of allocation, refer below.

- Only Eligible Employees eligible to apply under Employee Reservation Portion.

E. For Anchor Investor Portion

- Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the Company, in consultation with the BRLMs and the CBRLM, subject to compliance with the following requirements:

  (a). not more than 30% of the QIB Portion will be allocated to Anchor Investors;
  (b). one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors;
  (c). allocation to Anchor Investors shall be on a discretionary basis and subject to a minimum number of two Anchor Investors for allocation upto Rs. 2,500 million and minimum number of five Anchor Investors for allocation more than Rs. 2,500 million.

- The number of Equity Shares Allotted to Anchor Investors and the Anchor Investor Issue Price, shall be made available in the public domain by the BRLMs and the CBRLM before the Bid Opening Date by intimating the stock exchanges and uploading the said details on the websites of the BRLMs and the CBRLM and on the terminals of the Syndicate Members.

Method of Proportionate Basis of Allotment in the Issue

In the event of the Issue being over-subscribed, the 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, the CBRLM and the Registrar to the Issue shall be responsible for ensuring that the basis of Allotment is finalised in a fair and proper manner.

The Allotment shall be made in marketable lots, on a proportionate basis as explained below:

a) Bidders will be categorised according to the number of Equity Shares applied for.

b) 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.

c) 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.

d) In all Bids where the proportionate Allotment is less than [●] Equity Shares per Bidder, the Allotment shall be made as follows:

   - The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and

   - Each successful Bidder shall be allotted a minimum of [●] Equity Shares.

e) If the proportionate Allotment to a Bidder is a number that is more than [●] but is not a multiple of 1 (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it would be rounded off to the lower whole number. Allotment to all in such categories would be arrived at after such rounding off.

f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the allotted shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

g) Subject to valid Bids being received, allocation of Equity Shares to Anchor Investors shall be at the sole discretion of the Company, in consultation with the BRLMs and the CBRLM.

Illustration of Allotment to QIBs and Mutual Funds ("MF")

A. Issue Details

Sr. No.	Particulars	Issue details
1.	Issue size	200 million equity shares
2.	Allocation to QIB (60%)	120 million equity shares
3.	Anchor Investor Portion	36 million equity shares
4.	Portion available to QIBs other than Anchor Investors [(2) minus (3)]	84 million equity shares
	Of which:	
	a. Allocation to MF (5%)	4.20 million equity shares
	b. Balance for all QIBs including MFs	79.8 million equity shares
3	No. of QIB applicants	10
4	No. of shares applied for	500 million equity shares

B. Details of QIB Bids

Sr. No.	Type of QIB bidders#	No. of shares bid for (in million)
1	A1	50
2	A2	20
3	A3	130
4	A4	50
5	A5	50
6	MF1	40
7	MF2	40
8	MF3	80
9	MF4	20
10	MF5	20
	Total	**500**

A1-A5: (QIB bidders other than MFs), MF1-MF5 (QIB bidders which are Mutual Funds)

C. **Details of Allotment to QIB Bidders/ Applicants**

(Number of equity shares in million)

Type of QIB bidders	Shares bid for	Allocation of 4.20 million Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 79.80 million Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	**(II)**	**(III)**	**(IV)**	**(V)**
A1	50	0	7.98	0
A2	20	0	4.00	0
A3	130	0	20.74	0
A4	50	0	7.98	0
A5	50	0	7.98	0
MF1	40	0.84	6.38	7.22
MF2	40	0.84	6.38	7.22
MF3	80	1.68	12.76	14.44
MF4	20	0.42	3.19	3.61
MF5	20	0.42	3.19	3.61
	500	**4.20**	**79.80**	**36.10**

Please note:

1. The illustration presumes compliance with the requirements specified in this Draft Red Herring Prospectus in the section entitled "Issue Structure" beginning on page 356 of this Draft Red Herring Prospectus.

2. Out of 84 million Equity Shares allocated to QIBs, 4.2 million (i.e. 5%) will be allocated on proportionate basis among 5 Mutual Fund applicants who applied for 200 shares in QIB category.

3. The balance 79.80 million Equity Shares (i.e. 84 - 4.2 (available for MFs)) will be allocated on proportionate basis among 10 QIB applicants who applied for 500 Equity Shares (including 5 MF applicants who applied for 200 Equity Shares).

4. The figures in the fourth column entitled "Allocation of balance 79.80 million Equity Shares to QIBs proportionately" in the above illustration are arrived as under:

   - For QIBs other than Mutual Funds (A1 to A5)= No. of shares bid for (i.e. in column II) X 79.80 / 495.80.

   - 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 79.80 / 495.80.

   - The numerator and denominator for arriving at allocation of 84 million shares to the 10 QIBs are reduced by 4.2 million 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

The Company shall give credit to the beneficiary account with depository participants within two working days from the date of the finalisation of basis of allotment. Applicants residing at the centres where clearing houses are managed by the RBI, will get refunds through ECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS. The Company shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500, by "Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or first Bidder's sole risk within 15 days of the Bid/Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within fifteen days of closure of Bid / Issue.

Interest in case of delay in despatch of Allotment Letters or Refund Orders/ instruction to SCSB by the Registrar

The Company agrees that the allotment of Equity Shares in the Issue shall be made not later than 15 days of the Bid/ Issue Closing Date. The Company further agrees that it shall pay interest at the rate of 15% p.a. if the allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given in the disclosed manner within 15 days from the Bid/ Issue Closing Date.

The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by the Company as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Undertakings

The Company undertakes the following:

- That the complaints received in respect of this Issue shall be attended to by the Company expeditiously and satisfactorily;
- That all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within seven working days of finalisation of the basis of Allotment;
- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer;
- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of the Bid/ Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- That the Promoters' contribution in full has already been brought in;
- That the certificates of the securities/ refund orders to the non-resident Indians shall be despatched within specified time;
- That no further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.; and

- That adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the basis of allotment

The Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

Withdrawal of the Issue

The Company, in consultation with the BRLMs and the CBRLM, reserves the right not to proceed with the Issue anytime after the Bid/Issue Opening Date but before the Allotment of Equity Shares. In such an event the Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue. The Company shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed.

Any further issue of Equity Shares by the Company shall be in compliance with applicable laws.

Utilisation of Issue proceeds

Our Board of Directors certify that:

- All monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;

- Details of all monies utilised out of Issue shall be disclosed, and continue to be disclosed till the time any part of the issue proceeds remains unutilised, under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised;

- Details of all unutilised monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested;

- the utilisation of monies received under Promoters' contribution and from Employee Reservation Portion shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of the Company indicating the purpose for which such monies have been utilised; and

- the details of all unutilised monies out of the funds received under Promoters' contribution and from Employee Reservation Portion shall be disclosed under a separate head in the balance sheet of the issuer indicating the form in which such unutilised monies have been invested.

ISSUE PROCEDURE FOR ASBA BIDDERS

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. The Company, the BRLMs and the CBRLM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid cum Application Form is correctly filled up, as described in this section.

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

ASBA Process

A Resident Retail Individual Investor shall submit his Bid through an ASBA Bid cum Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Bidder or bank account utilised by the ASBA Bidder ("**ASBA Account**") is maintained. The SCSB shall block an amount equal to the Bid Amount in the bank account specified in the ASBA Bid cum Application Form, physical or electronic, on the basis of an authorisation to this effect given by the account holder at the time of submitting the Bid. The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Bid, as the case may be. The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchanges. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Bidders to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the BRLMs and the CBRLM.

Eligible Employees Bidding under the Employee Reservation Portion cannot subscribe to this Issue under the ASBA process.

ASBA Bid cum Application Form

ASBA Bidders shall use the ASBA Bid cum Application Form bearing the code of the Syndicate Member and/or the Designated Branch of SCSB, as the case may be, for the purpose of making a Bid in terms of the Draft Red Herring Prospectus. ASBA Bidders are required to submit their Bids, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the ASBA Bid cum Application form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Bidder shall submit the ASBA Bid cum Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA account held with SCSB, and accordingly registering such Bids. The ASBA Bidders can submit only one Bid option in the ASBA Bid cum Application Form which shall be at Cut-off Price.

Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the ASBA Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the ASBA Bid cum Application Form to the Designated Branch of the SCSB, the ASBA Bidder is deemed to have authorized the Company to make the necessary changes in the Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

The prescribed colour of the ASBA Bid cum Application Form shall be white.

Who can Bid?

In accordance with the SEBI Regulations, only Resident Retail Individual Investor can submit their application through ASBA process to bid for the Equity Shares of the Company.

Maximum and Minimum Bid Size for ASBA Bidders

The ASBA Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. The maximum ASBA Bid cannot exceed [●] Equity Shares in order to ensure that the total Bid Amount blocked in respect of the ASBA Bidder does not exceed Rs. 100,000. The ASBA Bidders shall bid only at the Cut-off Price indicating their agreement to Bid and purchase Equity Shares at the final Issue Price as determined at the end of the Book Building Process.

Information for the ASBA Bidders:

(a) The BRLMs and the CBRLM shall ensure that adequate arrangements are made to circulate copies of the Red Herring Prospectus and ASBA Bid cum Application Form to the SCSBs and the SCSBs will then make available such copies to investors applying under the ASBA process. Additionally, the BRLMs and the CBRLM shall ensure that the SCSBs are provided with soft copies of the abridged prospectus and the ASBA Bid cum Application Form. SCSBs shall make the same available on their websites.

(b) ASBA Bidders, under the ASBA process, who would like to obtain the Draft Red Herring Prospectus and/or the ASBA Bid cum Application Form can obtain the same from the Designated Branches of the SCSBs or the BRLMs or the CBRLM. ASBA Bidders can also obtain a copy of the abridged prospectus and/or the ASBA Bid cum Application Form in electronic form on the websites of the SCSBs.

(c) The Bids should be submitted on the prescribed ASBA Bid cum Application Form if applied in physical mode. SCSBs may provide the electronic mode of Bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors.

(d) ASBA Bid cum Application Forms should bear the code of the Syndicate Member and/or Designated Branch of the SCSB.

(e) ASBA Bidders shall bid for Equity Shares only at the Cut-off Price, with a single bid option as to the number of Equity Shares.

(f) ASBA Bidders shall correctly mention the bank account number in the ASBA Bid cum Application Form and ensure that funds equal to the Bid Amount are available in the bank account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch.

(g) If the ASBA Account holder is different from the ASBA Bidder, the ASBA Bid cum Application Form should be signed by the account holder as provided in the ASBA Bid cum Application Form.

(h) ASBA Bidders shall correctly mention their DP ID and Client ID in the ASBA Bid cum Application Form. For the purpose of evaluating the validity of Bids, the demographic details of ASBA Bidders shall be derived from the DP ID and Client ID mentioned in the ASBA Bid cum Application Form.

(i) ASBA Bidders shall not be allowed to revise their Bid and shall not bid under any reserved category.

Method and Process of Bidding

(a) ASBA Bidders are required to submit their Bids, either in physical or electronic mode. ASBA Bidders submitting their Bids in physical mode should approach the Designated Branches of the SCSBs. ASBA Bidders submitting their Bids in electronic form shall submit their Bids either using the internet enabled bidding and banking facility of the SCSBs or such other electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors, and accordingly registering such Bids. Every Designated Branch of the SCSB shall accept Bids from all such investors who hold accounts with them and desire to place Bids through them. Such SCSBs shall have the right to vet the Bids, subject to the terms of the SEBI Regulations and Red Herring Prospectus.

(b) The Designated Branches of the SCSBs shall give an acknowledgment specifying the application number to the ASBA Bidders as a proof of acceptance of the ASBA Bid cum Application Form. Such acknowledgment does not in any manner guarantee that the Equity Shares bid for shall be Allocated to the ASBA Bidders.

(c) Each ASBA Bid cum Application Form will give the ASBA Bidder only one option to bid for the Equity Shares at the Cut-off Price i.e. at the cap price of the Price Band and specify the demand (i.e. the number of Equity Shares bid for) in such option. After determination of the Issue Price, the number of Equity Shares bid for by the ASBA Bidder at the Cut-off Price will be considered for allocation along with the Non-ASBA Retail Bidders who have bid for Equity Shares at or above the Issue Price or at Cut-off Price.

(d) Upon receipt of the ASBA Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Bid cum Application Form, prior to uploading such Bids with the Stock Exchanges.

(e) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges.

(f) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form. The Designated Branch shall thereafter enter the Bid details from the prescribed ASBA Bid cum Application Form, if submitted in physical mode, or the Bid information submitted through the electronic mode made available by the SCSBs, as the case may be, into the electronic bidding system of the Stock Exchanges and generate a Transaction Registration Slip (“TRS”). The TRS shall be furnished to the ASBA Bidder on request.

(g) An ASBA Bidder cannot bid, either in physical or electronic mode, on another ASBA Bid cum Application Form or a non-ASBA Bid cum Application Form after bidding on one ASBA Bid cum Application Form, either in physical or electronic mode, has been submitted to the Designated Branches of SCSBs or uploaded by the ASBA Bidder, as the case may be. Submission of a second ASBA Bid cum Application Form or a Non-ASBA Bid cum Application Form to either the same or to another Designated Branch of the SCSB will be treated as multiple Bids and will be liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the Allocation or Allotment of Equity Shares in this Issue. **ASBA Bidders are cautioned that Bids for Equity Shares made in the Issue through the ASBA Bid cum Application Form cannot be revised.**

Bidding

(a) The Price Band and the minimum Bid Lot size for the Issue will be decided by the Company in consultation with the BRLMs and the CBRLM and advertised in [●] edition of [●] in the English language, [●] edition of [●] in the Hindi language and [●] edition of [●] in the Marathi language. The ASBA Bidders can submit only one Bid in the ASBA Bid cum Application Form, that is, at Cut-off Price with single option as to the number of Equity Shares.

(b) The Company, in consultation with the BRLMs and the CBRLM, reserves the right to revise the Price Band during the Bidding/ Issue 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 two (2) days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.

(c) In case of revision in the Price Band, the Bid/Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges , by issuing a public notice in two national newspapers (one each in English and Hindi) and also by indicating the change on the websites of the BRLMs, the CBRLM, SCSBs and at the terminals of the members of the Syndicate.

(d) The Company in consultation with the BRLMs and the CBRLM, can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation to, the ASBA Bidders.

(e) ASBA Bidders agree that they shall purchase the Equity Shares at any price within the Price Band. In the event the Bid Amount is higher than the subscription amount payable, the ASBA Account shall be unblocked to the extent to such excess of Bid Amount over the subscription amount payable.

(f) In case of an upward revision in the Price Band, announced as above, the number of Equity Shares bid for shall be adjusted downwards (to the previous multiple lot) for the purpose of allotment, such that no additional amount is required to be blocked in the ASBA Account and the ASBA Bidder is deemed to have approved such revised Bid at Cut-off Price.

Mode of Payment

Upon submission of an ASBA Bid cum Application Form with the SCSB, whether in physical or electronic mode, each ASBA Bidder shall be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount, in the bank account maintained with the SCSB.

Bid Amount paid in cash, by money order or by postal order or by stockinvest, or ASBA Bid cum Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form till the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Bidders from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Bid in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Bid Amount, as per the ASBA Bid cum Application Form submitted by the respective ASBA Bidders, would be required to be blocked in the respective ASBA Accounts until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Electronic registration of Bids by SCSBs

(a) In case of ASBA Bid cum Application Forms, whether in physical or electronic mode, the Designated Branch of the SCSBs will register the Bids using the online facilities of the Stock Exchanges. SCSB shall not upload any ASBA Application Form in the electronic bidding system of the Stock Exchange(s) unless

(i) it has received the ASBA in a physical or electronic form; and

(ii) it has blocked the application money in the ASBA Account specified in the ASBA or has systems to ensure that Electronic ASBAs are accepted in the system only after blocking of application money in the relevant bank account opened with it.

(b) The Stock Exchanges offer a screen-based facility for registering Bids for the Issue which will be available on the terminals of Designated Branches during the Bid/Issue Period. The Designated Branches can also set up facilities for offline electronic registration of Bids subject to the condition that they will subsequently upload the offline data file into the online facilities for book building on a regular basis. On the Bid/Issue Closing Date, the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchanges. ASBA Bidders are cautioned that high inflow of Bids typically received on the last day of the bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such Bids that are not uploaded may not be considered for allocation.

(c) The aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges will be displayed online on the websites of the Stock Exchanges. A graphical representation of consolidated demand and price would be made available on the websites of the Stock Exchanges during the Bidding Period.

(d) At the time of registering each Bid, the Designated Branches of the SCSBs shall enter the information pertaining to the investor into the online system, including the following details:

- Name of the Bidder(s);
- Application Number;
- PAN;
- Number of Equity Shares Bid for;
- Depository Participant identification No.; and
- Client identification No. of the Bidder's beneficiary account.

1.

2. In case of electronic ASBA, the ASBA Bidder shall himself fill in all the above mentioned details, except the application number which shall be system generated. The SCSBs shall thereafter upload all the abovementioned details in the electronic bidding system provided by the Stock Exchange(s).

3.

(e) A system generated TRS will be given to the ASBA Bidder upon request as proof of the registration of the Bid. **It is the ASBA Bidder's responsibility to obtain the TRS from the Designated Branches of the SCSBs.** The registration of the Bid by the Designated Branch of the SCSB does not guarantee that the Equity Shares bid for shall be Allocated to the ASBA Bidders.

(f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(g) It is to be distinctly understood that the permission given by the Stock Exchanges to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by the Company or the BRLMs or the CBRLM or the Designated Branches of the SCSBs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements; nor does it take any responsibility for the financial or other soundness of the Company, its management or any scheme or project of the Company.

(h) The SCSB may reject the ASBA Bid, if the ASBA Account maintained with the SCSB as mentioned in the ASBA Bid cum Application Form does not have sufficient funds equivalent to the Bid Amount. Subsequent to the acceptance of the Bid by the Designated Branch, the Company would have a right to reject the Bids only on technical grounds.

(i) Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. In case of discrepancy of data between the BSE or NSE and the Designated Branches of the SCSBs, the decision of the Registrar, based on the physical records of the ASBA Bid cum Application Forms shall be final and binding on all concerned.

Build up of the book and revision of Bids

(a) Bids registered through the Designated Branches of the SCSBs shall be electronically transmitted to the BSE or the NSE mainframe on a regular basis.

(b) The book gets built up at various price levels. This information will be available with the BRLMs, the CBRLM and the Stock Exchanges on a regular basis.

(c) ASBA Bidders shall not revise their Bids.

(d) The SCSBs shall provide aggregate information about the numbers of ASBA Bid cum Application Forms uploaded, total number of Equity Shares and total amount blocked against the uploaded ASBA Bid cum Application Form and other information pertaining to the ASBA Bidders. The Registrar to the Issue shall reconcile the electronic data received from the Stock Exchanges and the information received from the SCSBs. In the event of any error or discrepancy, the Registrar to the Issue shall inform the SCSB of the same. The SCSB shall be responsible to provide the rectified data within the time stipulated by the Registrar to the Issue.

(e) Only Bids that are uploaded on the online IPO system of the BSE and NSE shall be considered for allocation/ Allotment.

Price Discovery and Allocation

After the Bid/Issue Closing Date, the Registrar to the Issue shall aggregate the demand generated under the ASBA process and which details are provided to them by the SCSBs with the Retail Individual Investor applied under the non ASBA process to determine the demand generated at different price levels. For further details, refer to the section entitled "Issue Procedure" beginning on page 361 of this Draft Red Herring Prospectus.

Advertisement regarding Issue Price and Prospectus

We will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of CAN

(a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the Controlling Branches of the SCSBs, a list of the ASBA Bidders who have been allocated Equity Shares in the Issue. Investors should note that the Company shall endeavour to ensure that the demat credit of Equity Shares pursuant to Allotment shall be made on the same date to all investors in this Issue; and

(b) The ASBA Bidders shall directly receive the CAN from the Registrar. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the ASBA Bidder.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Bidder to the ASBA Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Bid Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalisation of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Bid, as the case may be.

Allotment of Equity Shares

(a) The Company will ensure that the Allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the bank account of the ASBA Bidders to the ASBA Public Issue Account on the Designated Date, to the extent applicable, the Company would ensure the credit of the Allotted Equity Shares to the depository accounts of all successful ASBA Bidders' within two working days from the date of Allotment.

(b) Equity Shares will be issued, transferred and allotted only in the dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares so Allotted, if they so desire, as per the provisions of the applicable law.

GENERAL INSTRUCTIONS

Do's:

(a) Check if you are a Resident Retail Individual Investor and eligible to Bid under ASBA process.

(b) Ensure that you use the ASBA Bid cum Application Form specified for the purposes of ASBA process.

(c) Read all the instructions carefully and complete the ASBA Bid cum Application Form (if the Bid is submitted in physical mode, the prescribed ASBA Bid cum Application Form is white in colour).

(d) Ensure that your Bid is at the Cut-off Price.

(e) Ensure that you have mentioned only one Bid option with respect to the number of equity shares in the ASBA Bid cum Application Form.

(f) Ensure that the details of your Depository Participant and beneficiary account are correct and that your beneficiary account is activated, as Equity Shares will be Allotted in dematerialised form only.

(g) Ensure that your Bid is submitted at a Designated Branch of an SCSB, with a branch of which the ASBA Bidder or a person whose bank account will be utilized by the ASBA Bidder for bidding has a bank account and not to the Bankers to the Issue/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to the Company or Registrar or Lead Manager to the Issue.

(h) Ensure that the ASBA Bid cum Application Form is signed by the account holder in case the applicant is not the account holder.

(i) Ensure that you have mentioned the correct bank account No. in the ASBA Bid cum Application Form.

(j) Ensure that you have funds equal to the number of Equity Shares Bid for at Cut-off Price available in the ASBA Account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch of the SCSB.

(k) Ensure that you have correctly checked the authorisation box in the ASBA Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the

Designated Branch to block funds equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form in your ASBA Account maintained with a branch of the concerned SCSB.

(l) Ensure that you receive an acknowledgement from the Designated Branch of the concerned SCSB for the submission of your ASBA Bid cum Application Form.

(m) Ensure that you have mentioned your PAN allotted under the I.T. Act.

(n) Ensure that the name(s) and PAN given in the ASBA Bid cum Application Form is exactly the same as the name(s) and PAN in which the beneficiary account is held with the Depository Participant. In case the ASBA Bid is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the ASBA Bid cum Application Form.

(o) Ensure that the demographic details are updated, true and correct, in all respects.

Don'ts:

(a) Do not submit an ASBA Bid if you are not a Resident Retail Individual Investor.

(b) Do not submit an ASBA Bid if you are applying under any reserved category.

(c) Do not revise your Bid.

(d) Do not Bid for lower than the minimum Bid size.

(e) Do not Bid on another ASBA or Non-ASBA Bid cum Application Form after you have submitted a Bid to a Designated Branch of the SCSB.

(f) Payment of Bid Amounts in any mode other than blocked amounts in the bank accounts maintained by SCSBs, shall not be accepted under the ASBA process.

(g) Do not send your physical ASBA Bid cum Application Form by post; instead submit the same to a Designated Branch of the SCSB only.

(h) Do not fill up the ASBA Bid cum Application Form such that the bid amount against the number of Equity Shares Bid for exceeds Rs. 100,000.

(i) Do not submit the GIR number instead of the PAN Number.

(j) Do not instruct your respective banks to release the funds blocked in the bank account under the ASBA process.

Bids by ASBA Bidders must be:

(a) Made only in the prescribed ASBA Bid cum Application Form, which is white in colour if submitted in physical mode, or electronic mode.

(b) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

(c) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the ASBA Bid cum Application Form.

(d) The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter subject to a maximum of [●] Equity Shares such that the Bid Amount does not exceed Rs. 100,000.

(e) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

ASBA Bidder's depository account and bank details

ALL ASBA BIDDERS SHALL RECEIVE THE EQUITY SHARES ALLOTTED TO THEM IN DEMATERIALISED FORM. ALL ASBA BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, BENEFICIARY ACCOUNT NUMBER AND PAN IN THE ASBA BID CUM APPLICATION FORM. ASBA BIDDERS MUST ENSURE THAT THE NAME GIVEN IN THE ASBA BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. ADDITIONALLY, PAN IN THE ASBA BID CUM APPLICATION FORM SHOULD BE EXACTLY THE SAME AS PROVIDED WHILE DEPOSITORY ACCOUNT. IN CASE THE ASBA BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE ASBA BID CUM APPLICATION FORM.

ASBA Bidders should note that on the basis of name of the ASBA Bidders, PAN, Depository Participant's name and identification number and beneficiary account number provided by them in the ASBA Bid cum Application Form, the Registrar to the Issue will obtain from the Depository, demographic details of the ASBA Bidders including address, ("Demographic Details"). Hence, ASBA Bidders should carefully fill in their Depository Account details in the ASBA Bid cum Application Form.

As these Demographic Details would be used for all correspondence with the ASBA Bidders they are advised to update their Demographic Details as provided to their Depository Participants.

By signing the ASBA Bid cum Application Form, the ASBA Bidder is deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

CAN/Allocation advice and letters intimating unblocking of bank account of the respective ASBA Bidder would be mailed at the address of the ASBA Bidder as per the Demographic Details received from the Depositories. ASBA Bidders may note that delivery of CAN/Allocation advice or letters intimating unblocking of bank account may be delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Note that any such delay shall be at the sole risk of the ASBA Bidders and neither of the Designated Branches of the SCSBs, the members of the Syndicate, or the Company shall be liable to compensate the ASBA Bidder for any losses caused to the ASBA Bidder due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the ASBA Bidders (including the order of names of joint holders), the DP ID and the beneficiary account number, then such Bids are liable to be rejected.

ASBA Bidders are required to ensure that the beneficiary account is activated, as Equity Shares will be Allotted in dematerialised form only.

Payment mechanism under ASBA

The ASBA Bidders shall specify the bank account number in the ASBA Bid cum Application Form and the SCSB shall block an amount equivalent to the application money in the bank account specified in the Bid cum Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal/rejection of the ASBA Bid or receipt of instructions from the Registrar to the Issue to unblock the Bid Amount.

In the event of withdrawal or rejection of Bid cum Application Form or for unsuccessful Bid cum Application Forms, the Registrar to the Issue shall give instructions to the Controlling Branch of the SCSB to unblock the application money in the relevant bank account. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

ASBA Bids under Power of Attorney

In case of ASBA Bids made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the ASBA Bid cum Application Form. Failing this, the Company, in consultation with the BRLMs and the CBRLM, reserves the right to reject such ASBA Bids.

The Company, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the ASBA Bid cum Application Form, subject to such terms and conditions that the Company, in consultation with the BRLMs and the CBRLM may deem fit.

OTHER INSTRUCTIONS

Withdrawal of ASBA Bids

In case an ASBA Bidder wants to withdraw the ASBA Bid cum Application Form during the Bid/Issue Period, the ASBA Bidder shall submit the withdrawal request to the SCSB, which shall do the necessary, including deletion of details of the withdrawn ASBA from the electronic bidding system of the Stock Exchange(s) and unblocking of funds in the relevant bank account.

In case an ASBA Bidder wants to withdraw the ASBA cum Application Form after the Bid Closing date, the ASBA Bidder shall submit the withdrawal request to the Registrar to the Issue before finalization of Basis of Allotment. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file. The instruction for and unblocking of funds in the relevant bank account, in such withdrawals, shall be forwarded by the Registrar to the Issue to the SCSB on finalization of the Basis of Allotment.

Joint ASBA Bids

ASBA Bids may be made in single or joint names (not more than three). In case of joint ASBA Bids, all communication will be addressed to the first Bidder and will be dispatched to his address.

Multiple ASBA Bids

An ASBA Bidder should submit only one Bid for the total number of Equity Shares desired. Two or more Bids will be deemed to be multiple Bids if the sole or first Bidder is one and the same. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are described in "Issue Procedure - Multiple Bids" on page 379 of Draft Red Herring Prospectus.

PAN

For details, see the section entitled "PAN" on page 380 of this Draft Red Herring Prospectus.

Right to Reject ASBA Bids

The Designated Branches of the SCSBs shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder's bank account, the respective Designated Branch ascertains that sufficient funds are not available in the Bidder's bank account maintained with the SCSB. Subsequent to the acceptance of the ASBA Bid by the SCSB, the Company would have a right to reject the ASBA Bids only on technical grounds.

Further, in case any DP ID, Client ID or PAN mentioned in the ASBA Bid cum Application Form does not match with one available in the depository's database, such ASBA Bid shall be rejected by the Registrar to the Issue.

GROUNDS FOR TECHNICAL REJECTIONS UNDER THE ASBA PROCESS

In addition to the grounds listed under "Grounds for Rejections" on page 380 of this Draft Red Herring Prospectus, applications under the ASBA process are liable to be rejected on, *inter alia*, the following technical grounds:

1. Amount mentioned in the ASBA Bid cum Application Form does not tally with the amount payable for the value of Equity Shares Bid for;

2. Bids at a price other than at the Cut-off Price;

3. Age of first Bidder not given;

4. Bid made by categories of investors other than Resident Retail Individual Investors;

5. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors and persons of unsound mind;

6. Authorisation for blocking funds in the ASBA Bidder's bank account not ticked or provided;

7. ASBA Bids accompanied by stockinvest/ money order/ postal order/ cash;

8. Signature of sole and/or joint Bidders missing in case of ASBA Bid cum Application Forms submitted in physical mode;

9. ASBA Bid cum Application Form does not have the stamp of the SCSB and/or a member of the Syndicate;

10. ASBA Bid cum Application Form is not delivered, either in physical or electronic form, by the Bidder within the time prescribed and as per the instructions provided in the ASBA Bid cum Application Form and the Red Herring Prospectus;

11. Inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA Bid cum Application Form at the time of blocking such Bid Amount in the ASBA Account; and

12. If the ASBA Bid in the Issue is revised.

Bidders are advised that ASBA Bids not uploaded in the electronic book of the Stock Exchanges, due to any of the grounds mentioned above, would be rejected.

COMMUNICATIONS

All future communication in connection with ASBA Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First ASBA Bidder, ASBA Bid cum Application

Form number, details of Depository Participant, number of Equity Shares applied for, date of ASBA Bid cum Application Form, name and address of the Designated Branch of the SCSB where the ASBA Bid was submitted, bank account number in which the amount equivalent to the Bid amount was blocked and a copy of the acknowledgement slip. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances. The SCSB shall be responsible for any damage or liability resulting from any errors, fraud or wilful negligence on the part of any employee of the concerned SCSB, including its Designated Branches and the branches where the ASBA Accounts are held. The Company, the BRLMs, the CBRLM, 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.

ASBA Investors can contact the Compliance Officer, the Designated Branch of the SCSB where the ASBA Bid cum Application Form was submitted, or the Registrar to the Issue in case of any pre- or post-Issue related problems such as non-receipt of credit of Allotted Equity Shares in the respective beneficiary accounts, unblocking of excess Bid Amount, etc.

Disposal of Investor Grievances

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked on application, bank account number and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidders.

Impersonation

For details, see section entitled "Issue Procedure- Impersonation" on page 384 of this Draft Red Herring Prospectus.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY IN INSTRUCTIONS TO SCSBs BY THE REGISTRAR TO THE ISSUE

The Company undertakes that:

- Allotment and transfer shall be made only in dematerialised form within 15 days from the Bid/Issue Closing Date; and
- Instructions for unblocking of the ASBA Bidder's Bank Account shall be made within 15 days from the Bid/Issue Closing Date.

Basis of Allocation

Bids received from ASBA Bidders will be considered at par with Bids received from non-ASBA Bidders. The basis of allocation to such valid ASBA and non-ASBA Bidders will be that applicable to Retail Individual Bidders. For details, see section entitled "Issue Procedure- Basis of Allotment" on page 385 of this Draft Red Herring Prospectus.

Method of Proportionate basis of allocation in the Issue

ASBA Bidders, along with non-ASBA Bidders, will be categorized as Retail Individual Bidders. No preference shall be given vis-à-vis ASBA and non-ASBA Bidders.

Undertaking by the Company

In addition to the undertakings described under "Issue Procedure - Undertaking by the Company", with respect to the ASBA Bidders, the Company undertakes that adequate arrangement shall be made to consider ASBA Bidders similar to other Bidders while finalizing the basis of allocation.

Utilisation of Issue Proceeds

The Board has provided certain certifications with respect to the utilization of Issue Proceeds. For details, see the section entitled "Issue Procedure- Utilisation of Issue Proceeds" on page 391 of this Draft Red Herring Prospectus.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of GoI and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Foreign investment limit is allowed up to 100% under automatic route in the Company.

FIIs are permitted to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (FDI) Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (ii) the non-resident shareholding is within the sectoral limits under the FDI policy, and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

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 US Securities Act of 1933 (the "Securities Act") and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered 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 above information is given for the benefit of the Bidders. The Company, the BRLMs and the CBRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Capitalised terms used in this section have meaning that has been given to such terms in the Articles of Association of Ashoka Buildcon Limited. Pursuant to Schedule II of the Companies Act and SEBI Regulations, the main provisions of the Articles of Association of Ashoka Buildcon Limited are set forth below:

TABLE "A" EXCLUDED

Article 1 provides that, "No regulations contained in Table A, in the First Schedule to the Companies Act, 1956, or in the Schedule to any previous Companies Act shall apply to this Company, but 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 with reference to the repeal or alteration of, or addition to, its regulations by Special Resolution, as prescribed by the said Companies Act, 1956, be such as are contained in these Articles."

CAPITAL INCREASE AND REDUCTION OF CAPITAL

Amount of Capital

Article 3 provides that, "The authorised Capital of the Company shall be as defined in Clause V of the Memorandum of Association including amendments thereto, if any."

Shares under the control of the Directors

Article 19 provides that, "Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such person, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provisions of sections 78 and 79 of the Act) at a discount and at such time as they may form time to time think fit and with sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General meeting. The Board shall cause to be filed the returns as to allotment provided for in section 75 of the Act."

Power of General Meeting to offer shares to such persons as the Company may resolve

Article 20 provides that, "In addition to and without derogating from the powers for that purpose conferred on the Board under Article 19, the Company in General Meeting may, subject to the provisions of Section 81 of the Act, determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such person (whether a Member or not), in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 78, 79 and 86 of the Act) at a premium or at par or at a discount or Shares with voting rights or with differential rights as to dividend, voting or otherwise as such general meeting shall determine and with full power to give any person (whether a Member 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 times and for such consideration as may be directed by such General Meeting or the Company in general meeting may make any other provision whatsoever for the issue, allotment or disposal of any shares."

Increase of Capital

Article 4 provides that, "The Company in General Meeting may, from time to time by an Ordinary Resolution increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct and if no direction be given, as the Directors shall determine; and in particular, such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at general meeting of the Company in conformity with Sections 87 and 88 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.
The Company may, subject to provisions of the Act and Rules made there under as may be in force, from time to time, issue shares and other securities under Employees Stock Options and/or by way of Sweat Equity."

Provisions in case of redeemable Preference Shares

Article 6 provides that, "Subject to the provisions of the Section 80 of the Act, the Company shall have the power to issue Preference Shares, which are or at the option of the Company liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption."

Buy Back of Shares
Article 10 provides that, "Subject to the provisions of Section 77A, 77AA and 77B of the Act, the Rules made there under and any statutory modifications thereof, the Company may purchase its own Shares or other specified securities from time to time out of (i) Out of its Free Reserves (ii) the Securities Premium Account (iii) the proceeds of any shares or any other specified securities
provided that no buyback of any kind of shares or other specified securities shall be made out of the proceeds of an earlier issue of the same kind of shares or same kind of the other specified securities."

Reduction of Capital

Article 9 provides that, "The Company may (subject to the provisions of Sections 78, 80, 100 to 105 inclusive of the Act) from time to time by Special Resolution, reduce its capital, any Capital redemption Reserve Account and Share Premium Account in any manner for the time being authorised by law and in particular capital may be paid off on the footing that it may be called up again or otherwise."

Consolidation, division and sub-division

Article 11 provides that, "Subject to the provisions of Section 94 of the Act the Company in general meeting may, from time to time, sub-divide or consolidate its shares or any of them and the resolution whereby any share is sub-divided, may determine that, as between the holders of the shares resulting from such sub-division one or more of such shares shall have some preference or special advantage as regards dividend capital or otherwise over or as compared with the others or other. Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled."

SHARES

Shares to be numbered progressively and no share to be sub-divided

Article 16 provides that, "The shares in the capital shall be numbered progressively according to their several denominations and except in the manner herein before mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished."

Directors may allot shares as fully paid up

Article 19 provides that, "Subject to the provisions of Section 81 of the act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such person, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provisions of sections 78 and 79 of the Act) at a discount and at such time as they may form time to time think fit and with sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General meeting. The Board shall cause to be filed the returns as to allotment provided for in section 75 of the Act."

Deposit and call etc. to be a debt payable immediately

Article 22 provides that, "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."

Company not bound to recognize any interest in shares other than that of registered holder

Article 27 provides that, "Except as ordered by a Court of competent jurisdiction or as by law required, the company shall not be bound to recognise any equitable, contingent, future or partial interest in share or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof; but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them."

UNDERWRITING AND BROKERAGE

Commission may be paid

Article 28 provides that, "Subject to the provisions of 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 (whether absolutely or conditionally) for any shares or debentures in the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares or debentures in the Company, but so that the commission shall not exceed in the case of shares five per cent of the price at which the shares are issued and in the case of debentures two and a half per cent of the price at which the debentures are issued. 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."

Brokerage

Article 29 provides that, "The Company may also, on any issue of shares or debentures, pay such brokerage as may be lawful."

INTEREST OUT OF CAPITAL

Interest may be paid out of Capital

Article 30 provides that, "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 pay interest on so much of that share capital as is for 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."

CERTIFICATES

Share Certificates

Article 24 provides that, "Every Member or allottee of the shares shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors so 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 or otherwise provide, or within two months of the receipt of the application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of the letter of allotment or the fractional coupons of requisite value , if any, save in case of issues against letters of acceptance or of renunciation or in cases of issue of bonus shares. Every certificate of share shall be under the seal of the Company which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and the two Directors or their attorneys and the Secretary or other person shall sign the certificate of share, provided that if the composition of the Board permits of it, one of the aforesaid two Directors shall be a Managing Director. Every certificate of share shall specify the number and distinctive number 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.

(a) Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue. For any further certificate the Board shall be entitled, but shall not be bound to prescribe a charge not exceeding Rupee One. The Company shall comply with the provisions of Section 113 of the Act.

(b) The Board may, at any time, declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.

(c) The provisions of this Article shall *mutatis mutandis* apply to calls on debentures of the Company.

(d) 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 is lost or destroyed then upon proof thereof to the satisfaction of the Company and on the execution of such indemnity as the Company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.1/- 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 regulations or requirements of any Stock Exchange or the rules made under the Act or the 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.

(e) Subject to the provisions of section 111A of the Act, other applicable provisions of the act and these Articles or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a member in or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving such intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the grounds of the transferor being either alone or jointly with any other persons indebted to the Company on any account whatsoever except where the Company has a lien on shares."

Renewal of share certificates

Article 25 provides that, "(a) No certificate of any share or shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out or where the cages on the reverse for recording transfers have been duly utilised, unless the certificate in lieu of which it is issued is surrendered to the Company. (b) When a new share certificate has been issued in pursuance of clause (a) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "issued in lieu of share certificate No. _______ sub-divided / replaced / on consolidation of shares." (c) If a share certificate is lost or destroyed, a new certificate in lieu thereof shall be issued only with the prior consent of the Board and on such terms, if any, as to evidence and indemnity and as to the payment of out-of-pocket expenses incurred by the Company in investigating evidence, as the Board thinks fit. (d) When a new share certificate has been issued in pursuance of clause (c) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "duplicate issued in lieu of share certificate No.____." The word "Duplicate" shall be stamped or punched in bold letters across the face of the share certificate. (e) Where a new share certificate has been issued in pursuance of clause (a) or clause (c) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates indicating against the names of the persons to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate is issued and the necessary changes indicated in the Register of Members by suitable cross reference in the "Remarks" column. (f) All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine-numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the safe custody of the Secretary or of such other person as the Board may appoint for the purpose; and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board. (g) The Managing Director of the Company for the time being or, if the Company has no Managing Director, every Director of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates except the blank forms of share certificate referred to in sub-article (f). (h) All books referred to in sub-Article (g) shall be preserved in good order permanently."

CALLS

Directors may make calls

Article 31 provides that, "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 allotments, by a resolution passed at a meeting of the Board (and not by circular resolution) make such call as it thinks fit upon the Members in respect of all moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call may be made payable by installments."

Notice of calls

Article 32 provides that, "Fourteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment and the person or persons to whom such call shall be paid."

Call to date from resolution

Article 33 provides that, "A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board."

Directors may extend time

Article 36 provides that, "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, the Board may deem fairly entitled to such extension but no Member shall be entitled to such extension save as a matter of grace and favour."

Calls to carry interest

Article 37 provides that, "If any Member fails to pay any call due from him on the day appointed for payment thereof or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board, but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member."

Payment in anticipation of calls may carry interest

Article 41 provides that, "(a) 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, all or any part of the amounts of his respective shares beyond the sums actually called up and upon the moneys so paid in advance or upon so much thereof, from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Board may pay or allow interest, at such rate as the Board agreed 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 months' notice in writing. Provided that moneys paid in advance of calls on any shares may carry interest but shall not confer a right to dividend or to participate in profits. (b) 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 would but for such payment become presently payable. (c) The provisions of this Article shall *mutatis mutandis* apply to calls on debentures of the Company."

FORFEITURE, SURRENDER AND LIEN

If money payable on share not paid, notice to be given to Member

Article 45 provides that, "If any Member fails to pay any call or installment of a call 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 remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment."

Form or notice

Article 46 provides that, "The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or installment and such interest thereon at such rate as the Board of Directors shall determine 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 the non-payment at 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."

In default of payment, shares to be forfeited

Article 47 provides that, "If the requirements of any such notice as aforesaid shall not be complied with, every or any shares in respect of which, such notice has been given, may at any time thereafter before payment of all calls or installments, interest and expenses due in respect thereof, 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."

Forfeited share to be property of the Company and may be sold, etc.

Article 49 provides that, "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."

Company to have lien on shares

Article 42 provides that, "(a) The Company shall have a first and paramount lien upon all the shares and/or debentures (other than fully paid up shares) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at fixed time in respect of such shares and/or debentures and no equitable interest in any shares and/or debentures shall be created except upon the footing and upon the condition that Article 23 hereof is to have full effect. Any such lien shall extend to all dividends, bonuses from time to time declared in respect of such shares and/or debentures. Unless otherwise agreed the registration of a transfer of shares and/or debentures shall operate as a waiver of the Company's lien, if any, on such shares and/or debentures."

TRANSFER AND TRANSMISSION OF SHARES

Form of transfer

Article 57 provides that, "The instrument of transfer shall be in writing and all the provisions of Section 108 of the Companies Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and the registration thereof.

Directors may refuse to register transfer

Article 24 (e) provides that, "Subject to the provisions of section 111A of the Act, other applicable provisions of the act and these Articles or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a member in or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving such intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the grounds of the transferor being either alone or jointly with any other persons indebted to the Company on any account whatsoever except where the Company has a lien on shares."

Title to shares, etc. of deceased Members

Article 62 provides that, "Where a shareholder, debenture holder or the holder of other security has not nominated any other person pursuant to Section 109A of the Act, the executors or administrators or holders of a Succession Certificate or the legal representatives of a deceased member (not being one of two or more joint-holders) shall be the only persons recognised by the Company as having any title to the shares, debenture or other securities registered in the name of such person and the Company shall not be bound to recognise such executors or administrators or holders of a 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 in any case where the Board in its absolute discretion thinks fit, the Board may dispense with production of Probate or Letters of Administration or Succession Certificate, upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and under Article 64 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."

Fee on transfer or transmission

Article 66 provides that, "No fees shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document."

JOINT HOLDERS

The First name of joint holders deemed sole holder

Article 26 provides that, "If any share stands in the names of two or more persons, the person first named in the Register shall as regards receipt of dividends or bonus or service of notices and all or any other matter connected with the Company, except voting at meetings and the transfer of the shares, be deemed the sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share and for all incidents thereof according to the Company's regulations."

Liability of joint-holders

Article 35 provides that, "The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof."

Dividend etc. to joint-holders

Article 142 provides that, "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 dividends or bonus or other payable in respect of such shares."

Documents or Notices

Article 157 provides that, "A document or notice may be served or given by the Company on or to the joint-holders of a share by serving or giving the document or notice on or to the joint-holder named first in the Register of Members in respect of the share."

Votes of joint Members

Article 87 provides that, "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, that one of the said persons so present whose name stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint-holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name shares stand shall for the purpose of these Articles be deemed joint-holders thereof."

Death of one or more joint-holders of shares

Article 61 provides that, "In the case of the death of any one or more of the persons named in the Register of Members as the joint-holders of any share, the survivor or survivors shall be the only persons recognised by the Company as having any title 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."

DEMATERIALIZATION OF SECURITIES

Dematerialization of Securities

Article 17 provides that, "Notwithstanding anything contained in these Articles, the company shall be entitled to dematerialize its securities and to offer securities in the Dematerialized form pursuant to the Depositories Act, 1996.

Definitions

1. For the purpose of the Article :
   "Beneficial Owner" means a person whose names is/are recorded as such with the Depository.
   "SEBI" means the Securities & Exchange Board of India.
   "Act" means the Companies Act, 1956 or any further amendments thereof.
   "Depository" means a Company formed and registered under the Companies Act, 1956 and which has been granted a Certificate of Registration to act as a Depository under the Securities & Exchange Board of India Act, 1992 and
   "Security" means such Security as may be specified by the SEBI from time to time.
2. Every person subscribing to security offered by the Company shall have the option to receive security certificate or to hold the security in a dematerialized form with a depository. Such a person who is the beneficial owner of the Security can at any time opt out of depository, if permitted by the Law, in respect of any security in the manner provided by the Depository Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificate of securities. If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.
3. Notwithstanding anything contained in sub section (1) of the section 113 of the Act, where the securities are dealt with by a depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.
4. All securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Section 153, 153A, 153B, 187B, 187C and 372A of the Act, shall apply to a Depository in respect of the securities held by a depository. No Certificate shall be issued for the securities held by a depository.
5. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held by a depository. No Certificate shall be issued for the securities held by a depository.
6. Notwithstanding anything contained in these Articles, in the case of transfer or transmission of securities where the Company has not issued any certificates and where such securities are being held in a electronic and fungible form by a Depository, the provisions of the Depositories Act, 1996 shall apply. The Company shall not be required to maintain "Register of Transfers" for entering particulars of transfer and transmission of Securities in dematerialized Form.
7. Notwithstanding anything contained in the Act or in these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of securities on behalf of a beneficial owner. Save as otherwise provided hereinabove, the depository as a registered owner shall not have any voting rights or any other rights in respect of securities held by it and the beneficial

owner shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of its securities held by a depository.

8. Except as ordered by the Court of Competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears as the beneficial owner of the securities in records of the depository as the absolute owner thereof and accordingly the Company shall not be bound to recognize any benami, trust or equitable, contingent, future or partial interest in any security or except only right in respect of security other than an absolute right thereto, in accordance with these Articles on the part of any other person whether or it shall have express or implied notice thereof.
9. Notwithstanding anything contained in the Act or these Articles, where securities are held by 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 or any such other means.
10. Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of the depository.
11. Notwithstanding anything contained in the Act or these Articles, the company cal hold investments in the name of the Depository when such investments are in the Form of securities held by the Company as a beneficial owner.
12. The Register and Index of beneficial owners maintained by the Depository under Section 11 of the Depository Act, 1996 shall be deemed to be the Register and Index of the members for the purpose of the Act. The Company shall have the power to keep in any stake or country outside India a Branch Register of Members resident in that state or country.
13. Notwithstanding anything contained in these Articles or the Act, 1996 relating to dematerialisation of securities (including any modifications or re-enactment thereof and Rules/Regulations made thereunder) shall prevail and apply accordingly.

GENERAL MEETINGS

Meeting not to transact business not mentioned in notice

Article 80 provides that, "No General Meeting, Annual or Extraordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened."

Chairman of General Meeting

Article 82 provides that, "The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there be no such Chairman of the Directors or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair then the Members present shall elect another Director as Chairman and if no Director be present or if all the Directors present decline to take the chair, then the Members present shall elect one of their number to be Chairman."

Chairman with consent may adjourn meeting

Article 83 provides that, "The Chairman with the consent of the Members may adjourn any meeting from time to time and from place to place, 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."

VOTES OF MEMBERS

Casting of votes by a Member entitled to more than one vote.

Article 85 provides that, "On a poll being taken at a meeting of the Company a Member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses."

Voting in person or by proxy

Article 88 provides that, "Subject to the provisions of these Articles votes may be given either personally or by proxy. A body corporate being a Member may vote either by 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 exercise if it were an individual member."

Casting vote

Article 84 provides that, "The Chairman will not have a second or casting vote."

Voting in person or by proxy

Article 88 provides that, "Subject to the provisions of these Articles votes may be given either personally or by proxy. A body corporate being a Member may vote either by 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 exercise if it were an individual member."

Proxy to vote only on a poll

Article 91 provides that, "A Member present by proxy shall be entitled to vote only on a poll."

Appointment of proxy

Article 89 provides that, "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 body corporate under the common seal or such corporation or be signed by an officer or any attorney duly authorised by it and any Committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the meetings."

DIRECTORS

General provisions relating to Directors

Article 100 provides that, "The Directors (or his/her alternate) shall not be required to hold any qualification Shares."

Number of Directors

Article 98A provides that, "Unless otherwise determined by a General Meeting of the Company and subject to the provisions of the Act, the Board shall consist of a maximum of 12 Directors.""

Nominee Director/s

Article 106 provides that, "Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to the Infrastructure Development Finance Company Limited (IDFC), Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), The Industrial Credit and Investment Corporation of India Ltd. (ICICI), Life Insurance Corporation of India (LIC), Unit Trust of India (UTI) or to any other Finance Corporation or Credit Corporation or to any other Financing Company or Body out of any loans granted by them to the Company or so long as IDFC, IDBI, IFCI, ICICI, LIC, UTI or any other Financing Corporation or Credit Corporation or any other Financing Company or Body (each of which IDFC, IDBI, IFCI, ICICI, LIC, UTI or any other Finance corporation or Credit Corporation or any other financing Company or Body is hereinafter in this Article referred to as "the Corporation") continue to hold debentures in the Company by direct subscription or private placement or so long as the Corporation holds shares in the Company as a result of underwriting or direct any person or persons as a Director or Directors (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 person or persons so appointed and to appoint any person or persons in his or their place/s."

Debenture Directors

Article 107 provides that, "If it is provided by the Trust Deed, securing or otherwise, in connection with any issue of debentures of the Company, that any person or persons shall have power to nominate a Director of the Company, then in the case of any and every such issue of debentures, the person or persons 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 Debenture Director. A Debenture Director may be removed from the office at any time by the person or persons 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 no be bound to hold any qualification shares."

Remuneration of Directors

Article 108 provides that, "(1) Subject to the provisions of the Act, a Managing Director or Managing Directors and any other Director/s who is/are in the whole-time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way or partly by the other. (2) Subject to the provisions of the Act, a Director other than any Director appointed under Articles 118, 119 and 120 who is neither in the whole-time employment nor a Managing Director may be paid remuneration either: - (i) By way of monthly, quarterly or annual payment with the approval of the Central Government, or (ii) By way of commission if the Company by a special resolution authorised such payment. (3) The fee payable to a Director (other than Managing/Whole-time Director/s) for attending a meeting of the Board or Committee thereof shall be such sum as may be determined by the Board of Directors within the limits as prescribed by the Central Government from time to time."

RETIREMENT AND ROTATION OF DIRECTORS

Retirement and rotation of Directors

Article 113 provides that, "At every Annual General Meeting of the Company, one third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire from office. The Debenture Director or any Director appointed under Article 118 and 119 and the Managing Director for the time being, shall not be subject to retirement under this clause and shall not be taken into account in determining the rotation of retirement or the number of Directors to retire."

Ascertainment of Directors retiring by rotation and filling of vacancies

Article 114 provides that, "Subject to Section 256(2) of the Act the Directors to retire by rotation under Article 126 at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire, shall, in default of and subject to any agreement among themselves, be determined by lot."

PROCEEDINGS OF MEETINGS OF THE BOARD OF DIRECTORS

Meetings of the Board at least once in every calendar quarter

Article 101 provides that, "The Board shall meet at least once in every calendar quarter and at least four (4) such meetings shall be held in every year. In the event that a meeting of the Board is not held during any calendar quarter, any Director may call a meeting of the Board by giving at ten (10) days prior notice to the other Directors. All meetings of the Board or any committee of the Board shall be called by giving at least seven (7) days prior notice, which notice shall be in writing and accompanied by the agenda setting out in detail the businesses proposed to be transacted at such meeting and all relevant documents thereto. All notices shall be sent to each of the Directors, by speed post acknowledgement due at their usual address in India or by international courier if situated abroad, and through email as well."

Quorum for a Board meeting

Article 103 provides that, "The quorum for a Board meeting shall be governed by the provisions of the Act. If at a meeting of the Board (the "First Adjourned Meeting") a valid quorum is not present, the meeting shall be adjourned and be reconvened at a mutually agreed time and place one (1) week later by giving at least three (3) days notice. If at such adjourned meeting (the "Second Adjourned Meeting") a valid quorum is not present, then the members present comprising the Board shall be a valid quorum. Provided that no matters not already circulated as agenda for the First Adjourned Meeting, should be tabled as agenda or discussed or passed at the Second Adjourned Meeting."

When meeting to be convened

Article 126 provides that, "The Secretary shall, as and when directed by the Directors to do so, convene a meeting of the Board by giving a notice in writing to every Director."

Chairman

Article 127 provides that, "The Directors may from time to time elect from among their number, a Chairman of the Board and determine the period for which he is to hold office. Shri Ashok M Katariya will continue to be Chairman of the Board of Directors, so long as he continues to be a Director. If at any meeting of the Board, the Chairman is not present within fifteen minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairman of the meeting."

POWERS OF DIRECTORS

Powers of Directors

Article 130 provides that, "The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting only, subject nevertheless to these Articles, to the provisions of the Act or any other Act and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting; but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. Provided that the Board shall not, except with the consent of the Company in General Meeting : (a) sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole, of any such undertaking; (b) remit or give time for the repayment of, any debt due by a Director; (c) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertakings as is referred to in clause (a) or of any premises or properties used for any such undertaking and without which it can not be carried on or can be carried on only with difficulty or only after a considerable time; (d) borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose. Provided further that the powers specified in Section 292 of the Act shall subject to these Articles, be exercised only at meetings of the Board, unless the same be delegated to the extent therein stated; or (e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed fifty thousand rupees or five percent of its average net profits as determined in accordance with the provisions of Section 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater."

Certain powers of the Board

Article 131 provides that, "Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers, that is to say, power: (1) To pay costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company. (2) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereof under the provisions of Sections 76 and 208 of the Act. (3) Subject to Sections 292 and 297 of the Act, to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory. (4) At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, mortgages 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, mortgages or other securities may be either specially charged upon all or any part of the property of the Company and its uncalled capital or not so charged. (5) To secure the fulfillment of any contract or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner, as they may think fit. (6) To accept from any Member, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed. (7) To appoint any person to accept and hold in trust for the Company any property belonging to the Company, in which it is interested or for any other purposes and to execute and do all such deeds and things as may be required in relation to any trust and to provide for the remuneration of such trustee or trustees. (8) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment of satisfaction of any debts due and of any claim or demand by or against the Company and to refer any differences to arbitration and observe and perform any awards made thereon. (9) To act on behalf of the Company in all matters relating to bankrupts and insolvents. (10) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company. (11) Subject to the provisions of Sections 292, 295 and 372A of the Act, to invest and deal with any moneys of the Company not immediately required for the purposes thereof upon such security (not being shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investment. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name. (12) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon. (13) To determine from time to time who shall be entitled to sign on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose. (14) To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company and to give to any officer or other person employed by the Company a commission on the profits of any particular business or transaction; and to charge such bonus or commission as part of the working expenses of the Company. (15) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependants or connections of such persons, by building or contributing to the buildings of houses, dwellings or chawls, or by grants of money pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing to provident fund and other associations, institutions, funds or trusts and by providing or subscribing or contributing towards places on instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit; and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise. (16) Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation to Depreciation Fund, or to an Insurance Fund, or as a Reserve Fund or Sinking Fund or any Special Fund, to meet contingencies or to repay debentures, or debenture-stock, or redeemable preference shares or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purposes referred to in the preceding clause), as the Board may, in their absolute discretion, think conducive to the interest of the Company and subject to Section 292 of the Act, to invest the several sums so set aside or so much thereof as required to be invested, upon such investments (other than shares of the Company) as they may think fit and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board in their absolute discretion, think conducive to the interest of the Company, notwithstanding that the matters to which the Board apply or upon which they expend the same, or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the Reserve Fund into such special funds as the Board may think fit, with full power to transfer the whole or any portion of a Reserve Fund or division of a Reserve Fund and with full power to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in the purchase or repayment of Debentures or debenture-stock and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper. (17) To appoint and at their discretion remove or suspend such general managers, managers, secretaries, assistants, supervisors, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties and fix their salaries or emoluments or remuneration and to require security in such instances and to such amount as they may think fit. And also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit; and the provisions contained in the four next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause. (18) To comply with the requirements of any local law which in their opinion it shall in the interests of the Company be necessary or expedient to comply with. (19) From time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to be members of such Local Boards and to fix their remuneration. (20) Subject to Section 292 of the Act, from time to time and at any time to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their power to make calls or to make loans or borrow moneys and to authorise the Members for the time being of any such Local Board or any of them to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit and the Board may at any time remove any person so appointed and may annul or vary any such delegation. (21) At any time and from time to time by Power of Attorney under the Seal of the Company to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit and any such appointment may (if the Board thinks fit) be made in favour of the members or any of the members of any Local Board, established as aforesaid or in favour of any company or the share holders, directors, nominees or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such Power of Attorney may contain such Powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them. (22) Subject to Section 294 and 297 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient. (23) From time to time to make, vary and repeal bye-laws for the regulation of the business of the Company, its officers and servants."

Power to Borrow

Article 69 provides that, "Subject to the provisions of Sections 292 and 293 of the Act the Board may, from time to time at its discretion by a resolution passed at a meeting of the Board accept deposits from 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 purposes of the Company. Provided, however, 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."

MANAGING OR WHOLETIME DIRECTORS

Board may appoint Managing Director or Managing Directors or whole time Director or Directors

Article 122 provides that, "Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint from time to time any of its number as Managing Director or Managing Directors or whole time Director or Directors of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit and subject to the provisions of Article 143, the Board may by resolution vest with such Managing Director or Managing Directors or whole time Director or Directors such of the powers hereby vested with the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine. The remuneration of a Managing Director may be by way of monthly payment, fee for each meeting or participation in profits or by any or all these modes or any other mode not expressly prohibited by the Act."

DIVIDENDS

Division of profits

Article 136 provides that, "The profits of the company, subject to any special rights relating thereto created or authorised to be created by these Articles and subject to the provisions of these Articles, shall be divisible among the Members in proportion to the amount of capital paid-up or credited as paid-up the shares held by them respectively."

The Company in General Meeting may declare a dividend

Article 137 provides that, "The Company in General Meeting may declare dividends to be paid to Members according to their respective rights, but no dividends shall exceed the amount recommended by the Board."

Dividends in proportion to amount paid-up

Article 141 provides that, "All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividends as from a particular date, such share shall rank for dividend accordingly."

Unclaimed dividend

Article 146 provides that, "Dividends unclaimed will be dealt with according to the provisions of Sections 205A, 205B and 205C of the Companies Act, 1956."

AUDIT

Accounts to be audited

Article 154 provides that, "Auditors shall be appointed and their rights and duties regulated in accordance with Sections 224 to 233 of the Act."

INDEMNITY AND RESPONSIBILITY

Directors' and Others' right of Indemnity

Article 164 provides that, "Every Officer or Agent for the time being of the Company shall be indemnified out of the assets of the Company against all liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court."

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

Copies of the following contracts which have been entered or are to be entered into by the Company (not being contracts entered into in the ordinary course of business carried on by the Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material have been attached to the copy of this Draft Red Herring Prospectus delivered to the Registrar of Companies, Maharashtra at Mumbai for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office of the Company located at Survey No. 861, Ashoka House, Ashoka Marg, Vadala, Nashik, Maharashtra - 422 011.

A. Material Contracts for the Company

1. Shareholders Agreement between the Company and IDFC Infrastructure Fund 2 dated July 11, 2006.

2. Agreement between the Company and Ashoka Vastu Private Limited and Ashoka Builders (Nasik) Private Limited dated September 15, 2001.

3. Shareholders' Agreement between the Company and D. S. Constructions Limited dated July 14, 2006.

4. Joint Venture Agreement between the Company and Valecha Engineering Limited dated September 1, 2005.

5. Memorandum of Understanding between the Company and IVRCL Infrastructures and Projects Limited dated August 14, 2001.

6. Shareholders' Agreement between the Company, IVRCL Infrastructures and Projects Limited and Viva Infrastructure Private Limited dated March 25, 2002.

7. Memoranda of Understanding between the Company and Infrastructure Finance Development Company Limited dated May 26, 2006.

8. Memorandum of Understanding between the Company and Jayaswal Holdings Private Limited dated October 20, 1998.

9. Memorandum of Understanding entered into among VIPL, SREI Infrastructure Finance Limited, Subhash Projects and Marketing Limited and PNC Construction Company Limited dated May 26, 2007.

10. Letter of Intent dated January 11, 2008 from IDFC Limited to provide a term loan of Rs. 2,850 million to Ashoka Highways (Bhandara) Limited for the NH-6 project.

11. Share Subscription and Shareholders' Agreement dated April 17, 2009 between Infrastructure Development Finance Corporation Limited, IIF, Ashoka Highways Durg Limited and the Company.

12. Share Subscription and Shareholders' Agreement dated April 17, 2009 between Infrastructure Development Finance Corporation Limited, IIF, Ashoka Highways Bhandara Limited and the Company.

13. Shareholders Agreement dated July 12, 2008 between VIPL, SREI Infrastructure Finance Limited, Subhash Projects and Marketing Limited, PNC Construction Company Limited and Jaora-Nayagaon Toll Road Company Private Limited.

B. Material Contracts to the Issue

1. Letter of Engagement dated September 8, 2009 issued by the Company for the appointment of IDFC-SSKI Private Limited and Enam Securities Private Limited appointing them as BRLMs and Motilal Oswal Investment Advisors Private Limited as the CBRLM.

2. Memorandum of Understanding dated September 8, 2009 between the Company, the BRLMs and the CBRLM.

3. Memorandum of Understanding dated September 7, 2009 between the Company and the Registrar to the Issue.

4. Escrow Agreement dated [●] between the Company, the BRLMs, the CBRLM, Escrow Collection Bank and the Registrar to the Issue.

5. Underwriting Agreement dated [●] between the Company, the BRLMs, the CBRLM and the Syndicate Members.

6. Syndicate Agreement dated [●] between the Company, BRLMs, the CBRLM and the Syndicate Members.

C. Documents for Inspection

1. Certified copies of the updated Memorandum and Articles of Association of the Company as amended from time to time.

2. Certificate of Incorporation of the Company dated May 13, 1993. Fresh Certificate of Incorporation of the Company dated April 22, 2002.

3. Resolutions of the Board of Directors of the Company dated September 7, 2009 in relation to this Issue and other related matters.

4. Shareholders' resolution dated September 7, 2009 in relation to this Issue and other related matters.

5. The report of M. P. Chitale & Co., Chartered Accountant, the statutory auditors, dated September 14, 2009 prepared as per Indian GAAP and mentioned in this Draft Red Herring Prospectus together with copies of balance sheet and profit and loss account of the Company referred to therein.

6. Consent from the Auditors for inclusion of their names as the statutory auditors and of their reports on accounts in the form and context in which they appear in this Draft Red Herring Prospectus.

7. The Statement of Tax Benefits dated September 14, 2009 from the Company's statutory auditors.

8. Consent of Directors, BRLMs, the CBRLM, the Syndicate Members, Legal Advisors to the Issue, Registrars to the Issue, Escrow Collection Banker, Banker to the Issue, Bankers to the Company, Company Secretary and Compliance Officer as referred to in their specific capacities.

9. Resolution of the Members passed at the Annual General Meeting held on June 22, 2009 appointing M.P. Chitale & Co., Chartered Accountant as statutory auditors for the year 2009-2010.

10. Agreement dated May 27, 2009, Board resolution dated May 25, 2009, and Shareholder Resolution dated June 22, 2009, in relation to the appointment and remuneration of Ashok M. Katariya, Chairman.

11. Agreement dated May 27, 2009, Board resolution dated May 25, 2009, and Shareholder Resolution dated June 22, 2009, in relation to the appointment and remuneration of Satish D. Parakh, Managing Director.

12. Agreement dated May 27, 2009, Board resolution dated May 25, 2009, and Shareholder Resolution dated June 22, 2009, in relation to the appointment and remuneration of Sunil B Raisoni, Whole Time Director.

13. Certificate dated September 5, 2009 issued by Sanjay V. Goyal & Co., Chartered Accountants regarding utilisation of funds for Katni Bypass Project.

14. Certificate dated September 14, 2009 issued by M P Chitale & Co., Chartered Accountants regarding utilisation of funds for Pune Shirur Project.

15. Due Diligence Certificate dated September 22, 2009 addressed to SEBI from the BRLMs and the CBRLM.

16. In principle listing approvals dated [●] and [●] issued by NSE and BSE respectively.

17. Tripartite Agreement dated March 9, 2006 the Company, NSDL and the Registrar to the Issue.

18. Tripartite Agreement dated November 3, 2007 between the Company, CDSL and the Registrar to the Issue.

19. IPO Grading Report dated [●], 2009 by [●].

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 the Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, hereby declare that all relevant provisions of the Companies Act, 1956 and the guidelines issued by the Government or the regulations or guidelines issued by the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956 or the Securities and Exchange Board of India Act, 1992 or Rules or regulations made there under or guidelines issued, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF THE COMPANY

Ashok M. Katariya
(*Chairman*)

Satish D. Parakh
(*Managing Director*)

Sunil B. Raisoni
(*Executive Director*)

Shyam Sundar S.G.
(*Non-Executive Director*)

Michael Pinto
(*Independent Director*)

Milap R. Bhansali
(*Independent Director*)

Anant D. Narain
(*Independent Director*)

Sharad Abhyankar
(*Independent Director*)

Paresh C. Mehta
(*Vice-President – Finance and Accounts*)

Date: September 22, 2009
Place: Mumbai