



## RED HERRING PROSPECTUS

Dated January 04, 2008

Read section 60B of the Companies Act, 1956

100% Book Building Issue

### J. KUMAR INFRAPROJECTS LIMITED

(Our Company was originally incorporated as "J. Kumar & Company (India) Private Limited" on December 2, 1999 under the Companies Act, 1956, with the Registration No. 11-122886. The name of our Company was subsequently changed to J. Kumar Infraprojects Private Limited on January 8, 2007. Our Company was converted into a Public Limited Company and its name was changed to J. Kumar Infraprojects Limited with effect from January 31, 2007. For further details, please refer to the chapter titled "History and Other Corporate Matters" beginning on page 114 of this Red Herring Prospectus.)

**Registered Office:** 16-A, Andheri Industrial Estate, Veera Desai Road, Andheri (West), Mumbai - 400 058.

**Company Secretary and Compliance Officer:** Ms. Poornima Reddy

**Tel:** + 91 22 2673 0291 / 0848 / 0853 **Fax:** + 91 22 2673 0814,

**Email:** jkumar.ipo@jkumar.com, **Website:** www.jkumar.com

**PUBLIC ISSUE OF 65,00,000 EQUITY SHARES OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE, AGGREGATING RS. [●] LACS (THE "ISSUE") BY J. KUMAR INFRAPROJECTS LIMITED ("OUR COMPANY" OR THE "ISSUER"). THE ISSUE COMPRISES A NET ISSUE TO PUBLIC OF 63,00,000 EQUITY SHARES OF RS. [●] EACH (THE "NET ISSUE") AND A RESERVATION OF UPTO 2,00,000 SHARES OF RS. [●] EACH FOR ELIGIBLE EMPLOYEES OF OUR COMPANY (THE "EMPLOYEE RESERVATION PORTION"). THE NET ISSUE WILL CONSTITUTE 30.40% OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF OUR COMPANY. THE ISSUE WOULD CONSTITUTE 31.36% OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF OUR COMPANY.**

**PRICE BAND : Rs. 110/- TO RS. 120/- PER EQUITY SHARE OF FACE VALUE RS. 10/- EACH**

**THE ISSUE PRICE IS 11 TIMES OF THE FACE VALUE AT THE FLOOR PRICE OF THE PRICE BAND AND 12 TIMES OF THE FACE VALUE AT THE CAP PRICE OF THE PRICE BAND**

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

The Issue is being made through the 100% Book Building Process wherein atleast 50% of the Net Issue shall be allotted on a proportionate basis to Qualified Institutional Buyers ("QIBs"). 5% of the QIB Portion shall be available for allocation on proportionate basis 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. If atleast 50% of the Net Issue cannot be allotted to QIBs, then the entire application money will be refunded. Further, upto 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and upto 35% 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. Further, upto 2,00,000 Equity Shares shall be available for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received at or above the Issue Price.

#### RISK IN RELATION TO FIRST ISSUE

This being the first issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is Rs. 10/- and the Issue Price is [●] times of the face value. The Floor Price is 11 times and Cap Price is 12 times of the face value. The Issue Price (as determined by our Company, in consultation with the BRLM on the basis of assessment of market demand for the Equity Shares by way of book building) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

#### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and this Issue including the risks involved. The Equity Shares issued in this Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Red Herring Prospectus. Specific attention of the investors is invited to the statements in the chapter titled "Risk Factors" beginning on page 10 of this Red Herring Prospectus.

#### OUR COMPANY'S ABSOLUTE RESPONSIBILITY

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

#### LISTING

The Equity Shares issued through this Red Herring Prospectus are proposed to be listed on the Bombay Stock Exchange Limited ("BSE") and The National Stock Exchange of India Limited ("NSE"). We have received in-principle approvals from these Stock Exchanges for the listing of our Equity Shares pursuant to letters dated October 22, 2007 and November 16, 2007, respectively. For purposes of this Issue, BSE is the Designated Stock Exchange.

#### IPO GRADING

ICRA has assigned an IPO Grade 2, indicating below average fundamentals, to the proposed IPO of J. Kumar Infraprojects Limited (JKIL), through its letter dated December 17, 2007. ICRA assigns IPO gradings on a scale of IPO Grade 5 to IPO Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals. For further details in this regard, please see the section titled "General Information" on page 27.

#### BOOK RUNNING LEAD MANAGER

**ANANDRATHI**

**Anand Rathi Securities Limited**

11<sup>th</sup> Floor, Times Tower, Kamala City,

Senapati Bapat Marg, Lower Parel, Mumbai - 400013.

**Tel:** +91 22 4047 7000; **Fax:** +91 22 4047 7070

**Email:** jkumar.ipo@rathi.com; **Website:** www.rathi.com

**Contact Person:** Mr. Sachin Mehta / Mr. Akshay Bhandari

**Sebi Registration Number:** MB / INM000010478

#### REGISTRAR TO THE ISSUE



**Karvy Computershare Private Limited**

Plot no. 17 to 24, Vithalrao Nagar,

Madhapur, Hyderabad - 500 081.

**Tel:** + 91 40 2343 1553; **Fax:** + 91 40 2343 1551

**E-mail:** jkumar.ipo@karvy.com; **Website:** www.karvy.com

**Contact Person :** Mr. Murali Krishna

**Sebi Registration Number:** INR 000000221

**ISSUE PROGRAMME :**

**BID / ISSUE OPENS ON : January 18, 2008**

**BID / ISSUE CLOSES ON : January 23, 2008**

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## SECTION I – DEFINITIONS AND ABBREVIATIONS

### CONVENTIONAL AND GENERAL TERMS

Term	Description
Act or Companies Act	Companies Act, 1956 and amendments thereto
Depositories Act	Depositories Act, 1996 as amended from time to time
Depository	A depository registered with SEBI under the SEBI (Depositories and participants) Regulations, 1996 as amended from time to time
Depository Participant / DP	A depository participant as defined under the Depositories Act, 1996
DP ID	Depository Participant's Identification Number
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder and amendments thereto
FII / FIIs	A Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time registered with SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
Income Tax Act / I.T. Act	The Income Tax Act, 1961, as amended from time to time
Income Tax Rules / I.T. Rules	The Income Tax Rules, 1962, as amended from time to time
Indian GAAP	Generally Accepted Accounting Principles in India
Non Resident	A person resident outside India, as defined under FEMA and includes NRIs and FIIs
Non Resident India / NRI	A person resident outside India, as defined under FEMA who is a citizen of India or a person of Indian Origin specified under FEMA (Deposit Regulations), 2000, as amended from time to time
Overseas Corporate Body / OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of atleast 60% by NRIs including overseas Trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under FEMA OCBs are not allowed to participate in this issue
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
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Guidelines	SEBI (Disclosure and Investor Protection) Guidelines, 2000 as amended from time to time

## ISSUE RELATED TERMS

Term	Description
Allot / Allotment / Allotted / Allocated / Allocation	The Issue of allotment of Equity Shares pursuant to this Issue
Allottee	The successful Bidder to whom the Equity Shares are/ have been allotted
Banker(s) to the Issue	Axis Bank Limited, HDFC Bank Limited , ABN Amro Bank N.V. , and Centurion Bank of Punjab Limited
Bid	An indication to make an offer during the Bidding Period by a prospective investor to subscribe to the Equity Shares at a price within the Price Band, including all revisions and modifications thereto
Bid / Issue Closing Date	The date after which the Syndicate will not accept any Bids for the Issue, which shall be notified in a widely circulated English national newspaper, a Hindi national newspaper and a regional newspaper with wide circulation
Bid / Issue Opening Date	The date on which the Syndicate shall start accepting Bids for the Issue, which shall be the date notified in a widely circulated English national newspaper, a Hindi national newspaper and a regional newspaper with wide circulation
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form
Bid Price	The highest price at which the optional Bids have been made as indicated in the Bid cum Application Form.
Bid cum Application Form	The form in terms of which the Bidder shall make an offer to subscribe to the Equity Shares and which shall be considered as the application for Allotment pursuant to the terms 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, including any revisions thereof.
Book Building Process/ Method / Route	Book building Process as provided in Chapter XI of the SEBI Guidelines and in terms of which this Issue is being made
BRLM / Book Runing Lead Manager	Anand Rathi Securities Limited
CAN/ Confirmation of Allocation Note	Means the note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process any any revised CAN's issues thereto.
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
Cut-off Price	Any price within the Price Band finalized by our Company in consultation with the BRLM. A Bid submitted at the Cut-off price by Retail Individual Bidder is a valid bid. Only Retail Individual Bidders are entitled to bid at the Cut-off price. QIBs and Non-Institutional Bidders are not entitled to bid at the Cut-off price. Employees bidding for an amount less than or equal to an Bid amount of Rs. 1,00,000/- are entitled to bid at the Cut-off price. Employees bidding at an Bid amount of more than Rs. 1,00,000/- are not entitled to bid at the Cut-off price.
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account after the Prospectus is filed with the RoC, following which the Board of Directors shall allot Equity Shares to successful Bidders
Designated Stock Exchange	Bombay Stock Exchange Limited
Draft Red Herring Prospectus / DRHP	The Draft Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not contain complete particulars on the price at which the Equity Shares are offered and the size of the Issue
Eligible NRIs	NRIs from such jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe the Equity Shares

Eligible Employee/ Employees (in the Employee Reservation Portion)	<p>All or any of the following:</p> <p>a) A permanent employee of our Company as on filing of Red Herring Prospectus with RoC;</p> <p>b) A whole-time Director of our Company as on filing of Red Herring Prospectus with RoC;</p> <p>An Employee, as used in the context of the Employee Reservation Portion, should be an Indian national, based in India and physically present in India on the date of submission of the Bid cum Application Form. Also, such person should be an Employee on the payroll of our Company as on filing of Red Herring Prospectus with RoC. Promoter Directors and / or their relatives are not permitted to participate in this Issue under this reserved portion.</p>
Employee Reservation Portion	The portion of the Issue being upto 2,00,000 Equity Shares available for allocation to Eligible Employees.
Equity Shares	Equity shares of our Company of Rs. 10/- each unless otherwise specified in the context thereof
Escrow Account	Account opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into by our Company, the Registrar, BRLM, the Syndicate Members and the Escrow Collection Bank(s) for collection of the Bid Amounts and where applicable, remitting refunds of the amounts collected to the Bidders on the terms and conditions thereof.
Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account will be opened and in this case being Axis Bank Limited, HDFC Bank Limited, ABN Amro Bank N.V., and Centurion Bank of Punjab Limited
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form
Floor Price	The lower end of the Price Band, below which the Issue Price will not be finalized and below which no Bids will be accepted
Fresh Issue	Fresh Issue of 65,00,000 Equity shares
Issue	Public Issue of 65,00,000 equity shares of Rs. 10/- each for cash at a price of Rs. [●] per equity share including a share premium of Rs. [●] per equity share, aggregating Rs. [●] Lacs (the "Issue") by J. Kumar Infraprojects Limited ("our Company" or "the Issuer"). The issue comprises a Net Issue to Public of 63,00,000 equity shares of Rs. [●] each (the "Net Issue") and a reservation of upto 2,00,000 shares of Rs. [●] each for Eligible Employees of our Company (the "Employee Reservation Portion"). The net issue will constitute 30.40% of the fully diluted post issue paid-up capital of our Company. The issue would constitute 31.36% of the fully diluted post issue paid-up capital of our Company
Issue Price	The final price at which Equity Shares will be allotted in the issue, as determined by our Company in consultation with the BRLM on the Pricing Date
Issue Size	65,00,000 Equity Shares to be issued at the Issue Price amounting to Rs. 7150/- Lacs at the Floor price and Rs. 7800/- Lacs at the Cap price
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
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Fund Portion	5% of the QIB Portion or 1,57,500 Equity Shares (assuming the QIB Portion is for 50% of the Net Issue) available for allocation to Mutual Funds only
Net Issue to Public / Net Issue	Issue Size less reservation for Eligible Employees being 63,00,000 Equity Shares
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. 1,00,000/-
Non Institutional Portion	The portion of the Net Issue being 9,45,000 Equity Shares, available for allocation to Non Institutional Bidders being upto 15% of the Net Issue to Public
Pay-in Date	Bid Closing Date or the last date specified in the CAN sent to Bidders, as applicable
Pay-in-Period	(a) With respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/ Issue Opening Date; and extending until the Bid/ Issue Closing Date; and
	(b) With respect to Bidders whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid/ Issue Opening Date and extending until the closure of the Pay-in Date
Price Band	Price Band of a minimum price (Floor Price) of Rs. 110/- and the maximum price (Cap Price) of Rs. 120/- and includes revisions thereof
Pricing Date	The date on which our Company in consultation with the BRLM finalizes the Issue Price

Prospectus	The Prospectus to be filed with the RoC in terms of 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
QIB Margin Amount	An amount representing atleast 10% of the Bid Amount and the amount QIBs are required to pay at the time of submitting the bid.
QIB Portion	The portion of the Net Issue being 31,50,000 Equity Shares, available for allocation to QIBs being atleast 50% of the Net Issue to Public
Qualified Institutional Buyers / QIBs	As defined under the SEBI Guidelines to include Public Financial Institutions as specified in Section 4A of the Companies Act, FIIs, Scheduled Commercial Banks, Mutual Funds, Multilateral and Bilateral Development Financial Institutions, Venture Capital Funds registered with SEBI, Foreign Venture Capital Investors registered with SEBI, State Industrial Development Corporations, Insurance Companies registered with Insurance Regulatory and Development Authority, Provident Funds (subject to applicable law) with a minimum corpus of Rs. 2,500 Lacs and pension funds with a minimum corpus of Rs. 2,500 Lacs
Red Herring Prospectus / RHP	The Red Herring Prospectus dated January 04, 2008 issued in accordance of Section 60B of the Companies Act, which does not have complete particulars of price at which the Equity shares are offered and the size of the issue. The Red Herring Prospectus will be filed with the RoC atleast 3 days before the Bid / Issue opening date and will become a Prospectus upon filing with the RoC after the Pricing date.
Refund Account	The Account opened with the Refund Bank(s), from which a refund of the whole or part of the bid amount shall be made
Refund Bank	An Escrow collection bank in this case being Axis Bank Limited in which an account is opened and from which a refund of the whole or part of the bid amount shall be made
Refunds through Electronic Transfer of Funds	Refunds through Electronic Transfer of Funds mean refunds through ECS, Direct Credit, RTGS or NEFT as applicable.
Registrar to the Issue	Karvy Computershare Private Limited
Retail Individual Bidder(s)	Individual Bidders (including HUFs and NRIs) who have bid for Equity Shares for an amount less than or equal to Rs. 1,00,000/- in any of the bidding options in the Issue
Retail Portion	The portion of the Issue being 22,05,000 Equity Shares available for allocation to Retail Bidder(s) being upto 35% of the Net Issue of Public
Revision Form	The form used by the 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)
Stock Exchanges	Bombay Stock Exchange Limited and National Stock Exchange of India Limited
Syndicate	The BRLM and the Syndicate Member
Syndicate Agreement	Agreement between the Syndicate and our Company in relation to the collection of Bids in this Issue
Syndicate Member	Anand Rathi Securities Limited and A.K. Stockmart Private Limited
TRS/ Transaction Registration Slip	The slip or document issued by the Syndicate to the Bidder as proof of registration of the Bid
Underwriters	Anand Rathi Securities Limited and A.K. Stockmart Private Limited
Underwriting Agreement	The Agreement between the members of the Syndicate and our Company to be entered into on or after the Pricing Date

## COMPANY RELATED TERMS

Term	Description
“J. Kumar Infraprojects Limited”, “JKIL” “We”, “us”, “our”, “Issuer”, “the Company” and “our Company”,	Unless the context otherwise indicates or implies, refers to J. Kumar Infraprojects Limited, where the contents refer to it may also refer to J. Kumar & Co., Proprietary Concern.
Articles / Articles of Association / AoA	Articles of Association of our Company
Auditors	The statutory auditors of our Company, Gupta Saharia & Co.
Board/ Board of Directors	Board of Directors of our Company
Directors	Directors of our company, unless otherwise specified
Memorandum / Memorandum of Association / MoA	Memorandum of Association of our Company
Registered Office of Company	16-A, Andheri Industrial Estate, Veera Desai Road, Andheri (West), Mumbai – 400 058.
Promoter	1. Mr. Jagdishkumar M Gupta 2. Mr. Kamal J Gupta 3. Mr. Nalin J Gupta 4. Ms. Kusum J Gupta 5. Ms. Sonal K Gupta 6. Ms. Shalini N Gupta
Promoter Directors	1. Mr. Jagdishkumar M Gupta 2. Mr. Kamal J Gupta 3. Mr. Nalin J Gupta
Promoter Group	Unless the context otherwise requires, refers to those Individuals / companies/entities mentioned in the chapter titled “Our Promoters and Promoter Group” on page 131 of this Red Herring Prospectus

## TECHNICAL AND INDUSTRY RELATED TERMS

Term	Description
BOQ	Bill of Quantities
BOT	Build Operate and Transfer
BOOT	Build Own Operate and Transfer
CBD	Central Business District
CFI	Construction Federation of India
CFS	Container Freight Station
CIDCO	City and Industrial Development Corporation of Maharashtra Limited.
CMLR	Chembur Mankhurd Link Road
CPM PERT	Critical Path Method and Project Evaluation and Review Technique
EEH	Eastern Express Highway
EMD	Earnest Money Deposit
GMMC	Greater Mumbai Municipal Corporation
LoI	Letter of Intent
MCGM	Municipal Corporation of Greater Mumbai
MHADA	Mumbai Housing and Area Development Authority
MKVDC	Maharashtra Krishna Valley Development Corporation
MMRDA	Mumbai Metropolitan Regulatory Development Authority
MRVC	Mumbai Rail Vikas Corporation
MSRDC	Maharashtra State Road Development Corporation Limited
NABARD	National Bank for Agriculture and Rural Development
NIT	Notice Inviting Tender
NHAI	National Highways Authority of India
NHDP	National Highways Development Project
O & M	Operations and Maintenance
PCMC	Pimpri Chinchwad Municipal Corporation
PPP	Public-Private-Partnership
PWD	Public Works Department
RCC	Reinforced Cement Concrete
RMC	Ready Mix Concrete
ROB	Railway Over Bridge
RUB	Railway Under Bridge
SEZ	Special Economic Zone
SPV	Special Purpose Vehicle
WEH	Western Express Highway



## ABBREVIATIONS

Term	Description
A/c	Account
AGM	Annual General Meeting
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
CIN	Corporate Identification Number
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FIs	Financial Institutions
Financial Year/ Fiscal/FY	Period of twelve months ended March 31 of that particular year
GDP	Gross Domestic Product
GIR No.	General Index Registry Number
Gol/Government	Government of India
HNI	High Networth Individual
HUF	Hindu Undivided Family
IFSC	Indian Financial System Code
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
Lacs / Lakhs	One Hundred Thousand
Mn/mn	Million
MICR	Magnetic Ink Character Recognition
NA	Not Applicable
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NR	Non-resident
NRE Account	Non Resident External Account
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
PIO	Persons of Indian Origin
RBI	The Reserve Bank of India
ROC	Registrar of Companies
RONW	Return on Net Worth
Rupees / Rs.	Indian Rupees
RTGS	Real Time Gross Settlement
Sec.	Section
USD or \$ or US \$	United States Dollar

## **SECTION II – RISK FACTORS**

### **PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA**

Unless stated otherwise, the financial information used in this Red Herring Prospectus is derived from our Company's restated financial statements as of and for the years ended on March 31, 2003, 2004, 2005, 2006 and 2007, and for the six months ended September 30, 2007 prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with SEBI Guidelines, as stated in the report of our Statutory Auditors, Gupta Saharia & Co., Chartered Accountants, included in this Red Herring Prospectus. Financial information relating to the twelve months period ended on March 31, 2007 and for the six months ended September 30, 2007 included in this Red Herring Prospectus have been derived from the audited financial statements for such period, prepared in accordance with Indian GAAP and the Companies Act, as set forth in the report of our Statutory Auditors.

Our fiscal year commences on April 1 and ends on March 31 of a particular year. Unless stated otherwise, references herein to a fiscal year (e.g., fiscal 2007), are to the fiscal year ended March 31 of a particular year.

In this Red Herring Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word "Lakhs / Lacs" means "one hundred thousand" and "Crore" means "one hundred Lacs". Further, any discrepancies in any table between the total and the sum of the amounts are due to rounding-off. Throughout this Red Herring Prospectus, currency figures have been expressed in "Lacs" except those, which have been reproduced/ extracted from sources as specified at the respective places.

#### **Use of Market Data**

Market data used in this Red Herring Prospectus have been obtained from industry publications and internal Company reports. 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 market data used in this Red Herring Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by us to be reliable, have not been verified by any independent source.

Further the extent to which the market data presented in this Red Herring Prospectus is meaningful depends on the reader's familiarity with the understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different industry sources.

## FORWARD - LOOKING STATEMENTS

This Red Herring Prospectus contains certain “forward-looking statements”. These forward looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “shall”, “will”, “will continue”, “will pursue” or words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans goals are also forward-looking statements.

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

- The growth of the Infrastructure sector and the availability of Infrastructure financing in India;
- General economic and business conditions in India;
- Our ability to manage our growth effectively;
- Our ability to finance our business growth and obtain financing on favourable terms;
- The extent to which our projects qualify for percentage of completion revenue recognition;
- Our ability to compete effectively, particularly in new markets and businesses;
- Our ability to anticipate trends in and suitably expand our current business lines;
- Changes in technology
- The extent to which we can develop new businesses;
- Our ability to meet out capital expenditure requirements
- Raw material costs;
- Our dependence on key personnel;
- Contingent liabilities, environmental problems and uninsured losses;
- Government approvals;
- Changes in government policies and regulatory actions that apply to or affect our business; and
- Changes in the value of the Rupee and other currency changes;
- Changes in the Indian and international interest rates;
- Allocations of funds by the Government;
- Changes in laws and regulations that apply to our customers and the infrastructure and construction industry;
- Increasing competition in and the conditions of our customers and the infrastructure and construction industry;
- Changes in political and social conditions in India;and
- Performance of the financial markets, Indian and global.

For further discussion of factors that could cause our actual results to differ, refer the chapters titled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 10 and 160. Neither our Company nor any of the Underwriters nor any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the BRLM will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

## RISK FACTORS

An investment in equity shares involves a high degree of risk. 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. You should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain, a complete understanding of our Company, you should read this section in conjunction with the chapters titled “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 68 and 160 of this Red Herring Prospectus as well as the other financial and statistical information contained in this Red Herring Prospectus. If one or more of the following risks occur, our business, results of operations and financial condition could suffer, and the price of the Equity Shares and the value of your investment in the Equity Shares could decline.

Unless specified or quantified in the relevant risk factors mentioned below, our Company is not in a position to ascertain the financial and other implications of the risks mentioned below:

### Risks in relation to our Business or Internal Risks

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

We and two of our Promoter Directors, Mr. Jagdishkumar M. Gupta and Mr. Nalin J. Gupta, are involved in legal proceedings and claims in relation to certain matters. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. Any unfavourable decision against us may impose monetary liabilities on us, and required us to make provisions in our financial statements. Any unfavourable decision against our Directors may impose monetary liability on them and otherwise have an adverse impact on them.

The summary of the cases is as follows:-

Type	Total Number of Cases	Amount (Rs. in Lakhs)	Nature of the Case
<b>Cases filed against our Company</b>			
Civil	1	10.50	A claim has been made under Sections 140 and 166 of the Motor Vehicles Act, 1988 (“MVA”) before the Motor Accidents Claim Tribunal, Thane by the family members of the deceased, Mr. Madhukar Dagadu Shingade against our Company and the New India Assurance Company Limited on account of death of the deceased allegedly on account of an accident which took place on September 4, 2006 with a truck being driven by an employee of our Company.
Customs	1	733.18	Our Promoter and Executive Director, Mr. Nalin J. Gupta and four other employees of our Company received summons, all dated May 9, 2007 under Section 108 of the Customs Act, 1962 from the Directorate of Revenue Intelligence, Mumbai Zonal Unit for an inquiry in connection with the import of certain machinery exempt from payment of customs duty, based on an exemption notification. A search was conducted in our Company’s offices on May 9, 2007 by officials of the Directorate of Revenue Intelligence, Mumbai Zonal Unit. Pursuant to the aforesaid, our Company has paid customs duty and interest amounting to Rs. 7,33,18,057/- (Rupees Seven Crores Thirty Three Lacs Eighteen Thousand Fifty Seven only), since the conditions applicable for

			availing duty exemption for import of the aforesaid machinery had allegedly not been met.
<b>Litigation relating to our Promoter Directors</b>			
Income Tax	2	<ul style="list-style-type: none"> <li>▪ For assessment year 2001-2002: 1.80</li> <li>▪ For Assessment Year 2003-04: 17.32</li> </ul>	<ul style="list-style-type: none"> <li>▪ <i>For assessment year 2001-2002:</i> A penalty of Rs. 1.80 Lakhs has been imposed on Mr. Jagdishkumar M. Gupta under Section 271(1)(c) of the Income Tax Act, 1961. Appeal against the same filed by Mr. Jagdishkumar Gupta is pending before the Commissioner of Income Tax (Appeals). The penalty of Rs. 1,80,000 has not been paid by Mr. Jagdishkumar M Gupta, and an application to keep the penalty in abeyance has been made.</li> <li>▪ <i>For Assessment Year 2003-04:</i> A penalty of Rs. 17.32 Lakhs has been imposed on Mr. Jagdishkumar M. Gupta under Section 271(1)(c) of the Income Tax Act, 1961. Appeal against the same filed by Mr. Jagdishkumar Gupta is pending before the Income Tax Appellate Tribunal (Appeals). The penalty of Rs. 17,32,500 has been paid by Mr. Jagdishkumar M Gupta.</li> </ul>

**2. There has been a delay in intimating RBI regarding receipt of remittances from Non Residents towards subscription of our Equity Shares, as prescribed under the FEMA Regulations**

Our Company allotted Equity Shares to certain persons resident outside India on August 18, 2007 in terms of Regulation 5 of FEMA Notification No. 20/2000-RB dated May 3, 2000 and Clause 9(1)(A) of Schedule I of FEMA Notification No. 20/2000-RB dated May 3, 2000 issued by the RBI, and in terms of the Master Circular on Foreign Investments in India No. 2/2007-08 dated July 2, 2007 issued by the RBI (collectively the “**FEMA Regulations**”), an Indian company receiving investment from outside India for issuing shares under the FDI Scheme, should report the details of the inflow to the RBI not later than 30 days from the date of receipt of funds.

Our Company allotted Equity Shares to certain person’s resident outside India on August 18, 2007. In terms of the FEMA Regulations, the reporting was to be done within thirty days of receipt of the funds towards the aforesaid allotment of Equity Shares. The funds were received by our Company on various dates starting from July 9, 2007 till August 9, 2007, including on July 9, 2007, July 10, 2007 and July 12, 2007, for which we were required to report to RBI on August 9, 2007, August 10, 2007 and August 12, 2007 respectively. However, the intimation to RBI was made on August 24, 2007, that is after the expiry of the thirty-day period in respect of the aforesaid funds received on July 9, 2007, July 10, 2007 and July 12, 2007. We have informed the RBI of the same vide our letter dated August 24, 2007, and are awaiting further communication in this regard.

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

As per the provisions of Section 125 of the Companies Act, 1956, we are required to register charges created on our assets within thirty days of their creation, by filing of the requisite forms. On 31 occasions in the past, we have not filed the requisite forms with the Registrar of Companies within the aforesaid thirty day period. Of the aforesaid, we have filed the requisite forms after the aforesaid thirty-day period in 25 cases, while we are in the process of filing the balance requisite forms to be filed. We are also in the process of applying to the Company Law Board for condonation of delay in filing the aforesaid forms. We and our whole-time Directors may be exposed to penalties/prosecution in relation to the aforesaid defaults.

**4. There was no operational activity in our Company for 5 years since the date of its incorporation**

Our Company was incorporated on December 02, 1999. We were not registered as a contractor with any government department at that time. Subsequently with effect from November 25, 2004, the Class 1A registration of J. Kumar & Co. was transferred to our Company without consideration. We have thus been able to have operational activity only

from the financial year of 2005 and onwards. In the interim period from the date of our incorporation until the transfer of registration, all operational activities were being carried out in the proprietary concern, J.Kumar & Co.

**5. Our Company has not identified alternate sources of financing the ‘Objects of the Issue’ and may be severely affected in timely execution of our contracts and in our ability to bid for further contracts, if we fail to mobilize resources as per our plans.**

In such case, our Company shall approach Banks / Financial Institutions for funding the acquisition of machinery or will make alternate funding arrangements through unsecured loans to bridge the shortfall.

**6. We have not yet acquired / placed orders for machinery as stated in the ‘Objects of the Issue’**

Our company has finalized the list of machinery to be imported, though we have not yet placed orders for the same. We shall place the orders on receipt of funds from this IPO. The lead time for delivery of these machineries is generally in the range of 1 - 6 months. Further, on delivery, these machines can be operational in 2 - 3 months.

**7. Our expansion plans require significant expenditure and if we are unable to obtain the necessary funds for expansion, our business may be adversely affected.**

We will need significant additional working capital to finance our future business plans and, in particular, our plan for expansion as referred to in “Objects of the Issue” on page 42 of this Red Herring Prospectus. Due to various factors, including certain extraneous factors such as changes in tariff regulations, interest rates, insurance and other costs or borrowing and lending restrictions, if any, we may not be able to adequately finance our working capital needs, or secure other financing when needed, on acceptable commercial terms or at all, any such situation would adversely affect our business and growth prospects.

**8. We have had a negative cash flow from operations in FY 2006 of Rs. 516.49 Lacs**

**9. One of our Promoter group company has negative Net asset value and in one Proprietary concern the proprietor’s capital was negative for the last 2 years.**

Group Company	Negative Net Asset Value / Negative Proprietors Capital
J. Kumar Software System (India) Private Limited	Rs. 35.90 Lacs for FY 2007
J. Kumar & Co. (Proprietary concern)	Rs. 80.39 Lacs for FY 2007 Rs. 66.92 Lacs for FY 2006

J. Kumar Software System (India) Private Limited was incorporated on March 01, 2007 and has not yet started commercial operations. The proprietor’s capital has been negative as he has withdrawn his capital from his proprietary concern and invested in J. kumar Infraprojects Limited.

**10. There are potential conflict of interests, with and within our Promoter Group entities.**

Some of our Promoter Group entities are in similar line of business.

J. Kumar & Co. is a proprietary concern of Mr. Jagdishkumar M Gupta and has been involved in similar business as ours i.e. execution of civil contracts. With effect from November 25, 2004, the Class 1A registration of J. Kumar & Co. was transferred to our Company without consideration. Subsequently, vide Agreement to Purchase Assets dated March 01, 2006, certain specified assets of J. Kumar & Co., which related to our current business, were transferred to our Company for a consideration of Rs. Rs. 3,83,19,809 (Rupees Three Crores Eighty Three Lacs Nineteen Thousand Eight Hundred and Nine only). This transfer of assets was done on the basis of book value of the respective assets as on March 31, 2006 as certified by the statutory auditor of the Company, M/s Gupta Saharia & Co., vide their certificate dated October 09, 2007. There was no independent valuer appointed at the time of the agreement and asset transfer. The aforesaid certification has been taken for the purpose of clarity on valuation of the assets that were transferred in terms of the agreement mentioned above.

Further, vide Non-Compete, Non-Hire and Non-Disclosure Agreement dated September 12, 2007, certain obligations as to non-compete, non-hire and non-dislosure vis-à-vis our Company have been imposed on J. Kumar & Co. For details regarding these agreements, please refer paragraph titled “Other Agreements” in section titled “History and Other Corporate Matters” beginning on page 114 of this Red Herring Prospectus.

Our erstwhile Director Mr. Govind Dabriwal and part of our current Promoter Group carries on in his own name a business similar to ours, though the overall size of his operations are not comparable to ours. Further he has a PWD, Yavatmal registration of Class 3 and Registration from Vidharbha Irrigation Development Corporation of ‘Group A, Class 3’. As per the registration he can bid for contracts in the range of Rs. 1500 lacs to 3000 Lacs. For details of agreements entered into with J. Kumar & Co, proprietary concern and business details of Govind Dabriwal, proprietary concern please refer page 156, and page 158 of this Red Herring Prospectus respectively.

**11. There are interests of promoters/ directors other than reimbursement of expenses incurred or normal remuneration or benefits**

Except as stated in "Related Party Transactions" beginning on page no. 135 of this Red Herring Prospectus (including remuneration as whole-time Directors and reimbursement of expenses), and to the extent of shareholding in our Company either by themselves or shareholding of companies in which they are interested, our Promoters do not have any other interest in our Company, except for the following:

1. Vide Agreement to Purchase Assets dated March 01, 2006, certain specified assets of J. Kumar & Co., which related to our current business, were transferred to our Company for a consideration of Rs. Rs. 3,83,19,809 (Rupees Three Crores Eighty Three Lacs Nineteen Thousand Eight Hundred and Nine only);
2. Vide Leave and License Agreement dated September 12, 2007, Unit no. 14 and 16A, situated at Veera Desai Road, Andheri (West), Mumbai – 400 053 have been licensed to our Company for a period of eleven months from September 1, 2007 to August 31, 2008
3. Vide Leave and License Agreement dated July 6, 2006, Unit no. 1, 3A, 5C, and 601 Goldline Business Center has been let out to our Company for a period of five years from April 1, 2006 to February 28, 2011

For details in relation to the aforesaid Leave and License Agreements, please refer section titled "Our Properties" beginning on page 107 of this Red Herring Prospectus.

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

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

**13. We require several licenses/ approvals/ permissions for carrying on our business. If our Company is unable to obtain required approvals and licenses in a timely manner, our business and operations may be adversely affected. Further, we have not applied for licenses/approvals/permissions in relation to the objects of this Issue.**

We require certain approvals, licenses, registrations and permissions for operating our Company's business, for some of which our Company has either made or are in the process of application. As on date of this Red Herring Prospectus, we have applied for the certain licenses/approvals/permissions, and are in the process. If our Company fails to obtain these approvals/registrations/licenses/permissions, or renewals thereof, in a timely manner, or at all, our Company's operations would be adversely affected, having a material adverse effect on our business, results of operations and financial condition. Our Company has applied for the following licenses, which are not yet received:

S.No.	Name of the license/ approval/ certificate	Issuing Authority	Application date
1.	Contract Labour License under Section 12(2) of the Contract Labour (Regulation & Abolition) Act, 1970 taken by our Company for the Construction of ROB across railway tracks between Dahisar and Mira Road Station	The Deputy Chief Labour Commissioner (Central) , Mumbai	September 5, 2007
2.	Contract Labour License under Section 12(2) of the Contract Labour (Regulation & Abolition) Act, 1970 taken by our Company for the work of Mithi River, widening & deepening RCC retaining wall, service road from Custom Colony FOB to pipe line road, Powai, South Ward	The Deputy Chief Labour Commissioner (Central) , Mumbai	September 5, 2007
3.	Certificate of Registration under the Governing Board of Q.A. International Certification Limited (ISO certification) **	Governing Board of Q.A. International Certification Limited	July 25, 2007
4.	Application file no. 03/04/ 171/00567/ AM08/ (key:1947240) for Certificate of Importer Exporter Code (IEC) No. 0305032488 under the provisions of the Foreign Trade (Development and Regulation) Act in our current name, and consequential changes to the license by the	Office of Jt. Director, General of Foreign Trade, Mumbai	November 29, 2007

	licensing authority.		
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In addition to the aforesaid, a trademark application bearing no. 0158119 dated July 17, 2007 has been filed before the Trademarks Registry, Mumbai, for registration of our logo under class 37, under the Trademarks Act, 1999.

\* In relation to the aforesaid licences, applications have been made by us for change of name therein to our current name, that is, “J. Kumar Infraprojects Limited”, and these applications are pending approval.

\*\* The aforesaid license was initially issued to us in our old name, viz. J. Kumar & Co. (India) Private Limited. In relation to the aforesaid license, our Company has applied for renewal and is in the process of making application for change of our name to “J. Kumar Infraprojects Limited”

The objects of this Issue other than meeting Issue expenses, as contained on page 42 of this Red Herring Prospectus, are as follows:

1. Purchase of Capital Equipments;
2. Funding Working Capital Requirement; and
3. General Corporate Purposes

We do not currently envisage any specific government approvals required by us for the aforesaid objects and hence we have not applied for government approvals, if any, which may be required in relation to the objects of this Issue.

We cannot assure that we would be granted the aforesaid in a timely manner. Such grant may also be subject to restrictions and/or permissions which may not be acceptable to us, or which may prejudicially affect our operations, and would have a material adverse effect on our business, results of operations and financial condition.

#### **14. We have not registered our logo and trademark name.**

We have applied for trademark registration of our logo, vide application dated July 17, 2007. Failure to obtain registrations of this trademark, and pending registration of this trademark, we may have a lesser recourse to legal proceedings to protect our trademark, which could have an adverse effect on our business. For further details refer to chapter titled “Government and other Approvals” beginning on page 174 of this Red Herring Prospectus.

#### **15. Agreements for some of immovable properties taken on leave and license for our employees remain to be adequately stamped, as required by the Bombay Stamp Act, 1958.**

Our Company is paying the rent in respect of leave and license agreements entered into by the employees of our Company, in respect of premises being used for residential purposes by our Company’s employees. For details regarding these agreements, please refer sub-section titled “Our Properties” beginning on page 107 of this Red Herring Prospectus. The effect of inadequate stamping is that the document is not admissible as evidence in legal proceedings, and parties to that agreement may not be able to legally enforce to same, except after paying a penalty for inadequate stamping. The extent of under stamping in relation to immovable properties whose agreements are in force is Rs. 7,590/-.

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

In selecting contractors for the project, clients generally limit the tender to contractors they have pre-qualified based on several criterion including experience, technological capacity and performance, quality standards, ability to execute the project within the present timeframe, sophisticated machines etc. Disqualification on any of these grounds will make us ineligible for bidding. These pre-qualification criteria are at the discretion of the

client’s and we cannot assure that we would continue to meet the pre-qualification criterion of our existing client’s or prospective client’s. This would have an adverse impact on the financials of our company.

#### **17. A significant part of our business transactions are with governmental or government-funded entities or agencies and any change in government policies or focus may affect our business and results of operations.**

During FY 2007 the contracts executed for governments or government entities formed 79% of our total revenues and 21% was from private organizations, as against 96% of government contracts in FY 2006. For a detailed analysis of our recent historical revenues by our leading clients, refer the chapter titled “Our Business” beginning on page 68 of this Red Herring Prospectus. Government focus on and sustained increase in budgetary allocation for investments in the infrastructure sector, and the development of a structured and comprehensive infrastructure policy that encourages



greater private sector participation as well as increased funding by international and multilateral development financial institutions in infrastructure projects in India, have resulted in or are expected to result in the commencement of several large infrastructure projects in India. If there is any change in the government or in governmental policies, practices or focus that results in a slowdown in infrastructure projects, our business and results of operations may be adversely affected.

**18. Our profitability and results of operations may be adversely affected in the event of increases in the price of raw materials, fuel costs and labour.**

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

The details of the various costs as a percentage of total operating expenses are indicated below:

Particulars	(Rs. in lacs)							
	FY 2005	% to Total Expense	FY 2006	% to Total Expense	FY 2007	% to Total Expense	HY 2008	% to Total Expense
Raw Materials Consumed	207.07	77.90%	984.64	52.44%	6677.25	74.96%	4945.17	84.49%
Sub Contract Expenses	0	0.00%	241.88	12.88%	228.19	2.56%	176.43	3.01%
Labour Expenses	44.56	16.76%	293.55	15.63%	963.8	10.82%	278.76	4.76%
Other Direct Expenses	14.2	5.34%	357.52	19.04%	1038.58	11.66%	452.53	7.73%
<b>Total Operating Expenses</b>	<b>265.82</b>	<b>100.00%</b>	<b>1,877.60</b>	<b>100.00%</b>	<b>8,907.82</b>	<b>100.00%</b>	<b>5,852.91</b>	<b>100.00%</b>

As per the current order book as of November 30, 2007 the business from private entities is related to business wherein only our machines and employees are used and the material is supplied by the contractor and certain civil construction works. In case of Government contracts wherein majority of our order book, they normally have escalation clauses for the major raw materials used. The percentage of order book constituting orders from public and private entities in percentage terms has been mentioned on Page 68 of the Red Herring Prospectus in the section titled "OUR BUSINESS".

These variations and other risks generally inherent to the construction industry may result in reduction of our revenues to that extent, as originally estimated. Depending on the size of a project, these variations from estimated contract performance could have a significant effect on our results of operations.

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

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

**20. We have high working capital requirements. 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 a great deal of working capital. In many cases, significant amounts of working capital are required to finance the purchase of materials, the hiring of equipment and the performance of engineering, construction and other work on projects before payments are received from clients. In certain cases, we are contractually obligated to our clients to fund the working capital requirements of our projects.

Our working capital requirements may increase if, under certain contracts, payment terms do not include advance payments or such contracts have payment schedules that shift payments toward the end of a project or otherwise increase our working capital burdens. In addition, our working capital requirements have increased in recent years because we have undertaken a growing number of projects within a similar timeframe and due to the growth of our

Company's business generally. We have in the past experienced delays in receipt of our dues from the client's, all of these factors may result, or have resulted, in increases in our working capital needs.

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

**21. Projects included in our order book may be delayed, cancelled or not fully paid for by our clients, which could materially harm our cash flow position, revenues and earnings.**

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

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

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

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

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

**23. 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 may experience difficulties in attracting, recruiting and retaining an appropriate number of managers and engineers for our business needs. We may also need to increase our pay structures to attract and retain such personnel. Our future performance will depend upon the continued services of these persons. The loss of any of the members of our senior management, our Directors or other key personnel or an inability to manage the attrition levels in different employee categories may materially and adversely impact our business and results of operations.

**24. Contracts awarded to us by governments or government-backed entities may be unilaterally terminated for convenience.**

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 for convenience, without any reason, at any time after providing us with notice that may vary from a period of 30 to 90 days. In the event that a contract is so terminated, our results of operations may be adversely affected.

**25. Our Promoters will continue to retain majority control in our 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 and Promoter Group will beneficially own 61.55% 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 our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company even if it is in our Company's best interest.

In addition, for so long as the Promoters continue to exercise significant control over our Company they may influence the material policies of our 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 we or our other shareholders do not agree.

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

As of September 30, 2007, our Company had a total amount of Rs. 3304.53 lacs outstanding from different lenders, including against equipment and machinery as collateral security. In respect of various agreements entered into by our Company with the lenders, we are bound by certain restrictive covenants. A majority of these covenants, in relation to the equipment finance agreements, are specific to the conduct of our Company in relation to the hypothecated assets under those agreements, and those covenants are asset-specific. Other than the asset-specific covenants, as per the loan agreements, we require written consent from the lenders in relation to certain actions/matters, amongst others, including entering into any scheme of amalgamation or merger/ demerger/ reconstruction, declaration of any dividends if there are any arrears in making any payment of amount(s) due to our lender(s), entering into any arrangement for settlement of litigation for any such amount which would have a material adverse effect on our Company, not to change/ vary our constitution, name, location of the unit, product line, technical process and machinery and godown, not to have any banking account or borrowing arrangements and not open or operate such accounts with any other bank(s), not to make any changes to the general nature or scope of the business from that carried on by our Company, prepayment of the outstanding principal amount of the facility on full or in part before the due date, among others. For details regarding asset specific covenants, please refer the paragraph titled "Restrictive Covenants", on page 110 of this Red Herring Prospectus.

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

Our operations are subject to hazards inherent in providing engineering and construction services, such as risk of equipment failure, work accidents, fire, earthquake, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. We may also be subject to claims resulting from defects arising from engineering, procurement or construction services provided by us within the warranty periods extended by us, which can range from 12 to 60 months from the date of commissioning.

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

If we suffer any losses, damages and liabilities in the course of our operations, we may not have sufficient insurance or funds to cover any such losses. In addition, any payment we make to cover any uninsured losses, damages or liabilities could have a material adverse effect on our business, financial condition and results of operations.

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

We have been active in Mumbai, Pune, Aurangabad and Vidharbha region of Maharashtra. Our operations are heavily dependent on work continuing to come in from Maharashtra, and our work in the past has also been focused on Maharashtra.

**29. 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. We cannot assure that we would be able to limit or mitigate the liabilities involved, and the same may have a material adverse effect on our business, results of operation and financial condition.

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

Our revenues are based on the percentage of completion method. Since revenues are not recognized until they are in a reasonable progress on a contract, revenues recorded in the first half of our financial year between April and September are traditionally lower compared to revenues recorded during the second half of our financial year. During periods of curtailed activity due to adverse weather conditions, we may continue to incur operation expenses, but our revenues from operations may be delayed or reduced.

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

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

Our clients are generally responsible for obtaining environmental permits required to proceed with the project. Any failure or inability by our clients to retain the requisite permits may have an adverse effect on our business and results of operations. However, in order to avoid any retroactive action being taken against our company due to any non compliance related to environmental laws, we follow Health, Safety and Environmental (HSE) regulations as mentioned in the Red Herring Prospectus on page 106 to minimize such risk.

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

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

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

Hence, construction companies often carry substantial contingent liabilities for the projects they undertake. As of September 30, 2007, contingent liabilities appearing in our financial statements aggregated to Rs. 1659.76 Lacs. The contingent liabilities consist principally of performance bank guarantees. If we are unable to complete a project on schedule, the client may invoke such performance guarantees. If we are unable to pay or otherwise default on our obligations, our lenders may be required pursuant to the relevant letters of credit or guarantees to cover the full or remaining balance of our obligations. In the event that any of these contingent liabilities materialize, our financial

condition may be adversely affected. For further information, please refer Annexure XIV of the section titled “Financial Statements” on page 150 of this Red Herring Prospectus.

**33. We have issued Equity shares in the last twelve months.**

We have issued Equity Shares in the last twelve months, as per the details given hereinbelow:

<b>Date of Allotment</b>	<b>Number of shares issued</b>	<b>Issue Amount per share (Rs.)</b>	<b>Nature of allotment</b>
March 14, 2007	24,95,420	10	Further Allotment to others
August 18, 2007	14,05,000	80	Further Allotment to others
August 18, 2007	3,24,000	80	Further Allotment to Promoters

The price at which Equity Shares have been issued in the last twelve months is not indicative of the price at which Equity Shares which may be offered in this Issue.

**34. The objects for which the funds are being raised have not been been appraised by any bank or financial institution.**

The objects of this Issue are based on our internal management estimates, and have not been appraised by any bank or financial institution.

**35. We have limited experience in managing corporate affairs in the regulated environment.**

We were running our business mainly through sole proprietorships/partnerships till recently and we have limited or no regulatory experience in managing corporate disclosures and compliance requirements applicable to listed companies in India. We would have to accustom ourselves to the new regulatory environment and build in-house expertise and resources for the same. Any inability on our part to manage these affairs in an effective manner could adversely affect our business operations.

**36. There has been a delay in our implementation schedule for the proposed objects of this Issue. For details of the revised implementation schedule and reason for revision please refer page 47**

**External Risk Factors**

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

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

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

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

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.

**3. 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.

**4. 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. 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.

**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.

**NOTES TO RISK FACTORS:**

1. Public Issue of 65,00,000 equity shares of Rs. 10/- each for cash at a price of Rs. [●] per equity share including a share premium of Rs. [●] per equity share, aggregating Rs. [●] Lacs (the "Issue") by J. Kumar Infraprojects Limited ("our Company" or "the Issuer"). The issue comprises a Net Issue to Public of 63,00,000 equity shares of Rs. [●] each (the "Net Issue") and a reservation of upto 2,00,000 shares of Rs. [●] each for Eligible Employees of our Company (the "Employee Reservation Portion"). The net issue will constitute 30.40% of the fully diluted post issue paid-up capital of our Company. The issue would constitute 31.36% of the fully diluted post issue paid-up capital of our Company.
2. The Issue is being made through the 100% Book Building Process wherein atleast 50% of the Net Issue shall be allotted on a proportionate basis to Qualified Institutional Buyers ("QIBs"). 5% of the QIB Portion shall be available for allocation on proportionate basis 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. If atleast 50% of the Net Issue cannot be allotted to QIBs, then the entire application money will be refunded. Further, upto 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and upto 35% 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. Further, upto 2,00,000 Equity Shares shall be available for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received at or above the Issue Price.
3. The average cost of acquisition of Equity Shares by our Promoters has been calculated by taking the weighted average amount paid by them to acquire our Equity Shares and in as follows:

Name of the Promoter	Average Cost of Acquisition (in Rs.)
1. Mr. Jagdishkumar M Gupta	10.01
2. Mr. Kamal J Gupta	9.88
3. Mr. Nalin J Gupta	10.01
4. Ms. Kusum J Gupta	3.88
5. Ms. Sonal K Gupta	4.07
6. Ms. Shalini N Gupta	4.63

4. Our net worth before the Issue as of March 31, 2007 was Rs. 2137.14 Lacs and as per six months ended September 30, 2007 is Rs. 4264.16 lacs and the book value per Equity Share was Rs. 17.07 per Equity Share as of March 31, 2007 and as per six months ended September 30, 2007 is Rs. 29.98.
5. For details of the interests of our Directors and Key Managerial Personnel, please refer to the chapter titled "Our Management" on page 121 of this Red Herring Prospectus. For details of the interests of our Promoters and Promoter Group, please refer to the chapter titled "Our Promoters and Promoter Group" on page 131 of this Red Herring Prospectus.

6. Other than as disclosed in Annexure - XVI of the Financial Statements titled “Related Party Transactions” on page 151 of this Red Herring Prospectus, as per the Report of our Statutory Auditors, M/s. Gupta Saharia & Co., there are no other related party transactions among our company, the Promoters and Promotee group entities.
7. Other than as disclosed either in related party transaction or otherwise, our Promoters / Directors / key management personnel of our Company have no interest other than reimbursement of expenses incurred or normal remuneration or benefits arising out of the shareholding in our Company or out of any business relation with any of the ventures in which they are interested. For interests of our Promoters and Directors, please refer the chapters “Our Management” and “Our Promoters and promoter Group” beginning on pages 121 and 131 of this Red Herring Prospectus.
8. No loans and advances have been made to any person(s) / Companies in which the Director(s) of our Company are interested except as stated in the Report of our Statutory Auditors, M/s. Gupta Saharia & Co., Chartered Accountants. For details please refer to section titled “Financial Statements” beginning on page no. 136 of this Red Herring Prospectus.
9. We and the BRLM are obliged to keep this Red Herring Prospectus updated and inform the public of any material change / development until the listing and trading of the Equity Shares offered under the Issue commences.
10. Any clarification or information relating to the Issue shall be made available by the BRLM and our Company to investors at large and no selective or additional information would be available for any subset of investors in any manner whatsoever. Investors may contact the BRLM and the Syndicate Member for any complaints pertaining to the Issue.
11. Investors may contact our Company or the BRLM for any complaints, information or clarification pertaining to the Issue. The BRLM is obliged to provide the same to investors.
12. Trading in Equity Shares of our Company for all investors shall be in dematerialised form only.
13. Before making an investment decision in respect of this Issue, Investors are advised to refer to the chapter titled “Basis for Issue Price” on page 50 of this Red Herring Prospectus.
14. Investors may note that in case of over-subscription in this Issue, allotment to QIB’s, Non Institutional, Retail Portion, and Eligible Employees, shall be on proportionate basis. For details, please refer chapter titled “Basis of Allotment or Allocation ” beginning on page no. 214 of this Red Herring Prospectus.
15. Our Company was originally incorporated as “J. Kumar & Company (India) Private Limited” on December 2, 1999 under the Companies Act, 1956, with the Registration No. 11-122886. The name of our Company was subsequently changed to J. Kumar Infraprojects Private Limited on January 8, 2007. Our Company was converted into a Public Limited Company and its name was changed to J. Kumar Infraprojects Limited with effect from January 31, 2007. For further details, please refer to the chapter titled “History and Other Corporate Matters” beginning on page 114 of this Red Herring Prospectus.)

## SECTION III: INTRODUCTION

### SUMMARY

**This is only a summary and does not contain all the information that you should consider before investing in our Equity Shares. You should read the entire Red Herring Prospectus, including the information contained in the chapters titled “Risk Factors” and “Financial Statements” and related notes beginning on page 10 and 136 of this Red Herring Prospectus before deciding to invest in our Equity Shares.**

#### Industry Overview

Construction activity is an integral part of a country’s infrastructure and industrial development. The industry is a vital part of the economy with an output equivalent to about 5.2 percent of the country’s GDP.

The industry can be broadly divided into two major segments:

- i) Infrastructural construction
- ii) Industrial construction.

The industry is highly fragmented with a few large players and several medium to small scale entities. The industry is highly labour intensive and is the second largest employer after agriculture in the country.

The construction industry functions in a multi-tier system. The project owners contract the project to the main contractor, who then awards sub contracts to several sub-contractors depending on the type of jobs, such as plumbing, electrification, piling, etc involved in the main contract. The sub-contractor, in turn, awards smaller jobs on piece rate basis to labour contractors or thekedars or petty contractors. These contractors then carry out the work with their labour force, which mainly comprises of daily rated temporary / casual workers.

Being largely unorganized, the industry suffers from low mechanization. Only a handful of companies are able to bring in the latest construction equipment and material.

The sector was accorded the status of industry in the year 2000 only. Since then there has been increased emphasis on involving private sector for infrastructure development through public private ownerships and mechanism like BOT (Build Operate Transfer), BOOT (Build Operate Own Transfer) and BOLT (Build Operate Lease Transfer)

The last few years has seen the central government take up huge infrastructure projects, mainly the Golden Quadrilateral, East-West and North South Corridor, port connectivity, up-gradation of internal airports, creating berths and container terminals at seaports, setting up thermal, hydro and nuclear power plant and developing canal structures for increased and improved water supply. All these projects are underway through private participation. Foreign construction companies have also forayed into the Indian construction industry through the joint venture route.

In 2005, Government permitted 100 percent foreign direct investment in the construction sector with the liberty to repatriate profits after a three year period.

#### Business Overview

We are a civil engineering and infrastructure development Company with a primary focus on development of roads, flyovers, bridges, railway over bridges, irrigation projects, commercial and residential buildings, railway buildings, sports complexes, and airport contracts, etc. We also undertake the piling of foundation work using hydraulic piling rigs for major projects which are awarded to other contractors. We have been most active in Mumbai, Pune, Aurangabad and Vidharbha region of Maharashtra.

Our core areas of expertise in the construction of infrastructure projects include the following:

#### I. TRANSPORTATION ENGINEERING

Construction of:

- a. Rigid and flexible pavement roads,
- b. Flyovers,
- c. Bridges,
- d. Grade Separator
- e. Railway Terminus / Stations,
- f. ROBs, RUBs
- g. Airport contracts



## II. CIVIL CONSTRUCTION

Construction of:

- Commercial buildings
- Sports complexes
- Swimming pools

## III. IRRIGATION PROJECTS

Construction of:

- Earthen dams
- Minor Irrigation tanks
- Spillways
- Canals
- Aqueducts.

## IV. PILING work using hydraulic piling rigs.

We undertake the design and construction of flyover projects to the client's specified requirements on turnkey basis and also undertake the construction of flyovers, bridges, roads, buildings, irrigation projects and other infrastructure projects on contract basis including the electrification work.

We are registered independently as

- Class I A contractor with PWD, Government of Maharashtra
- Group A, Class I A with Vidharbha Irrigation Development Corporation, Nagpur
- Registration with MCGM is as follows:

	Construction of				
Category	Buildings	Flyovers	Roads	Water Supply	Sewage
Grade	AA	AA	AA	B	A

The categories and grade are defined and elaborated as under:

Class	Work Limits
AA	Without Limit
A	Upto 3 crores
B	Upto 1 crore
C	Upto 50 Lakhs
D	Upto 25 Lakhs
E	Upto 10 Lakhs

During the year ended March 2007 we have been awarded contracts by various authorities including:

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

Apart from the above government clients, various private clients for whom we have done work:

- Indiabulls Real Estate Company Private Limited
- SMC Infrastructures Private Limited
- Sarthak Developers ( An Ameya group Company)
- Geo Foundations and Structures Private Limited

For the years ended on March 31, 2005, 2006 and 2007, our total income was Rs. 303.29 Lacs, Rs. 2,303.28 Lacs and Rs. 11,335.99 Lacs, respectively and for the six months ended ended September 30, 2007 our total income was Rs. 8235.73 lacs. In the years ended March 31, 2005, 2006 and 2007, we earned profit after tax of Rs. 4.39 Lacs, Rs. 108.10 Lacs and Rs. 800.82 Lacs, respectively and for the six months ended ended September 30, 2007 we earned profit after tax of Rs. 799.02 lacs. Our order book, which includes some uncommenced projects and the unfinished and uncertified portions of our commenced projects as on November 30, 2007, was Rs. 46,115 Lacs.

### This Issue

<b>Equity Shares Offered:</b>	
Issue by our Company	65,00,000 Equity Shares of face value of Rs. 10 each
<b>Of which</b>	
Reserved for Eligible Employees <sup>(1)</sup>	2,00,000 Equity Shares of face value of Rs. 10 each constituting 3.08 % of this Issue allocated on a proportionate basis
<b>And</b>	
Net Issue	63,00,000 Equity Shares of face value of Rs. 10 each
<b>Comprising</b>	
A) Qualified Institutional Buyers Portion	Atleast 31,50,000 Equity Shares of face value of Rs. 10 each, constituting atleast 50% of the Net Issue (allocation on a proportionate basis) of which, 1,57,500 Equity Shares of face value of Rs. 10 each will be available for allocation to Mutual Funds and balance for all QIBs including Mutual Funds.
B) Non-Institutional Portion <sup>(2)</sup>	Up to 9,45,000 Equity Shares of face value of Rs. 10 each, constituting up to 15% of the Net Issue that will be available for allocation to Non-Institutional Bidders on a proportionate basis.
C) Retail Portion <sup>(2)</sup>	Up to 22,05,000 Equity Shares of face value of Rs. 10 each constituting up to 35% of the Net Issue that will be available for allocation to Retail Individual Bidders on a proportionate basis.
Equity Shares outstanding prior to this Issue	1,42,24,420 Equity Shares of face value of Rs. 10 each
Equity Shares outstanding after this Issue	2,07,24,420 Equity Shares of face value of Rs. 10 each
Use of Proceeds	Please refer to chapter titled “Objects of the Issue” beginning on Page 42 of this Red Herring Prospectus for additional information.

<sup>(1)</sup> Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue and the same would be allocated proportionately by our Company in consultation with the BRLM.

<sup>(2)</sup> In the case of over-subscription in all categories, atleast 50% of the Net Issue shall be allotted on a proportionate basis to Qualified Institutional Buyers, upto 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and upto 35% 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. Under subscription, if any, in the Non-Institutional Portion and Retail Individual Portion would be met with spill over from other categories at the sole discretion of our Company in consultation with the BRLM.

## SUMMARY OF FINANCIAL DATA

You should read the following information together with the information contained in the Auditors' report included in section titled "Financial Statements" beginning on page 136 of this Red Herring Prospectus.

### Summary of Financial Data under Indian GAAP

The following table sets forth selected financial information of our Company as of and for the year ended on March 31, 2003, 2004, 2005, 2006, 2007 and six months ended September 30, 2007 all prepared in accordance with Indian GAAP, the Companies Act, 1956 and restated under the SEBI Guidelines:-

### SUMMARY OF PROFIT AND LOSS AS RESTATED

Particulars	(Rs. in Lacs)					HY 30.09.07
	31.03.03	31.03.04	31.03.05	31.03.06	31.03.07	
<b>INCOME</b>						
Income From Operations	-	-	303.29	2,296.19	11,265.61	8194.43
Other Income	-	-	-	7.09	70.39	41.29
<b>Total 1 :</b>	<b>-</b>	<b>-</b>	<b>303.29</b>	<b>2,303.28</b>	<b>11,336.00</b>	<b>8235.73</b>
<b>EXPENDITURE</b>						
Construction Expenses	-	-	265.82	1,806.94	8,887.73	5875.09
Employees' Remuneration & Benefits	-	-	14.5	51.11	135.38	116.95
Administration, Selling & Other Expenses	-	-	16.03	211.11	567.82	485.5
Interest and Financial Charges	-	-	-	39.77	228.97	261.27
Depreciation	-	-	-	47.66	300.15	287.41
<b>Total 2 :</b>	<b>-</b>	<b>-</b>	<b>296.36</b>	<b>2,156.58</b>	<b>10,120.06</b>	<b>7026.22</b>
<b>Profit/(Loss) before taxation (1-2)</b>	<b>-</b>	<b>-</b>	<b>6.93</b>	<b>146.7</b>	<b>1,215.94</b>	<b>1209.51</b>
Less: Provision For Taxation						
Current	-	-	2.53	37.28	352.06	394.71
Deferred Tax Liability	-	-	-	-	57.22	12.41
FBT	-	-	-	1.32	5.84	3.37
<b>Profit/(Loss) After taxation</b>	<b>-</b>	<b>-</b>	<b>4.39</b>	<b>108.1</b>	<b>800.82</b>	<b>799.02</b>
<b>Balance of Profit carried to Balance Sheet</b>	<b>-</b>	<b>-</b>	<b>4.39</b>	<b>108.1</b>	<b>800.82</b>	<b>799.02</b>

# SUMMARY OF ASSETS AND LIABILITIES AS RESTATED

Particulars	(Rs. in Lacs)					
	As at 31.03.03	As at 31.03.04	As at 31.03.05	As at 31.03.06	As at 31.03.07	As at 30.09.07
Fixed Assets						
Gross Block	-	-	-	1,288.14	3,853.91	5614.95
Less: Accumulated Depreciation	-	-	-	(47.66)	(347.81)	(635.22)
Net Block	-	-	-	1,240.48	3,506.10	4979.73
Investments	-	-	-	-	-	-
Current Assets, Loans & Advances						
<b>Inventories</b>						
Stock in hand	-	-	-	32.80	238.00	125.13
Work in Progress	-	-	-	-	90.75	68.57
Debtors	-	-	-	73.16	127.9	1710.36
Cash & Bank	0.91	0.91	7.92	572.54	1,102.77	1298.99
Other Current Assets	-	-	-	0.77	93.39	222.83
Loans & Advances	-	-	32.65	1,095.89	1,184.90	1879.56
<b>Total Assets</b>	<b>0.91</b>	<b>0.91</b>	<b>40.57</b>	<b>3,015.64</b>	<b>6,343.81</b>	<b>10285.17</b>
<b>Liabilities</b>						
Secured Loans	-	-	-	1,151.04	2644.51	3304.53
Unsecured Loans	-	-	-	10.00	10.00	-
Current Liabilities & Provision	0.06	0.08	32.86	499.03	1482.84	2634.75
Deferred Tax Liabilities	-	-	-	-	69.32	81.73
<b>Total Liabilities</b>	<b>0.06</b>	<b>0.08</b>	<b>32.86</b>	<b>1,660.07</b>	<b>4,206.67</b>	<b>6021.01</b>
<b>Networth*</b>	<b>0.85</b>	<b>0.83</b>	<b>5.22</b>	<b>107.03</b>	<b>2,137.14</b>	<b>4264.16</b>
Represented by					-	
Share Capital	1.00	1.00	1.00	1.00	1,249.54	1422.44
Reserves & Surplus (excluding revaluation reserve)	(0.15)	(0.18)	4.22	106.03	887.60	2841.72
Share Application Money	-	-	2.5	1,248.54	-	-
<b>Total</b>	<b>0.85</b>	<b>0.83</b>	<b>7.72</b>	<b>1,355.57</b>	<b>2,137.14</b>	<b>4264.16</b>

*\*Networth has been calculated as net of Share Application money.*

## GENERAL INFORMATION

### Registered Office of our Company

#### **J. Kumar Infraprojects Limited**

16-A, Andheri Industrial Estate,  
Veera Desai Road,  
Andheri (West)  
Mumbai – 400 058  
**Tel:** + 91 22 2673 0291 / 0848 / 0853  
**Fax:** + 91 22 2673 0814

Our Company is registered with the Registrar of Companies, Maharashtra at Mumbai

#### **The Registrar of Companies**

100, Everest Building,  
Marine Lines,  
Mumbai – 400 002  
India.

**Registration Number:** 11 – 122886

**CIN:** U74210MH1999PLC122886

### Board of Directors

Our current Board of Directors consists of the following:

Sr. No	Name of the Director	Designation	Nature of Directorship
1.	Mr. Jagdishkumar M Gupta	Chairman cum Managing Director	Executive, Non Independent
2.	Mr. Kamal J Gupta	Director	Executive, Non Independent
3.	Mr. Nalin J Gupta	Director	Executive, Non Independent
4.	Mr. Padmanabh P Vora	Director	Non Executive, Independent Director
5.	Mr. Roshankhan H Tadv	Director	Non Executive, Independent Director
6.	Dr R Srinivasan	Director	Non Executive, Independent Director

### Brief details of Chairman cum Managing Director and Executive Directors

#### **Mr. Jagdishkumar M Gupta, Chairman cum Managing Director**

Mr. Jagdishkumar M Gupta, 59 years, is the person instrumental in setting up and growth of this organization. He has not had much formal education. He made a modest start in the year 1980 by setting up a proprietorship concern by the name of J. Kumar & Co. Since its inception, under his able leadership, we have expanded and grown as a Registered Class I-A construction company. Today, because of his acumen, our Company's turnover has increased to more than 100 Crores in 2007 from Rs. 20 lacs in J. Kumar & Co. in 1980. It is because of his management skills we have successfully completed numerous projects including construction of roads, bridges and flyovers, swimming pools, earthen dams, airport contracts, and housing and commercial complexes etc. He also takes keen interest in various social activities.

#### **Mr. Kamal J. Gupta, Executive Director,**

Mr. Kamal J. Gupta, 34 years, has done his Bachelors in Civil Engineering. He is associated with us since 1996 and carries with him an experience of more than 10 years in construction field. He plays a vital role in execution of flyovers within the stipulated time frame. To his credit is successful completion of 5 flyovers, swimming pool and rail over bridges. Presently he is looking after the construction of flyover projects in Mumbai.

#### **Mr. Nalin J. Gupta, Executive Director,**

Mr. Nalin J. Gupta, 32 years, is a commerce graduate and a member of Indian Institution of Bridge Engineers. He is associated with us since 1997 and carries with him an experience of over 9 years. He is instrumental in construction work related to roads and its widening, construction of subway, railway buildings, flyovers and rail over bridges. He has played a vital role in guiding our company in setting and developing the piling business.

**Company Secretary and Compliance Officer****Ms. Poornima Reddy**

16-A, Andheri Industrial Estate  
Veera Desai Road,  
Andheri (West),  
Mumbai – 400 058.  
Tel.: +91 22 2673 0291/ 0848 / 0853  
Fax: +91 22 2673 0814  
E-mail: jkumar.ipo@jkumar.com

**Bankers to our Company****Bank of India,**

Sterling Centre, Subhash Nagar,  
Opp. Cardinal Gracious High School,  
Bandra (East)  
Mumbai – 400 051  
**Tel. :** +91 22 2651 0100 / 26429518  
**Fax :** +91 22 2651 0097  
**E-mail:** boibanea@vsnl.net

**Axis Bank Ltd**

Palm Court Complex 'M'  
New Link Road, Malad West  
Mumbai - 400064  
**Tel. :** +91 22 66758751 / 52  
**Fax :** +91 22 66758753  
**E-mail:** arpita.sawant@axisbank.com, goregaonbranchhead@axisbank.com

**ISSUE MANAGEMENT TEAM****Book Running Lead Manager (BRLM)****Anand Rathi Securities Limited**

11<sup>th</sup> Floor, Times Tower,  
Kamala City, Senapati Bapat Marg,  
Lower Parel,  
Mumbai - 400 013  
**Tel:** +91 22 4047 7000  
**Fax:** +91 22 4047 7070  
**Email:** jkumar.ipo@rathi.com  
**Website:** www.rathi.com  
**Contact Person:** Mr. Sachin Mehta / Mr. Akshay Bhandari  
**Sebi Registration Number:** MB / INM000010478

**Registrar to this Issue****Karvy Computershare Private Limited**

Plot no. 17 to 24,  
Vithalrao Nagar,  
Madhapur,  
Hyderabad – 500 081.  
**Tel:** + 91 40 2343 1553  
**Fax:** + 91 40 2343 1551  
**E-mail:** jkumar.ipo@karvy.com  
**Website:** www.karvy.com  
**Contact Person:** Mr. Murali Krishna  
**Sebi Registration Number:** INR 000000221

**Investors can contact the Compliance Officer, Ms. Poornima Reddy or the Registrar, Karvy Computershare Private Limited 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 or refund orders, etc.**

**Legal Advisors to this Issue****M/s. Crawford Bayley & Co.**

Advocates & Solicitors,  
State Bank Buildings, 4th floor  
N. G. N. Vaidya Marg,  
Fort, Mumbai – 400 023.  
Tel: +91 22 2266 8000  
Fax: +91 22 2266 3978  
Email: sanjay.asher@crawfordbayley.com

**Bankers to this Issue and Escrow Collection Banks****Axis Bank Limited****(Refund Banker)**

Bldg 'M', Palm Court Complex,  
New Link Road, Malad (west)  
Mumbai – 400064

Contact Person: Ms. Arpita Sawant & Ms. Sahana Mallia

Website : [www.axisbank.com](http://www.axisbank.com)

Email : [arpita.sawant@axisbank.com](mailto:arpita.sawant@axisbank.com)

Tel : 022 - 66758751/52

Fax : 022 - 66758753

**HDFC Bank Limited**

HDFC Bank Limited ,  
26 A, Narayan Properties,  
Chandivali Farm Road, Saki Naka,  
Mumbai-400072.

Contact Person: Mr. Deepak Rane

Website : [www.hdfcbank.com](http://www.hdfcbank.com)

Email : [deepak.rane@hdfcbank.com](mailto:deepak.rane@hdfcbank.com)

Tel : 022 - 2856 9228

Fax : 022 - 2856 9256

**ABN AMRO BANK N.V****ABN AMRO BANK**

Brady House, 14 Veer Nariman Road,  
Hornimon Circle, Fort,  
Mumbai – 400 001

Contact Person: Mr. Akhouri Malay

Website: [www.abnamro.co.in](http://www.abnamro.co.in)

Email : [akhouri.malay@in.abnamro.com](mailto:akhouri.malay@in.abnamro.com)

Tel : 022 - 66585858

Fax No : 022 – 22042673

**Centurion Bank Of Punjab Ltd**

Modern Centre, C – Wing,  
Ground Floor, Sane Guruji Marg,  
Mahalaxmi,  
Mumbai – 400 0011

Contact Person: Mr. Harpal Singh

Website: [www.centurionbop.co.in](http://www.centurionbop.co.in)

Email : [harpal.singh@centurionbop.co.in](mailto:harpal.singh@centurionbop.co.in)

Tel : 022 - 67540252

Fax No. : 022 – 67540011/22

**BROKERS TO THIS ISSUE**

All members of the recognized stock exchanges would be eligible to act as Brokers to this Issue.

**Syndicate Members****Anand Rathi Securities Limited**

11<sup>th</sup> Floor, Times Tower,  
Kamala City, Senapati Bapat Marg,  
Lower Parel,  
Mumbai - 400 013

**Tel:** 022 - 4047 7045

**Fax:** 022 - 4047 7070

**Email:** [jkumar.ipo@rathi.com](mailto:jkumar.ipo@rathi.com)

**Website:** [www.rathi.com](http://www.rathi.com)

**Contact Person:** Mr. Sachin Mehta / Mr. Akshay Bhandari

**A.K. Stockmart Private Limited**

136, Free Press House,  
Free Press Journal Marg,  
215, Nariman Point,  
Mumbai 400021

**Tel** : 022 - 67546500/6521

**Fax** : 022 - 66100594

**Email:** [hitesh@akgrouponline.com](mailto:hitesh@akgrouponline.com)

**Website:** [www.akcapindia.com](http://www.akcapindia.com)

**Contact Person:** Mr. Hitesh Shah

**Statutory Auditors****M/s Gupta Saharia & Co.**

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

**Tel. :** +91 22 2844 3301 / 3299

**Fax :** +91 22 2844 3299

**E-mail:** [pawangupta2003@yahoo.com](mailto:pawangupta2003@yahoo.com)

**Statement of Inter Se Allocation of Responsibilities**

Since Anand Rathi Securities Limited is the sole Book Running Lead Manager to the Issue, all the responsibilities of the Issue will be managed by them.

**Credit Rating**

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

**IPO Grading**

ICRA has assigned an **IPO Grade 2**, indicating below average fundamentals, to the proposed IPO of J.Kumar Infraprojects Limited (JKIL) through its letter dated December 17, 2007. ICRA assigns IPO gradings on a scale of IPO Grade 5 to IPO Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals.

The rationale for the Grade assigned to our Company's IPO by ICRA, has been set out in its report dated December 17, 2007. The rationale set out therein is as follows:

### **Strengths**

- Presence in diversified activities such as construction of roads, fly-overs, Railway Over Bridges, irrigation projects, piling and civil construction.
- Long experience of the promoters in civil engineering projects.
- Buoyant outlook for the construction sector.
- With growth in order book return indicators have improved significantly in last one year; ROCE from 6.1% in FY2006 to 29.7% in FY2007 and RONW from 5.5% in FY2006 to 37.5% in FY2007.

### **Concerns**

- Small size of operations.
- High vulnerability to competitive pressures, given that the company's activities are limited to jobs of moderate complexity.
- Concentration risk arising both from operations that are geographically concentrated in Mumbai and Pune region as well as dependence on a few key clients.
- Ability to scale up activities and execute higher value and more complex jobs remains to be seen. Project specific tie-ups to bid for high value jobs would be critical.
- Essentially a promoter driven company, its ability to professionalize, hire and retain key management personnel remains to be proven.

### **Grading Rationale**

The IPO grading assigned by ICRA reflects JKIL's small size of operations, the risks arising out of the concentration of JKIL's order book on Mumbai and near by areas, dependence on a few clients for most of its order book and ability to scale up its activities to execute higher value and more complex projects. The grading favourably factors in the promoters experience in the civil engineering industry, its track record of having successfully executed projects within the budgeted time and stipulated quality parameters and its healthy order book position, which along with buoyant outlook on the infrastructure industry, is expected to lead to growth in revenues and profitability. ICRA expects that the key challenge for the company would be to scale up operations, professionalise their set-up and recruit and retain key management personnel, given the current boom in construction industry. Moreover JKIL's activities are primarily focussed on infrastructure segment involving transportation engineering business (Roads, Flyovers, Bridges, airport contracts etc), in which operating margins and profitability could be more vulnerable to competitive pressures.

A copy of the report provided by ICRA Limited, furnishing the rationale for its grading is available for inspection at the registered office of our Company from 10.00 am to 4.00 pm on working days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

### **Trustees**

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

### **Project Appraisal**

None of the objects of the Issue have been appraised by any bank or financial institution.

### **IPO Grading Agency**

ICRA Limited  
Electric Mansion, 3<sup>rd</sup> Floor,  
Appasaheb Marathe Marg,  
Prabhadevi,  
Mumbai – 400 025  
Tel : +91 22 2433 1046/ 53/ 62/ 74/ 86/ 87  
Fax : +91 22 2433 1390  
Website : [www.icra.in](http://www.icra.in)  
Contact Person: Mr. L.Shivakumar  
Email: [shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

### **Monitoring Agency**

We have not appointed a monitoring agency to monitor the utilization of Issue proceeds. However, we have constituted an Audit Committee which will monitor the utilization of Issue proceeds.



## Book Building Process

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

1. Our Company;
2. Book Running Lead Manager, in this case being Anand Rathi Securities Limited.
3. Syndicate Members who are intermediaries registered with SEBI or registered as brokers with BSE/NSE and eligible to act as Underwriters. Syndicate Members are appointed by the BRLM;
4. Escrow Collection Bank(s); and
5. Registrar to the Issue, in this case being Karvy Computershare Private Limited.

The SEBI Guidelines permit an issue of securities to the public through the 100% Book Building Process, under Clause 2.2.2 wherein atleast 50% of the Net Issue to the public shall be available for allocation to Qualified Institutional Buyers (QIB's) on a proportionate basis (out of which 5% shall be allocated proportionately to Mutual Funds. Mutual Fund applicants shall also be eligible for proportionate allocation under the balance available for Qualified Institutional Buyers). Further, upto 15% of the Net Issue to the public shall be available for allocation on a proportionate basis to Non Institutional Bidders and upto 35% of the Net Issue to the public shall be available for allocation on a proportionate basis to Retail Bidders subject to valid Bids being received at or above the Issue Price. We will comply with the SEBI Guidelines for this Issue. In this regard, we have appointed the BRLM to manage the Issue and to procure subscriptions to the Issue.

**In accordance with SEBI Guidelines, QIBs are not allowed to withdraw their Bid(s) after the Bid/ Issue Closing Date. In addition, QIBs are required to pay atleast 10% Margin Amount upon submission of the Bid cum Application Form during the Bidding Period and allocation to QIBs will be on a proportionate basis. For further details, please refer the chapter titled "Issue Structure" on page 190 of this Red Herring Prospectus.**

### Illustration of Book Building and Price Discovery Process

*(Investors should note that the following is solely for the purpose of illustration and is not specific to the present issue)*

Bidders can bid at any price within the Price Band. For instance, assuming a Price Band of Rs. 20 to Rs. 24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book as shown below shows the demand for the shares of our Company at various prices and is collated from bids from various investors.

Number of equity shares Bid for	Bid Price (Rs.)	Cumulative Equity Shares bid for	Subscription
500	24	500	16.67%
1000	23	1500	50.00%
1500	22	3000	100.00%
2000	21	5000	166.67%
2500	20	7500	250.00%

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

Steps to be taken by the Bidders for bidding:

1. Check eligibility for making a Bid (refer chapter titled "Issue Procedure - Who Can Bid" on page 193);
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
3. Each of the bidders should hold a valid Permanent Account Number (PAN) allotted under the IT Act and mention his/her PAN number in the application form while bidding for this issue. **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.**
4. Ensure that the Bid cum Application Form is duly completed as per instructions given in the Red Herring Prospectus and in the Bid cum Application Form; and
5. The Bidder should ensure the correctness of his or her Demographic Details (as defined in the chapter titled "Issue Procedure - Bidder's Depository Account Details" on page 205) given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant so as to ensure receipt of allotment advice/refund orders with correct details at his/her present address.

## Withdrawal of the Issue

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

## Underwriting Agreement

After the determination of the Issue Price but prior to filing of the Prospectus with Registrar of Companies, Maharashtra at Mumbai, we will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued through this Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLM shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfill their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and not joint, and are subject to certain conditions as specified in such agreement.

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

*(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with Registrar of Companies, Maharashtra at Mumbai.)*

Name and Address of the Underwriters	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. Lacs)
<b>Anand Rathi Securities Limited,</b> 11 <sup>th</sup> Floor, Times Tower, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 <b>Tel:</b> +91 22 4047 7000 <b>Fax:</b> +91 22 4047 7070 <b>Email:</b> jkumar.ipo@rathi.com	[•]	[•]
<b>A.K. Stockmart Private Limited</b> 136, Free Press House, Free Press Journal Marg, 215, Nariman Point, Mumbai 400021 <b>Tel</b> : 022 - 67546500/6521 <b>Fax</b> : 022 – 66100594 <b>Email</b> : hitesh@akgrouponline.com	[•]	[•]
<b>Total</b>	65,00,000	[•]

The above-mentioned amount is an indicative underwriting and would be finalised after pricing and actual Allocation. The above underwriting agreement is dated [•].

In the opinion of the Board of Directors of our Company (based on a certificate given by the Underwriters), the resources of all the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. All the above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act.

Allocation among Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the BRLM and the Syndicate Members shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default, the respective underwriter in addition to other obligations to be defined in the Underwriting Agreement, will also be required to procure/subscribe to the extent of the defaulted amount. For details about allocation please refer chapter titled “Other Regulatory and Statutory Disclosures” beginning on page 178 of this Red Herring Prospectus.

## CAPITAL STRUCTURE

The share capital of our Company as on the date of filing of this Red Herring Prospectus with SEBI is set forth below:

		Amount (Rs. in Lacs)	
Sr. No.	Particulars	Aggregate Value at Nominal Price	Aggregate Value at Issue Price
<b>A.</b>	<b>Authorised Capital</b>		
	2,50,00,000 Equity Shares of Rs. 10/- each.	2,500.00	
<b>B.</b>	<b>Issued, Subscribed and Paid-Up Capital before this Issue</b>		
	1,42,24,420 Equity Shares of Rs. 10/- each.	1,422.44	
<b>C.</b>	<b>Present Issue to the public in terms of this Red Herring Prospectus</b>		
	65,00,000 Equity Shares of Rs. 10/- each fully paid up	650.00	[•]
	<b>Out of which:</b>		
	<b>Reservation for Eligible Employees</b>		
	2,00,000 Equity Shares are reserved for the Eligible Employees of our Company	20.00	[•]
	<b>Net Issue to the Public</b>		
	63,00,000 Equity Shares of Rs 10/- each at a price of Rs [•] per share of which:	630.00	[•]
	• QIB portion of atleast 31,50,000 Equity Shares of which:	315.00	[•]
	• 5% Reservation for Mutual Funds of 1,57,500 Equity Shares out of the QIB portion	15.75	[•]
	• Non Institutional portion upto 9,45,000 Equity Shares	94.50	[•]
	• Retail portion upto 22,05,000 Equity Shares	220.50	[•]
<b>D.</b>	<b>Issued, Subscribed and Paid-Up Capital after this Issue</b>		
	2,07,24,420 Equity Shares	2,072.44	[•]
<b>E.</b>	<b>Securities Premium Account</b>		
	Before this Issue	1,210.30	
	After this Issue	[•]	

### Notes to Capital Structure:

- Details of increase in authorised share capital

Date of the Meeting	Particulars of Increase
February 28, 2006	Increased from 50,000 Equity Shares of Rs. 10/- each aggregating to Rs. 5,00,000/- to 1,00,00,000 Equity Shares of Rs. 10/- each aggregating Rs. 10,00,00,000/-
March 10, 2007	Increased from 1,00,00,000 Equity Shares of Rs. 10/- each aggregating Rs. 10,00,00,000/- to 2,50,00,000 Equity Shares of Rs. 10/- each aggregating Rs. 25,00,00,000/-

2. **Share Capital History of our Company in respect of Equity Shares:** Our existing equity share capital has been subscribed and allotted as under:

Sr. No	Date of Allotment / Fully Paid-up	No. of Equity Shares	Face Value (in Rs.)	Issue Price (in Rs.)	Consideration	Nature of allotment	Cumulative Securities Premium (Rs.)	Cumulative Paid-up Capital (Rs.)
1.	December 2, 1999	30	10	10	Cash	Original subscribers to the Memorandum	Nil	300
2.	December 11, 2002	9,970	10	10	Cash	Further Allotment to Promoters	Nil	1,00,000
3.	April 5, 2006	40,000	10	10	Cash	Further Allotment to Promoters & Promoter Group	Nil	5,00,000
4.a	July 7, 2006	42,97,020	10	10	Cash	Further Allotment to Promoters & Promoter Group		4,34,70,200
4.b	July 7, 2006	56,52,980	10	10	Cash	Further Allotment to others	Nil	10,00,00,000
5.	March 14, 2007	24,95,420	10	10	Cash	Further Allotment to others	Nil	12,49,54,200
6.a	August 18, 2007	14,05,000	10	80	Cash	Further Allotment to others	9,83,50,000	13,90,04,200
6.b	August 18, 2007	3,24,000	10	80	Cash	Further Allotment to Promoters	12,10,30,000	14,22,44,200
	<b>Total</b>	<b>1,42,24,420</b>						

In the aforesaid table wherein Equity Shares have been allotted to Promoters & Promoter Group or to outsiders on the same date then we have disclosed in two separate rows.

3. **Promoters Contribution and Lock-in:** Our Company has 6 Promoters namely Mr. Jagdishkumar M Gupta, Mr. Kamal J. Gupta, Mr. Nalin J. Gupta, Ms. Kusum J. Gupta, Ms. Sonal K. Gupta and Ms. Shalini N. Gupta. Details of Equity Shares held by them and locked-in pursuant to the Issue are as follows:

Name of the Promoter	Date of Allotment/ Transfer and Made Fully Paid-up	Consideration	No. of Equity Shares	Face Value (in Rs)	Issue/ Transfer Price (in Rs.)	% of Pre-Issue Paid-up Capital	% of Post Issue Paid-up Capital	Lock-in Period (Years)
<b>Mr. Jagdishkumar M Gupta</b>	December 2, 1999	Cash (Allotment)	10	10	10.00	0.00	0.00	1 year
	December 11, 2002	Cash (Allotment)	3,990	10	10.00	0.03	0.02	3 years
	April 5, 2006	Cash (Allotment)	39,960	10	10.00	0.28	0.19	3 years
	July 7, 2006	Cash (Allotment)	38,17,020	10	10.00	26.83	18.42	3 years
	March 26, 2007	Cash (Transfer)	7,12,500	10	2.90	5.01	3.44	1 year
	March 30, 2007	Cash (Transfer)	3,64,000	10	2.90	2.56	1.76	1 year
	June 13, 2007	Cash (Transfer)	46,500	10	10.00	0.33	0.22	1 year
	August 18, 2007	Cash (Allotment)	1,10,000	10	80.00	0.77	0.53	1 year
		<b>Total</b>	<b>50,93,980</b>			<b>35.81</b>	<b>24.58</b>	
<b>Mr. Kamal J. Gupta</b>	December 2, 1999	Cash (Allotment)	10	10	10.00	0.00	0.00	1 year
	December 11, 2002	Cash (Allotment)	2,990	10	10.00	0.02	0.01	3 years
	March 25, 2007	Cash (Transfer)	7,15,000	10	2.95	5.03	3.45	1 year
	March 30, 2007	Cash (Transfer)	3,50,000	10	3.00	2.46	1.69	1 year
	June 13, 2007	Cash (Transfer)	49,500	10	10.00	0.34	0.24	1 year
	August 18, 2007	Cash (Transfer)	1,05,000	10	80.00	0.74	0.51	1 year
		<b>Total</b>	<b>12,22,500</b>			<b>8.59</b>	<b>5.90</b>	

Name of the Promoter	Date of Allotment/ Transfer and Made Fully Paid-up	Consideration	No. of Equity Shares	Face Value (in Rs)	Issue/ Transfer Price (in Rs.)	% of Pre-Issue Paid-up Capital	% of Post Issue Paid-up Capital	Lock-in Period (Years)
<b>Mr. Nalin J. Gupta</b>	December 2, 1999	Cash (Allotment)	10	10	10.00	0.00	0.00	1 year
	December 11, 2002	Cash (Allotment)	2,990	10	10.00	0.02	0.01	3 years
	March 23, 2007	Cash (Transfer)	3,64,000	10	2.95	2.56	1.76	1 year
	March 30, 2007	Cash (Transfer)	3,57,000	10	2.95	2.51	1.72	1 year
	March 30, 2007	Cash (Transfer)	3,57,000	10	2.90	2.51	1.72	1 year
	June 13, 2007	Cash (Transfer)	17,000	10	10.00	0.12	0.08	1 year
	August 18, 2007	Cash (Allotment)	1,09,000	10	80.00	0.77	0.53	1 year
		<b>Total</b>	<b>12,07,000</b>			<b>8.49</b>	<b>5.82</b>	
<b>Ms. Kusum J. Gupta</b>	April 5, 2006	Cash (Allotment)	10	10	10.00	0.00	0.00	1 year
	July 7, 2006	Cash (Allotment)	1,21,500	10	10.00	0.85	0.59	3 years
	March 16, 2007	Cash (Transfer)	7,15,000	10	2.95	5.03	3.45	1 year
	March 31, 2007	Cash (Transfer)	3,50,000	10	3.00	2.46	1.69	1 year
	June 13, 2007	Cash (Transfer)	38,000	10	10.00	0.27	0.18	1 year
		<b>Total</b>	<b>12,24,510</b>			<b>8.61</b>	<b>5.91</b>	
<b>Ms. Sonal K. Gupta</b>	April 5, 2006	Cash (Allotment)	10	10	10.00	0.00	0.00	1 year
	July 7, 2006	Cash (Allotment)	1,21,500	10	10.00	0.85	0.59	3 years
	March 23, 2007	Cash (Transfer)	3,64,000	10	2.90	2.56	1.76	1 year
	March 31, 2007	Cash (Transfer)	3,64,000	10	2.90	2.56	1.76	1 year
	June 13, 2007	Cash (Transfer)	22,500	10	10.00	0.16	0.11	1 year
		<b>Total</b>	<b>8,72,010</b>			<b>6.13</b>	<b>4.21</b>	
<b>Ms. Shalini N. Gupta</b>	April 5, 2006	Cash (Allotment)	10	10	10.00	0.00	0.00	1 year
	July 7, 2006	Cash (Allotment)	1,88,500	10	10.00	1.33	0.91	3 years
	March 31, 2007	Cash (Transfer)	7,12,400	10	2.95	5.01	3.44	1 year
	June 13, 2007	Cash (Transfer)	35,000	10	10.00	0.25	0.17	1 year
			<b>9,35,910</b>			<b>6.58</b>	<b>4.52</b>	
		<b>Grand Total</b>	<b>1,05,55,910</b>			<b>74.21</b>	<b>50.93</b>	

The Promoters contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as promoters in the chapter titled “Our Promoters” on page 131.

At least 20% of the post-Issue paid-up equity share capital, of the above mentioned 6 Promoters i.e., Mr. Jagdishkumar M Gupta, Mr. Kamal J. Gupta, Mr. Nalin J. Gupta, Ms. Kusum J. Gupta, Ms. Sonal K. Gupta and Ms. Shalini N. Gupta, would be locked-in for a period of three years from the date of allotment in the present Issue and the balance pre-Issue paid-up equity share capital would be locked-in for a period of one year from the date of Allotment in the present Issue.

The Promoters have given their written consent for inclusion of their equity shares as a part of promoter’s contribution which is subject to lockin for a period of 3 years from the date of allotment of equity shares in the proposed Issue.

#### Summary of Equity Shares offered by the Promoters for three years lock in:

S. No.	Name of the Promoters	No. of Shares offered for Lock-in for three years	Percentage of Post Issue Paid-up Capital
1.	Mr. Jagdishkumar M Gupta	3,860,970	18.63
2.	Mr. Kamal J. Gupta	2,990	0.01
3.	Mr. Nalin J. Gupta	2,990	0.01
4.	Ms. Kusum J. Gupta	1,21,500	0.59
5.	Ms. Sonal K. Gupta	1,21,500	0.59
6.	Ms. Shalini N. Gupta	1,88,500	0.91
	<b>Total</b>	<b>42,98,450</b>	<b>20.74%</b>

Shares held by our Promoters which are locked in as per the relevant provisions of Chapter IV of the SEBI Guidelines, may be transferred to and amongst Promoters/Promoters Group or to a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable. The locked-in Equity Shares held by our Promoters can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions, provided the pledge of shares is one of the terms of sanction of such loan and such loan is towards financing one or more objects of the issue. However, as on date of this Red Herring Prospectus, none of the equity shares held by our Promoters forming a part of three years lock in have been pledged to any person, including banks and financial institutions.

Further, the Equity Shares held by persons other than Promoters prior to this Issue, which are subject to one year lock in as per provisions of chapter IV of SEBI Guidelines may be transferred to any other person holding shares prior to the Issue, subject to continuation of lock-in with transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

#### 4. Individual shareholding of persons who constitute Promoters Group (other than Promoters):

Name of the Person	Date of Allotment/ Transfer and Made Fully Paid-up	Consideration	No. of Equity Shares	Face Value (in Rs)	Issue/ Transfer Price (in Rs.)	% of Pre-Issue Paid-up Capital	% of Post Issue Paid-up Capital	Lock-in Period * (Years)
<b>J Kumar Software System (India) Private Limited</b>	March 24, 2007	Cash (Transfer)	5,00,000	10	3	3.52	2.41	1 year
	March 24, 2007	Cash (Transfer)	1,00,000	10	3.05	0.70	0.48	1 year
	March 24, 2007	Cash (Transfer)	4,00,000	10	3.10	2.81	1.93	1 year
	March 24, 2007	Cash (Transfer)	5,00,000	10	3.15	3.52	2.41	1 year
	March 24, 2007	Cash (Transfer)	4,00,000	10	3.20	2.81	1.93	1 year
	March 24, 2007	Cash (Transfer)	3,00,000	10	3.25	2.11	1.45	1 year
		<b>Total</b>	<b>22,00,000</b>			<b>15.47</b>	<b>10.62</b>	
<b>Govind Dabriwal (Brother of Ms. Kusum J. Gupta)</b>	April 5, 2006	Cash Allotment	10	10	10	0	0	1 year
		<b>Total</b>	<b>10</b>			<b>0</b>	<b>0</b>	
<b>Grand Total</b>			<b>22,00,010</b>			<b>15.47</b>	<b>10.62</b>	

#### 5. Details of pre-Issue shareholding of the Promoter / Promoter Group as on date are as follows:

S. No.	Name	Shareholding	% of pre- Issue Shareholding
<b>Core Promoters</b>			
1.	Mr. Jagdishkumar M Gupta	50,93,980	35.81%
2.	Mr. Kamal J. Gupta	12,22,500	8.59%
3.	Mr. Nalin J. Gupta	12,07,000	8.49%
4.	Ms. Kusum J. Gupta	12,24,510	8.61%
5.	Ms. Sonal K. Gupta	8,72,010	6.13%
6.	Ms. Shalini N. Gupta	9,35,910	6.58%
	<b>Sub-Total (A)</b>	<b>1,05,55,910</b>	<b>74.21%</b>
<b>Promoter Group</b>			
1.	J Kumar Software System (India) Private Limited	22,00,000	15.47%
2.	Govind Dabriwal	10	0.00%
	<b>Sub-Total (B)</b>	<b>22,00,010</b>	<b>15.47%</b>
	<b>Total (A+B)</b>	<b>1,27,55,920</b>	<b>89.68%</b>

**6. Shareholding pattern of our Company prior and post this Issue**

Name of the Shareholders	Pre-Issue		Post-Issue*	
	No. of Equity Shares	%	No. of Equity Shares	%
<b>Promoters</b>				
Mr. Jagdishkumar Gupta	50,93,980	35.81%	50,93,980	24.58%
Mr. Kamal J. Gupta	12,22,500	8.59%	12,22,500	5.90%
Mr. Nalin J. Gupta	12,07,000	8.49%	12,07,000	5.82%
Ms. Kusum J. Gupta	12,24,510	8.61%	12,24,510	5.91%
Ms. Sonal K. Gupta	8,72,010	6.13%	8,72,010	4.21%
Ms. Shalini N. Gupta	9,35,910	6.58%	9,35,910	4.52%
<b>Sub-Total</b>	<b>1,05,55,910</b>	<b>74.21%</b>	<b>1,05,55,910</b>	<b>50.93%</b>
<b>Promoter's Group – Individuals</b>				
Govind Dabriwal	10	0.00%	10	0.00%
<b>Sub-Total</b>	<b>10</b>	<b>0.00%</b>	<b>10</b>	<b>0.00%</b>
<b>Promoter's Group – Corporate Bodies</b>				
J Kumar Software System (India) Private Limited	22,00,000	15.47%	22,00,000	10.62%
<b>Sub-Total</b>	<b>22,00,000</b>	<b>15.47%</b>	<b>22,00,000</b>	<b>10.62%</b>
Others	14,68,500	10.32%	14,68,500	7.09%
Public	Nil	Nil	65,00,000	31.36%
<b>Total</b>	<b>1,42,24,420</b>	<b>100.00%</b>	<b>2,07,24,420</b>	<b>100.00%</b>

\*Post Issue Shareholding pattern may change if any pre-Issue Shareholder(s) are allotted equity shares in this Issue.

**7. a) Our top ten shareholders and the shares held by them as on the date of filing this Red Herring Prospectus with SEBI are as follows:**

Sr. No.	Name of the shareholder	No. of Equity Shares	% of pre- Issue Shareholding
1.	Mr. Jagdishkumar M. Gupta	50,93,980	35.81%
2.	J Kumar Software System (India) Private Limited	22,00,000	15.47%
3.	Ms. Kusum J. Gupta	12,24,510	8.61%
4.	Mr. Kamal J. Gupta	12,22,500	8.59%
5.	Mr. Nalin J. Gupta	12,07,000	8.49%
6.	Ms. Shalini N. Gupta	9,35,910	6.58%
7.	Ms. Sonal K. Gupta	8,72,010	6.13%
8.	Scope Private Limited	1,50,000	1.05%
9.	Mr. Birendra Kumar Agarwal & Kaushalaya B. Agarwal	1,12,500	0.79%
10.	Kiran Radiografix Private Limited	1,00,000	0.70%
10.	Mr. Ibrahim Somji & Jean Somji	1,00,000	0.70%
10.	Mr. Paresch Manek & Alka Manek	1,00,000	0.70%
10.	Mr. Viral Manek & Dimpal Manek	1,00,000	0.70%
	<b>TOTAL</b>	<b>1,34,18,410</b>	<b>94.33%</b>

- b) Our top ten shareholders and the shares held by them ten days prior to the date of filing this Red Herring Prospectus with SEBI are as follows:

Sr. No.	Name of the shareholder	No. of Equity Shares	% of pre- Issue Shareholding
1.	Mr. Jagdishkumar M. Gupta	50,93,980	35.81%
2.	J Kumar Software System (India) Private Limited	22,00,000	15.47%
3.	Ms. Kusum J. Gupta	12,24,510	8.61%
4.	Mr. Kamal J. Gupta	12,22,500	8.59%
5.	Mr. Nalin J. Gupta	12,07,000	8.49%
6.	Ms. Shalini N. Gupta	9,35,910	6.58%
7.	Ms. Sonal K. Gupta	8,72,010	6.13%
8.	Scope Private Limited	1,50,000	1.05%
9.	Mr. Birendra Kumar Agarwal & Kaushalaya B. Agarwal	1,12,500	0.79%
10.	Kiran Radiografix Private Limited	1,00,000	0.70%
10.	Mr. Ibrahim Somji & Jean Somji	1,00,000	0.70%
10.	Mr. Paresh Manek & Alka Manek	1,00,000	0.70%
10.	Mr. Viral Manek & Dimpal Manek	1,00,000	0.70%
	<b>TOTAL</b>	<b>1,34,18,410</b>	<b>94.33%</b>

- c) Our top ten shareholders and the shares held by them two years prior to the date of filing this Red Herring Prospectus with SEBI are as follows:

Sr. No.	Name of the shareholder	No. of Equity Shares	% of total shareholding
1	Jagdishkumar M Gupta	4,000	40%
2	Kamal J. Gupta	3,000	30%
3	Nalin J.Gupta	3,000	30%
	<b>TOTAL</b>	<b>10,000</b>	<b>100%</b>

8. Our Promoters, Directors or Promoters Group companies have not purchased and/or sold/financed any Equity Share of our Company in the past 6 months from the date of filing of Red Herring Prospectus.
9. We have issued Equity Shares in the last twelve months, as per the details given hereinbelow:

S.No	Name of the Shareholders	No of Shares	Issue Price	Nature of relationship with Promoter Group	Reasons for such Issue
1	Supreme Sukhadham & Associates	2,495,420	10/-	No relation	Further Issue of Shares
2	Jagdish Kumar Gupta	110,000	80/-	Promoter	Further issue of shares (Pvt Placement)
3	Kamal J Gupta	105,000	80/-	Promoter	Further issue of shares (Pvt Placement)
4	Nalin J Gupta	109,000	80/-	Promoter	Further issue of shares (Pvt Placement)
5	Ibrahim Somji & Jean somji	100,000	80/-	No relation	Further issue of shares (Pvt Placement)
6	Viral Manek & Dimpal Manek	100,000	80/-	No relation	Further issue of shares (Pvt Placement)
7	Paresh Manek & Alka Manek	100,000	80/-	No relation	Further issue of shares (Pvt Placement)
8	Kiran Radiografix Private Limited	100,000	80/-	No relation	Further issue of shares (Pvt Placement)
9	Scope Private Limited	150,000	80/-	No relation	Further issue of shares (Pvt Placement)
10	Motilal M. Shah	62,500	80/-	No relation	Further issue of shares (Pvt Placement)
11	Lalita A. Anand	31,250	80/-	No relation	Further issue of shares (Pvt Placement)
12	Sanguinity Trading Co.	40,000	80/-	No relation	Further issue of shares



	Private Limited				(Pvt Placement)
13	Subramanian Sudarsanam Sarma & Seetha Subramanian	50,000	80/-	No relation	Further issue of shares (Pvt Placement)
14	Ajit keshav Adhikari & Pruthuli Ajit Adhikari	50,000	80/-	No relation	Further issue of shares (Pvt Placement)
15	Gautam Chand Mehta & Leena G. Mehta	50,000	80/-	No relation	Further issue of shares (Pvt Placement)
16	JBF Industries Limited	62,500	80/-	No relation	Further issue of shares (Pvt Placement)
17	Prem khurana	30,000	80/-	No relation	Further issue of shares (Pvt Placement)
18	Associates Holdings Private Limited	30,000	80/-	No relation	Further issue of shares (Pvt Placement)
19	Birendra Kumar Agarwal & Kaushalya B. Agarwal	112,500	80/-	No relation	Further issue of shares (Pvt Placement)
20	Jay Uttamchandani	50,000	80/-	No relation	Further issue of shares (Pvt Placement)
21	Doulat Chimandas Adtani	50,000	80/-	No relation	Further issue of shares (Pvt Placement)
22	Suchip Sethi	50,000	80/-	No relation	Further issue of shares (Pvt Placement)
23	Susheel Kumar Saraff	50,000	80/-	No relation	Further issue of shares (Pvt Placement)
24	Tarlok Singh Ghogar	30,000	80/-	No relation	Further issue of shares (Pvt Placement)
25	Madhuri R.Dhoot	51,250	80/-	No relation	Further issue of shares (Pvt Placement)
26	Moolchand K. Jain	5,000	80/-	No relation	Further issue of shares (Pvt Placement)
27	Kishore G. Shah	5,000	80/-	No relation	Further issue of shares (Pvt Placement)
28	Ranjan M. Shah	5,000	80/-	No relation	Further issue of shares (Pvt Placement)
29	Ranjana Vasant Agrawal	5,000	80/-	No relation	Further issue of shares (Pvt Placement)
30	Snehlata Pansari	5,000	80/-	No relation	Further issue of shares (Pvt Placement)
31	Dalchand Harchandilal Gupta	5,000	80/-	No relation	Further issue of shares (Pvt Placement)
32	Meena Dalchand Gupta	5,000	80/-	No relation	Further issue of shares (Pvt Placement)
33	Ajay Dalchand Gupta	5,000	80/-	No relation	Further issue of shares (Pvt Placement)
34	Amit Dalchand Gupta	5,000	80/-	No relation	Further issue of shares (Pvt Placement)
35	Hemant V. Pasari	2,500	80/-	No relation	Further issue of shares (Pvt Placement)
36	Prashant Rajkumar Rajgarhia	2,500	80/-	Brother of promoter, Ms. Shalini N Gupta	Further issue of shares (Pvt Placement)
37	Vinay Singhanian	5,000	80/-	No relation	Further issue of shares (Pvt Placement)

10. Our Company, Promoters, Directors, the BRLM and the Promoter Group have not entered into any buy-back, standby or similar arrangements for purchase of Equity Shares of our Company being offered through the Issue from any person.
11. For details of put option available to the investors under the Share Subscription Agreements, under which there is provision for buy-back by our Promoters(as defined therein) in certain circumstances of shares allotted to certain investors, please refer paragraph titled “Shareholder’s Agreements” in the section titled “History and Other Corporate Matters” beginning on page 114 of this Red Herring Prospectus.
12. An over-subscription to the extent of 10% of Net Issue to the Public can be retained for the purpose of rounding off to the nearer multiple of 1, while finalizing the Basis of Allotment. Consequently, the actual allotment may go up by a maximum of 10% of the Net Issue to Public, as a result of which, the post Issue paid up capital after the Issue would

also increase by the excess amount of Allotment so made. In such an event, the Equity Shares held by our Promoters and subject to lock- in shall be suitably increased, so as to ensure that 20% of the post Issue paid-up capital is locked in.

13. In the case of over-subscription in all categories, atleast 50% of the Net Issue to the Public shall be allocated on a proportionate basis to Qualified Institutional Buyers, of which 5% shall be reserved for Mutual Funds only. Further, upto 15% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Non Institutional Bidders and upto 35% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above this Issue Price. Under-subscription, if any, in the Retail Portion, the Non Institutional Portion, or Employee Reservation Portion, would be met with spill over from other categories at the sole discretion of our Company in consultation with the BRLM.
14. In case of under-subscription, if any, in the Employee Reservation Portion, would 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.
15. As on date of filing of this Red Herring Prospectus with SEBI, the entire issued share capital of our Company is fully paid-up.
16. Our Company undertakes that at any given point of time, there shall be only one denomination for the Equity Shares of our Company and our Company shall comply with such disclosure and accounting norms as specified by SEBI from time to time.
17. We presently do not have any intention or proposal to alter our capital structure for a period of six months 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 exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise, except that if we enter into acquisitions or joint ventures, we may consider raising additional capital to fund such activity or use Equity Shares as currency for acquisition or participation in such joint ventures.
18. Our Company has not revalued its assets since inception and has not issued any shares out of the revaluation reserves or for consideration other than cash.
19. Our Company has not capitalized its reserves since inception.
20. A Bidder cannot make a Bid for more than the number of Equity Shares offered through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
21. Our Company has not made any public issue since its incorporation.
22. Our Company has not raised any bridge loan against the proceeds of this Issue.
23. As on the date of this Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.
24. In respect of various agreements entered into by our Company with the lenders and sanction letters issued by our lenders to us, we are bound by certain restrictive covenants.

Pursuant to the aforesaid covenants, we have obtained the prior written approvals from the lenders as follows:

S.No.	Name of the Bank	Letter dated
1.	Bank of India	31-Jul-07
2.	Axis Bank Limited	3-Sep-07

25. Our Company does not have any ESOS/ESPS scheme for our employees and we do not intend to allot any shares to our employees under ESOS/ESPS scheme from the proposed Issue. As and when options are granted to our employees under any ESOP scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines 1999.
26. Since the entire money in respect of the issue is being called on application, all the successful applicants will be issued fully paid-up shares.
27. The securities, which are subject to lock-in, shall carry the inscription “non-transferable” and the non-transferability details shall be informed to the depositories. The details of lock-in shall also be provided to BSE and NSE, where the Equity Shares are to be listed, before the listing of the securities.
28. The Equity Shares forming part of Promoter contribution do not consist of any private placement made by solicitation of subscription from unrelated persons, either directly or through any intermediary
29. The total number of members of our Company as on the date of filing this Red Herring Prospectus is 43.

30. We shall not make any further issue of capital by way of issue of bonus shares, preferential allotment, rights issue or public issue or in any other manner, during the period commencing from the submission of offer document to SEBI till the securities referred in the offer document have been listed or application moneys refunded on account of failure of this Issue.

## OBJECTS OF THE ISSUE

The proceeds from this Issue are intended to be deployed for the following:

1. Purchase of Capital Equipments
2. Funding Working Capital Requirement
3. General Corporate Purposes &
4. Public Issue Expenses

Additionally, the objects of the Issue are to achieve the benefits of listing on the Stock Exchanges. We believe that listing will enhance our Company's brand name and provide liquidity to our Company's existing shareholders. Listing will also provide a public market for the Equity Shares in India.

The Main Objects clause and Objects Incidental or Ancillary to the Main Objects clause of the Memorandum of Association of our Company enables us to undertake the existing activities and the activities for which the funds are being raised through this Issue. We further confirm that the activities of our Company carried out until now are in accordance with the Objects clause of the Memorandum of Association of our Company.

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

### Requirement of Funds and Means of Finance

(Rs. In lacs)

Description	Total Cost
Purchase of Capital Equipments	5084.23
Funding our Working Capital Requirements	1867.00
General Corporate Purposes	[•]
Public Issue Expenses	[•]
<b>GRAND TOTAL</b>	<b>[•]</b>

### Means of Finance

We propose to fund the aforesaid requirement through the following means of finance.

(Rs. In lacs)

Sr. No.	Particulars	Amount
1.	Initial Public Offer	[•]
2.	Internal Accruals*	1104.37
	<b>Total</b>	<b>[•]</b>

\* Our Internal Accruals as on March 31<sup>st</sup>, 2007 are Rs. 1104.37 lacs as certified by our Statutory Auditors M/s Gupta Saharia and Co. under certificate dated September 12, 2007.

Whilst our Company intends to utilize the net proceeds of the Fresh Issue in the manner provided above, in the event of a surplus, our Company will use such surplus towards general corporate purposes including but not limited to repayment or prepayment of loans taken by our Company.

We confirm that firm arrangements of finance through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised through proposed Public Issue, have been made.

**Note:** Any increase in the cost of project or shortfall in the funding would be financed through additional internal accruals/private placement and/or loan funds.

No part of the Issue proceeds will be paid by us as consideration to our Promoters, Directors, Key Management Personnel or companies promoted by our Promoters, except in the course of normal business.

Since majority of the issue proceeds will be used to fund purchase of capital equipments as described above, the extent of creation of tangible assets out of the total project cost that is proposed to be financed out of this issue will be substantially higher than the funds being proposed to be deployed for intangible assets.

## DESCRIPTION OF REQUIREMENT OF FUNDS

### 1. Purchase of Capital Equipment

We have estimated the requirement of plant, equipment and machinery aggregating Rs. 5084.23 Lacs. We have estimated these requirements based on Proforma Invoice / Quotations received from various vendors / manufacturers/ suppliers of construction equipment and incase where quotations have expired, we have valued the estimate on the value contained in the expired quotations. The details of the same are as follows:

Sr. No.	Description	Suppliers Name / Make / Model	Quantity	Unit Rate	Amount
1.	Hydraulic Drilling Rig HR 180, Brand New, crawler mounted and complete with no. 1 Interlocking Kelly bar 40m depth, in standard piling version.	Mait Far East Pte. Ltd. India Branch Office 202, Hasti Indl. Estate, R-798, TTC Industrial Area, MIDC, Mahape, Navi Mumbai 400 701	4	€ 4,50,000	€ 18,00,000
	Add: Customs Duty @ 31.5%				€ 5,67,000
	Total				€ 23,67,000
	Exchange Rate of 1 Euro				Rs. 54.50
	<b>Total</b>				<b>Rs. 1290.02 Lacs</b>
2.	EXTEC C-12+ Mobile Jaw Crusher Plant. EXTEC XBS-44 with Recirculating Screen Cone Crusher Plant. EXTEC S-5 Mobile Screening Plant without Grid	Extec Screens and Crushers (I) Pvt. Ltd., 302, Greenwoods Plaza, Greenwoods City Complex, Sector 45, Gurgaon – 122 001, Haryana	1	£ 6,55,000	£ 6,55,000
	Add: Customs Duty @ 31.50%				£ 2,06,325
	Total				£ 8,61,325
	Exchange Rate of 1 GBP				Rs. 80
	Total				Rs. 689 Lacs
	Add: Octroi @ 5.5%				Rs. 37.90 Lacs
	<b>Total</b>				<b>Rs. 727 Lacs</b>
3.	Tata Novus Box Tipper 2530 fully built	Unitech Automobiles (P) Ltd; Plot No. 6, Marwah Estate, Opp. Tata Power, Off Saki Vihar Road, Sakinaka, Andheri (East), Mumabai – 400 072	10	Rs. 41.12 Lacs	Rs. 411.20 Lacs
4.	Putzmeister Concrete Pump Model BSF 36.09 x-unit with own slave Engine	Putzmeister AG, 3 <sup>rd</sup> Floor, SMR Vinay Estate, Commercial Block, Outer Ring Rd., Dodda Banaswadi, Bangalore 560 043	2	€ 1,90,000	€ 3,80,000
	Add: Customs Duty @ 31.50%				€ 1,19,700
	Total				€ 4,99,700
	Exchange Rate of 1 Euro				Rs. 54.50
	Total				Rs. 272.33 Lacs
	Add: Octroi @ 5.5%				Rs. 14.98 Lacs
	<b>Total</b>				<b>Rs. 287.31 Lacs</b>
5.	Tata LPK 2516 / 6 com Transit Mixer 6x1	Unitech Automobiles (P) Ltd; Plot No. 6, Marwah Estate, Opp. Tata Power, Off Saki Vihar Road, Sakinaka, Andheri (East), Mumabai – 400 072	10	Rs. 24.93 Lacs	Rs. 249.30 Lacs

Sr. No.	Description	Suppliers Name / Make / Model	Quantity	Unit Rate	Amount
6.	Ashok Leyland Taurus 2516/2 HD Tipper fully built.	Automotive Manufacturers Pvt. Ltd. Mumbai Branch, 108,Bazar Ward, Kurla, Mumbai – 400 070	10	Rs. 17.64 Lacs	Rs. 176.40 Lacs
7.	Tata Hitachi Hydraulic Excavator EX210LCHV	Telco Construction Equipment Co. Ltd. 301E Poonam Chambers A wing, 3 <sup>rd</sup> Floor, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai 400018	2	Rs. 39 Lacs	Rs. 78 Lacs
	Add: Excise Duty @ 16.48%				Rs. 12.85 Lacs
	Total				Rs. 90.85 Lacs
	Add: VAT @ 4%				Rs. 3.63 Lacs
	Total				Rs. 94.48 Lacs
	Add: Octroi @ 5.5%				Rs. 5.20 Lacs
	<b>Total</b>				<b>Rs. 99.68 Lacs</b>
8.	Schwing Stetter RMC Mixing Plant MCI – 360	Schwing Stetter (India) Pvt. Ltd; 620/621, Nirmal Lifestyle Corporate Centre, 6 <sup>th</sup> Floor, LBS Marg, Mulund (West), Mumbai – 400 080.	1	Rs. 67 lacs	Rs. 67 Lacs
	Add: Excise Duty @ 16.48%				Rs. 11.04 Lacs
	Total				Rs. 78.04 Lacs
	Add: VAT @ 12.5%				Rs. 9.75 Lacs
	Total				Rs. 87.79 Lacs
	Add: Octroi @ 5.5%				Rs. 4.83 Lacs
	<b>Total</b>				<b>Rs. 92.62 Lacs</b>
9.	Schwing Stetter Portable Concrete Pump BP 350xTD with Pipeline	Schwing Stetter (India) Pvt. Ltd; 620/621, Nirmal Lifestyle Corporate Centre, 6 <sup>th</sup> Floor, LBS Marg, Mulund (West), Mumbai – 400 080.	3	Rs. 18.65 Lacs	Rs. 55.95 Lacs
	Add: Excise Duty @ 16.48%				Rs. 9.22 Lacs
	Total				Rs. 65.17 Lacs
	Add: VAT @ 12.5%				Rs. 8.15 Lacs
	Total				Rs. 73.32 Lacs
	Add: Octroi @ 5.5%				Rs. 4.03 Lacs
	<b>Total</b>				<b>Rs. 77.35 Lacs</b>
10.	Tata Hitachi Hydraulic Excavator EX350LCHV (Super)	Telco Construction Equipment Co. Ltd. 301E Poonam Chambers A wing, 3 <sup>rd</sup> Floor, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai 400018	1	Rs. 66 Lacs	Rs. 66 Lacs
	Add: Excise Duty @ 16.48%				Rs. 10.88 Lacs
	Total				Rs. 76.88 Lacs
	Add: VAT @ 4%				Rs. 3.07 Lacs
	Total				Rs. 79.95 Lacs
	Add: Octroi @ 5.5%				Rs. 4.40 Lacs

Sr. No.	Description	Suppliers Name / Make / Model	Quantity	Unit Rate	Amount
	<b>Total</b>				<b>Rs. 84.35 Lacs</b>
11.	Apollo Model DM 60 Stationary Drum Mix Type Asphalt Plant.	Apollo Earth Movers Ltd; 112/113, Shrikant Chambers, Nr. R.K. Studios, S.T. Road, Chembur, Mumbai – 400 071	1	Rs. 43.50 Lacs	Rs. 43.50 Lacs
	Add: Excise Duty @ 16.48%				Rs. 7.16 Lacs
	<b>Total</b>				<b>Rs. 50.66 Lacs</b>
	Add: VAT @ 12.5%				Rs. 6.33 Lacs
	<b>Total</b>				<b>Rs. 57.00 Lacs</b>
	Add: Octroi @ 5.5%				Rs. 3.13 Lacs
	<b>Total</b>				<b>Rs. 60.13 Lacs</b>
12.	Apollo Model AP 550 Hydrostatic Paver finisher with Sensor controls for Asphalt & Wet Mix Applications	Gujarat Apollo Industries Ltd; 112/113, Shrikant Chambers, Nr. R.K. Studios, S.T. Road, Chembur, Mumbai – 400 071	1	Rs. 36.80 Lacs	Rs. 36.80 Lacs
	Add: Excise Duty @ 16.48%				Rs.6.06 Lacs
	<b>Total</b>				<b>Rs. 42.86 Lacs</b>
	Add: VAT @ 12.5%				Rs. 5.36 Lacs
	<b>Total</b>				<b>Rs. 48.22 Lacs</b>
	Add: Octroi @ 5.5%				Rs. 2.65 Lacs
	<b>Total</b>				<b>Rs. 50.87 Lacs</b>
13.	L & T Case 752 Tandem Compactor	Chandra Equipment, DX /10, TTC Industrial Area, M.I.D.C. Nerul, Navi Mumbai– 400 705	2	Rs. 19.50 Lacs	Rs. 39.00 Lacs
	Add: Excise Duty @ 16.48%				Rs.6.43 Lacs
	<b>Total</b>				<b>Rs. 45.43 Lacs</b>
	Add: VAT @ 12.5%				Rs. 5.68 Lacs
	<b>Total</b>				<b>Rs. 51.11 Lacs</b>
	Add: Octroi @ 5.5%				Rs. 2.80 Lacs
	<b>Total</b>				<b>Rs. 53.92 Lacs</b>
14.	L & T Case 851 Loader Backhoe	Chandra Equipment, DX /10, TTC Industrial Area, M.I.D.C. Nerul, Navi Mumbai– 400 705	2	Rs. 16.00 Lacs	Rs. 32.00 Lacs
	Add: Excise Duty @ 16.48%				Rs.5.27 Lacs
	<b>Total</b>				<b>Rs. 37.27 Lacs</b>
	Add: VAT @ 12.5%				Rs. 4.66 Lacs
	<b>Total</b>				<b>Rs. 41.93 Lacs</b>
	Add: Octroi @ 5.5%				Rs. 2.31 Lacs
	<b>Total</b>				<b>Rs. 44.24 Lacs</b>
15.	L & T Case 770 Loader Backhoe	Chandra Equipment, DX /10, TTC Industrial Area, M.I.D.C. Nerul, Navi Mumbai– 400 705	2	Rs. 15.00 Lacs	Rs. 30.00 Lacs
	Add: Excise Duty @ 16.48%				Rs.4.94 Lacs
	<b>Total</b>				<b>Rs. 34.94 Lacs</b>
	Add: VAT @ 12.5%				Rs. 4.37 Lacs
	<b>Total</b>				<b>Rs. 39.31 Lacs</b>
	Add: Octroi @ 5.5%				Rs. 2.16 Lacs
	<b>Total</b>				<b>Rs. 41.47 Lacs</b>

Sr. No.	Description	Suppliers Name / Make / Model	Quantity	Unit Rate	Amount
16.	Purchase of Shuttering & centering				Rs. 1338.37 Lacs
	<b>GRAND TOTAL</b>				<b>Rs. 5084.23 Lacs</b>

**Note:** - Estimated amounts for machineries mentioned in Sr. nos 4, 7, 10, 11, 12, 13, 14, & 15 are taken based on quotations which have expired as on date. However, we continue to use them as our estimates.

**We have not placed any orders for any of the aforesaid machineries. Further, we do not propose to purchase any second hand machinery for the purpose of the aforesaid objects.**

2. **Funding working capital requirements:** We have assessed our working capital requirement for the financial year 2007 – 2008 to be Rs. 3,714 Lacs. The requirement is based on our current order book and our estimated requirement of working capital to execute the said orders. The details of funding our Working Capital requirement as per our estimates are as follows:

*(Rs. in Lacs)*

Sr No.	Description	No. of days	2007-08
<b>A.</b>	Current Assets		
1.	Raw materials	15	925
2.	Work in progress	30	1,849
3.	Sundry debtors	30	1,849
4.	Advances to suppliers, retention money (5% of contract value)		1,125
5.	Other current assets	7	432
	<b>Total Current Assets</b>		<b>6,180</b>
<b>B.</b>	Current Liabilities		
	Creditors	30	1,849
	Other Current Liabilities	10	616
<b>C.</b>	<b>Total Current Liabilities</b>		<b>2,466</b>
<b>D.</b>	<b>Working Capital Requirement</b>		<b>3,714</b>
	Bank Borrowings		500
	Private Placement of 17,29,000 equity shares on August 18, 2007*		1,347
	<b>IPO Proceeds</b>		<b>1,867</b>

The working capital margin requirement of our Company is estimated at Rs. 3,714 Lacs, as per our workings and estimations of our requirements, which is based on our prior experience. Out of which we propose to raise Rs. 1,867 Lacs from this Issue.

#### **Our Working Capital Limits**

<b>Particulars</b>	Working Capital Facility
<b>Sanctioning Authority</b>	Bank of India
<b>Cash Credit</b>	Rs. 500 Lacs
<b>BG Limit</b>	Rs.3000 Lacs
<b>Primary Security</b>	Hypothecation of Stock consisting of Construction Materials lying at various sites as well as against the Book Debt and Pledge of TDR
<b>Collateral Security</b>	(1)Equitable Mortgage of Residential flat no.701 & 702, Ritu Apartment, Plot no.42, JVPD scheme , Vile Parle (W) . (2) Equitable Mortgage of open plot at Thane. (3) Equitable Mortgage of unit no.16,Andheri Industrial Premises C.H.S ltd. in Amboli,Andheri (w) to the extent of Rs. 25 Lacs. (4)Hypothecation of unencumbered plant & machinery amounting to Rs.43 Lacs as per list given by the company.
<b>Guarantor</b>	Personal guarantees of Directors Mr.Jagdishkumar M.Gupta, Mr.Kamal J Gupta, Mr.Nalin J Gupta and Mrs. Kusum J. Gupta & J.Kumar & Co.

#### **3. General Corporate Purposes**

Any excess amounts collected from this Issue will be deployed for general corporate purposes.



#### 4. Issue Related Expenses

The expenses of the Issue include fees of the BRLM, underwriting commission, selling commission, distribution expenses, statutory fees, fees to legal advisors, fees to advisors, auditors, printing and stationary costs, registrar costs, advertisement expenses and listing fees payable to the Stock Exchanges among others. The total expenses for this Issue are estimated at Rs. [•] Lacs, which will be paid by our Company.

Sr No	Particulars	Amount (Rs in Lacs)
1	Fees to Book Running Lead Manager	[•]
2	Fees to Registrar to the Issue	[•]
3	Fees to Legal Advisors to the Issue	[•]
4	Fees to Auditors	[•]
5	Underwriting & Selling Commission	[•]
6	Printing and Stationary	[•]
7	Advertising Expenses	[•]
8	Other Expenses (including filing fees, listing fees, depository charges etc)	[•]
9	Contingencies	[•]
	<b>Total</b>	[•]

#### FUNDS DEPLOYED BY OUR COMPANY

Our Statutory Auditors, M/s Gupta Saharia and Co. have certified vide their letter dated December 14, 2007, that an amount of Rs. 63.31 lacs has been incurred upto December 14, 2007 towards the objects of the Issue.

(Rs. in Lacs)

Particulars	Amount
Amount spent towards Public Issue Expenses	63.31
<b>TOTAL</b>	

#### SOURCES OF FINANCING OF FUNDS ALREADY DEPLOYED

The expenditure incurred by our Company till upto December 14, 2007, are from from our internal accruals on the specified objects.

#### DETAILS OF MEANS OF FINANCE

##### I. Initial Public Offer

We propose to raise Rs. [•] Lacs by way of public issue of 65,00,000 Equity Shares of Rs. 10/- each of our company at a price of Rs. [•] per Equity Share in terms of this Red Herring Prospectus.

##### II. Internal Accruals

Our Internal Accruals as on March 31<sup>st</sup>, 2007 are Rs. 1104.37 lacs as certified by our Statutory Auditors M/s Gupta Saharia and Co. under certificate dated September 12, 2007.

#### Implementation Schedule

	Originally proposed Start Date	Revised Start Date	Completion Date	Remarks
Purchase of Capital Equipments	December 2007	February 2008	June 2008	Pending
Funding our Working Capital Requirements	April 2007	-	March 2008	Commenced
General Corporate Purposes	[•]	-	[•]	Pending
Public Issue Expenses	April 2007	-	[•]	Commenced

(Source: Estimates by Company Management)

Our Company intends to utilize the net proceeds to fund the proposed objects of this Issue. Since this Issue is proposed to open on January 18, 2008, we estimate that we will be in a position to initiate purchase of capital equipments from February, 2008. Hence, the implementation schedule has been revised to that extent.

**Proposed Deployment of Funds***(Rs. In Lacs)*

Sr. No	Description	Till March 2008	Till September 2008	Total Cost
1	Purchase of Capital Equipments	2941.00	2143.23	5084.23
2	Funding working Capital Requirement	1867.00	-	1867.00
3	General Corporate Purposes	[•]	[•]	[•]
4	Issue Expenses	[•]	[•]	[•]
	<b>GRAND TOTAL</b>	[•]	[•]	[•]

*(Source: Estimates by Company Management)***Interim Use of Proceeds**

Pending utilization for the purposes described above, we intend to temporarily invest the funds in fixed deposit, high quality interest/dividend bearing short term/long term liquid instruments. These investments shall be in accordance with investment policies approved by our Board of Directors or a duly authorized committee thereof from time to time.

**Monitoring Utilization of Funds**

The Audit Committee of our Board will monitor the utilization of the Issue proceeds. We will disclose the utilization of the Issue proceeds including interim use, under a separate head in our balance sheet for fiscal 2008, 2009 and 2010 clearly specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements of listing agreement with the Stock Exchanges.

## BASIC TERMS OF THIS ISSUE

Public Issue of 65,00,000 Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share aggregating Rs. [●] Lakhs (the “Issue”) including a reservation for Eligible Employees of 2,00,000 Equity Shares aggregating Rs. [●] Lakhs and a Net Issue to the Public of 63,00,000 Equity Shares by our Company. The Issue would constitute 31.36% of the fully diluted post-Issue paid-up capital of our Company.

### Ranking of Equity Shares

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

For description of our Articles of Association, please refer the section titled “Main provisions of the Articles of Association” beginning on page 221 of this Red Herring Prospectus.

### Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of the Companies Act and recommended by the Board of Directors and the shareholders at their discretion, and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company.

### Face Value and Issue Price

The Equity Shares with a Face Value of Rs. 10/- each are being issued in terms of this Red Herring Prospectus at a Price Band of Rs. 110 to Rs. 120 per equity share. At any given point of time, there shall be only one denomination for the Equity Shares of our Company, subject to applicable laws.

### Compliance with SEBI Guidelines

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, Memorandum and Articles of Association of our Company and the Listing agreements to be entered with the Stock Exchanges.

For further details on the main provisions of our Company’s Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, refer “Main Provisions of the Articles of Association” beginning on page 221 of this Red Herring Prospectus.

### Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares of our Company shall be allotted only in dematerialized form. In terms of existing SEBI Guidelines, the trading in the Equity Shares of our Company shall only be in dematerialized form for all investors. Since trading of our Equity Shares will be in dematerialized mode, the tradable lot is one equity share.

Allocation and allotment of Equity Shares through this Issue will be done only in electronic form in multiples of one Equity Shares to the successful Bidders subject to a minimum Allotment of 55 Equity Shares. For details of Allocation and Allotment, please refer the chapter titled “Issue Procedure - Basis of Allotment or Allocation” on page 214 of this Red Herring Prospectus.

## **BASIS FOR ISSUE PRICE**

The Price Band for the Issue Price will be decided by us in consultation with the BRLM on the basis of demand from the investors for the Equity Shares through the Book Building Process. The face value of the Equity Shares is Rs. 10 and the Issue Price is 11 times the face value at the lower end of the Price Band and 12 times the face value at the higher end of the Price Band.

Investors should read the following summary along with the sections titled “Risk Factors” and “Financial Statements” beginning on pages 10 and 136 of this Red Herring Prospectus respectively. The trading price of the Equity Shares of our Company could decline due to these risks and you may lose all or part of your investments.

## **QUALITATIVE FACTORS**

### **Past experience of over 2 decades in execution of different type of Civil Engineering projects.**

Our Promoters are in the construction industry since 1980. During the last 27 years our promoters have executed various type of civil engineering projects like roads like flexible and rigid pavement, flyovers, bridges, railway over bridges, railway under bridges, irrigation projects like canals, minor irrigation tanks, spillways, aqueducts, commercial and residential buildings, railway buildings, sports complexes, airport contracts for government, semi-government and private organizations.

### **A large fleet of our owned machineries and equipments**

We believe that in infrastructure Industry, the key is timely completion of projects and ownership of new machineries and equipment which reduced the reliance on equipment hiring. We own a number of plants and equipments required for construction which require proper maintainance to be kept in good working condition. This includes Hydraulic piling rigs HR 180 and HR 130, Putmiester Mobile boom placer concrete pump and Stationery concrete pumps, RMC plants, Transit mixers, various capacity Cranes, Poclains, Front End Loaders, JCBs, Trucks and Tippers, etc and a large quantity of Shuttering and Centering plates. We believe the long term cost implications of using leased equipment are adverse, and therefore, we believe that ownership and usage of modern concreting/ shuttering equipment results in a cost advantage for us. The availability of the ready mix transit mixers enables us to service multiple locations for our contracts from a single nodal point. This in turn helps us for timely servicing of our multilocal requirements and helps generate additional revenue by sale of ready mix to third parties to use the RMC's at their optimum levels. We believe that having such an asset base is essential for us to serve the technically challenging and diverse nature of the construction projects in which we are engaged. For further details of our construction equipments, please refer to the paragraph titled “Construction Equipments” on page 92 of this Red Herring Prospectus.

### **Ability to execute the project within stipulated time**

We have executed complex projects prior to the scheduled completion date and earned bonus for early completion. For example we completed the construction of flyover, slip roads and allied works at Seven Hills Chowk, Aurangabad 19 days ahead of scheduled date of completion with bonus for early completion. We were awarded with Rs. 19 lacs for completing the given project 19 days in advance. Similarly we completed the pedestrian subway work at Rajaram Nagar near Santacruz 67 days ahead of the stipulated time limit with bonus for early completion. Such achievements help us to pre-qualify for certain projects. We have demonstrated efficiency by completing contracts prior to the scheduled date.

### **Profit and Growth**

For the years ended on March 31, 2005, 2006 and 2007, our total income was Rs. 303.29 Lacs, Rs. 2,303.28 Lacs and Rs. 11,335.99 Lacs, respectively and for the six months ended September 30, 2007 our total income was Rs. 8235.73 lacs. In the years ended March 31, 2005, 2006 and 2007, we earned profit after tax of Rs. 4.39 Lacs, Rs. 108.10 Lacs and Rs. 800.82 Lacs, respectively and for the six months ended September 30, 2007 we earned profit after tax of Rs. 799.02 lacs. Our order book, which includes some uncommenced projects and the unfinished and uncertified portions of our commenced projects as on November 30, 2007, was Rs. 46,115 Lacs.

Our Income from operations has increased by a CAGR of 234.35% over the last 3 full financial years and our profit after tax has increased by a CAGR of 471.51% over the same period.

## QUANTITATIVE FACTORS

### 1. Weighted Average Earning Per Share (EPS) of Face Value of Rs. 10/-

FISCAL YEAR	EPS IN RS. (BASED ON RESTATED FINANCIALS)	WEIGHT
FY 2005	43.91	1
FY 2006	1081.3	2
FY 2007	10.58	3
<b>Weighted Average</b>	<b>372.95</b>	

Basic & Diluted EPS for the six months ended September 30, 2007 is Rs. 12.58 on a annualised basis

Note:

- The earning per share has been computed by dividing net profit as restated, attributable to equity shareholders by restated weighted average number of equity shares outstanding during the year.
- The face value of each equity share is Rs. 10/-

### 2. Price/Earning Ratio (P/E) in relation to Issue Price of Rs. [●] per share of Rs. 10 each

- P/E ratio in relation to the Floor price (March 07) : 10.40  
P/E ratio in relation to the Floor price (September 07) : 08.74
- P/E ratio in relation to the Cap price (March 07) : 11.34  
P/E ratio in relation to the Cap price (September 07) : 09.54
- P/E based on EPS for the year ended Mar 31, 2007 : [●]
- P/E based on weighted average EPS of Rs. 372.95 : [●]
- Industry P/E\*
  - Highest – Punj Lyod :148.60
  - Lowest – Lok Housing & Kamanwala Housing :4.50
  - Industry Composite :41.70

Note: September ended EPS has been taken as annualized, as given in the auditors report

Source: Capital Market, Volume XXII/20, December 03 - 16, 2007 (Industry Classification - Construction)

### 3. Return on Networth (RONW)

The figures stated below are based on Restated Financials

FISCAL YEAR	RONW (%)	Weight
FY 2005	84.10	1
FY 2006	101.00	2
FY 2007	37.47	3
<b>Weighted Average</b>	<b>66.42</b>	

The RONW for the six months ended September 30, 2007 is 18.74%

Note: The RoNW has been computed by dividing net profit after tax as restated, by Net Worth as at the end of the year.

### 4. Minimum return on total network after this Issue required to maintain pre-Issue EPS as on March 2007 of Rs. 10.58/- is [●]%.

### 5. Net Asset Value (NAV) per share, post-Issue and comparison with the Issue Price

- As at March 31, 2007 : Rs. 17.07 per Equity Share
- As at September 30, 2007 : Rs. 29.98 per Equity Share
- Issue Price\* : Rs. [●] per Equity Share
- NAV after this Issue : Rs. [●] per Equity Share

\*would be compared after discovery of the Issue Price through Book Building

NAV per equity share has been calculated as shareholders' equity less miscellaneous expenses as divided by restated weighted average number of equity shares

The Issue Price of Rs. [●] per Equity Share has been determined on the basis of the demand from investors through the Book building Process and is justified based on the above accounting ratios.

6. **Comparison with Industry Peers / Industry Average**

Name of the Company	Face Value of Equity Shares (Rs.)	EPS (Rs.)	P/E Ratio	RONW (%)	NAV (Rs.)
J. Kumar Infraprojects Limited	10	10.58	[●]	37.47	17.07
<b>Peers*</b>					
Prathibha Industries Limited	10	17.90	17.60	23.10	66.40
Roman Tarmat	10	8.00	19.70	29.10	90.90
Sadbhav Engineering Limited	10	26.40	41.40	19.40	190.90
Unity Infraprojects Limited	10	34.60	19.90	21.30	225.8

*Source: Capital Market, Volume XXII/20, December 03 – 16, 2007 (Industry Classification - Construction)*

7. The face value of Equity Shares of our Company is Rs. 10/- and the Issue Price is [●], i.e., [●] times of the face value.

The face value of Equity Shares of our Company is Rs. 10/- and the Issue Price is [●] time of the face value. The Issue Price of Rs. [●] has been determined by our Company in consultation with the BRLM, on the basis of assessment of market demand for the Equity Shares by way of Book Building and is justified on the basis of the above accounting ratios.

Investors are advised to refer to section titled “Risk Factors” and chapter titled “Financial Statements” beginning on pages 10 and 136 of this Red Herring Prospectus.

## STATEMENT OF TAX BENEFITS

To,  
The Board of Directors,  
J. Kumar InfraProjects Limited  
16-A, Andheri Industrial Estate,  
Veera Desai Road,  
Mumbai – 400 051.

### Statement of “General Tax Benefits” available to the Company and to its shareholders

We hereby report that the enclosed annexure states “General Tax Benefits” available to J. Kumar Infraprojects Limited and its shareholders as per the existing provisions of the Income Tax Act, 1961 (the IT Act) and other laws as applicable for the time being in force, the following tax benefits and deductions are and will, inter-alia be available to M/s J. Kumar Infraprojects Limited and to its shareholders.

#### *Benefit under the Income Tax Act, 1961*

##### **A. TO THE COMPANY**

01. Dividend income (whether interim or final), in the hands of the company as distributed or paid by any other Company on or after April 1, 2003 is completely exempt from tax in the hands of the Company, under section 10 (34) of the IT Act.
02. Long-term capital gains would be subject to tax at the rate of 20 % (plus applicable surcharge and education cess) as per the provisions of section 112 (1) (b) of the IT Act. However, as per the proviso to Section 112 (1) (b), the long term capital gains resulting on transfer of listed securities or units, [not covered by section 10 (36) and 10 (38)], would be subject to tax at the rate of 20 % with indexation benefits or 10 % without indexation benefits (plus applicable surcharge and education cess) as per the option of the assessee.
03. Long term capital gain arising from transfer of an ‘eligible equity share’ in a Company purchased on or after the 1<sup>st</sup> day of March, 2003 and before the 1<sup>st</sup> day of the March, 2004 and held for a period of 12 months or more is exempt from tax under section 10(36) of the IT Act.
04. Long term capital gain arising from the sale of Equity Share in any company through a recognized stock exchange or from the sale of units of equity-oriented mutual fund shall be exempt from Income tax if such sale take place after 1st of October, 2004 and such sale is subject to Securities Transaction Tax, as per the provisions of section 10 (38) of the IT Act.
05. Short Term capital gains arising from the transfer of Equity shares in any company through a recognized stock exchange or from the sale of units of equity-oriented mutual fund shall be subject to tax at the rate of 10 % provided such a transaction is entered into after the 1<sup>st</sup> day of October, 2004 and the transaction is subject to Securities Transaction Tax, as per the provisions of section 111A of the IT Act.
06. In accordance with and subject to the conditions and to the extent specified in Section 54EC of the IT Act, the Company would be entitled to exemption from tax on gains arising from transfer of the long term capital asset [not covered by section 10 (36) and section 10 (38)] if such capital gain is invested in any of the long-term specified assets in the manner prescribed in the said section. Where the long – term specified asset is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the long-term specified asset is transferred or converted into money.
07. As per the provisions of Section 54 ED of the IT Act and subject to the conditions specified capital gains arising from transfer of long term assets, being listed securities or units [not covered by section 10 (36) and section 10 (38)] shall not be chargeable to tax to the extent such gains are invested in acquiring Equity Shares forming part of an ‘eligible issue of share capital in the manner prescribed in the said section.
08. Subjects to compliance with certain conditions laid down in section 80-IA of the Act, the company will enjoy 100% tax exemption for any 10 consecutive Assessment Years out of 15 years , as the case may be in respect of profits earned from an undertaking set up for developing or operating and maintaining or developing ,operating and maintaining any notified infrastructure facility.

## **B. TO RESIDENT SHAREHOLDERS**

- 01 Dividend (whether interim or final) declared, distributed or paid by the company on or after April 1, 2003 is completely exempt from tax in the hands of the shareholders of the Company as per the provisions of section 10 (34) of the IT Act.
- 02 As per the provisions of Section 112 (1) (b) of the IT Act, long-term capital gains would be subject to tax at the rate of 20 % (plus applicable surcharge and education cess). However, as per the proviso to Section 112 (1) (b), the long term capital gains resulting on transfer of listed securities or units [not covered by sections 10 (36) and 10 (38)], would be subject to tax at the rate of 20 % with indexation benefits or 10 % without indexation benefits (plus applicable surcharge and education cess) as per the option of assessee.
- 03 Long Term capital gains arising from the all of equity share in any company through a recognized stock exchange or from the sale of units of an equity oriented mutual fund shall be exempt from Income Tax if such sale takes place after 1<sup>st</sup> of October 2004 and the sale is subject to Securities Transaction Tax, as per the provisions of section 10 (38) of the IT Act.
- 04 Short Term capital gains arising from the transfer of Equity share in any company through a recognized stock exchange or from the sale of units of equity-oriented mutual fund shall be subject to tax at the rate of 10 % provided such a transaction is entered into after the 1<sup>st</sup> day of October, 2004 and the transaction is subject to Securities Transaction Tax, as per the provisions of section 111A of the IT Act.
- 05 As per the Provisions of section 88E, where the business income of a resident includes profits and gains from sale of taxable Securities, a rebate shall be allowed from the amount of income tax equal to the Securities Transaction Tax paid on such transactions. However the amount of rebate shall be limited to the amount arrived at by applying the average rate of income tax on such business income.
- 06 In accordance with and subject to the conditions and to the extent specified in section 10 (36) of the IT Act, the shareholders would be entitled to exemption from long term capital gain tax on transfer of their 'eligible Equity Share' in the Company purchased during the period March 1, 2003 to February 29, 2004 (both days Inclusive) and held for a period of 12 months or more.
- 07 In accordance with and subject to the conditions and to the extent specified in section 54EC of the IT Act, the shareholders would be entitled to exemption from tax on gains arising on transfer of their shares in the Company [not covered by sections 10 (36) and 10 (38)], if such capital gain is invested in any of the long term specified assets in the manner prescribed in the said section. Where the long – term specified asset is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year which the long-term specified asset is transferred or converted into money.
- 08 In accordance with and subject to the conditions and to the extent specified in section 54ED of the IT Act, the shareholders would be entitled to exemption from long term capital gain tax on transfer of their assets being listed securities or units [not covered by sections 10 (36) and 10 (38)], to the extent such capital gain is invested in acquiring Equity Share forming part of an 'eligible issue of share capital' in the manner prescribed in the said section.
- 09 In case of shareholder being an individual or a Hindu Undivided Family, in accordance with and subject to the condition and to the extent specified in Section 54F of the IT Act, the shareholder would be entitled to exemption from long term capital gains on the sale of shares in the Company [not covered by section 10 (36) and 10 (38)], upon investment of net consideration in purchase / construction of a residential house. If part of net consideration is invested within the prescribed period in a residential house, then such gains would not be chargeable to tax on a proportionate basis. Further, if the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains shall be charged to tax as long-term capital gains in the year in which such residential house is transferred.



### **C. TO NON-RESIDENT INDIAN SHAREHOLDERS**

01. Dividend (whether interim or final) declared, distributed or paid by the Company on or after April 1, 2003 is completely exempt from tax in the hands of the shareholders of the Company as per the provisions of section 10 (34) of the IT Act.
02. In the case of shareholder being a non-resident Indian and subscribing to shares in convertible foreign exchange, in accordance with and subject to the conditions and to the extent specified in Section 115D read with Section 115E of the IT Act, long term capital gains arising from the transfer of an Indian company's shares [not covered by sections 10 (36)], will be subject to tax at the rate of 10 % as increased by a surcharge and education cess at an appropriate rate on the tax so computed, without any indexation benefit but with protection against foreign exchange fluctuation.
03. In case of a shareholder being a non-resident Indian, and subscribing to the share in convertible foreign exchange in accordance with and subject to the conditions and to the extent specified in Section 115F of the IT Act, the Non-Resident Indian shareholder would be entitled to exemption from long term capital gains [not covered by sections 10 (36) and 10 (38)] on the transfer of shares in the Company upon investment of net consideration in modes as specified in sub-section (1) of Section 115F.
04. In accordance with the provisions of Section 115G of the IT Act, Non Resident Indians are not obliged to file a return of income under Section 139 (1) of the IT Act, if their only source of income from investments or long term capital gains earned on transfer of such investment or both provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the IT Act.
05. In accordance with the provisions of Section 115H of the IT Act, when a Non Resident Indian become 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 IT Act to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.
06. As per the provisions of section 155I 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 year under Section 139 of the IT 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 IT Act.
07. In accordance with and subject to the condition and to the extent specified in Section 112 (1) (b) of the IT Act, tax on long term capital gains arising on sale on listed securities or units not covered by section 10 (36) and 10 (38) will be, at the option of the concerned shareholder, 10 % of capital gains (computed without indexation benefits) or 20 % of capital gains (computed with indexation benefits) as increased by a surcharge and Education cess at an appropriate rate on the tax so computed in either case.
08. As per the provision of section 10 (38), long term capital gain arising from the sale of Equity shares in any company through a recognized stock exchange or from the sale of units of an equity oriented mutual fund shall be exempt from Income Tax if such sale takes place after 1<sup>st</sup> of October 2004 and such sale is subject to Securities Transaction Tax.
09. As per the provisions of section 111A, Short Term capital gains arising from the transfer of Equity Shares in any company through a recognized stock exchange or from the sale of units of equity-oriented mutual fund shall be subject to tax at the rate of 10 % provided such a transaction is entered into after the 1<sup>st</sup> day of October, 2004 and the transaction is subject to Securities Transaction Tax.
10. As per the provisions of section 88E, where the business income of an assessee includes profits and gains from sale of taxable securities, a rebate shall be allowed from the amount of income tax equal to the Securities Transaction Tax paid on such transactions. However rebate shall be limited to the amount arrived at by applying the average rate of income tax on such business income.
11. In accordance with and subject to the conditions and to the extent specified in Section 10 (36) of the IT Act, the shareholders would be entitled to exemption from long term capital gain tax on transfer of their 'eligible Equity Shares' in the Company purchased during the period March 1, 2003 to February 29, 2004 (both days inclusive) and held for a period of 12 months or more.
12. In accordance with and subject to the conditions and to the extent specified in Section 54EC of the IT Act, the shareholders would be entitled to exemption from tax on long term capital gains [not covered by sections 10 (36)

and 10 (38)] arising on transfer of their shares in the Company if such capital gain is invested in any of the long term specified assets in the manner prescribed in the said section. Where the long term specified asset is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the specified asset is transferred or converted into money.

13. In accordance with and subject to the conditions and to the extent specified in Section 54ED of the IT Act, the shareholder would be entitled to exemption from tax on long term capital gains [not covered by section 10 (36) and 10 (38)] arising on transfer of their assets being listed securities or units to the extent such capital gain is invested in acquiring Equity Shares forming part of an 'eligible issue of share capital' in the manner prescribed in the said section.
14. In case of a Shareholder being an individual or a Hindu Undivided Family, in accordance with and subject to the conditions and to the extent specified in Section 54F of the IT Act, the shareholder would be entitled to exemption from long term capital gains [not covered by sections 10 (36) and 10 (38)] on the sale of shares in the Company upon investment of net consideration in purchase / construction of a residential house. If part of net consideration is invested within the prescribed period in a residential house, then such gains would not be chargeable to tax on proportionate basis. Further, if the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred.
15. As per the provisions of Section 90 (2) of the IT Act, the provisions of the IT Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the Non-resident.

#### **D. TO OTHER NON-RESIDENTS**

- 01 Dividend (whether interim or final) declared, distributed or paid by the Company on or after April 1, 2003 is completely exempt from tax in the hands of the shareholders of the Company, under Section 10 (34) of the IT Act.
- 02 Any income of minor children clubbed with the total income of the parent under Section 64 (1A) of the IT Act will be exempted from tax to the extent of Rs 1500 per minor child per year, in accordance with the provisions of section 10 (32) of the IT Act.
- 03 In accordance with and subject to the conditions and to the extent specified in section 112 (1) (b) of the IT Act, tax on long term capital gains arising on sale of listed securities or units before 1<sup>st</sup> October 2004 will be, at the option of the concerned shareholder, 10 % of capital gains (computed without indexation benefits) or 20 % of capital gains (computed with indexation benefits) as increased by a surcharge and education cess at an appropriate rate on the tax so computed in either case.
- 04 As per the provisions of section 10 (38), long term capital gain arising from the sale of equity shares in any company through a recognized stock exchange or from the sale of units of equity oriented mutual fund shall be exempt from tax if such sale takes place after 1<sup>st</sup> of October 2004 and such sale is subject to Securities Transaction Tax. As per the provisions of section 111A short term capital gains arising from the transfer of equity shares in any company through a recognized stock exchange or from the sale of units of equity – oriented mutual fund shall be subject to tax at the rate of 10 % provided such a transaction is entered into after the 1<sup>st</sup> day of October, 2004 and the transaction is subject to Securities Transaction Tax.
- 05 As per the provisions of section 88E, where the business income of an assessee includes profits and gains from sale of taxable securities, a rebate shall be allowed from the amount of income tax equal to the Securities Transaction Tax paid on such transaction. However the amount of rebate shall be limited to the amount arrived at by applying the average rate of income tax on such business income.
- 06 In accordance with and subject to the conditions and to the extent specified in section 10 (36) of the IT Act, the shareholders would be entitled to exemption from long term capital gain tax on transfer of their 'eligible Equity Share' in the Company purchased during the period March 1, 2003 to February 29, 2004 (both days inclusive) and held for a period of 12 months or more.
- 07 In accordance with and subject to the conditions and to extent specified in Section 54EC of the IT Act, the shareholders would be entitled to exemption from tax on gains arising on transfer of their share in the Company [not covered by section 10 (36) and 10 (38)] if such capital gain is invested in any of the long term specified asset is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the long-term specified asset is transferred or converted into money.

- 08 In accordance with and subject to the conditions and to the extent specified in Section 54ED of the IT Act, the shareholders would be entitled to exemption from long term capital gains [not covered by section 10 (36) and 10 (38)] on transfer of their asset being listed securities or units to the extent such capital gain is invested in acquiring Equity shares forming part of an 'eligible issue capital' in the manner prescribed in the said section.
- 09 In case of shareholder being an individual or a Hindu Undivided Family, in accordance with and subject to the conditions and to the extent specified in Section 54F of the IT Act, the shareholder would be entitled to exemption from long term capital gains [not covered by sections 10 (36) and 10 (38)] on the sale of shares in the Company upon investment of net consideration in purchase/construction of a residential house. If part of net consideration is invested within the prescribed period in a residential house, then such gains would not be chargeable to tax on a proportionate basis. Further, if the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred.
- 10 As per the provisions of Section 90 (2) of the IT Act, the provisions of the IT Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the Non Resident.

**E. TO FOREIGN INSTITUTIONAL INVESTORS (FIIs)**

01. In case of a shareholder being a Foreign Institutional Investor (FIIs), in accordance with and subject to the conditions and to the extent specified in Section 115 AD of the IT Act, tax on long term capital gain [not covered by sections 10 (36) and 10 (38)] will be 10 % and on short term capital gain will be 30 % as increased by a surcharge and education cess at an appropriate rate on the tax so computed in either case. However short-term capital gains on sale of Equity Shares of company through a recognized stock exchange or a unit of an equity oriented mutual fund effected on or after 1<sup>st</sup> October 2004 and subject to Securities Transaction Tax shall be taxed @ 10% as per the provisions of section 111A. It is to be noted that the benefits of Indexation and foreign currency fluctuation protection as provided by Section 48 of the IT Act are not available to FIIS.
02. As per the provision of Section 90 (2) of the IT Act, the Provisions of the IT Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the Non Resident.
03. In accordance with and subject to the conditions and to the extent specified in Section 10 (36) of the IT Act, the shareholders would be entitled to exemption from long term capital gain tax on transfer of their 'eligible Equity Share' in the Company purchased during the period March 1, 2003 to February 29, 2004 (both days inclusive) and held for a period of 12 months or more.
04. Long term capital gain arising from the sale of Equity Share in any Company through a recognized stock exchange or from the sale of units of an equity oriented mutual fund shall be exempt from Income Tax if such sale takes place after 1<sup>st</sup> of October 2004 and such sale is subject to Securities Transaction Tax, as per the provisions of section 10 (38) of the IT Act.
05. As per provisions of section 88E, where the business income of assessee includes profits and gains from sale of taxable securities, a rebate shall be allowed from the amount of income tax equal to the Securities Transaction Tax paid on such transactions. However the amount of rebate shall be limited to the amount arrived at by applying the average rate of income tax on such business income.
06. In accordance with and subject to the conditions and to the extent specified in section 54EC of the IT Act, the shareholders would be entitled to exemption from tax on long term capital gains [not covered by section 10 (36) and 10 (38)] arising on transfer of their shares in the Company if such capital gain is invested in any of the long term specified assets in the manner prescribed in the said section. Where the long term specified assets is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the long term specified asset is transferred or converted into money.
07. In accordance with and subject to the conditions and to the extent specified in section 54ED of the IT Act, the shareholders would be entitled to exemption from long term capital gain tax [not covered by sections 10 (36) and 10 (38)] on transfer of their assets being listed securities or units to the extent such capital gain is invested in acquiring Equity Shares forming part of an 'eligible issue of share capital' in the manner prescribed in the said section.

## **F. TO MUTUAL FUNDS**

In case of a shareholder being a Mutual Fund, as per the provisions of section 10 (23D) of the IT Act, any income of mutual funds registered under the Securities and Exchange Board of India Act, 1992 or regulations made there under, mutual funds set up by public sector banks or public financial institutions and mutual funds authorized by the Reserve Bank of India would be exempt from Income Tax, subject to the conditions as the Central Government may by notification in the official Gazette specify in this behalf.

## **G. TO VENTURE CAPITAL COMPANIES / FUNDS**

In case of a shareholder being a Venture Capital Company / Fund, as per the provisions Sec. 10(23 D) of the IT Act, any income of Venture Capital Companies/Funds registered with the Securities and Exchange Board of India, would be exempt from income tax, subject to the conditions specified.

### ***Benefits under the Wealth Tax Act, 1957***

As per the prevailing provisions of the above act, 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 shall be levied on value of shares of the company.

#### **Notes:**

01. All the above benefits are as per the current tax laws as amended by the Finance Act, 2007 and will be available only to the sole / first named holder in case joint holders hold the shares.
02. In respect of non – residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the double taxation avoidance agreements, if any, between India and the country in which the non- residence has fiscal domicile.
03. 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 scheme. The tax implications of and investment in the equity shares, particularly in view of the fact that certain recently enacted legislations may not have direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.
04. The benefits as stated 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.

#### **For, Gupta Saharia & Co.**

Chartered Accountants

Pawan Gupta

Partner

Membership No. 71471

Place: Mumbai

Date: December 14, 2007

## SECTION IV – ABOUT US

### INDUSTRY OVERVIEW

Construction activity is an integral part of a country's infrastructure and industrial development. The industry is a vital part of the economy with an output equivalent to about 5.2 percent of our Country's GDP.

The industry can be broadly divided into two major segments:

- iii) Infrastructural construction
- iv) Industrial construction.

The industry is highly fragmented with a few large players and several medium to small scale entities. The industry is highly labour intensive and is the second largest employer after agriculture in the country.

The construction industry functions in a multi-tier system. The project owners contract the project to the main contractor, who then awards sub contracts to several sub-contractors depending on the type of jobs, such as plumbing, electrification, piling, etc involved in the main contract. The sub-contractor, in turn, awards smaller jobs on piece rate basis to labour contractors or thekedars or petty contractors. These contractors then carry out the work with their labour force, which mainly comprises of daily rated temporary / casual workers.

Being largely unorganized, the industry suffers from low mechanization. Only a handful of companies are able to bring in the latest construction equipment and material.

The sector was accorded the status of industry in the year 2000 only. Since then there has been increased emphasis on involving private sector for infrastructure development through public private ownerships and mechanism like BOT (Build Operate Transfer), BOOT (Build Operate Own Transfer) and BOLT (Build Operate Lease Transfer)

The last few years has seen the central government take up huge infrastructure projects, mainly the Golden Quadrilateral, East-West and North South Corridor, port connectively, up-gradation of internal airports, creating berths and container terminals at seaports, setting up thermal, hydro and nuclear power plant and developing canal structures for increased and improved water supply. All these projects are underway through private participation. Foreign construction companies have also forayed into the Indian construction industry through the joint venture route.

In 2005, Government permitted 100 percent foreign direct investment in the construction sector with the liberty to repatriate profits after a three year period.

#### Outlook

The investment tempo across corporate and infrastructure segments continues to accelerate. As per the CMIE capex survey, total outstanding investments as of June 2007 registered a sharp 54 percent growth on a year on year basis to Rs 46,97,985/- crores. Strong construction demand emanating from investments in manufacturing, power and transportation service segments is expected to sustain the order intake of construction companies.

Conversion of strong order backlog into revenues led to a healthy 30 percent growth in aggregate revenues of 49 construction companies during 2006-07. Comparatively, aggregate operating and net profits grew faster by 46 per cent and 50 percent respectively, on the back of a slower growth in expenses.

**Source: Indian Industry: A Monthly Review, Centre for monitoring Indian Economy (CMIE); July 2007 edition**

The industrial, investment and infrastructure policy, 2006 has been announced to encourage industrial investment and to generate employment opportunities.

The Maharashtra Government budget for the year 2007-08 highlights are as under:

- An outlay of Rs. 1,437.57 crore has been proposed for road development
- For the development of state highways and district roads 169 projects amounting to Rs. 21,275 crore have been taken up.
- An outlay of Rs. 3,828.77 crore is made available for major, medium and minor irrigation projects.
- Approval of Mumbai Urban Transport project, Phase-II (Rail Component) of Rs. 6,553.39 crore submitted by Mumbai Rail Vikas Corporation.
- A project for construction of 16 new flyovers costing Rs. 421 crore has been proposed.

Source: <http://www.maharashtra.gov.in>

**Buoyant trend in investment continues.**

Construction companies stand to immensely benefit from the buoyant investment scenario prevailing in the corporate and infrastructural segments. The order-book to sales ratio of major construction companies already reflects this. As per CMIE capex survey, total outstanding industrial investments stood at Rs 46,97,985/- crores as of June 2007. These were a sharp 54 percent higher in comparison to the investments envisaged in the corresponding year ago period. A total of 541 new projects were captured during the June quarter amounting to Rs 2,88,698/- crore.

**(CMIE: Centre for Monitoring Indian Economy)**

Given the government's thrust to remove infrastructural bottlenecks to expedite economy growth, the concept of private public partnership has gained prominence in infrastructure projects. These span over road, railways air and shipping segments. Total outstanding investments in the transport service segment surged by 28 percent to Rs 5,58,204/- crores during the June 2007 quarter.

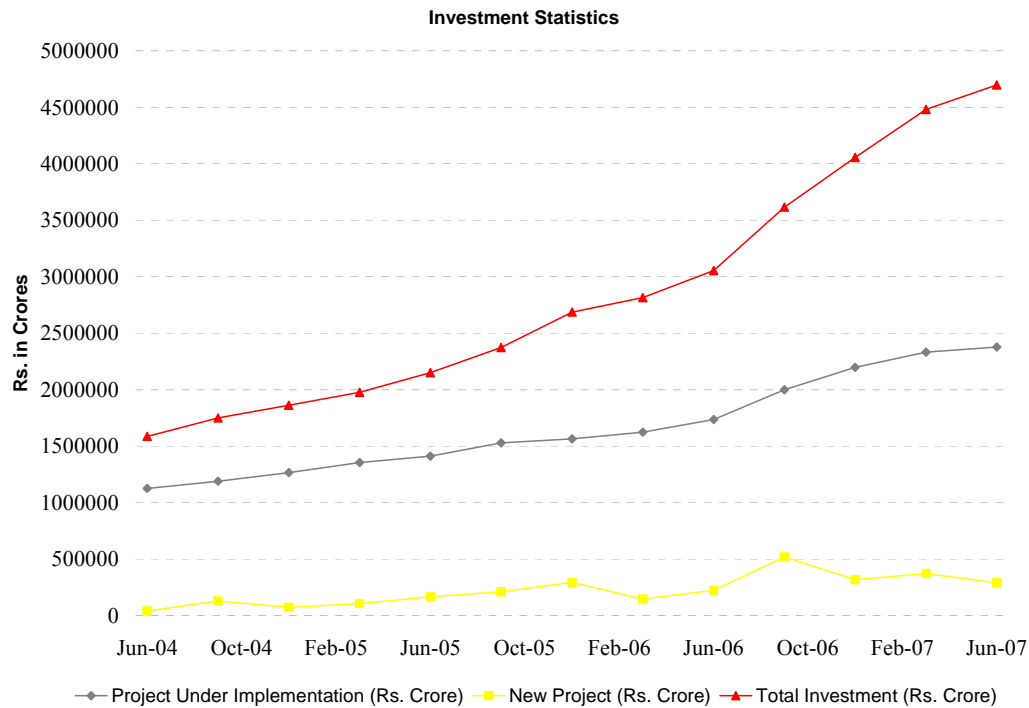
**Aggregate sales up 30 percent in 2006-07**

The construction sector continued its growth momentum recording a healthy double digit revenue growth for the third consecutive year in 2006-07. Aggregate sales comprising of 49 companies in the sample grew by 30 percent during the year. A less than proportionate rise in expenses as compared to sales resulted in a faster growth in cumulative operating and new profits by 46 percent and 50 percent respectively. Consequently profit margins of the industry witnessed health expansion.

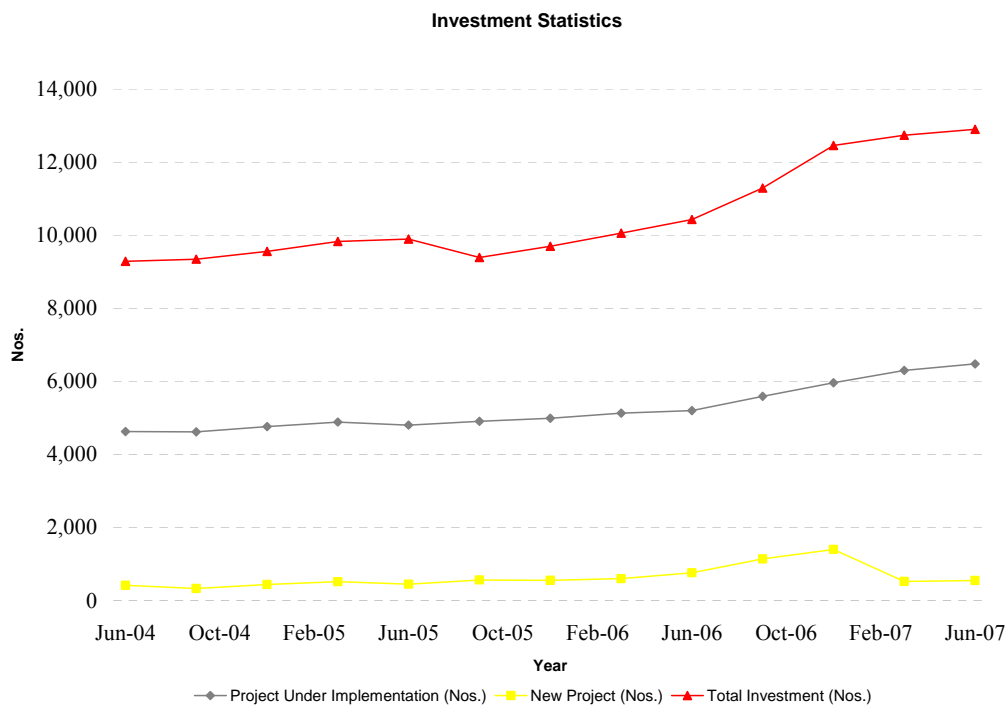
**Total outstanding investments in the major sectors.**

Sector	June 2006		June 2007	
	No. of Projects	Outstanding Investment (Rs. crore)	No. of Projects	Outstanding Investment (Rs. crore)
<b>Industry</b>	10,431	30,55,051	12,898	46,97,985
<b>Manufacturing</b>	2,709	9,17,181	3,689	13,38,903
<b>Infrastructure</b>				
<b>Electricity</b>	1,435	8,98,822	1,674	14,65,954
<b>Road Transport</b>	2,104	1,51,046	2,121	1,73,799
<b>Air Transport</b>	87	36,699	104	51,215
<b>Shipping</b>	173	89,442	196	1,38,599
<b>Irrigation</b>	343	1,40,705	340	1,43,541
<b>Railway Transport</b>	376	1,59,752	409	1,94,590

The graph below shows the trends in investment and projects (both new and under implementation)



The graph below shows the project details:



Riding high on the general economic buoyancy and the robust investment scenario, the momentum in order intake for construction companies is expected to continue.

The CMIE construction and allied activities index continued its upswing in June 2007. It recorded a decent 11 percent gain and posted excess returns of 8.6 percent vis-à-vis the COSPI index. The sectoral P/E rose from 36.7 times a month ago to 40 times during June.

**COSPI:** CMIE Overall Share Price Index

**Source:** Indian Industry: A Monthly Review, Centre for monitoring Indian Economy (CMIE) July 2007 edition

#### **Economic Survey 2006-07 says:**

An investment of US\$ 320 billion (Rs. 14,50,000 crores) would be required in the infrastructure sector during the Eleventh Five Year Plan. These investments are to be achieved through a combination of public investment, public-private-partnerships (PPPs) and exclusive private investments, wherever feasible

**Source:** <http://indiabudget.nic.in>

Investment requirements by 2012 estimated by the committee on Infrastructure, headed by the prime minister are given in table below:

Sector	Investment (Rs. In Crores)
Modernization and up gradation of highways	2,20,000
Civil Aviation	40,000
Ports	50,000
Railways	3,00,000

**Source:** <http://indiabudget.nic.in>

#### **Indian Road network scenario**

##### **Size**

- India has an extensive road network of 3.3 million kms – the second largest in the world
- Roads carry about 70% of the freight and 85% of the passenger traffic
- Highways/Expressways constitute about 66,000 kms (2% of all roads) and carry 40% of the road traffic
- The Government of India spends about Rs.18000 crores (US \$ 4 billion) annually on road development
- The ambitious National Highway Development Project (NHDP) of the Government is at an advanced stage of implementation. Key sub-projects under the NHDP include:
  - The Golden Quadrilateral (GQ-5846 kms of 4 lane highways)
  - North-South & East-West Corridors (NSEW-7300 kms of 4 lane highways)
- Program for 4-laning of about 14,000 km of National Highways is underway

##### **Structure**

National Highways Authority of India (NHAI) is the apex Government body for implementing the NHDP. All contracts whether for construction or BOT are awarded through competitive bidding

Private sector participation is increasing, and is through:

- Construction contracts
- BOT for some stretches – based on either the lowest annuity or the lowest lump sum payment from the Government

*\* BOT contracts permit tolling on those stretches of the NHDP*

##### **Policy**

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



- 100% income tax exemption for a period of 10 years
- NHAI agreeable to provide grants/viability gap funding for marginal projects
- Model Concession Agreement formulated

#### The Golden Quadrilateral and NSEW projects



#### Opportunity:



Road development is a priority sector

#### Outlook

- Annual growth projected at 12-15% for passenger traffic, and 15-18% for cargo traffic
- Over \$50–60 billion investment is required over the next 5 years to improve road infrastructure

## Potential

- Road development is recognized as essential to sustain India's economic growth
  - The Government is planning to increase spends on road development substantially with funding already in place based on a cess on fuel
- A large component of highways is to be developed through public-private partnerships
  - Several high traffic stretches already awarded to private companies on a BOT basis
  - Two successful BOT models are already in place – the annuity model and the upfront/lump sum payment model
- Investment opportunities exist in a range of projects being tendered by NHAI for implementing the NHDP contracts are for construction or BOT basis depending on the section being tendered.
- A Rs.41,200 crores (US \$ 5 billion) project plans to lay 6 lane roads over 6,500 kms of National Highways on the Design Build Finance and Operate (DBFO) basis – in Golden Quadrilateral and other high traffic stretches.

India has the second largest road network in the world



An annual growth of 12-15% for passenger traffic has been projected



**For additional information:** Department of Road Transport and Highways, Ministry of Shipping, Road Transport and Highways (<http://morth.nic.in>), National Highways Authority of India (<http://www.nhai.org>)

Source: [www.investmentcommission.in](http://www.investmentcommission.in)

## **Flyovers in Mumbai- A huge potential**

### **The 50 Flyovers Project (Mumbai Traffic Improvement Mega - Project)**

In Mumbai city there is an urgent need to cater for the traffic especially quick entry and exit from the city. The industrialization and growth of traffic has resulted into congestion which has raised the pollution at various traffic junctions.

MSRDC was given the task of improving the current traffic conditions by the Maharashtra Government. MSRDC has aimed to alleviate the traffic congestion in the city of Bombay or Mumbai by constructing 50 flyovers. The attempt is to maintain a highway character of the important roads in the city and also to reduce congestion at key junctions.

### **APPROACH**

Flyovers are located on major traffic corridors, namely:-

Sion - Panvel Expressway

Western Express Highway

Eastern Express Highway

Major roads in Mumbai city

The flyovers are planned with a corridor development approach. This fast corridor will make it possible to move from Thane, Vashi or Borivali and reach South Mumbai faster.

**Source:** <http://msrdc.org>

## **Airports**



Total estimated investment of US\$ 15-17 billion in 5 years

### **Size**

- India has 125 airports; of these, 11 are designated international airports
- In 2004-05, Indian airports handled 60 million passengers and 1.3 million tonnes of cargo
- Passenger traffic grew at over 22% in 2004-05 over 2003-04; Cargo grew at 21.6% over the previous year

### **Structure**

- Currently all 125 airports are owned and operated by the Airports Authority of India (AAI)
- The Government aims to attract private investment in aviation infrastructure
- New international airports at Bangalore and Hyderabad are being built by private consortia with a total investment of about \$600 million
- 25 other city airports are being considered for private investment
- Air India and Indian Airlines are the Government owned international and domestic flag carriers respectively.
- Indian private airlines account for around 60% of the domestic passenger traffic. Some have started international flights.

### **Policy**

- 100% FDI is permissible for existing airports; FIPB approval required for FDI beyond 74%
- 100% FDI under automatic route is permissible for Greenfield airports.
- 49% FDI is permissible in domestic airlines under the automatic route, but not by foreign airline companies
- 100% equity ownership by Non Resident Indians (NRIs) is permitted
- AAI Act amended to provide legal framework for airport privatization
- 100% tax exemption for airport projects for a period of 10 years

‘Open Sky’ Policy of the Government and rapid air traffic growth have resulted in the entry of several new privately owned airlines and increased frequency/flights for international airlines.

### Opportunity



Development of airport infrastructure is a focus area for the Government



There has been a significant uptrend in domestic and international air travel

### Outlook

- Passenger traffic is projected to grow at a CAGR of over 15% in the next 5 years
- To cross 100 million passengers p.a. by 2010
- Cargo traffic to grow at over 20% p.a. over the next five years
- To cross 3.3 million tonnes by 2010
- Major investments planned in new airports and up gradation of existing airports

### Potential

- Favorable demographics and rapid economic growth point to a continued boom in domestic passenger traffic and international outbound traffic
- International inbound traffic will also grow rapidly with increasing investment and trade activity and as India's rich heritage and natural beauty are marketed to international leisure travellers.
- Consequent high demand for investments in aviation infrastructure
- SME lending, a largely untapped market, presents a significant opportunity - SMEs account for 40% of the industrial output and 35% of direct exports
- Government is taking steps to increase participation by private industry

Major opportunities lie in:

- Modernization/ up gradation of Metro airports – induction of partners for Chennai, Kolkata expected subsequently
- Greenfield airport projects planned in resort destinations and emerging metros such as Goa, Pune, Navi Mumbai, Ludhiana, etc.
- Estimated investment of over \$15 billion for airport development over the next 5 years

**Source: [http://investmentcommission.in/civil\\_aviation\\_&\\_airports.htm](http://investmentcommission.in/civil_aviation_&_airports.htm)**



## Railway Initiatives

- The rapid rise in international trade and domestic cargo has placed a great strain on the Delhi-Mumbai and Delhi-Kolkata rail track. Government has, therefore, decided to build dedicated freight corridors in the Western and Eastern high-density routes. The investment is expected to be about Rs. 22,000 crore (US \$ 5 bn). Requisite surveys and project reports are in progress and work is expected to commence within a year.
- With increasing containerization of cargo, the demand for its movement by rail has grown rapidly. So far, container movement by rail was the monopoly of a public sector entity, CONCOR. The container movement has been thrown open to competition and private sector entities have been made eligible for running container trains. 14 applicants have submitted the application seeking permission for container train operation, which have been approved.
- Tariff rationalization and effective cost allocation mechanism are also on the anvil. This includes a methodology for indexing the fare structure to line haul costs. Efforts aimed at introducing commercial accounting and information technology systems are also underway.
- Technological up gradation and modernization for higher operating efficiency
- Transformation from bulk transporter to multi-modal transporter
- PPP envisaged in new routes, railway stations, logistics parks, cargo aggregation and warehouses etc.

Source: <http://infrastructure.gov.in/railways.htm>

## Irrigation

As per the Annual Plan of 2007-08 for Maharashtra State, special attention has been given to Infrastructure and social sectors. The Annual Plan for the year 2007-08 is fixed at Rs. 20,200 crore. Allocation for various sectors is given in the following table:

Table showing allocation:

Sector	Allocation ( In Rs. Crores)
<b>Irrigation sector</b>	<b>4,521.00</b>
Water Supply	983.00
School Education	599.78
Energy Sector	1,282.00
Road Development	685.00

Source: <http://www.maharashtra.gov.in>

### Irrigation sector

- About 2 Lac hectare area is expected to come under the irrigation command.
- An outlay of Rs. 438 crore has been proposed for Maharashtra Water Sector Improvement Project.
- A capital outlay of Rs. 650 crore has been proposed for Hydro Power Projects.
- An outlay of Rs. 20 crore has been proposed for Khar Land Development Scheme.

Source: <http://www.maharashtra.gov.in>

Maharashtra has prepared a plan document, Vision Mumbai, which seeks to transform the metropolis and adjacent urban areas in the neighboring districts of Thane and Raigad, into a world-class mega city at the capital outlay of \$ 60 billion.

The World Bank was considering lending \$ 600 million for Maharashtra's irrigation projects.

The World Bank could lend up to \$ 5 billion to Maharashtra for modernizing and developing infrastructure in the Mumbai Metropolitan Region.

Besides the finance, the World Bank was willing to supply its technical expertise and share its experience for such projects.

Source: <http://www.hindu.com>

## OUR BUSINESS

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

### Overview

We are a civil engineering and infrastructure development Company with a primary focus on development of roads, flyovers, bridges, railway over bridges, irrigation projects, commercial and residential buildings, railway buildings, sports complexes, airport contracts. We also undertake the piling of foundation work using hydraulic piling rigs for major projects which are awarded to other contractors. We have been most active in Mumbai, Pune, Aurangabad and Vidharbha region of Maharashtra.

Our core areas of expertise in the construction of infrastructure projects include the following:

#### I. TRANSPORTATION ENGINEERING

Construction of:

- a. Rigid and flexible pavement roads,
- b. Flyovers,
- c. Bridges,
- d. Grade Separator
- e. Railway Terminus / Stations,
- f. ROBs, RUBs
- g. Airport contracts

#### II. CIVIL CONSTRUCTION

Construction of:

- a. Commercial buildings
- b. Sports complexes
- c. Swimming pools

#### III. IRRIGATION PROJECTS

Construction of:

- a. Earthen dams
- b. Minor Irrigation tanks
- c. Spillways
- d. Canals
- e. Aqueducts.

#### IV. PILING work using hydraulic piling rigs.

We undertake the design and construction of flyover projects to the client’s specified requirements on turnkey basis and also undertake the construction of flyovers, bridges, roads, buildings, irrigation projects and other infrastructure projects on contract basis including the electrification work.

We are registered independently as

- Class I A contractor with PWD, Government of Maharashtra
- Group A, Class I A with Vidharbha Irrigation Development Corporation, Nagpur
- Registration with MCGM is as follows:

	Construction of				
Category	Buildings	Flyovers	Roads	Water Supply	Sewage
Grade	AA	AA	AA	B	A

The categories and grade are defined and elaborated as under:

Class	Work Limits
AA	Without Limit
A	Upto 3 crores
B	Upto 1 crore
C	Upto 50 Lakhs
D	Upto 25 Lakhs
E	Upto 10 Lakhs

During the year ended March 2007 and HY 2008 we have been awarded contracts by various authorities including:

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

Apart from the above government clients, various private clients for whom we have done work:

- Indiabulls Real Estate Company Private Limited
- SMC Infrastructures Private Limited
- Sarthak Developers ( An Ameya group Company)
- Geo Foundations and Structures Private Limited

For the years ended on March 31, 2005, 2006 and 2007, our total income was Rs. 303.29 Lacs, Rs. 2,303.28 Lacs and Rs. 11,335.99 Lacs, respectively and for the six months ended September 30, 2007 our total income was Rs. 8235.73 lacs. In the years ended March 31, 2005, 2006 and 2007, we earned profit after tax of Rs. 4.39 Lacs, Rs. 108.10 Lacs and Rs. 800.82 Lacs, respectively and for the six months ended September 30, 2007 we earned profit after tax of Rs. 799.02 lacs. Our order book, which includes some uncommenced projects and the unfinished and uncertified portions of our commenced projects as on November 30, 2007, was Rs. 46,115 Lacs.

**Infrastructure projects we are currently executing are:**

- Railway Over Bridge at Udaybaug at Pune.
- Grade Separator at Mahavir Chowk and Shivaji Chowk at Chinchwad, Pune.
- Flyover including pedestrian cum vehicular subway across S.V. Road at the Junction of Barfiwala Jn. Mumbai.
- Duplication of flyover at Dindoshi on Western Express Highway, Mumbai.
- Flyover near Times of India Building at Malad on Western Express Highway, Mumbai.
- Flyover at Thakur Complex on Western Express Highway, Mumbai.
- Widening Western Express Highway from Km. 504/000 to 513/200km, Mumbai.
- Railway Over Bridge on Western Express Highway between Mahim and Bandra Railway Station using steel superstructure and push through RCC box.
- Improvement of Road connecting Bandra Kurla Complex and LBS Marg.
- Construction of Aqueduct at RD 655 mtrs of Bembla Main Canal.
- Earthwork and Structure at RD 38580 mtrs of Ashta Distributory of Bembla Main Canal.
- Earthwork and Structure of Km 69 to 71 and Box Culvert at RD 68955 mtrs of Bembla Main Canal.
- Earthwork and Structure of Ram Tirth Distributory taking RD 46770 mtrs of Bembla Main Canal
- Construction of ROB across Western Railway Tracks between Dahisar and Mira Road, Mumbai.
- Training of Mithi Rover from Custom Colony FOB to Pipeline Road, Powai, Mumbai.
- Development of Pune airport Extension, Strengthening of Apron widening and strengthening of existing taxi track at Pune.
- Construction of approach road and raising of apron and hanger at Juhu Helibase.
- Other Piling work using Hydraulic Piling Rig for various companies.

**For further details of our ongoing projects, kindly refer to the contents of heading titles “Order Book” on page 86 of this Red Herring Prospectus.**

As of November 30, 2007, our work force consisted of approximately 228 full-time employees. Further we also employ labour based on the requirements of the project, which may amount to on an average 4000 to 6000 casual workers. We own a large fleet of modern construction equipments like Hydraulic piling rigs HR 180 and HR 130, Putmiester Mobile boom placer concrete pump and stationery concrete pumps, RMC plants, transit mixers, various capacity cranes, poclains, front end loaders, JCBs, trucks and tippers, etc and a large quantity of shuttering and centering plates. For further details on our construction equipments, please refer to the paragraph titled “Construction Equipments” on page 92 of this Red Herring Prospectus. We believe that our employee resources and fleet of equipment, along with our engineering skills and capabilities, enable us to successfully implement a wide variety of construction projects that involve varying degrees of complexity. We enjoy various accreditations, such as the ISO 9001:2000 certification for the quality management system we apply to the design and construction of civil engineering projects, and have received accolades for some of our projects, such as the 2<sup>nd</sup> prize received for Kokan Bhavan Bridge constructed at CBD Belapur, Rs. 19 Lacs of bonus received for early completion of Aurangabad flyover by 19 days.

We enter into contracts primarily through a competitive bidding process. We solely execute most of our projects as the contractor. When a client requires us to meet specific eligibility requirements for certain larger projects, including requirements relating to particular types of experience and financial resources, we may enter into project-specific joint ventures with other construction companies. Currently we have 5 projects are being executed in the joint venture. 100% of the work is being carried out by us in 3 projects and we are the lead partner in the other Joint Venture as detailed below:

(Rs. in Lacs)				
Particulars of modes of execution		No. of Contract	Value of Contract	% Share of total Contract
<b>Joint Venture</b>		<b>5</b>	<b>20,059</b>	<b>29.50%</b>
100% work carried out by us	3		5,196	7.64%
Lead Partner (major work carried out by us)	2		14,863	21.86%
<b>Independently executed by us</b>		<b>31</b>	<b>47,931</b>	<b>70.50%</b>
<b>Total Contracts in hand</b>		<b>36</b>	<b>67,990</b>	<b>100%</b>

### **Our Competitive Strengths**

#### **Past experience of over 2 decades in execution of different type of Civil Engineering projects.**

Our Promoters are in the construction industry since 1980. During the last 27 years we have executed various type of civil engineering projects like roads like flexible and rigid pavement, flyovers, bridges, railway over bridges, railway under bridges, irrigation projects like canals, minor irrigation tanks, spillways, aqueducts, commercial and residential buildings, railway buildings, sports complexes, airport contracts for government, semi-government and private organizations.

#### **A large fleet of our owned machineries and equipments**

We believe that in infrastructure Industry, the key is timely completion of projects and ownership of new machineries and equipment which reduced the reliance on equipment hiring. We own a number of plants and equipments required for construction which require proper maintainance to be kept in good working condition. This includes Hydraulic piling rigs HR 180 and HR 130, Putmiester Mobile boom placer concrete pump and Stationery concrete pumps, RMC plants, Transit mixers, various capacity Cranes, Poclain, Front End Loaders, JCBs, Trucks and Tippers, etc and a large quantity of Shuttering and Centering plates. We believe the long term cost implications of using leased equipment are adverse, and therefore, we believe that ownership and usage of modern concreting/ shuttering equipment results in a cost advantage for us. The availability of the ready mix transit mixers enables us to service multiple locations for our contracts from a single nodal point. This is in turn helps us for timely servicing of our multilocal requirements and helps generate additional revenue by sale of ready mix to third parties to use the RMC's at their optimum levels. We believe that having such an asset base is essential for us to serve the technically challenging and diverse nature of the construction projects in which we are engaged. For further details of our construction equipments, please refer to the paragraph titled “Construction Equipments” on page 92 of this Red Herring Prospectus.

#### **Ability to execute the project within stipulated time**

We have executed complex projects prior to the scheduled completion date and earned bonus for early completion. For example we completed the construction of flyover, slip roads and allied works at Seven Hills Chowk, Aurangabad 19 days ahead of scheduled date of completion with bonus for early completion. We were awarded with Rs. 19 lacs for completing the given project 19 days in advance. Similarly we completed the pedestrian subway work at Rajaram Nagar near Santacruz 67 days ahead of the stipulated time limit with bonus for early completion. Such achievements help us to pre-qualify for projects. We have demonstrated efficiency by completing contracts prior to the scheduled date.



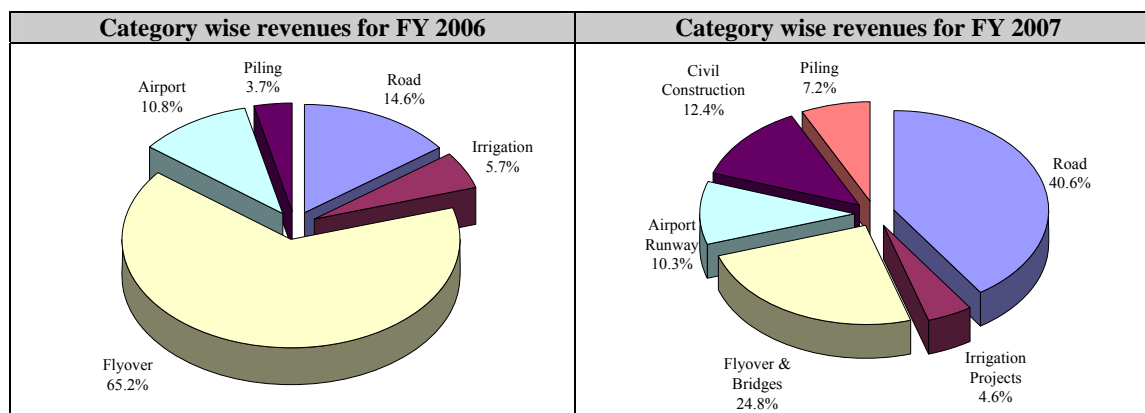
### Qualified and experienced technical persons

Our employees are qualified in terms of technical expertise and experience of handling the relevant contracts. We have been able to attract employees from various government departments after their retirement. This gives us the ability to serve the needs of our clients and execute the technical requirement of various projects that we undertake.

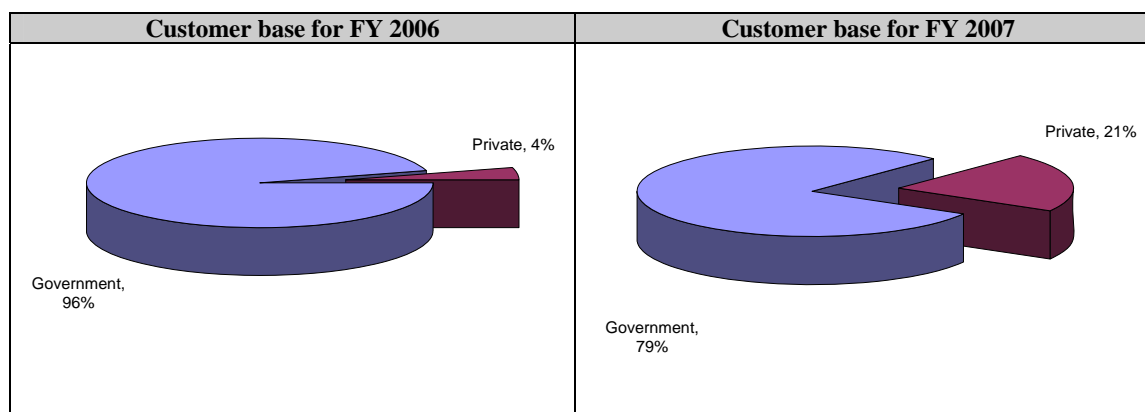
### Operations capability in diverse types of construction

We undertake construction work for various types of infrastructural projects and foundation work (pile foundation) for the structures. We have constructed swimming pools, railway terminus, pedestrian subways, various airport contracts apart from construction of roads, bridges and flyovers. This variety of works and type enable us to keep our business diversified and reduces our dependence on any one type of construction.

As depicted below in the chart, our reliance on Flyover segment has reduced from 65.2% of our operational income in FY 2006 to only 25% in FY 2007, further the share of other types of construction has also simultaneously increased along with new lines of business.



Our Company undertakes contracts for private clients (Non Government) as well as government departments and has a diversified customer base, although we continue to have significant dependence on Government Contracts. During FY 2006 and FY 2007 the breakup of our customer base as regards private and government companies is as shown below:



As is evident from the aforesaid, our dependence from government contracts has reduced from 96% in FY 2006 to 79% in FY 2007.

### Track record in the Construction Industry

Based on our over 2 decades of experience and projects executed in the past, we believe that we have established a track record of efficient project management and execution skills with trained and skilled manpower, efficient deployment of equipment and strategic purchasing capabilities. This enables us to meet project targets on time. We follow CPM Pert for allocation of the time used for completion of a project, thereby clearly demarcating the time-lines for various activities. We maintain cordinal relations with all our clients.

### Profit and Growth

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

For the years ended on March 31, 2005, 2006 and 2007, our total income was Rs. 303.29 Lacs, Rs. 2,303.28 Lacs and Rs. 11,335.99 Lacs, respectively and for the six months ended September 30, 2007 our total income was Rs. 8235.73 lacs. In

the years ended March 31, 2005, 2006 and 2007, we earned profit after tax of Rs. 4.39 Lacs, Rs. 108.10 Lacs and Rs. 800.82 Lacs, respectively and for the six months ended September 30, 2007 we earned profit after tax of Rs. 799.02 lacs. Our order book, which includes some uncommenced projects and the unfinished and uncertified portions of our commenced projects as on November 30, 2007, was Rs. 46,115 Lacs.

Our Income from operations has increased by a CAGR of 234.35% over the last 3 full financial years and our profit after tax has increased by a CAGR of 471.51% over the same period.

### ***Our Business Strategy***

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

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

Our endeavour is to be amongst one of the growing players in the infrastructure projects and in the civil construction business. We intend to be associated with larger, technically more complex projects. As on March 31, 2007 we have executed Transportation Engineering contracts, totaling to 8395 Lacs and Civil Construction work amounting to Rs. 1378 Lacs. The biggest project in hand as on November 30, 2007 is a project of Design and Construction of 4 Flyovers at Dr. Babasaheb Ambedkar Marg under Package – I awarded to NCC – J Kumar – JV which is a 50:50 Joint Venture between our Company and Nagarjuna Construction Company Limited. The total contract value of the said project is Rs. 11,190 lacs. Whereas within the projects already executed the biggest project was construction of flyover covering Kalyan Naka junction to ST Depot junction in Thane district of Rs. 2100 lacs. Further we are also entering into joint ventures to bid for bigger contracts. We aim to continue to be associated with large projects in infrastructure as well as civil construction.

#### ***Undertaking projects in a variety of sectors***

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

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

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

#### ***Execute the projects with the available resources to give the maximum operating margins.***

We also intend to continue to control operating and overhead costs to seek to maximize our operating margins. To facilitate efficient and cost-effective decision-making, we intend to continue to strengthen our internal systems. This enables in giving better operating margins. We also intend to win larger and more technically complex, turnkey and design-build projects through Joint Ventures and timely completion of contracts awarded to us.

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

Our services are significantly dependent on winning construction projects undertaken by large government agencies and companies, and infrastructure projects undertaken by governmental authorities and others and funded by governments. Our business is also dependent on developing and maintaining strategic alliances with other contractors with whom we may want to enter into project-specific joint ventures or subcontracting relationships for specific purposes. We will continue to develop and maintain these relationships in both the client and vendor space. We intend to establish relationships and share risks with companies whose resources, skills and strategies are complementary to our business and are likely to enhance our opportunities.

We provide integrated engineering, procurement and construction services for infrastructure projects, irrigation projects and civil construction.

### **Infrastructure Projects**

Our core business activity is the execution of infrastructure projects.

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

We have successfully completed and are currently engaged in a number of transportation engineering projects, including roads, highways, bridges, flyovers and pedestrian subways, and irrigation projects, including the building of dams, tunnels, canals and aqueduct.

Further, we have successfully implemented innovative techniques like “RCC Box Jacking”. The technique of box jacking is adopted where it is not possible to construct in situ RCC boxes below a railway embankment or a road by providing a diversion without disturbing the operating rail and road traffic. These boxes are also used for canal syphon, road under bridge and culvert for conveying water/service pipes.

The methodology of box jacking essentially consists of pushing forward the pre-cast RCC box segments through railway/road embankment by hydraulic jacks.

The box jacking work is executed in the following stages:

1. Excavation
2. Casting of thrust bed with strips for longitudinal/side shifting of box segments
3. Fabrication of Front and rear shield
4. Box casting
5. Execution of drag sheet system, if any
6. Pushing of Box segment
7. Shifting of succeeding box segments
8. Completion

**Brief summary of some of the transportation engineering projects, irrigation projects, and Civil Construction projects undertaken by us solely or along with joint venture partners is mentioned below:**

#### **Our Major Transportation Engineering Contracts**

We have developed expertise in the business of road construction after over two decade of experience. We plan to continuously bid aggressively for the road related infrastructure projects, leveraging and building the specialization and prequalification and thereby participating in more states and regions and gaining access to larger and complex projects. Our Company’s core area of operations in the road construction business would be, road widening, and road strengthening. Our Company has executed many projects for various government departments like MMRDA, PWD, MSRDC, MCGM, etc...We have completed various projects like construction of Flyover bridge at Konkan Bhavan (CBD) Junction, construction of Flyover bridge at the Junction of Eastern Express Highway and CMLR at Cheddannagar, construction of flyover covering Kalyan Naka Junction to new S.T Stand in Bhiwandi within the stipulated time.

Further, we have executed construction of flyover, Slip roads and Allied works at Seven Hills Chowk on Aurangabad – Jalna road, and pedestrian subway at Rajaramnagar by Box Pushing Method near Santacruz on Western Express Highway, Mumbai, before the stipulated time and have been awarded bonus for early completion.

Our bid capacity to quote for works with various government departments like PWD, MMRDA, MSRDC, various Municipal Corporations etc is approximately Rs. 693 crores as on March 2007. The same is arrived at by using the following formula:

Our Bid Capacity =  $(A \times N \times 3 - B)$ , where

A = Maximum value of Civil Engineering works executed in any one year during the last seven years(updated to current price level) which will take into account the completed and on-going works.

N = years prescribed for completion of the works = 2.5 years

B = Value of existing commitments and ongoing works to be completed during next 2.5 years.

#### **Process**

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

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

#### **The road project is then executed as follows:**

1. Excavation
2. Construction of embankment and sub grade
3. Construction of drainage layers and sub grade
4. Construction of base layers
5. Construction of Bituminous layers including wearing coat.

6. Installation of road furnitures like crash barriers, pedestrian guard rails, road signs, road marking and other road safety measures

**Cross Drainage and structure works projects are executed as follows:**

1. Excavation
2. Construction of mud mat/PCC
3. Preparation of bar bending schedule
4. Cutting, bending, placing, etc of reinforcement
5. Concrete works for foundation, sub structure and super structure
6. Construction of approaches
7. Construction of crash barriers and other safety measures with signs and marking

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

Sr. No.	Name of the Project	Name of the organization for whom work was done	Location of the Project	Tendered Contract value (Rs. in Lacs)	Total Cost of work (Rs. in Lacs)	Actual Completion Date	Execution mode - JV / Standalone	Time Overrun from the contracted date of completion	Reason for time overrun	Cost Overrun (Rs. in Lacs)
1.	Construction of flyover Bridge at Konkan Bhavan Jn. on Sion Panvel Highway CBD, Belapur, Navi Mumbai	Thane Creek Bridge, Div. No. I, Konkan Bhavan, Navi Mumbai - 400 614.	CBD Belapur, Navi Mumbai	1525	1927	Oct 1999	50% JV with Ameya Developers	2 months	Increase in Scope of work.	402
2.	Construction of flyover at Junction of EEH and CMLR at Chedha Nagar @ Ch: 579/612 and Widening of minor bridge on E.E.H. at Ch: 579/457 Mumbai.	Integrated Unit, Byculla, Mumbai.	Chhedanagar, Mumbai	950	1300	May 1999	50% JV with Ameya Developers	-	-	350
3.	Construction of Vehicular underpass at Rani Sati Marg Jn. On W.E.H. near Malad, Mumbai	MSRDC	Malad, Mumbai	575	815	Apr 2000	JV with Ameya Developers but 100% work executed by us	4 months	Increase in Scope of work.	240
4.	Construction of Pedestrian Subway at Agripada on Western Express Highway on KM 523 / 050, Mumbai.	MSRDC	Agripada, Mumbai	187	314	Nov 2001	JV with Ameya Developers but 100% work executed by us	4 months	Increase in Scope of work.	127
5.	Construction of Pedestrian Subway by Box Pushing Method by Rajaram Nagar near Santacruz on Western Express Highway, Mumbai <i>(Early completion bonus for 67 days received)</i>	MSRDC	Santacruz, Mumbai	260	457	Nov 2001	JV with Ameya Developers but 100% work executed by us	-	-	197
6.	Construction of flyover, Slip roads and allied Works at Seven Hills Chowk, Aurangabad <i>(Early completion bonus for 19 days received)</i>	MSRDC	Aurangabad, Maharashtra	719	950	Oct 2002	100% work executed by us for Ameya Developers	-	-	231

7.	Construction of subway by Precast Box Pushing Technology for Anand Nagar Road below Eastern Express Highway.	Thane Municipal Corporation , Thane	Thane, Maharashtra	244	276	Jun 2005	We were the sole contractors and executors	4 months	Increase in Scope of work.	32
8.	Construction of ROB and approaches in lieu of existing level crossing No. 114/A at Nandgaon on Malegaon - Aurangabad Road.	MSRDC	Nandgaon, Maharashtra	235	285	Nov 2005	We were the sole contractors and executors	9 months	Delay in acquisition of land and delay in getting railway block for ROB work by the client	50
9.	Construction of flyover covering Kalyan Naka Jn. to ST Depot Jn. on Old NH 3 alongwith Development of slip road in in Bhiwandi city. Dist Thane.	Bhiwandi Nizampur City Municipal, Corporation , Bhiwandi	Bhiwandi, Maharashtra	1495	2100	Mar 2006	We were the sole contractors and executors	12 months	Delay in acquisition of land for slip road and clearing encroachments alongwith increased scope of work by the client	605
10.	Design and Construction of flyover at Saswadphata junction on NH 9 with Solid Ramps. Pedestrian Subway and Widening of minor bridge at Pune.	MSRDC	Pune, Maharashtra	1193	1450	Apr 2006	JV with Ameya Developers but 50% work executed by us	22 months	Delay in clearance of encroachments of slip road area and shifting utilities by the clients alongwith increased scope of work by the client	257
11.	Construction of New Bridge Over Mithi River carrying B-3 Taxi Track at CSI Airport, Mumbai.	Airport Authority of India, Mumbai	Mumbai, Maharashtra	1400	1812	Jul 2006	We were the sole contractors and executors	13 months	Delay in procuring designs from client and monsoon flooding alongwith increased scope of work by the client	422
	<b>Total</b>			<b>8,783</b>	<b>11,522</b>					

**Transportation Engineering - Minor Bridge and Road related works**

Sr . N o.	Name of the Project	Name of the organization for whom work was done	Location of the Project	Tendered Contract value (Rs. in Lacs)	Total Cost of work (Rs. in Lacs)	Completion Date	Execution mode - JV / Standalone	Time Overrun from the contracted date of completion	Reason for time overrun	Cost Overrun (Rs. in Lacs)
1.	Construction of Sion Mahim Link Road and Construction of Retaining Wall along with Widening of Loop Part – II.	MSRDC	Mahim, Mumbai	120	194	May 1995	We were the sole contractors and executors	3 months	Increase in scope of work and unavailability of clear site	74
2.	Construction of R.O.B. with its approaches on W.E.H. at Bandra. Widening of North-East-Corner and Construction of Retaining Wall from Ch: 5600 to 5825 along W.E.H.	MSRDC	Bandra, Mumbai	NA	266	Mar 1996	We were the sole contractors and executors	-	-	-
3.	Construction of approach to high level bridge on Thane Belapur Road across Kalwa Creek on Kalwa side.	Deputy City Engineer, Thane Municipal Corporation, Thane	Thane	82	82	Jan 1998	We were the sole contractors and executors	-	-	-
4.	W - 121, Constn. of Road from 33rd Road Petrol Pump (N) for Chitra kar Dhurandhar Marg (Jn) Khar (West), Mumbai.	Executive Engineer, CC Road, WSI. M.C.G.M	Khar, Mumbai	185	185	Jan 1998	We were the sole contractors and executors	-	-	-
5.	Work of improving junction of relief road in Cement Concrete from existing C.C. Roads to Kamat Club under Work Code No. W-153 at Andheri Link Road.	Brihanmumbai Mahanagarpalika	Andheri, Mumbai	174	174	Jun 1998	We were the sole contractors and executors	-	-	-
6.	Construction of service road in between National Park Junction and S. N. Dube Marg Junction on Western Eastern Highway, Mumbai	MSRDC	Borivli, Mumbai	562	837	Mar 1999	We were the sole contractors and executors	4 months	Increase in scope of work	275

7.	Construction of flyover covering two junction viz 1) S.C.L.R. and 2) Vakola on W.E.H. Widening of east carriageway and Nalla covering from Chainage for various survey nos.	Thane Creek Bridge Division	Santacruz , Mumbai	210	275	Mar 1999	We were the sole contractors and executors	2 months	Increase in scope of work	65
8.	Widening of Road for Development of Toll Plaza on W.E.H. near Dahisar Check Naka 502 / 610 - 503 / 100 (E)	MSRDC	Dahisar, Mumbai	NA	121	Mar 1999	We were the sole contractors and executors	1 month	Unavailability of clear site to execute work	-
9.	Concreting of (1) Kurla Kalina Road from LBS Marg Jn. To Air India Colony, (2) CST Road Opp Vidya Nagari and (3) Kamani & Premier Jn along LBS Marg (4) Bail Bazar with Concrete Paver Block & Allied Work.	Brihanmumbai Mahanagarपालिका	Mumbai	531	328	Mar 2004	We were the sole contractors and executors	3 months	Site not available due to encroachments	-
10.	Construction of C.C. Road from Vanjarpatti Naka to Chavindra	Bhiwandi Nizampur City Municipal Corporation, Bhiwandi	Bhiwandi	448	503	Apr 2006	We were the sole contractors and executors	-	-	55
	Total			2312	2965					

### Irrigation work

The first irrigation project was awarded to us by Vidarbha Irrigation Development Corporation. We have successfully executed construction of earth work and structures (8 Kms) of Chilwadi Branch Canal, and construction of spillway earthen dam at Yavatmal, to name a few.

Our bid capacity for Vidarbha Irrigation Development Corporation is approximately Rs. 693 crore as on March 2007. The same is arrived at by using the following formula

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

A = Maximum value of Civil Engineering works executed in any one year during the last seven years (updated to current price level) which will take into account the completed and on-going works.

N = years prescribed for completion of the works = 2.5 years.

B = Value of existing commitments and ongoing works to be completed during next 2.5 years.

The sequence of operations involved in excavation and construction of a canal are listed below:

- The canal site and structures are excavated and such materials are reused in the canal banks and road approaches.
- The sand required for the concreting work is obtained from the river banks and transported to the batching and mixing plant.
- A quarry is established and crushing plants installed at the site.
- The canal section is excavated and embankment is constructed.
- The canal is lined using pavers and tested for leakages, etc.



Sr. No.	Name of the Project	Name of the organization for whom work was done	Location of the Project	Amount of Tender (Rs. in Lacs)	Completion Date	Execution mode - JV / Standalone	Time Overrun from the contracted date of completion	Reason for time overrun	Cost Overrun (Rs. in Lacs)
1.	Construction of earth work and structures in Km 1 - 9 of Chilwadi Branch Canal	Maharashtra Krishna Valley Development Corporation, Pune	Shrigonda Ahmednagar	740	Jun 2002	We were the sole contractors and executors	48 months	Scope of work doubled, unavailability of clear site for execution of work.	370
2.	Construction of spillway dam from RD 998.50 to 1060.50 Kumbharkinhi, M.I. Tank	Minor Irrigation Division, Pusad, Maharashtra	Yavatmal, Maharashtra	341	2002-2003	We were the sole contractors and executors	12 months	Increased scope of work	294
3.	Construction of E/W from R.D. 750mm to 990m and Excavation of T/Channel from RD 270 to 330 mtrs of Kumbharkinhi, M.I. Tank	Minor Irrigation Division, Pusad, Maharashtra	Yavatmal, Maharashtra	474	2003 - 2004	We were the sole contractors and executors	72 months	Unavailability of land	324
4.	Construction of E/W from RD 53 to 510m and RD 420 to 450m of Kumbharkinhi, M.I. Tank	Minor Irrigation Division, Pusad, Maharashtra	Yavatmal, Maharashtra	129	2002-2003	We were the sole contractors and executors	12 months	Unavailability of land	63
5.	Cosntruction of E/W from RD 540 to 660m of Kumbharkinhi, M.I. Tank	Minor Irrigation Division, Pusad, Maharashtra	Yavatmal, Maharashtra	596	2002-2003	We were the sole contractors and executors	24 months	Unavailability of land	18
6.	Construction of Spill way from RD 100 of Sirasgaon, M.I. Tank	Minor Irrigation Division, Pusad, Maharashtra	Yavatmal, Maharashtra	268	2000-2001	We were the sole contractors and executors	4 months	Unavailability of land	38
	<b>Total</b>			25,10					

### Civil Construction Services

Broadly, our civil construction services could be categorized into the following segments:

#### Corporate offices, buildings and transport terminals:

This segment includes construction of corporate offices, buildings, and transport terminals (airport & railway).

Some of the prominent commercial buildings projects undertaken by us include construction of new Terminus building at Bandra for Western Railways, Office building of Maharashtra State Police Housing and Welfare Corporation Limited, Mumbai, Construction of Health club building, Game hall and Olympic size swimming pool work for Goregaon Sports Club, construction of Commercial building for Goldline Business Centre at Malad, Mumbai, Construction of swimming pool complex and other miscellaneous work at H.R Johnson Tile Co. at Thane.

**Housing (Residential):**

This segment includes construction of buildings for group housing projects.

Some of the prominent group housing projects undertaken by us are construction of residential quarters for Airports Authority of India at Mumbai.

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

Sr. No.	Name of the Project	Name of the organization for whom work was done	Location of the Project	Total Cost of work (Rs. in Lacs)	Actual Completion Date	Execution mode - JV / Standalone	Time Overrun from the contracted date of completion	Reason for time overrun	Cost Overrun (Rs. in Lacs)
1.	Construction of Residential Quarters for AAI (IAD) Staff at Mumbai.	Airport Authority of India	Mumbai, Maharashtra	229	Nov 1998	We were the sole contractors and executors	3 months	Delay in finalization of designs for execution of work.	-
2.	Foundation work for Administration Building for Bombay Suburban Dist on 341 (P) City Survey No. 629 in Govt. Servant's Colony at Bandra East, Mumbai	Public Works Department	Mumbai, Maharashtra	90	Dec 1994	We were the sole contractors and executors	14 months	Delay in supply of designs by the client for pile foundation	-
3.	Construction of Office Building shed for Superintending Engineer, Mumbai Road Development & Design Circle and Executive Engineer, Mumbai Road Development & Design Div. No.II at Kalanagar, Bandra East, Mumbai.	Public Works Department	Mumbai, Maharashtra	64	Jan 2001	We were the sole contractors and executors	-	-	-
4.	Construction of elevated Olympic size swimming pool, Diving pool, recreation pool, Health Club bldg. and Game Hall and Roads for Goregaon Sports Club.	Goregaon Sports Club, Plot No. 54, Link Road, Malad (West), Mumbai	Mumbai, Maharashtra	825	Oct 2001	We were the sole contractors and executors	11 months	Increased scope of work	150

5.	Construction of commercial Building for Goldline Business Center at Link Road Malad, Mumbai.	Own Commercial Building (J. Kumar & Co.,) Andheri, Mumbai	Mumbai. Maharashtra	1347	Mar 2005	We were the sole contractors and executors	-	-	-
6.	Construction of New Building at Bandra Terminus	Chief Engr. (Constn) II, Western Railway, Churchgate, Mumbai	Mumbai. Maharashtra	603	Nov 2004	We were the sole contractors and executors	20 months	Increase in scope of work	121
7.	Misc Works inside New Station Building and Circulating area of this Building at Bandra Terminus. Construction of Baruni Line with inspection pit in BAMY Yard.	Dy. Chief Engineer, Western Railway, Churchgate, Mumbai	Mumbai. Maharashtra	235	Jun 2005	We were the sole contractors and executors	14 months	Delay in supply of designs by the client, granting permission for running road vehicle near the tracks and availability of clear site for construction	56
8.	Construction of Swimming Pool Complex at H.R. Johnson Tile Co., L.B.S. Road, Thane (W), Including Electrification work, Chlorination Filtration Plant and all allied Work	Thane Municipal Corporation, Thane	Thane, Maharashtra	939	Jan 2006	50% JV with Sunrise Stone Industries	-	-	50
9.	Civil Work, Water supply, drainage, Electrical and allied works at Blue Chip Building, Andheri	Multi Commodity Exchange of India Limited	Mumbai	1348	Dec 2006	We were the sole contractors and executors	-	-	-
	Total			5680					

### Piling Work

Piling is a special type of foundation that enables a structure to be supported by a layer of soil found at any depth below the ground surface. Piles are used when the soil near the ground surface is not strong and the weight of the structure must be carried by deeper soil layers.

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

The pile and pile cap configuration has provided the basic design solution to the difficult problem of obtaining deep foundation support below areas where poor soil conditions prevail. Poor soil conditions may be difficult to excavate through, and are incapable of supporting structural loads. They are typically characterized by the presence of a soft,

compressible layer of clay, high ground-water levels, loosely filled soils, uncontrolled landfills, boulders, abandoned underground structures, and natural bodies of water. By supporting a structure on piles in lieu of spread footings, any adverse soil condition may be virtually bypassed, and adequate foundation support can be obtained at any depth, without the need to perform deep excavation, dewater, and install temporary sheeting and bracing. Piles are available in a variety of sizes, shapes, and materials that enable a particular type of pile foundation to be viable both economically and structurally. Historically, piles were made of wood, later reinforced concrete is the basic material of pile.

Pile foundations are used to support marine structures and offshore platforms, since they are located over bodies of water. On land, pile foundations are used primarily in locations where poor soil conditions exist.

## Different Types of Piles

### Drilled piles

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

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

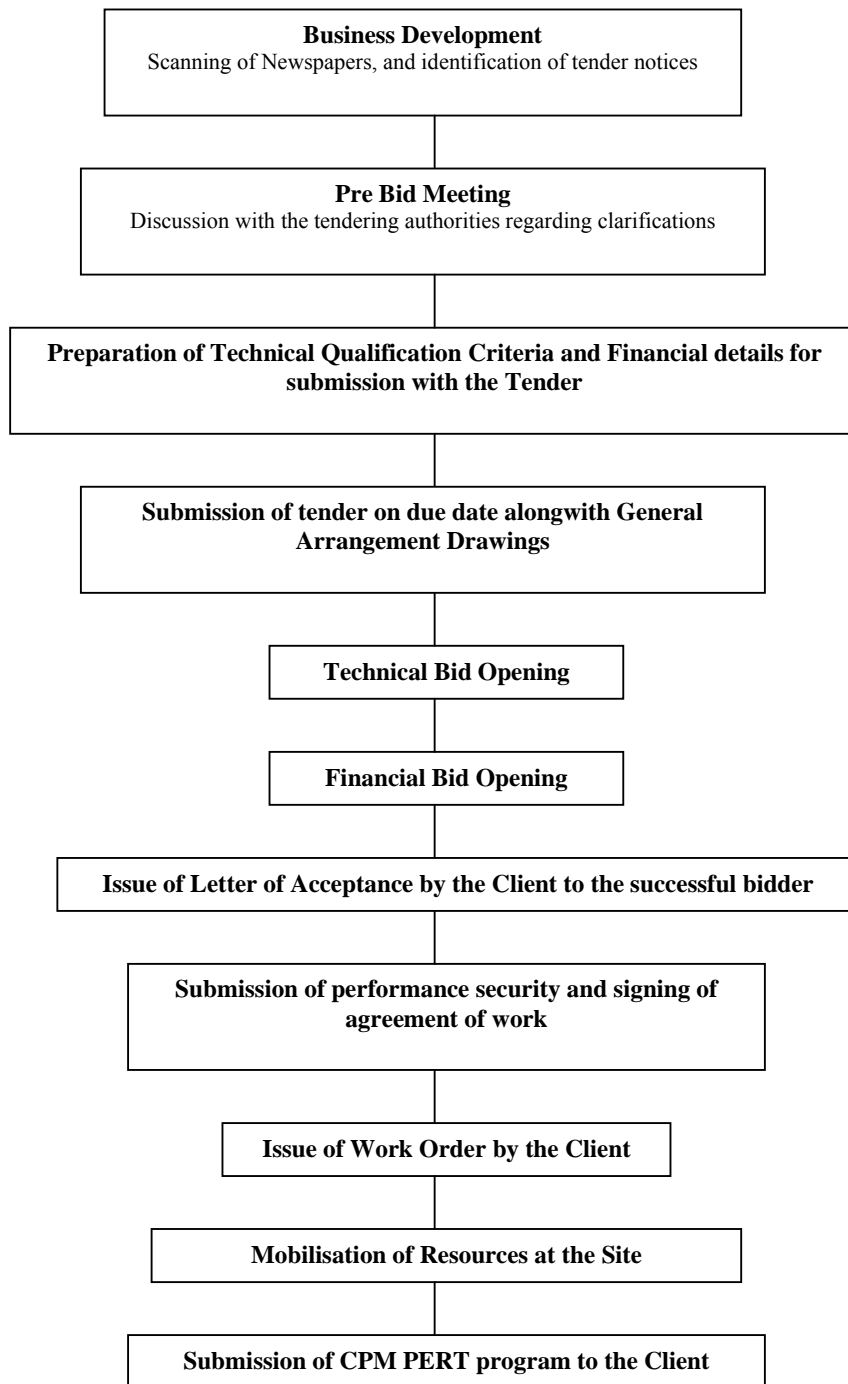
In some cases there may be a need to employ drilling fluids such as bentonite suspension, in order to maintain a stable shaft.

Since last year, we have started sub-contracting of piling work by lending the Hydraulic Piling Rigs to contractors who do not have these machineries to carry out the piling work. Following are some of our piling projects:

Sr. No.	Name of the Project	Name of the organization for whom work was done	Location of the Project	Contract value (Rs. in Lacs)	Work Completion Date
1.	Boring Cast in Situ bored piles of 1000 mm dia and 36 mtrs depth including fabricating and lowering steel cage and concreting the pile by Tremie arrangement for Petronet LNG Tank.	Punj Lloyd Ltd. C/o Petronet LNG Ltd Tal Vagra Dist Baruch Dahej, Gujarat	Dahej, Gujarat	279	Dec 2006
2.	Boring Cast in Situ bored piles of 600 mm dia and 900mm dia piles to the required depth including driving pre-fabricated Liners, fabricating and lowering steel cages and concreting the pile by Tremie arrangement etc complete for 100 MLD STP.	H.N. Bhatt & Co. Engineers Pvt. Ltd. Pune	Vashi, Navi Mumbai, Maharashtra	273	Mar 2007

3.	Boring Cast in Situ bored piles of 600 mm dia to the required depth including driving the pre-fabricated Liner, lowering steel cage and concreting the pile by Tremie arrangement etc complete for 100 MLD STP	Gharpure Engineering and Construction Pvt. Ltd. Pune	Nerul, Navi Mumbai, Maharashtra	122	Feb 2007
4.	Boring cast in situ bored piles of 500mm, 600mm, 750mm, 1000mm, 1400mm dia piles to the required depth including driving temp. liner lowering of steel cage and concreting, complete for Amercian Embassy Building and other amenities.	L & T Ltd, ECC Dn. Mumbai	Amercian Consulate, B.K. Road, Mumbai – 51	141	Sep-07
5.	Boring cast in situ bored piles of 600mm and 750mm dia piles to the required depth including driving temp. liner lowering of steel cage and concreting, complete for Cozy, Kohinoor Buildings.	Sarthak Devleopers, Mumbai	Versova, Mumbai	64	Nov-07
6.	Hiring of Piling Machine	Simplex Infrastructure Ltd	Kotputaly Rajasthan	200	Nov-07
7.	Boring cast in situ piles of 600mm piles to the required depth including driving temp. liner lowering of steel cage and complete concreting	Option Developers JVPD, Mumbai.	Milan Subway Mumbai	70	Nov-07

## Our Product Life Cycle



## Types of Contracts

Our contracts types fall into the following categories:

- **Percentage rate contracts** require us to quote a percentage above, below or at par with the estimated cost furnished by the client. In percentage rate contracts, the client supplies all the information such as design, drawings and Bill of Quantities with the estimated rates for each item of the BOQ. We are responsible for the execution of the project based on the information provided and technical stipulations laid down by the client at our quoted rates, which are arrived at by adding or subtracting the percentage quoted by us above or below the estimated cost furnished by the client.
- **Item rate contracts** are contracts where we need to quote the price of each item presented in a Bill of Quantities (BOQ) furnished by the client. In item rate contracts the client supplies all the information such as design, drawings and BOQ. We are responsible for the execution of the project based on the information provided and technical stipulations laid down by the client at our quoted rates for each respective item.
- **Design and Build contracts** – Lump Sum contracts provide for a single price of the total amount of work, subject to variations and pursuant to changes in the client's project requirements. In Lump Sum contracts, the client supplies all parameters for the project execution including General Arrangement Drawings (GAD) and Design Criteria and specifications. Based on such information, we are required to appoint consultants to designs and drawings, and estimate the quantities of various items that would be needed to complete the project based on the designs and drawings prepared by our consultants. The designs, drawings and specifications require the client's approval. These contracts carry Billing Schedule, according to which we raise our bills for the works executed by us. For additional work, bills are raised as per the variation clause of the tender.

The percentage of each of the categories of contract in order book of the company as on November 30, 2007 is disclosed as under.

Percentage Rate Contract	55.26%
Item Rate Contract	36.84%
Design & Build Contract	7.89%
<b>Total</b>	<b>100%</b>

### Order Book

Our order book comprises the unfinished and uncertified portion of projects that we have undertaken and includes the value of sub-contracting agreements that we enter into with our joint ventures for work to be performed by us. In our industry, the order book is considered an indicator of potential future performance since it represents a significant portion of the likely future revenue stream. Our strategy is not focused solely on adding contracts to the order book but instead is focused on capturing quality contracts with potentially high margins. The value of work remaining to be completed from our order book as of November 30, 2007, was Rs. 46,115 Lacs. The segment details of the same are as follows:

<i>(Rs. in Lacs)</i>			
Section	Our Operations	Total Contract Value	Value of work remaining to be completed
<b>A</b>	Transportation Engineering	54,709	36,249
<b>B</b>	Irrigation Work	2,251	1,001
<b>C</b>	Civil Construction	9,669	8,143
<b>D</b>	Piling Work	1,361	722
	<b>Total</b>	<b>67,990</b>	<b>46,115</b>

The details of the orders in hand as on November 30, 2007 are as follows:

#### A. Transportation Engineering

Sr. No.	Name of the Project	Name of the organization for whom work was done	Location of the Project	Contract value (Rs. in Lacs)	Value of uncompleted work (Rs. in Lacs)	Anticipated Date of Completion and settlement of Final Bill
1.	Construction of RUB at FCI Circle, Chembur on EEH at Km 17/2-3	MSRDC	Mumbai, Maharashtra	190	101	Dec-07
2.	Construction of ROB at Uday Baug at Pune *	MSRDC	Pune, Maharashtra	698	3	Nov-07
3.	Duplication of flyover at Dindoshi on Western Express Highway **	MSRDC	Mumbai, Maharashtra	1,241	588	Dec-07
4.	Construction of flyover near Times of India Building at Malad Jn on Western Express Highway	MSRDC	Mumbai, Maharashtra	1,709	1,512	Mar-08
5.	Construction of Flyover at Thakur Complex on W.E.H. **	MSRDC	Mumbai, Maharashtra	2,287	1,640	Apr-08
6.	Construction of Grade Separator at Mahavir Chowk & Shivaji Chowk, Chinchwad on Mumbai Pune Road, Chinchwad. **	PCMC, Pune	Pune, Maharashtra	4,400	3,017	Sep-08
7.	Construction of Flyover including pedestrian cum vehicular subway across S.V. Road at the junction of Barfiwala Lane and Gokhale Bridge.	MMRDA	Mumbai, Maharashtra	2,386	2,298	Sep-08



Sr. No.	Name of the Project	Name of the organization for whom work was done	Location of the Project	Contract value (Rs. in Lacs)	Value of uncompleted work (Rs. in Lacs)	Anticipated Date of Completion and settlement of Final Bill
8.	Construction of ROB across Western Railway Tracks between Dahisar and Mira Road Station on proposed 36.6 mtrs wide Main Link Road, between Railway Km 37/4 to 37/6	MMRDA	Mumbai, Maharashtra	3,901	3,578	Jun-08
9.	Extension of ROB on WEH between Mahim & Bandra Railway Station including push through RCC Box abutment.	MRVC	Mumbai, Maharashtra	637	486	Aug-08
10.	Improvement of Road connecting Bandra Kurla Complex and LBS Marg including construction of balance portion of PSC superstructure bridge across Mithi River	MMRDA	Mumbai, Maharashtra	781	760	Feb-08
11.	Widening and Construction of Western Express Highway from Aarey Flyover North End to Times of India Flyover North End Km 513/200 to 510/350 (Road Work)	MMRDA	Mumbai, Maharashtra	895	168	Dec-07
12.	Widening and Construction of Western Express Highway from Aarey Flyover to Times of India Flyover North End to Asha Nagar Km 508/200 (Road Work)	MMRDA	Mumbai, Maharashtra	1,200	27	Dec-07
13.	Widening and Construction of Western Express Highway from Asha Nagar to Times of India Ch 508/300 to Ch 510/455km-Package 7 ***	MMRDA	Mumbai, Maharashtra	1,324	Not Available	Mar-08
14.	Widening and Construction of Western Express Highway from Kulupwadi to Asha Nagar Ch 506/500 to Ch 508/300 km - Package 8	MMRDA	Mumbai, Maharashtra	1,900	259	Mar-08
15.	Widening and Construction of Western Express Highway from Shiv Vallabh North to Kulupwadi ch: 504/000 to 506/500 km – Package 9	MMRDA	Mumbai, Maharashtra	1,763	266	Mar-08
16.	Construction of Approach Road and Raising of Apron and Hanger at Juhu Helibase	ONGC	Mumbai, Maharashtra	1,590	1,533	Jan-08

Sr. No.	Name of the Project	Name of the organization for whom work was done	Location of the Project	Contract value (Rs. in Lacs)	Value of uncompleted work (Rs. in Lacs)	Anticipated Date of Completion and settlement of Final Bill
17.	Training of Mithi River (Widening & Deepening, RCC Retaining wall, service road) from Custom Colony FOB to pipe line road Powai, South Ward. (55% our share)	GMMC	Mumbai, Maharashtra	3673	2,020	Mar-09
18.	Development of Pune Airport, Extension strengthening of Apron widening and strengthening of existing taxi track, construction of new link taxi track along with shoulders etc. #	Airport Authority of India, Mumbai	Pune, Maharashtra	564	15	Dec-07
19.	Construction of New Bridge No. 20 across Mithi River on pile foundation with PSC and steel girder super structure at Bandra –Mahim	MRVC	Mumbai, Maharashtra	1,051	1,051	Sep-09
20.	Widening and construction of Western Express Highway (Balance Service Roads of original package 7, 8 & 9), Times of India to South Side of SN Dubey Junction Ch. 510/455 to 504/000	MMRDA	Mumbai, Maharashtra	2,747	2,747	Work order awaited, Letter of acceptance received on October 15, 2007
21.	Design and Construction of 4 Flyovers at Dr. Babasaheb Ambedkar Marg under Package – I (Awarded to NCC – J Kumar – JV with a profit and loss sharing ratio of 50:50 JV) ##	MMRDA	Mumbai, Maharashtra	11,190	5,595	Work order awaited, Letter of acceptance received on November 02, 2007
22.	Construction of RoB at Milan Subway including Vehicular Underpass	MMRDA	Mumbai, Maharashtra	4,150	4,150	Work order awaited, Letter of acceptance received on November 14, 2007
23.	Providing, supplying, shuttering, pouring, and curing of RMC of Section II (Kiravali Chowky to Chinchavali Chowki) for Vaitarna Water Supply Scheme in Maharashtra	SMC Infrastructures Private Limited	Mumbai, Maharashtra	4,432	4,432	Feb-09
		<b>Total Transportation Engg</b>		<b>54,709</b>	<b>36,249</b>	

\* The project work has been completed and final bill has been raised on the client. The value of uncompleted work refers to pending amount receivable from the project

\*\* The relevant authorities have granted extension letters to our Company for the said projects, due to which the contract value and anticipated date of completion and settlement of final bill have been extended.

\*\*\* The project “Widening and Construction of Western Express Highway from Asha Nagar to Times of India Ch 508/300 to Ch 510/455km-Package 7” has already received Rs. 1608 Lacs out of the original contract value of Rs. 1324 lacs. We are unable to quantify the amount of pending work in hand as we have not received any written communication from MMRDA quantifying the final revised total contract value.

# The project size and completion have been revised and accordingly the work is scheduled for early completion in December, 2007

## The project’s contract size is Rs. 11,190 lacs, which has been awarded to NCC – J. Kumar JV which has a profit and loss sharing ratio of 50:50, hence the work in hand taken for the purpose is Rs. 5,595 lacs.

#### B. Irrigation Work

Sr. No.	Name of the Project	Name of the organization for whom work was done	Location of the Project	Contract value (Rs. in Lacs)	Value of uncompleted work (Rs. in Lacs)	Anticipated Date of Completion and settlement of Final Bill
1.	Construction of Aqueduct @ R.D. 655 mtr of Bembla Main Canal**	Executive Engineer, Bembla Canal, Division Yavatmal	Yavatmal, Maharashtra	402	Not Available	Mar-08
2.	Construction of Earthwork and Structures at RD 38580 mtrs of Ashta Distributory of Bembla Main Canal.	Executive Engineer, Lower Penganga Project Division Yavatmal	Yavatmal, Maharashtra	405	51	Jul-08
3.	Construction of Earthwork and Structures of Ramtirth Distributory of taking RD 46770m of Bembla Main Canal.	Executive Engineer, Lower Penganga Project Division Yavatmal	Yavatmal, Maharashtra	650	387	Apr-08
4.	Construction of Earthwork and Structures Km 69 to 71 and Box culvert @ RD 6895 mtr of Bembla Main Canal.	Executive Engineer, Lower Penganga Project Division Yavatmal	Yavatmal, Maharashtra	794	564	Jul-08
<b>TOTAL (B)</b>				<b>2,251</b>	<b>1,001</b>	

\*\* Work as per the tendered scope has been increased by Vidardha Irrigation Development Corporation, and payment has been received upto November 30, 2007 is Rs 791.14 lacs. Since the work is in escalation stage, we cannot quantify the amount of work pending in the said project undertaken by us.

#### C. Civil Construction

Sr. No.	Name of the Project	Name of the organization for whom work was done	Location of the Project	Contract value (Rs. in Lacs)	Value of uncompleted work (Rs. in Lacs)	Anticipated Date of Completion and settlement of Final Bill
1.	Improvement to approach road at village Gundavali, Suran Road, Andheri (East)	Financial Technologies (India) Limited	Mumbai	2,603	1,077	Mar-08
2.	Construction of residential buildings under SRA Scheme at Goregaon West, Mumbai  (Commenced from 15 <sup>th</sup> October 2007)	Reddy Builders and Developers	Mumbai	7,066	7,066	Oct-09
<b>TOTAL ( C )</b>				<b>9,669</b>	<b>8,143</b>	

#### D. Piling Work

Sr. No.	Name of the Project	Name of the organization for whom work was done	Location of the Project	Contract value (Rs. in Lacs)	Value of uncompleted work (Rs. in Lacs)	Anticipated Date of Completion
1.	Boring cast in situ piles of 600mm and 760mm dia piles to the required depth for NTPC at Dadri.**	Era Construction (I) Ltd.	NTPC, Dadri, U.P	350	Not Available	Jan-08
2.	Boring cast in situ bored piles of 600mm piles to the required depth including driving temp. liner lowering of steel cage and complete concreting	IndiaBulls, Colaba, Mumbai	Elphinston Mill, Mumbai	324	160	Apr-08
3.	Boring cast in situ bored piles of 1000mm dia piles and precast pile boring of 750mm dia for Bridge work at Mankhurd and Malad.	RPS Infraprojects Pvt. Ltd., Mumbai	Mankhurd & Malad, Mumbai	50	40	Nov-07
4.	Boring cast in situ bored piles of 600mm and 1000 mm dia piles for Traffic Improvement Scheme at Thane. **	Nagarjuna / SMC, Mumbai	Thane Railway Station, Thane	71	Not Available	Nov-07
5.	Hiring of Piling Machine	Geo Foundation and Structure Pvt Ltd	Chennai	100	6	Dec-07
6.	Design, construction, manufacturing, installation, testing, and commissioning of 2 nos, 220 Mtrs high multi flue reinforced chimneys for 4 x 300 MW JSW Energy Ratnagiri Limited	Gammon India Limited	Raigad, Maharashtra	295	295	Feb-08
7.	Supply on Hire basis – Hydraulic Piling Rig MAIT HR-180 with operator	ITD Cementation India Limited	Dadar, Mumbai	90	46	Mar-08
8.	Piling work by hydraulic rotary rig for Bhabha Atomic Research Centre project.	Gleg Engineers Pvt. Ltd	Bhabha Atomic Research Centre, Trombay	53	53	Dec-08
9.	Sub Contract Piling work by Hydraulic Rotary Piling Machine	RSVCPL & PV Rao (JV)	Nanded	128	128	Mar-08
<b>TOTAL ( D )</b>				<b>1,361</b>	<b>722</b>	

**\*\* The piling work for Era Constructions India Ltd., at Dadri as on November 30, 2007 has received Rs. 493.41 lacs against original contract value of Rs. 350.00 lacs. Although the work is still ongoing, we are unable to quantify the amount of pending work in hand as we have not received any written communication from our client quantifying the final revised total contract value.**

**Further piling work for Nagarjuna / SMC, Mumbai has contract value of Rs. 71 lacs; whereas we have already received Rs. 106 Lacs as on November 30, 2007 against the original contract value. Although the work is still ongoing, we are unable to quantify the amount of pending work in hand as we have not received any written communication from our client quantifying the final revised total contract value.**

### Details of tenders submitted but bidder not finalized.

We have bid for the following projects, the decision of which is still awaited.

Tender No.	Client	Project Description	Expected Contract Size (Rs. in Lacs)
AW – 53	MCGM	Widening and improvement of various roads in P/North Ward (Tender no.1) in Mumbai.	2155.18
WS 9.2	MCGM	Cleaning and improvement of storm water drain and nallas including increasing/reconstruction in catchment no.211 i.e. Poisar River system in R/South ward, Kandivali (East) (Bid through an MoU to form a JV with JV partners being our Company and Chirag and API) (Our Company 51% and Chirag and API 49%)	3703.31
WS 2	MCGM	Cleaning and improvement of storm water drain and nallas including increasing/reconstruction in catchment no.206 i.e. Rajendra Nagar nalla system in R/C ward. (Bid through an MoU to form a JV with JV partners being our Company and Chirag and API) (Our Company 51% and Chirag and API 49%)	5263.91
ES-3 & ES-4	MCGM	Training of Laxmibaugh nalla from Eastern express highway to G.A link road culvert and from G.A link road culvert to central railway catchment no.309 in –ward (Bid through an MoU to form a JV with JV partners being our Company and Chirag and Navdeep) (Our Company 51% and Chirag and Navdeep 49%)	2864.67
EES 5-1	MCGM	Training/widening/deepening of Usha Nagar (D/s of Railway line) Bhandup (E) S-Ward (Bid through an MoU to form a JV with JV partners being our Company and Chirag and Jekin) (Our Company 51% and Chirag and Jekin 49%)	3869.91
ES 7-2	MCGM	Improvement of Crompton –Kanjur Nalla system in catchment no. 306 Vikhroli S-Ward (Bid through an MoU to form a JV with JV partners being our Company and Chirag and Navdeep) (Our Company 51% and Chirag and Navdeep 49%)	2303.70
ES 8 and ES 9	MCGM	Improvement of Kannawar Nagar Nalla system and training of Bombay Oxygen Nalla (Bid through an MoU to form a JV with JV partners being our Company and Chirag and Jekin) (Our Company 51% and Chirag and Jekin 49%)	4538.79
ES 10	MCGM	Training/widening/deepening/reconstruction of subhashnagar nalla system alongwith sub nalla from C.Ggidwani marg to GM linkroad (C.A No.311-A) in M/E ward. (Bid through an MoU to form a JV with JV partners being our Company and Chirag and Babulal) (Our Company 51% and Chirag and Babulal 49%)	6632.28
<b>Total Value of contracts bidded for</b>			<b>31,331.75</b>

**Construction equipments**

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

Sr. No	Type of Equipment	Description
<b>A)</b>	<b>MACHINERY</b>	
<b>1.</b>	Excavators and Loaders:	
	• Excavators	14 nos. Tata Hitachi and Komatsu make
	• Front End Loaders	1 no. Escorts make
	• Backhoe Loaders	5 nos. JCB make
<b>2.</b>	Rollers	6 nos. Mechanical (Statics) Roller of Kamal & Jessop make 5 nos. Vibratory Rollers of Greaves Bomag make
<b>3.</b>	Hydraulic Piling Rigs	7 nos. Piles of Mait, Italy HR 180 make 3 nos. Piles of Mait, Italy HR 130 make 1 no. Pile of Soilmec make, of 1800mm diameter each
<b>4.</b>	Concrete Pump Complete Set	
	• Stationery Pump	2 Schwing Stetter make
	• Mobile Boom Placer Pump	1 Putzmeister make
<b>B)</b>	<b>EQUIPMENT</b>	
<b>1</b>	Laboratory Equipment	Testing the quality of RMC and other various construction material purchased by us
<b>2</b>	For Soils & Aggrigate	Testing the quality and size of aggrigates required for construction
<b>3</b>	Cement & Cement Concrete.	Testing the quality of cement and concrete
<b>4</b>	Bitumen And Bituminous Mixes	Quality check of bitumen and bituminous mixes
<b>5</b>	Shuttering & Centering	Scaffolding and different diameter pipes to construct scaffoldings.

Details of all the aforesaid machineries owned and operated by us are given below:

Sr. No	Name of Equipment	No. of Units	Kind and Make	Capacity	Age of Machinery	Present location where machinery is in use	Whether the machinery is hypothecated to any bank or institution
	<b>(A) MACHINERY</b>						
1	Excavator / Front End Loader						
	a) Poclain Ex-200 (with rock breaking chisel attachment)	1	TATA HITACHI	0.91 m3	5 - 6 Years	Mumbai	Yes
	b) P.C. 200-6 (with rock breaking chisel attachment)	1	KOMATSU	0.93m3	New	Pune	Yes
	c) Ex.210 L.C. (with rock breaking chisel attachment)	6	TATA HITACHI	1.00 m3	New	Yavatmal	Yes
	d) Ex-110 (Hydraulic Backhole with bucket kit)	2	TATA HITACHI	0.91 m3	New	Yavatmal	Yes
	e) Poclain Ex-60 (with blade)	2	TATA HITACHI	0.50 m3	5 - 6 Years	Pune	Yes
	f) Poclain Ex.70 (with blade)	2	TATA HITACHI	0.50 m3	New	Yavatmal	Yes
	g) J.C.B	2	ESCORT JCB(3D)	0.24 m3	2 Years	Mumbai, Pune	Yes
		6	JCB 3DX – 2 Nos , JCB 3D (2 Nos), JCB 4DX , JCB JS 80	0.24 m3	0 to 5 years	Yavatmal	Yes
	h) Front End Loader	1	ESCORT, MODE-710	49.50 H.P.	New	Pune	Yes
	i) Rock Breaker Chisel	2	Atlas Copco	-	New	Mumbai, Pune	Yes
	j) Rock Breaker	2	Fine 22X		New		
	k) Hydraulic Excavator	1	Volvo 140 EC 140 BLC		New		

Sr. No	Name of Equipment	No. of Units	Kind and Make	Capacity	Age of Machinery	Present location where machinery is in use	Whether the machinery is hypothecated to any bank or institution
	l) Motor Grader	1	Champion Model 740	BHP 165 Bh	New		
2	Dozer	1	Komatsu	D40	15 Years	Yavatmal	Yes
3	a. Roller (Mechanical (Statics)	6	Kamal & Jessop	10 MT	2 Years 4 Years	Mumbai , Pune Yavatmal	No
	b. Vibratory Roller	5	Greaves Bomag	90 HP	5 Years	Mumbai	Yes
4	Hydraulic Piling Rig	7	Mait, Italy HR 180	1800mm dia Piles	New	Mumbai	Yes
		3	Mait, Italy HR 130	1800mm dia Piles	New	Mumbai	Yes
		1	Soilmec	1800mm dia Piles	New	Mumbai	Yes
5	a) Tractor and Trolly	3	Mahindra	4 MT Cap.	3 Years	Yavatmal	No
	b) Tempo	5	Tata	1.5 MT	New	Mumbai	No
	c) Tractor Tank	3	Tata				
6	a) Crane Crowler mounted	1	P & H 220	10 MT	15 Years	Yavatmal	Yes
	b) Mathura Crane	3	Mathura Diesel Driven	500 Kg.	2 Years	Mumbai	No.
	c) Hydraulic Mobile Crane with Kit	2	ACE	12 T	5 years	Mumbai	No.
	d) Hydraulic Crane	1	UNIC UR V503				
7	Crane Tier mounted	1	ORIAN(BMF 3029)	15 M.T.	3 years	Pune, Mumbai	Yes
		1	HYPPO Leyland(1554)	110 BHP	3 years	Mumbai	Yes
8	Air Compressor	1	Atlas Copco	VT/250 CFM	3 Years	Mumbai	Yes
	Air compress with Breaker	1	Jain				



Sr. No	Name of Equipment	No. of Units	Kind and Make	Capacity	Age of Machinery	Present location where machinery is in use	Whether the machinery is hypothecated to any bank or institution
9	Hoist	1	Ashoka	500 Kg	2 Years	Mumbai	No
10	Transit Mixer	11	Greaves CIFA	7 m3	1 Year	Pune	Yes
		2	Schwing Stetter	7 m3	New	Mumbai	Yes
11	a) Dumper and Tipper	25	Tata	8.5 to 14	0 to 5	Yavatmal, Mumbai	Yes
		11	Ashok Leyland	cu.mtrs	Years	Pune	Yes
	b) Water Tanker	1	Tata	-	New	Mumbai	Yes
		1	Ashok Leyland	-	New	Mumbai	Yes
12	<u>Concrete Pump Complete Set</u>	2	Schwing Stetter	BP 350 D	New	Mumbai	Yes
	a. Stationery Pump			MARK-2			
	b. Mobile Boom Placer Pump	1	Putzmeister	36M-90M3 / hr	New	Mumbai	Yes
13	Concrete mixer	2	Condiquip	14/10		Mumbai	No
	Diesel driven	8	Buildwell	10/7		Yavatmal	
		1	S.K.G.		1 to 5 Years	Pune	
		2	Miller				
		1	Gamzen Reversible Drum				
14	Concrete Batching Plant	1	Universal (inline type)	30 cmt / hour	New	Pune	Yes
		1	Gamzen	30 cmt / hour	New	Pune	Yes
		1	Schwing Stetter (CP 30)	30 cmt / hour	New	Mumbai	Yes
		1	MaxMech	30 cmt / hour	New	Mumbai	Yes
15	Mini Batching Plant	1	Universal	0.75 Wm	New	Pune	Yes
				(wet output)		Mumbai	

Sr. No	Name of Equipment	No. of Units	Kind and Make	Capacity	Age of Machinery	Present location where machinery is in use	Whether the machinery is hypothecated to any bank or institution
16	Generator	1	Kirlosker	7.5 KVA - Phase 1	} 1 to 5 Years		
		3	Kirlosker	15 KVA - Phase 3			
		1	Kirlosker	15 KVA - Phase 1		Mumbai	
		1	Kirlosker	62 KVA - Phase 3		Yavatmal	Yes
		1	Kirlosker	65 KVA - Phase 3		Pune	
		3	Kirlosker	85 KVA - Phase 3			
		2	Kirlosker	125 KVA - Phase 3			
17	Mastic Asphaltic cooker with Blower	1	Work shop maker	1.5 MT	1 1/2 Years	Mumbai	No
18	Dewatering Pump (Diesel)	2	Kirlosker	2"	} 2 Years		
		3	Kirlosker	6 HP			
		2	Kirlosker	7.1 HP		Mumbai	
		4	Kirlosker	7.5 HP		Yavatmal	No
		3	Kirlosker	5 HP		Pune	
		1	Kirlosker	15 HP			
		2	Kirlosker	50 HP			
19	Water Pump (Electrical)	2	Kirlosker	0.5 HP	} 2 Years		
		6	Kirlosker	1 HP		Yavatmal	
		1	Kirlosker	2 HP		Mumbai	No
		4	Kirlosker	5 HP		Pune	
		3	Kirlosker	7.5 HP			

Sr. No	Name of Equipment	No. of Units	Kind and Make	Capacity	Age of Machinery	Present location where machinery is in use	Whether the machinery is hypothecated to any bank or institution
20	Water Pump (Submercible)	2	Lovina	1 HP	} 0 to 2 Years		
		1	Lovina	4 HP			
		7	Lovina	4.5 HP			
		4	Jalrani	5 HP		Pune	No
		1	Jalrani	5.5 HP		Yavatmal,	
		2	Jalrani	6 HP		Mumbai	
		2	Jalrani	7.5 HP			
		3	Jalrani	10 HP			
		1	Jalrani	15 HP			
21	i) Needle vibrator (Petrol)	15	Enfield	2 HP	3 Years	Mumbai	No
	ii) Diesel Engine (Diesel)	23	Greaves Diesel operated	2 HP	3 Years	Yavatmal	No
	iii) Electric Driven	31	Kirlosker	2 HP	2 Years	Pune	No
22	Plate Vibrator	2	Electric Driven - Kirlosker	2 HP	3 Years	Mumbai	No
23	Welding Machine	5	Rocky M.J. Industries	Phase 1	2 Years	Mumbai	No
		2		Phase 3	2 Years	Yavatmal	
		21		Phase 2	2 Years	Pune	
	Distributor Transformere	1	Trasnfabz Electricals	200 KVA	New		
24	Screed Vibrator	7	Enfield	2 HP	3 Years	Mumbai	No
25	Soil Compactor Machine (Electric)	1	Greaves Diesel driven	2 HP	2 Years	Mumbai, Pune	No
	Soil Compactor Machine (Diesel)	3	Greaves BW 212-2(2A)		New		
26	Shutter Vibrator	31	Killick - Nixon		1 Year	Mumbai, Pune	No
27	Weigh Batcher						
	1) Movable	1	Universal	2000 Kg	4 Years	Pune	No

Sr. No	Name of Equipment	No. of Units	Kind and Make	Capacity	Age of Machinery	Present location where machinery is in use	Whether the machinery is hypothecated to any bank or institution
	2) Regular	3	KBM	650 Kg	2 Years	Yavatmal, Mumbai	
28	Concrete cutting machine	1	Maheshwari - Madras	7.50 HP	2 Years	Mumbai	No
		2	-	12.0 HP	New	Mumbai	No
29	Bar Cutting and bending machine	2	S.K.G.	Upto 32mm dia	1 Year	Pune, Mumbai	No
30	Drilling machine 1) Hand drill	6	Wolf	upto 20mm dia	1 to 3 Years	Mumbai	No
	2) Pedestal	4	Appex make - 2 Electrical	1 HP	2 Years	Pune	No
31	Water Tanks	53	work shop make	100000 Ltr.	1 - 4 years	Mumbai, Pune	No
				Having capacity		Yavatmal	
				for 1000Ltr. To 2500Ltr.			
32	Grinder	14	AG -7	180mm dia	2 Years		No
		1	CQ - 4	180mm dia	2 Years	Mumbai, Pune	
		3	AG-4		New		
	Bench Grider 6"	1			New		
33	Mono rail Trolley	6	Speed mark	2 MT - 4 Nos	2 Years	Mumbai	No
				1 MT - 2 Nos			
34	Chain Block Pully	15	Speed mark	various capacity	4 Years	Mumbai, Pune	No
				1 to 10 ton		Yavatmal	
	Hand Trolley	13					
	Three Wheel Trolley	1					

Sr. No	Name of Equipment	No. of Units	Kind and Make	Capacity	Age of Machinery	Present location where machinery is in use	Whether the machinery is hypothecated to any bank or institution
35	Air compressor spray machine	3	Electric operated	16 Ltr	2 Years	Mumbai	No
				6 Ltr	2 Years	Pune	
				1.5 Ltr	2 Years	Yavatmal	
	Compressor Machine and Breaker	2	Atlas Copco		New	Mumbai	
36	Air compressor for painting	1	Electric operated	300 efm	2 Years	Mumbai	No
37	Sand seiving machine	2	Work shop maker	-	2 Years	Mumbai, Pune	No
38	MULTIPULL Prestressing jack and pump with Accessories	4 Sets	POWER PACK-MK-1 Dynamic Prestress(I) P.Ltd	200 Tons	New	Pune	No
39	SINGLEPULL Prestressing jack and pump with Accessories	6 Sets	Dynamic Prestress (I) Pvt.Ltd.	-	New	Pune	No
40	Grout Pump	1	Dynamic Prestress (I) Pvt.Ltd.	-	New	Pune	No
41	Grout Agitator	1	Single Drum Dynamic Prestress (I) Pvt.Ltd.	-	New	Pune	No
	<b><u>(B) EQUIPMENT - (LABORATORY PORTION)</u></b>						
1	Oven Electrically Operated Thermostatically controlled	4	Errection Instruments	Upto 200° C	6 Months	Mumbai Pune	No
2	Platform Balance	6	TASS	300 kg	1 Year	Pune	No
		1	TASS	100 Kg	1 Year	Mumbai	
3	Balance - Self Indicating type	2	TASS	20 kg	1 Year	Mumbai	No
						Pune	

Sr. No	Name of Equipment	No. of Units	Kind and Make	Capacity	Age of Machinery	Present location where machinery is in use	Whether the machinery is hypothecated to any bank or institution
4	Electric Balance	3	TASS	5 kg	1 Year	Mumbai, Pune	No
5	Thermometer	8 Nos	TASS	-	1 Year	Mumbai, Pune Yavatmal	No
6	Gas Stove or Electronic Hot Plate	4	TASS	-	1 Year	Mumbai, Pune, Yavatmal	No
7	IS Sieves with Lid	8 Sets	TASS	-	1 -3 Years	Mumbai, Pune, Yavatmal	No
8	Water Testing Kit	5 Sets	TASS	-	1 Year	Mumbai, Pune	No
9	First Aid Box	6 Sets	TASS	-	1 Year	Mumbai, Pune, Yavatmal	No
10	Impact Value Testing Machine	2 Sets	TASS	-	-	Mumbai, Pune	No
11	Tilting level	1	TASS	-	3 Years	Yavatmal	No
12	Dumpy level	4	TASS, Lawrance & Mayo	-	1 - 3 Years	Yavatmal Mumbai, Pune,	No
13	Automatic level	4	Lawrance & Mayo	-	2 Years	Mumbai, Pune.	No
14	Theodolite	2	TASS, Lawrance & Mayo	-	1 - 3 Years	Mumbai, Pune.	No
15	Digital Theodolite (1 sec.)	2	Sokkia	-	New	Mumbai, Pune.	No

Sr. No	Name of Equipment	No. of Units	Kind and Make	Capacity	Age of Machinery	Present location where machinery is in use	Whether the machinery is hypothecated to any bank or institution
16	Total Station	1	Pentax R 315 NX	-	New	Mumbai	No
17	Levelling staff	10 Nos.	TASS	-	1 to 2 Years	Mumbai, Pune, Yavatmal	No
	<b><u>For Soils and Agg.</u></b>						
1	Riffle Box	2 Nos.	TASS	-	1 Year	Mumbai, Pune.	No
2	Compaction Test Equipment (Proctor Density) with rammers	4 Sets	Errection Instruments	2.5 Kg & 4.5 Kg	6 Months	Mumbai, Pune	No
3	Field density test apparatus with cylinder, Tray, Can, etc	4 Sets	Errection Instruments	-	6 Months	Mumbai, Pune	No
4	Speedy Moisture Meter	4 Sets	Errection Instruments	-	6 Months	Mumbai, Pune	No
5	Post hole Auger with extension	1 Set	TASS	-	6 Months	Mumbai	No
6	Core cutter apparatus 10cm dia	1 Set	TASS	-	1 Year	Mumbai	No
7	Flakings and Elongation test guage	1 Set	TASS	-	2 Years	Mumbai	No
8	Standard measures	4 Sets	TASS	30,15 & 3 ltrs. capacity	1 to 2 Years	Mumbai, Pune	No
9	Alterberg Limits (Liquid and Plastic Limits) apparatus	4 Sets	Errection Instruments	-	6 Months	Mumbai, Pune	No
	<b><u>Cement and Cement Concrete.</u></b>						
10	Vicat apparatus	4 Sets	TASS	-	1 Year	Mumbai, Pune	No

Sr. No	Name of Equipment	No. of Units	Kind and Make	Capacity	Age of Machinery	Present location where machinery is in use	Whether the machinery is hypothecated to any bank or institution
11	Slump test apparatus	4 Sets	TASS	-	1 to 2 Years	Mumbai, Pune	No
						Yavatmal	
12	Compression and Flex Weal Strength Testing Machine	1 No.	TASS	200 Tons	1 to 2 Years	Pune	No
						Mumbai	
13	Vibrating Hammer	1 No.	TASS	-	2 Years	Mumbai	No
14	Cube testing Machine	4 Nos.	TASS	200 Tons	1 to 2 Years	Mumbai, Pune	No
15	Air meter	1 No.	TASS	-	1 Year	Mumbai	No
16	Cube moulds for cement	18 Nos.	TASS	-	1-3 Years	Mumbai, Pune	No
17	Cube moulds for concrete test	193 Nos	TASS, SKG Scientific Instruments	-	1-3 years	Mumbai, Pune	No
						Yavatmal	
18	Concrete Pentrometer	1 No.	SKG	-	6 Months	Pune	No
19	Concrete Elcometer	1 No.	SKG	-	6 Months	Pune	No
20	Marsh Cone	1 No.	Scientific Instruments	-	6 Months	Mumbai	No
	<b><u>Bitumen and Bituminous Mixes</u></b>						
1	Riffle Box - Small size	1 No.	Accurate Instruments	-	6 Months	Mumbai	No
2	Bitumen extractor	2 Nos.	Accurate Instruments	-	6 Months	Mumbai, Pune	No
3	M Striaht Edge	3 Nos.	Accurate Instruments	-	6 Months	Mumbai, Pune	No



Sr. No	Name of Equipment	No. of Units	Kind and Make	Capacity	Age of Machinery	Present location where machinery is in use	Whether the machinery is hypothecated to any bank or institution
						Yavatmal	
4	Camber Board	3 Nos.	Accurate Instruments	-	1 Year	Mumbai, Pune	No
						Yavatmal	
5	Core Cutting Machine	1 No	TASS	-	1 Year	Mumbai	No
	<b><u>( C ) SHUTTERING and CENTERING</u></b>						
1	Rectangular shuttering plate of various size	15000 Sq mt.	Fabricated out of M.S. plate 3mm	-	1 - 3 Years	Mumbai, Pune	No
						Yavatmal	
2	Rectangular Shuttering corner plate of various size	500 Sq.mt.	Fabricated out of M.S. plate 3mm	-	1 - 3 Years	Mumbai, Pune	No
						Yavatmal	
3	Shuttering Plate circular/circular Trapezoidal, Triangular of various size	400 Sq.mt.	Fabricated out of M.S. Plate and Angles	-	1 - 3 Years	Mumbai, Pune	No
						Yavatmal	
4	Turn Buckle of size between 500 - 1200 mm	300 Nos.	Fabricated by M.S. Plate and Rods	-	1 - 3 Years	Mumbai, Pune	No
						Yavatmal	
5	Bracket size ranging from 2.5m x 1m to 1.239m to 0.90m	200 Nos.	Fabricated by M.S. Plate, Rods & angles	-	1 - 3 Years	Mumbai, Pune	No
						Yavatmal	
6	Tie Roads						No
	a) 16mm dia 300 - 1500	1200 Nos.	Fabricated for M.S. roads	-	1 - 3 Years	Mumbai, Pune	
	b) 16mm dia 250 to 400	800 Nos.	Fabricated for M.S. roads			Yavatmal	
	c) 28mm 400 - 700	500 Nos.	M.S. Plate & Angles				
	d) 28mm 400 - 800	300 Nos.	M.S. Plate & Angles				

Sr. No	Name of Equipment	No. of Units	Kind and Make	Capacity	Age of Machinery	Present location where machinery is in use	Whether the machinery is hypothecated to any bank or institution
7	M.S."H" Frame ranging for 650mm to 2000mm height with bracing base plate couplers etc	600 Nos.	Fabricated out of M.S. Hollow pipe with accessories	-	1 - 2 Years	Mumbai, Pune Yavatmal	No
8	Acrow span 1.8m to 3.20m	500 Nos.	Fabricated out of M.S. Angles plate etc.	-	1 - 2 Years	Mumbai Pune.	No
9	Acrow Props 2.5m to 4.20m 2 - 3.40m	900 Nos. 2200 Nos.	Fabricated for M.S. pipes etc.	-	1 - 2 Years	Mumbai, Pune Yavatmal	No
10	Adjustable Jack 32mm 28mm	500 200	Fabricated out of M.S. rods & plates rods & plates	- -	1 - 2 Years 1 - 2 Years	Mumbai Pune	No No
11	Scaffolding pipe 40mm dia 50mm dia	2000 RMT 100 RMT	M.S M.S	-	1 - 2 Years	Mumbai, Pune Yavatmal	No No
12	Shuttering Frame for using of 12mm ply	500 Sq mt.	Marin Ply 12mm	-	1 - 2 Years	Mumbai Pune.	No
13	Structural steel of various size & category	1000 MT	Girder, channel, Angles Fabricated Trestles, Brackets etc out of M.S. section	-	1 - 2 Years	Mumbai, Pune Yavatmal	No

### Joint Venture Partners

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

In a project-specific joint venture, each member of the joint venture shares the risks and revenues of the project according to a predetermined agreement. The agreements specifically assign the work to be performed by each party and the responsibilities of each party with respect to the joint venture, including how the joint venture will be managed and the equipment, personnel or other assets that each party will contribute or make available to the joint venture. The profits and losses of the joint venture are shared among the members according to a predetermined ratio. The fixed assets that are acquired by the joint venture are generally transferred to the respective joint venture members upon completion of the joint venture project. The agreements also set forth the manner in which any disputes among the members will be resolved. The construction contracts that the joint ventures enter into, or the joint ventures themselves, typically impose joint and several liabilities on the members. Thus, should the other member(s) of our joint ventures default on its or their duties to perform; we would remain liable for the completion of the project. The project-specific joint venture typically terminates at the completion of the defect liability period, at which point the project-specific joint venture liquidates and dissolves.

We have also entered into a permanent Joint Venture with Ameya Developers Private Limited and formed a partnership firm by the name of 'Ameya J. Kumar Constructions' to bid for contracts wherein we independently would be ineligible to bid for. Ameya Developers Private Limited is also a Class 1A contractor and the partnership firm is also a registered with the PWD as a Class 1 – A Civil Contractor.

Further, we have also entered into a project specific joint venture with Chirag Construction Co. to carry out the work for Training of Mithi River, and we have also entered into a project specific joint venture with Nagarjuna Construction Company Limited for construction of flyovers, details of which are mentioned below.

The details of the arrangements mentioned aforesaid are as follows:

Joint Venture (JV)	JV Party / Parties	Type of Arrangement	Project Details
Ameya J. Kumar Constructions  (formerly Ameya Developers & J. Kumar Joint Venture)	Ameya Developers Private Limited & J. Kumar Inraprojects Limited	Partnership firm setup vide partnership deed dated February 28, 1996 and modified thrice and the latest modification deed being dated July 25, 2005.  50:50 partnership.	<ul style="list-style-type: none"><li>• Construction of ROB at Uday Baug at Pune</li><li>• Construction of Flyover at Thakur Complex on W.E.H.</li><li>• Construction of flyover near Times of India Building at Malad</li><li>• Widening and Construction of Western Express Highway from Aarey Flyover North End</li></ul>
J.Kumar & Chirag Construction J.V.	J. Kumar Inraprojects Limited & Chirag Construction Co.	Project Specific Joint Venture  J. Kumar Inraprojects Limited being the lead partner.  55:45 sharing ratio	<ul style="list-style-type: none"><li>• Training of Mithi River (Widening &amp; Deepening, R.C.C, Retaining Wall, Service Road) from Custom Colony F.O.B. upto Filterpada.</li></ul>
NCC – J. Kumar J.V	Nagarjuna Construction Company Limited & J. Kumar Inraprojects Limited	Project Specific Joint Venture  J. Kumar Inraprojects Limited being the lead partner.  50:50 sharing ratio	<ul style="list-style-type: none"><li>• Design and Construction of flyovers at Sion Hospital, Kings Circle, Tulpule Chowk and Hindmata Junction</li></ul>

Currently we have 5 projects that are being executed in the joint venture. 100% of the work is being carried out by us in 3 projects and we are the lead partner in the other Joint Ventures as detailed below:

(Rs. in Lacs)				
Particulars of modes of execution		No. of Contract	Value of Contract	% Share of total Contract
<b>Joint Venture</b>		<b>5</b>	<b>20,059</b>	<b>29.50%</b>
100% work carried out by us	3		5,196	7.64%
Lead Partner (major work carried out by us)	2		14,863	21.86%
<b>Independently executed by us</b>		<b>31</b>	<b>47,931</b>	<b>70.50%</b>
<b>Total Contracts in hand</b>		<b>36</b>	<b>67,990</b>	<b>100%</b>

### Competition

We operate in a competitive environment. Our competition depends on whether the project is in the infrastructure project or an irrigation project or of civil construction sector. It also depends on a host of other factors, such as the type of project, contract value and potential margins, the complexity and location of the project, the reputation of the client and the risks relating to 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 is often the deciding factor in most tender awards. We mainly compete with domestic Indian entities in the different segments in which we operate. Some of key competitors are Prathibha Industries Limited, Roman Tarmat, Sadbhav Engineering Limited, and Unity Infraprojects Limited.

### 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 avail of Contractors' All Risk (CAR) policies and Workmen's Compensation policies for our contracts with Government authorities/statutory corporations controlled by Government authorities, if the contracts so specifically require. We do not typically avail of either CAR policies or Workmen's Compensation policies in contracts with private parties (where we typically rely upon insurance availed by the private party giving the contract), and in our contracts with Government authorities/statutory corporations controlled by Government authorities, if the contracts do not specifically require the same. Insurance premium in relation to machines that we have purchased from borrowings from SREI Infrastructure Finance Limited are paid by us to them and by them to the insurance company concerned. We have obtained insurance for our key machineries which we believe is adequate. We may not be adequately insured in case of loss or liability in contracts, specifically where we have not availed of CAR policies, and in relation to contracts where we have not availed of workmen's compensation policies. We do not have a loss of profits policy.

### 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 has been single instance of Bank Guarantee being invoked by our clients.

### Our Employees

As of November 30, 2007, our work force consisted of approximately 228 full-time employees.

### Health, Safety and Environment

We are committed to complying with applicable Health, Safety and Environmental (HSE) regulations and other requirements in our operations and have a documented policy in place. 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 HSE policies at such sites. Project managers are principally responsible for ensuring safety standards are met at small sites.

## OUR PROPERTIES

### Details of properties owned by our Company

S. No.	Description of Property	Nature of Agreement	Consideration	Registration
1.	Industrial Unit No. 27B, Ground Floor, Survey No. 111, Andheri Industrial Premises Co-operative Society, Plot No. 22, Amboli Village, Veera Desai Road, Andheri - West admeasuring about 386 sq. ft.	Sale Agreement dated December 19, 2006 executed between Bhagwandas Thimmappa Adappa ("Transferor") and our Company ("Transferee")	Rs. 20,00,000/-	Registered with Sub-Registrar, Andheri, Suburban District, Bandra
2.	Piece and Parcel of the land in Taluka – Haveli, District Pune, Village Talwade, Pimpri-Chinchwad, Mahangarpali, admeasuring 12,000 sq. mtrs	Sale Agreement dated December 21, 2006 executed between Dnyanoba Tukaram Bhalekar & 43 Others ("Vendors/ Transferors") our Company ("Transferee")	Rs. 61,50,000/-	Registered with Sub-Registrar, Haveli, Pune

### Details of properties given on sub – leave and license by our Company:

S. No.	Nature of Agreement	Description of Property	Purpose/ Term	Rent/Security Deposit
1.	Sub-Leave and License Agreement dated July 10, 2006 executed between our Company ("Sub-Licensor") and Zahid F. Khatri ("Sub-Licensee")	Unit 1, Goldline Business Center bearing CTS no. 1096, Link Road, Malad West Village Chincholi, Sub-district of Borivali and Brihan Mumbai admeasuring 4500 sq.ft.	Commercial Use  July 15, 2006 to June 14, 2011	Rs. 5,16,000/- per month The Sub-Licensee shall pay additional compensation @ 5% after completion of each year  The Sub-Licensee shall pay Rs. 20,04,000/- by way of interest free refundable security deposit
2.	Sub-Leave and License Agreement dated February 28, 2007 executed between our Company ("Sub-Licensor") and Drager Medical India Private Limited ("Sub-Licensee") along with a co-terminus Facility Provider Agreement dated February 28, 2007	Commercial Unit No. 3A, 3 <sup>rd</sup> floor, Goldline Business Centre, situated at plot bearing survey no. 437, Hissa No. 2, C.T.S no. 1096, Village Malad, and Taluka Borivali admeasuring about 2540 sq. ft.	Commercial Use  February 9, 2007 to February 8, 2010	First year : Rs. 2,00,000/- per month Second year Rs. 2,15,000/- per month Third year : Rs. 2,31,125/-  The Licensee shall pay Rs. 20,00,000/- as the interest free refundable security deposit

### Details of properties taken on lease/leave and License by our Company:

S. No.	Nature of Agreement	Description of Property	Purpose/ Term	Rent/Security Deposit
1.	Leave and License Agreement dated September 1, 2007 executed with Mr. Sanjay H. Salvi as the Licensor.*@	J – 1/103, Empire Estate, Chinchwad next to Premier Limited, Pune – 411 019	Residential purpose  August 1, 2007 to June 30, 2008	Rs. 7,500/- per month  Interest-free refundable security deposit: Rs. 50,000/-
2.	Leave and License Agreement dated April 25, 2007 executed with Rajdev Devnath Singh as the Licensor. * @	Flat No. 9, Pramod Housing Society, 70/5, Premlok Park, Chinchwad, Pune – 33.	Residential purpose  May 1, 2007 to April 1, 2008	Rs. 3,800/- per month  Interest free refundable security deposit: Rs. 25,000/-

S. No.	Nature of Agreement	Description of Property	Purpose/ Term	Rent/Security Deposit
3.	Leave and License Agreement dated April 25, 2007 executed with Satish Haribhau Gavhale as the Licensor.* @	Udyam Nagari, F/6, Near Railway Over Bridge, Ganesh Nagar, Chinchwad, Pune – 33	Residential purpose May 1, 2007 to April 30, 2008	Rs. 4,000/- per month Interest free refundable security deposit: Rs. 25,000/-
4.	Leave & License Agreement dated April 2, 2007 executed with Annasaheb Shivrath Shinde as the Licensor.* @	Flat no. 10, Second Floor, Ashwini Complex, Tapkir Nagar, Kalewadi, Pimpri, Pune – 17	Residential purpose April 1, 2007 to March 1, 2008	Rs. 4,000/- per month Interest free refundable security deposit: Rs. 25,000/-
5.	Leave and License Agreement dated December 14, 2006 executed with K. P. Maurya as the Licensor.* @	Flat no.2, Hans Enclave Gokul Nagar, Vishrantwadi, Pune – 411 015	Residential purpose January 1, 2007 to December 31, 2007	Rs. 4,500/- per month Interest free refundable security deposit: Rs. 15,000/-
6.	Leave and License Agreement dated September 1, 2007 executed with Nirmala Maruti Mhaske as the Licensor. *	Flat no. F-103, Atmanagar Housing Society, Kharalwadi, Mumbai-Pune Road, Pimpri, Pune – 18	Residential purpose September 1, 2007 to August 01, 2008	Rs. 2,800/- per month Interest free refundable security deposit: Rs. 15,000/-
7.	Leave and License Agreement dated June 15, 2007 executed with M. V. Chaudhari as the Licensor. * @	Rutuja Niwas, Azad Chowk, Jyotiba Nagar, Khalewadi, Pimpri, Pune	Residential purpose June 1, 2007 to April 30, 2008.	Rs. 2,000/- per month Interest free refundable security deposit: Rs. 10,000/-
8.	Leave and License Agreement dated May 1, 2007 executed with Vijaya Ankush Jhadav as the Licensor.* @	Flat no. 742, F-3, Takshashila Apartment, Sant Dyaneshwar Nagar, MHADA Complex, Morwadi, Pimpri, Pune – 18	Residential purpose May 1, 2007 to June 31, 2008	Rs. 3,500/- per month Interest free refundable security deposit: Rs. 20,000/-
9.	Leave and License Agreement dated February 5, 2007 executed with Mr. Satyawan Ramchandra Bait as the Licensor.* @	Flat no. 204, A-Wing, Second Floor, Navbharat Sahyog Co-operative Housing Society Limited, Ciba Gate No. 2, Goregaon (East), Mumbai – 400 063	Residential purpose February 5, 2007 to January 4, 2008	Rs. 3,500/- per month Interest free refundable security deposit: Rs. 42,000/-
10.	Leave and License Agreement dated December 17, 2007 executed with Bahadur Jangilal Yadav as the Licensor.*	Flat no. C-705, Navbharat Sahyog Co-operative Housing Society Limited, Ciba Gate No. 2, Goregaon (East), Mumbai – 400 063	Residential purpose December 17, 2007 to November 21, 2008	Rs. 4,000/- per month Interest free refundable security deposit: Rs. 30,000/-
11.	Agreement of Leave and License dated November 25, 2007 executed with Mr. Vijay Gangaram Jadhav as the Licensor.*	Flat no. A-301, Urja, Sankalp Sahaniwas, Khadakpada, Film City Road, Malad (E), Mumbai – 400 097 admeasuring 475 sq.ft.	Residential purpose November 25, 2007 to October 24, 2008	Rs. 7,000/- per month Interest free refundable security deposit: Rs. 75,000/-
12.	Leave and License Agreement	Flat no. 781, Building no.	Residential purpose	Rs. 7,000/- per month

S. No.	Nature of Agreement	Description of Property	Purpose/ Term	Rent/Security Deposit
	dated March 14, 2007 executed with Manmohan Suryaknt Chonkar as the Licensor.* @	40, Hariom Co. op. Housing Society Limited, Samtanagar, Kandivali (E), Mumbai – 400 101	March 14, 2007 to February 13, 2008.	Interest free refundable security deposit: Rs. 40,000/-
13.	Agreement of Leave and License dated January 19, 2007 executed with Damodar Jhawar as the Licensor.* @	Flat no. 302, 303/A Shivam Co. op. Housing Society Limited, S. V. Road, Bhayandar – East, Thane	Residential purpose February 15, 2007 to January 14, 2008.	Rs.3,750/- per month Interest free refundable security deposit: Rs. 35,000/-
14.	Agreement of Leave and License dated February 14, 2007 executed with Subhadra R. Ganak as the Licensor.* @	Flat no. 102, B wing, Samarth, Jivlapada Co. Op. Housing Society, Thakur Village, Kandivali (E), Mumbai – 400 101 admeasuring 250 sq.ft.	Residential purpose February 15, 2007 to January 14, 2008.	Rs. 3,500/- per month Interest free refundable security deposit: Rs. 25,000/-
15.	Agreement of Leave and License dated December 17, 2007 executed with Deepak Yewle as the Licensor. *	Flat no. 101, C-wing, Navbharat Sahyog Co. Op. Housing Society Limited, Ciba Gate no.2, Goregaon (E), Mumbai – 400 063	Residential purpose December 17, 2007 to November 16, 2007.	Rs. 4,000/- per month Interest free refundable security deposit: Rs. 30,000/-
16.	Agreement of Leave and License dated May 14, 2007 executed with Ashok Parmar as the Licensor.*@	Flat no. 003, Ground Floor, B-wing, Mamata CHS, Sankalp, Khadakpada, A. K. Vaidya Marg, Malad (E), Mumbai – 400 097	Residential purpose May 12, 2007 to April 11, 2008	Rs. 6,250/- per month. Interest free refundable security deposit: Rs. 50,000/-
17.	Leave and License Agreement dated 12 <sup>th</sup> September, 2007 executed between M/s. J. Kumar & Co. (“Licensor”) and our Company (“Licensee”)	Unit no. 14 and 16A, Survey No. 111 D, Ground Floor, Andheri Industrial Premises Co-operative Society, Plot No. 22, Amboli Village, Veera Desai Road, Andheri - West situated at Veera Desai Road, Andheri (West), Mumbai – 400 053	Commercial purposes – Unit No. 16A is the Registered Office of our Company, and Unit No. 14 is the unit being used by our Company, adjoining to our Registered Office. September 1, 2007 to August 31, 2008	Rs. 1,000/- per month for both units, that is No. 16A and 14.
18.	Leave and License Agreement dated July 6, 2006 executed between M/s. J. Kumar & Co., (“Licensor”) and our Company (“Licensee”)	Unit no. 1, 3A, 5C, and 601 Goldline Business Center, bearing Survey no. 437 Hissa no. 2 corresponding to CTS no. 1096, street no. 327/12, Link Road, Malad West Village Chincholi, Sub-district of Borivali and Brihan Mumbai admeasuring 1921 sq. yards or 1628.80 sq. mtrs.	Commercial Use April 1, 2006 to February 28, 2011	Rs. 2,00,000/- per month There shall be an escalation of 5% after completion 12 months to the last paid compensation

\* The aforesaid leave and license agreements have been entered into with the employees of our Company. The aforesaid premises are being used for residential purposes by our Company's employees.

@ The aforesaid leave and license agreements are inadequately stamped. Documents which are inadequately stamped cannot be admitted into evidence in the course of legal proceedings.

## Restrictive Covenants

### Pursuant to our Secured Loans

As of November 30, 2007, the Company had availed of a total amount of Rs. 3784.51 lacs out of which 2949.07 lacs is outstanding as on November 30, 2007 from different lenders, including against equipment and machinery as collateral security as provided below:

<i>(Rs. in lacs)</i>				
S. No.	Name of Bank	Sanctioned Amount	Amount outstanding as on November 30, 2007	New loan Taken
1	ABN AMRO Bank Limited	469.48	277.90	-
2	HDFC Bank Limited	64.79	46.59	16.38
3	ICICI Bank Limited	134.26	73.73	-
4	SREI Infrastructure Finance Limited	2186.72	1583.38	-
5	Citibank NA	128.99	48.58	-
6	Citicorp Finance India Limited	44.11	15.90	-
7	Standard Chartered Bank	584.32	448.11	323.53
8	Sundaram Finance Limited	11.75	6.26	-
9	Axis Bank Limited	500.00	448.62	-
	<b>Total</b>	<b>4124.42</b>	<b>2949.07</b>	

In respect of various agreements entered into by our Company with the lenders, we are bound by certain restrictive covenants. A majority of these covenants, in relation to the equipment finance agreements, are specific to the conduct of our Company in relation to the hypothecated assets under those agreements, and those covenants are asset-specific. Other than the asset-specific covenants, as per the loan agreements, we require written consent from the lenders in relation to certain actions/matters, amongst others, including entering into any scheme of amalgamation or merger/ demerger/ reconstruction, declaration of any dividends if any arrears in making any payment of amount(s) due to our lender(s), entering into any arrangement for settlement of litigation for any such amount which would have a material adverse effect on our Company, not to change/ vary our constitution, name, location of the unit, product line, technical process and machinery and godown, not to have any banking account or borrowing arrangements and not open or operate such accounts with any other bank(s), not to make any changes to the general nature or scope of the business from that carried on by our Company, prepayment of the outstanding principal amount of the facility on full or in part before the due date, among others.

Some of the asset-specific covenants in our loan agreements are as follows, and we cannot, without the prior written consent of our lender(s) concerned:

1. create any interest in the assets hypothecated to our lender(s) in favour of any other person;
2. not to allow to suffer any attachment or distress to the hypothecated asset(s);
3. not to sell, encumber, transfer or otherwise dispose of or allow anything to prejudice or endanger the security created on the hypothecated assets;
4. not to avail of or obtain any further loan or facility on the security of the asset(s) which have been hypothecated;
5. not to transport the equipment/ asset outside the territory of Republic of India;
6. not to remove/ cause/ divert or dispose any of the hypothecated assets;
7. not to let sale proceeds of any hypothecated assets to reach any lender(s) other than the lender financing the asset;
8. not to allow the hypothecated asset(s) to be used by any person, entity or authority whatsoever or kept or detained or run for the use of any other person other than our Company.



Pursuant to the aforesaid, we have obtained no-objection certificates from our lenders for this Issue as stated hereunder:

S. No.	Name of Bank	Date
1	Bank of India	31-Jul-07
2	Axis Bank Limited	3-Sep-07

## 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 or complete, and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice.*

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

### GENERAL

Our Company is engaged in the business of civil engineering construction contractors in Infrastructural projects mainly in roads, flyovers, bridges, commercial and residential buildings, sports complexes, irrigation projects, airport contracts. Our Company also undertakes the piling of foundation work using hydraulic piling rigs for major projects which are awarded to other Contractors. Our company has been most active in Mumbai, Pune, Aurangabad and Vidharbha region of Maharashtra. For the purpose of executing the work undertaken by our Company, our Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations applicable in the relevant state, and depending on the projects. For details of such approvals please see “Government and other approvals” beginning on page 174 of this Red Herring Prospectus.

### Foreign Ownership

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

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

### Ownership restrictions of FIIs

Under the portfolio investment scheme, the overall issue of equity shares to FIIs on a repatriation basis should not exceed 24% of post-Issue paid-up capital of a company. However, the limit of 24% can be raised up to the permitted sectoral cap for our Company after approval of the Board of Directors and shareholders of our Company. As on date of this Red Herring Prospectus, no such resolution has been passed has been recommended for our Board/shareholder's approval.

### Environment and Labour Regulations

#### Labour Laws

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

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

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

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

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

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

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

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

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

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

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

Depending on the nature of the projects undertaken by the company, some other applicable material environmental and labour laws regulations include the following:

- Inter State Migrant Workers Act, 1979
- Factories Act, 1948.
- Local Shops & Establishments legislations
- The Water (Prevention and Control of Pollution) Act, 1974
- The Air (Prevention and Control of Pollution) Act, 1981
- Environment Protection Act, 1986;
- Hazardous Waste (Management and Handling) Rules, 1989;
- Hazardous Chemicals Rules, 1989;
- Mines and Quarries Act, 1954;
- The Explosives Act, 1884;

## HISTORY AND OTHER CORPORATE MATTERS

### Our History and Background

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

Our Promoter Mr. Jagdishkumar M Gupta has extensive experience in this field. From 1980 till 2004 he carried out the business in his proprietary concern J. Kumar & Co. With a vision to expand the business, become a professionally driven company and reap the benefits of a corporate entity our promoters incorporated a Company on December 2, 1999, by the name of “J. Kumar & Company (India) Private Limited” under the Companies Act, 1956, with the Registration No. 11-122886 having its registered office at 16-A, Andheri Industrial Estate, Veera Desai Road, Andheri (West), Mumbai – 400 053. There has been no change in our registered office since our incorporation.

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

Pursuant to this transfer, 7 contracts amounting to a contract value of Rs. 3008.98 lacs awarded to J. Kumar & Co. were transferred in the name of our Company by the respective authorities and were thereafter carried out by us. Thereafter no fresh business was undertaken in J. Kumar & Co.

The details of contracts transferred in our Company and of contracts retained by J. Kumar & Co. are given below:

Sr. No.	Contract name	Contract Value (Rs. in lacs)	Project Status
1.	New Station building at Bandra terminal alongwith miscellaneous work inside new station building and circulating area of the building	658.20	Retained in J. Kumar & Co.
2.	Bembla Canal Aqueduct at RD 655 mt	401.75	Retained in J. Kumar & Co.
3.	Three washing cum pit line with elevated cat walks at Wadibunder goods	484.31	Retained in J. Kumar & Co.
4.	New bridge over Mithi River carrying Taxi tracks at Chatrapati Shivaji Internation Airport, Mumbai.	1400.42	Retained in J. Kumar & Co.
5.	Pagote Site (Unity Infraprojects Limited)	157.72	Retained in J. Kumar & Co.
6.	Kurla Kalina Road from LBS marg to Air India, CST Road Vidhanagari	482.15	Retained in J. Kumar & Co.
	<b>Total Value of Contracts retained in J. Kumar &amp; Co.</b>	<b>3584.55</b>	
1.	Ghorpuri Saswad Railway Station at Udai Bagh	698.00	Transferred to Our Company
2.	Hadapsar Saswad Phata junction on Pune Sholapur Road	1193.00	Transferred to Our Company
3.	Anand Nagar Road (Eastern Express Highway)	243.88	Transferred to Our Company
4.	Vanjarpatti Naka (Length 1200m width 24 m)	449.05	Transferred to Our Company
5.	FCI Circle Eastern Express Highway at 17.2 – 30 Kms	190.05	Transferred to Our Company
6.	Flyover at Kalyan Naka Junction to ST Bus Depot Old National Highway 3 (Bhiwandi)	1494.55	Transferred to Our Company
7.	Constructon of ROB in lieu of existing LC No. 114-A at Nandgaon, Malegaon at Aurangabad	235.00	Transferred to Our Company
	<b>Total Value of Contracts transferred to Our Company</b>	<b>3008.98</b>	

As on date, pursuant to these aforesaid contracts there is some performance security deposit lying with the respective departments and some final bills pending. The performance security deposit normally released after 3 - 5 years of the completion of the contract.

Subsequently, vide Agreement to Purchase Assets dated March 01, 2006, certain specified assets of J. Kumar & Co., which related to our current business, were transferred to our Company for a consideration of Rs. Rs. 3,83,19,809 (Rupees Three Crores Eighty Three Lacs Nineteen Thousand Eight Hundred and Nine only). Further, vide Non-Compete, Non-Hire and Non-Disclosure Agreement dated September 12, 2007, certain obligations as to non-compete, non-hire and non-disclosure vis-à-vis our Company have been imposed on J. Kumar & Co. For details regarding these agreements, please refer paragraph titled “Other Agreements” in section titled “History and Other Corporate Matters”.

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

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

We expanded our business activities in the field of infrastructure projects from 1997 onwards. We formed a Joint Venture namely, “Ameya Developers and J. Kumar Joint Venture”, a 50:50 partnership firm which has executed the twin flyover at Konkan Bhavan Junction, CBD Belapur and the Flyover at Chheda Nagar, Ghatkopar in Mumbai. The Joint Venture firm continued to quote for many flyover projects and obtain orders from Government and Semi Government Bodies. The name of the Joint Venture is now changed to “Ameya J. Kumar Constructions” and has obtained PWD registration in the new name.

Our Company is registered with Vidarbha Irrigation Development Corporation as class 1 A contractor since May 03, 2007 and obtained orders for the execution of spillways, M.I. Tanks etc. We have a branch office established in Yavatmal to handle all the irrigation contracts in Vidharbha region.

## MAJOR EVENTS

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

Year	Event
1980	Commenced our business with maintenance of PWD Buildings
1991 -94	Construction of Chembur Road Over Bridge on Eastern Express Highway along with its approaches and subways construction of retaining wall on East side of Thane.
	Construction of Operation Theatre for Shri Vasant Rao Naik Government Medical college at Yavatmal and other Hospital structures including Boys Hostel at a total cost of Rs. 14370 lacs.
	Construction of Sion Mahim Link Road and construction of retaining wall at a total cost of Rs. 550 Lacs
1995-97	Receipt of work order for Construction of Earthen Work and other Minor Irrigation work for Minor Irrigation Division, Pusad at a total cost of 1234 lacs
1997-98	Construction of Flyover Bridge at Konkan Bhavan (CBD) junction on Sion Panvel Road at a total cost of Rs. 1927 lacs under Joint Venture with M/s. Ameya Developers.
	Construction of Flyover at Cheddannagar, Ghatkopar on Eastern Express Highway at a total cost of Rs. 1349 Lacs.
	Construction of Flyover at Shiv Vallabh Road Junction on Western Express highway and construction of service road between National Park junction and S.N. Dube road at a total cost of Rs. 837 lacs.
	Construction of 82 residential quarters for AAI staff at Mumbai Airport at a total cost of Rs. 608 Lacs.
1999	Formed a private limited company by the name of J. Kumar & Co. (India) Pvt. Ltd.
1999-2000	Construction of Vehicular Underpass of Rani Sati Marg Junction on Western Express Highway, Malad (West) at a total cost of Rs. 815 Lacs under Joint Venture with M/s. Ameya Developers.
2001	Construction of Goregaon Sports Club comprising of elevated Olympic size swimming pool, diving pool, recreation pool, Health club building, Game Hall building and Roads at a total cost of Rs. 825 Lacs.
2002	Construction of Pedestrian Subway at Rajaram Nagar near Airport, Santacruz (E) in Western Express Highway at a total cost of Rs. 456.73 Lacs. This construction was completed 67 days before the stipulated time period with bonus for early completion of the work.
	Construction of New station building at bandra Terminus at a total cost of 482 lacs.
	Construction of Flyover, slip roads and allied works at seven hill chowk at Aurangabad Jalna Road at a total

Year	Event
	cost of Rs. 850 Lacs under Joint Venture with Ameya Developers Pvt. Limited
2005	Construction of new bridge over mithi river carrying taxi track B-3 at CSI Airport, Mumbai at a total cost of Rs. 1400 Lacs
	Design and Construction of flyover at Saswadphata Junction on NH-9 with solid ramps, Pedestrian subways and widening of minor bridge at Pune, Maharashtra at a total cost of 1400 lacs under Joint Venture with M/s. Ameya Developers Pvt. Limited.
	Construction of flyover covering Kalyan Naka Junction to new S.T stand on old NH3 at a total cost of Rs. 1494.50 Lacs.
	Widening and construction of Western Express Highway at Times of India Flyover north gate to Ashanagar at a total cost of 1122 lacs
	Construction of flyover near Times of India building at Malad junction on Western Express Highway at a total cost of Rs. 1710 lacs under Joint Venture with M/s. Ameya Developers Pvt. Limited.
2006-2007	Name of our Company changed to J. Kumar Infraprojects Pvt. Ltd. and then to J. Kumar Infraprojects Ltd.
	Turnover of our Company crosses 10000 lacs
	We get ISO 9001: 2000 certification from Q.A International Certification Limited
	Awarded our largest contract till date in Joint Venture with Nagarjunga Construction Company Ltd of a total contract value of Rs. 11,190 lacs and our share being 50%.

## AWARDS AND RECOGNITIONS

Year	Event
1999	Received 2 <sup>nd</sup> Prize for construction of Kokan Bhavan Bridge on Sion panvel Highway.
2003	Completed the construction of Flyover, slip roads and allied works at seven hill chowk at Aurangabad Jalna Road at a total cost of Rs. 850 Lacs under Joint Venture with Ameya Developers Pvt. Limited 19 days in advance and got a bonus of Rs. 19lacs for early completion.
2006	We get ISO 9001: 2000 certification from Q.A International Certification Limited

## MAIN OBJECTS OF OUR COMPANY

1. To take over the existing business of proprietorship concern M/s J.Kumar & Co. along with all its liabilities and assets.
2. To carry on the business of builders, contractors, subcontractors, decorators, plumbers, technicians, mechanics, masons, electricians, scaffolding and over setters, engineers, including civil sanitary structural, electrical, mechanical, mining, & chemical engineers, architects, planners, designers, technical advisers, analysis, investigators, consultants, fabricators and founders in their various fields and branches and whether in India or abroad.

## CHANGES IN MEMORANDUM OF ASSOCIATION

Date of Shareholders' Approval	Changes in the Memorandum of Association
February 28, 2006	The initial authorized capital of Rs. 5,00,000 comprising of 50,000 Equity Shares was increased to Rs. 10,00,00,000 comprising of 1,00,00,000 Equity Shares.
March 10, 2007	The authorized capital of Rs. 10,00,00,000 comprising of 1,00,00,000 Equity Shares was increased to Rs. 25,00,00,000 comprising of 2,50,00,000 Equity Shares
December 14, 2006	Change of name from J. Kumar and Company India Private Limited to J. Kumar Infraprojects Private Limited vide resolution passed at EGM dated December 14, 2006. Fresh certificate of incorporation consequent to change of name to J. Kumar Infraprojects Private Limited issue by RoC dated January 08, 2007
January 25, 2007	Change of name from J. Kumar Infraprojects Private Limited to J. Kumar Infraprojects Limited vide resolution passed at EGM dated January 25, 2007 and was converted into a Public Limited Company. Fresh certificate of incorporation consequent to change of name to J. Kumar Infraprojects Limited issue by RoC dated January 31, 2007

## Our Subsidiaries

We do not have any subsidiaries.

## Shareholder's Agreement

Our Company and its Promoters have entered into 20 Share Subscription Agreements with investors in July 2007, for subscription of an aggregate of 13,50,000 Equity Shares of our Company at a price of Rs. 80/- per Equity Share (inclusive of premium of Rs. 70/- per Equity Share). In terms of the agreements, our Company and the Promoters (being Mr. Jagdishkumar M. Gupta, Mr. Kamal J. Gupta and Mr. Nalin J. Gupta for these agreements) have undertaken to use reasonable endeavours to cause an Initial Public Offering ("IPO") by March 31, 2008. The parties to the Share Subscription Agreement are as stated below:

S. No.	Parties to the Agreement
1.	J. Kumar Infraprojects Limited, Ibrahim Somji & Jean Somji (the investors) and our Promoters.
2.	J. Kumar Infraprojects Limited, Viral Tulsidas Manek & Dimpal Viral Manek (the investors) and our Promoters.
3.	J. Kumar Infraprojects Limited, Birendra Kumar Agarwal & Kaushalya B. Agarwal (the investors) and our Promoters.
4.	J. Kumar Infraprojects Limited & Paresh Tulsidas Manek & Alka Paresh Manek (the investors) and our Promoters.
5.	J. Kumar Infraprojects Limited and Kiran Radiografix Private Limited (the investors) and our Promoters.
6.	J. Kumar Infraprojects Limited, Scope Private Limited (the investors) and our Promoters.
7.	J. Kumar Infraprojects Limited, Motilal M. Shah (the investors) and our Promoters.
8.	J. Kumar Infraprojects Limited, Lalita Anand (the investors) and our Promoters.
9.	J. Kumar Infraprojects Limited, Sanguinity Trading Co. Private Limited (the investors) and our Promoters.
10.	J. Kumar Infraprojects Limited, Subramanian Sudarsanam Sarma & Seetha Subramanian (the investors) and our Promoters.
11.	J. Kumar Infraprojects Limited, Ajit Keshav Adhikari & Pruthuli Ajit Adhikari (the investors) and our Promoters.
12.	J. Kumar Infraprojects Limited, Gautam Chand Mehta & Leena Gautam Mehta (the investors) and our Promoters.
13.	J. Kumar Infraprojects Limited, JBF Industries Limited (the investors) and our Promoters.
14.	J. Kumar Infraprojects Limited, Prem Khurana (the investors) and our Promoters
15.	J. Kumar Infraprojects Limited, Associates Holding Private Limited (the investors) and our Promoters.
16.	J. Kumar Infraprojects Limited, Jay Uttamchandani (the investors) and our Promoters.
17.	J. Kumar Infraprojects Limited, Doulat Adtani (the investors) and our Promoters.
18.	J. Kumar Infraprojects Limited, Tarlok Singh Ghoghar (the investors) and our Promoters
19.	J. Kumar Infraprojects Limited, Susheel Kumar Saraff (the investors) and our Promoters
20.	J. Kumar Infraprojects Limited, Suchip Sethi (the investors) and our Promoters

All the aforesaid Share Subscription Agreements have identical terms, whose salient features are summarized herein below:

Particulars	Description
Type of the Agreement	Share Subscription Agreement
Parties to the Agreement	Agreement executed between our Company, the private equity investors and our Promoters, being Mr. Jagdishkumar M. Gupta, Mr. Kamal J. Gupta and Mr. Nalin J. Gupta
Salient features	<p>1. <u>Subscription of Shares:</u> Subject to the fulfillment of the conditions precedent, the investors have agreed to subscribe for the Equity Shares of our Company at a price of Rs. 80/- per Equity Share.</p> <p>2. <u>Conditions Precedent:</u> There are certain conditions precedent in relation to the investment by the investors, as mentioned in the aforesaid agreements.</p> <p>We believe that these conditions precedent have been complied with by our Company,</p>

Particulars	Description
	<p>and the Equity Shares have been issued Rs. 80/- per Equity Shares to the investors as mentioned herein below.</p> <p>3. <u>Covenants and indemnity:</u></p> <p>Our Company and the Promoters as referred to herein above, have jointly and severally covenanted that they shall use reasonable endeavours to cause our IPO by March 31, 2008, including but not limited to obtaining all consents and approvals (corporate and otherwise) for the same in accordance with applicable laws. The subscription price as above is taken at a discount of 20% to the proposed public issue price estimated at Rs.100/-. In case the IPO price fixed is less than Rs.100/- per share, the difference between the subscription price and the price taken at 20% discount to the revised price as determined in the proposed IPO, will be refunded to the investor by the Promoters within 30 days from the date of the closure of the Initial Public Offer of our Company.</p> <p>Our Company and the Promoter(s) (as referred to hereinabove) have agreed to, jointly and severally, indemnify, defend and hold harmless the investor(s) and its lawful successors and permitted assigns from and against any and all losses, liabilities, claims, damages, costs and expenses, including reasonable legal fees and disbursements in connection therewith (collectively “<b>Claims</b>”) incurred by such investor(s), which directly arise out of, result from or may be payable by virtue of any breach of any representation, or warranty made by the Promoter and/or the Company, or any covenants or agreements made or obligations required to be performed by the Promoter and/or the Company pursuant to this Agreement, provided that:</p> <p>The indemnity as aforesaid shall relate only to actual losses directly incurred by such investor(s) by virtue of any breach of any representation, or warranty made by the Company and/or the Promoter’s covenants or agreements made or obligations required to be performed by the Company and/or the Promoter(s) pursuant to this Agreement</p> <p>4. <u>Exit:</u></p> <p><u>Put option of investors:</u></p> <p>In the event of the IPO not being completed by March 31, 2008, the investor(s) will have the right by a written demand requiring the Promoter/ s to purchase all or some of the shares held by such investor(s) at an amount equal to the subscription price and a return of 20% per annum on the subscription price, net of any dividend per share paid, by our Company from the closing date of the Share Subscription Agreement till the date of purchase of the investor’s share by the Promoter(s) concerned. The subscription price shall be adjusted for any bonus issue and/or any stock split made by our Company from the closing date till date of purchase of the share by the Promoter. The Promoters the investor(s) shall try to obtain all relevant corporate and other approvals for completion of such transfer.</p> <p>After the occurrence of the IPO, the investor(s) shall have the right to transfer shares or a part of it in any manner and to any person that they deem fit.</p>

The conditions precedent as contained in the respective Share Subscription Agreements is as follows:

- The Board of Directors of the Company approving the preferential issue and allotment in favour of the investor(s)
- Approval for execution of the Share Subscription Agreement by the Board of Directors of the Company or a committee thereof
- Company to ensure that the authorised capital is sufficient for issue of the equity shares to the investor(s), or the authorized capital to be increased to enable issuance of shares to the Investor(s)



## OTHER AGREEMENTS

### Agreement to Purchase Assets

Our Company had entered into an Agreement to Purchase Assets with J. Kumar & Co., whose proprietor is Mr. Jagdishkumar Gupta, our Promoter and Chairman cum Managing Director, to purchase specified assets of J. Kumar & Co. The salient features of this agreement are as under:

<b>Date of the Agreement</b>	March 1, 2006
<b>Name of the Parties</b>	J. Kumar & Co. (India) Private Limited (the “Purchaser”) and J. Kumar & Co. (the “Seller”), a proprietorship concern whose Proprietor is Mr. Jagdishkumar Gupta, our Promoter and Chairman cum Managing Director.
<b>Purpose of the Agreement</b>	Specified movable assets (as mentioned in Appendix – A to that Agreement) were agreed to be sold to the Purchaser for a Net Purchase Consideration of Rs. 3,83,19,809 (Rupees Three Crores Eighty Three Lacs Nineteen Thousand Eight Hundred and Nine only). The consideration was to be paid by cheque, and sale would be effected by physical delivery of the assets to be sold, on receipt of the aforesaid Net Purchase Consideration by the Seller from the Purchaser.*
<b>Other salient features</b>	<ul style="list-style-type: none"><li>▪ The Seller to pay and satisfy all statutory dues like the excise duty, value added tax and the sales tax etc., if any, in respect of the assets mentioned in Annexure A of the Agreement till the date of the Agreement, and pertaining to the Agreement to Sell Assets and the consequent sale of assets as envisaged in the Agreement.</li><li>▪ In case of any dispute regarding the Agreement, the parties shall settle the dispute through arbitration which is to be governed by the provisions of the Arbitration and Conciliation Act, 1996 and to be held in Mumbai</li></ul>

\* Pursuant to the aforesaid Agreement, the Net Purchase consideration of Rs. 3,83,19,809 (Rupees Three Crores Eighty Three Lacs Nineteen Thousand Eight Hundred and Nine only) was paid by cheques in the month of March, 2006, and the assets were subsequently transferred to our Company by physical delivery.

This transfer of assets was done on the basis of book value of the respective assets as on March 31, 2006 as certified by the statutory auditor of the Company, M/s Gupta Saharia & Co., vide their certificate dated October 09, 2007. There was no independent valuer appointed at the time of the agreement and asset transfer. The aforesaid certification has been taken for the purpose of clarity on valuation of the assets that were transferred in terms of the agreement mentioned above.

### **Non-Compete, Non-Hire and Non-Disclosure Agreement**

Pursuant to the aforesaid Agreement to Purchase Assets dated March 1, 2006, our Company has entered into a Non-Compete, Non-Hire and Non-Disclosure Agreement with J. Kumar & Co. The salient features of the Non-Compete, Non-Hire and Non-Disclosure Agreement are as under:

<b>Date of the Agreement</b>	September 12, 2007
<b>Name of the Parties</b>	J. Kumar Infraprojects Limited (the “Purchaser”), and J. Kumar & Co. (the “Seller”), a proprietorship concern whose proprietor is Mr. Jagdishkumar M Gupta, our Promoter and Chairman cum Managing Director
<b>Purpose of the Agreement</b>	To set out obligations on the Seller in relation to non-compete, non-hire and non-disclosure in relation to our Company and its business.
<b>Salient features</b>	<p>Without the prior consent of the Purchaser in writing, the Seller shall not, directly or indirectly, (including through his relatives (as defined under Section 6 of the Companies Act, 1956):</p> <ul style="list-style-type: none"><li>(i) disseminate, lecture upon, publish, divulge, sell, transfer or disclose either directly or indirectly to any party, person, firm or company any knowledge, information, trade secrets, know-how, designs or documents relating to any of the businesses being conducted by the Purchaser at any point of time including the business to be carried on by the Purchaser pursuant to purchase of Assets as envisaged under the Agreement to Purchase Assets (the “Business”) or concerning research, development, manufacturing, finance, business, property contracts, methods, working, processes, trade secrets, transactions, affairs or customers (including but not limited to the customers of The Seller as on the March 1, 2006) of the Business with the exception of any such information generally available to the public.</li><li>(ii) Carry on, or intend to propose to carry on, or take any steps to carry on, or help or aid any other person or entity in carrying on, or intending or proposing to carry on, or taking any step to carry on any of the Business (as defined in clause (i) herein above) being carried on by the Seller or the Purchaser on March 1, 2006 or by the Purchaser on any date after March 1, 2006.</li></ul>

### **Our Joint Ventures**

We have entered into 3 Joint Ventures subsisting today referred as Ameya J. Kumar Constructions, J.Kumar & Chirag Construction J.V. and NCC – J. Kumar J.V. For further details on the Joint Ventures please refer the paragraph titled “Joint Venture Partners” under the section titled “Our Business” beginning on page 68.

### **Strategic and Financial Partners**

We do not have any strategic or financial partners.

## OUR MANAGEMENT

## BOARD OF DIRECTORS

Sr. No.	Name, Designation, Father's Name, Address, Occupation and DIN	Date of Appointment and Term	Age (in years)	Details of other Directorships
1.	Mr. Jagdishkumar M. Gupta S/o. Mr. Madanlal Gupta <b>Chairman cum Managing Director</b> Flat No. 701 & 702, 7 <sup>th</sup> Floor, Ritu Apartment, Plot No. 42, JVPD Scheme, N.S. Road No. 3, Vile Parle (West), Mumbai – 400 056. <b>Occupation:</b> Business <b>DIN: 01112887</b>	Date of Appointment: Since Incorporation  Term of Office: As Chairman cum Managing Director For the period of 5 years  Liable to retire by rotation	59	1. J. Kumar Software Systems (India) Private Limited
2.	Mr. Kamal J. Gupta, <b>Executive Director</b> S/o. Mr. Jagdishkumar M. Gupta Flat No. 701 & 702, 7 <sup>th</sup> Floor, Ritu Apartment, Plot No. 42, JVPD Scheme, N.S. Road No. 3, Vile Parle (West), Mumbai – 400 056. <b>Occupation:</b> Business <b>DIN: 00628053</b>	Date of Appointment: Since Incorporation  Term of Office: As Executive Director: For the period of 5 years.  Liable to retire by rotation	35	1. J. Kumar Software Systems (India) Private Limited
3.	Mr. Nalin J. Gupta, <b>Executive Director</b> S/o. Jagdishkumar M. Gupta Flat No. 701 & 702, 7 <sup>th</sup> Floor, Ritu Apartment, Plot No. 42, JVPD Scheme, N.S. Road No. 3, Vile Parle (West), Mumbai – 400 056. <b>Occupation:</b> Business <b>DIN: 00627832</b>	Date of Appointment: Since Incorporation  Term of Office: As Executive Director: For the period of 5 years  Liable to retire by rotation	32	1. J. Kumar Software Systems (India) Private Limited
4.	Dr. R Srinivasan <b>Independent Director</b> S/o. C-6-1, Llyods Garden, Appa Saheb Marathe Marg, Prabhadevi, Mumbai – 400 025 <b>Occupation:</b> Business <b>DIN: 00003968</b>	Date of Appointment: July 16, 2007              	76	1. XL Telecom Limited, 2. Elder Pharmaceuticals Limited 3. Mcleod Russel India Limited 4. Graphite India Limited 5. Goldiam International Limited 6. Hi Tech Pharmaceuticals Private Limited 7. JM Financial Asset Management Private Limited 8. Shalimar Paints Limited

Sr. No.	Name, Designation, Father's Name, Address, Occupation and DIN	Date of Appointment and Term	Age (in years)	Details of other Directorships
		Term of Office: Liable to retire by rotation		9. Williamson Magor & Co Limited 10. Nayamode Solutions Private Limited 11. Snowcem Paints Private Limited 12. Solar Explosives Limited
5.	Mr. Padmanabh P Vora, <b>Independent Director</b> S/o Mr. Pundrikay Vora 503/504 Mount Everest, Wing A Bhakti Park, Near Imax Society, Wadala East, Mumbai-400 031, India <b>Occupation:</b> Business <b>DIN: 00003192</b>	Date of Appointment: July 16, 2007  Term of Office: Liable to retire by rotation	64	1. Jhagadia Copper Limited 2. National Securities Depository Limited 3. Zandu Pharmaceuticals Works Limited 4. Reliance Capital Trustee Company Limited 5. Zandu Chemicals Limited 6. Omaxe Limited 7. Mantri Realty Limited
8.	Mr. Roshankhan H Tadvi <b>Independent Director</b> S/o Mr. HasanKhan SandebazKhan Tadvi B-2/101, Radiant Paradise, Kedarinagar, Wanwadi, Pune – 411040 <b>Occupation:</b> Consultant & Arbitrator <b>DIN: 01735769</b>	Date of Appointment: July 16, 2007  Term of Office: Liable to retire by rotation	63	NIL

## BRIEF BIOGRAPHY OF OUR DIRECTORS

A brief profile of the Board members is as follows:

### Mr. Jagdishkumar M Gupta, Chairman cum Managing Director

Mr. Jagdishkumar M Gupta, 59 years, is the person instrumental in setting up and growth of this organization. He has not had much formal education. He made a modest start in the year 1980 by setting up a proprietorship concern by the name of J. Kumar & Co. Since its inception, under his able leadership, we have expanded and grown as a Registered Class I-A construction company. Today, because of his acumen, our Company's turnover has increased to more than 100 Crores in 2007 from Rs. 20 lacs in J. Kumar & Co. in 1980. It is because of his management skills we have successfully completed numerous projects including construction of roads, bridges and flyovers, swimming pools, earthen dams, airport contracts, housing and commercial complexes etc. He also takes keen interest in various social activities.

### Mr. Kamal J. Gupta, Executive Director

Mr. Kamal J. Gupta, 35 years, has done his Bachelors in Civil Engineering. He is associated with us since 1996 and carries with him an experience of more than 10 years in construction field. He plays a vital role in execution of flyovers within the stipulated time frame. To his credit is successful completion of 5 flyovers, swimming pool and rail over bridges. Presently he is looking after the construction of flyover projects in Mumbai.

### Mr. Nalin J. Gupta, Executive Director

Mr. Nalin J. Gupta, 32 years, is a commerce graduate and a member of Indian Institution of Bridge Engineers. He is associated with us since 1997 and carries with him an experience of over 9 years. He is instrumental in construction work related to roads and its widening, construction of subway, railway buildings, flyovers and rail over bridges. He has played a vital role in guiding our company in setting and developing the piling business.

### Mr. Padmanabh P Vora, Independent Director

Mr. Padmanabh P Vora, aged 64 years, is an independent director of our Company and has over 30 years experience in finance, banking and management. He holds a Bachelor's degree in Commerce and is a Chartered Accountant by profession. During his long and illustrious career as banker, he has held several prestigious positions in the industry

such as serving as the Chairman and Managing Director of the Industrial Development Bank of India from which he retired in 2003. He is presently a consultant with Deloitte Touche Tohmatsu India Private Limited.

**Dr R Srinivasan, Independent Director**

Dr R Srinivasan, aged 76 years is a Doctorate in Banking and Finance, comes with extensive managerial expertise. He has held several senior managerial positions in the public sector banks like Chairman and Managing Director of Bank of India and Allahabad Bank for several years. He is also associated currently with as Chairman/Director of several companies focussing in Software, Pharma, Gems & Jewellery, Tea, Paint in addition to Mutual Fund Industry.

**Mr Roshankhan H Tadvi, Independent Director**

Mr Roshankhan H Tadvi, aged 63 years is a B.E (Civil). He has been an Assistant Lecturer in the College of Engineering Aurangabad for two years. Subsequently he has served in the Public Works Department for more than 30 years in the capacity of Dy. Engineer, Executive Engineer, Chief Engineer, and Secretary. From 2003 onwards he has been acting as a consultant and arbitrator.

## **BORROWING POWERS OF DIRECTORS**

The shareholders of our Company have passed a resolution at the EGM of our Company held on May 24, 2007, authorising the Board of Directors of our Company pursuant to Section 293(1)(d) of the Companies Act, 1956 to borrow, such sum or sums of money as they may deem requisite for the purpose of the business of our Company not withstanding that the monies to be borrowed together with the monies already borrowed by our Company (apart from temporary loans obtained from the bankers of our Company in the ordinary course of business) shall exceed the aggregate of the paid up capital of our Company and its free reserves, that is to say, reserves not set up for any specific purposes provided that the total amount together with the monies already borrowed by the Board of Directors shall not at any time exceed the sum of Rs. 50,000 lacs only.

For details regarding powers of our Board in this regard please refer to the section titled 'Main Provisions of the Articles of Association' beginning on page no. 221 of this Red Herring Prospectus.

## **TERMS OF APPOINTMENT OF OUR EXECUTIVE DIRECTORS**

**Mr. Jagdishkumar M Gupta – Chairman cum Managing Director**

Mr. Jagdishkumar M Gupta was one of the original subscribers to the Memorandum of Association and has been on the Board of Directors of our Company since inception. He was appointed as Managing Director of our Company for a term of five years from April 01, 2005 till March 31<sup>st</sup>, 2010 pursuant to resolution passed at EGM held on April 29, 2005. Subsequently vide EGM dated May 24<sup>th</sup> 2007, remuneration payable to Mr. Jagdishkumar M Gupta was increased to Rs. 2,25,000 per month and redesignated as Chairman cum Managing Director.

The remuneration approved by the shareholder is as follows:-

- (a) Salary: Rs. 2,25,000 per month. Increment if any will be decided by the Board from time to time and will be merit based and take into account the Company's performance.
- (b) Other perquisites shall be in accordance with and within the limits prescribed in Part II of the Schedule XIII of the Companies Act, 1956.

Other facilities performing the official duties not considered as perquisites to the Chairman cum Managing Director:

- (i) Car: The Company shall provide car with driver for the company's business and if no car is provided reimbursement of the conveyance shall be made on the basis of claims made by him.
- (ii) Telephone: Free use of telephone at his residence and a company mobile phone shall be provided to him

**Mr. Kamal J. Gupta – Executive Director**

Mr. Kamal J. Gupta was one of the original subscribers to the Memorandum of Association and has been on the Board of our Company since inception. Mr. Kamal J. Gupta was appointed as Whole Time director of our Company for a period of five years from April 01, 2005 till March 31, 2010 pursuant to resolution passed at EGM held on April 29, 2005. Subsequently vide EGM dated May 24<sup>th</sup> 2007, remuneration payable to Mr. Kamal J. Gupta was increased to Rs. 2,00,000 per month and redesignated as Executive Director.

The remuneration approved by the shareholder is as follows:-

- (a) Salary: Rs. 2,00,000 per month. Increment if any will be decided by the Board from time to time and will be merit based and take into account the Company's performance.

- (b) Other perquisites shall be in accordance with and within the limits prescribed in Part II of the Schedule XIII of the Companies Act, 1956.

Other facilities performing the official duties not considered as perquisites to the Chairman cum Managing Director:

- (i) Car: The Company shall provide car with driver for the company's business and if no car is provided reimbursement of the conveyance shall be made on the basis of claims made by him.
- (ii) Telephone: Free use of telephone at his residence and a company mobile phone shall be provided to him

**Mr. Nalin J. Gupta – Executive Director**

Mr. Nalin J. Gupta was one of the original subscribers to the Memorandum of Association and has been on the Board of our Company since inception. Mr. Nalin J. Gupta was appointed as Whole Time director of our Company for a period of five years from April 01, 2005 till March 31, 2010 pursuant to resolution passed at EGM held on April 29, 2005. Subsequently vide EGM dated May 24<sup>th</sup> 2007, remuneration payable to Mr. Nalin J. Gupta was increased to Rs. 2,00,000 per month and redesignated as Executive Director.

The remuneration approved by the shareholder is as follows:-

- (a) Salary: Rs. 2,00,000 per month. Increment if any will be decided by the Board from time to time and will be merit based and take into account the Company's performance.
- (b) Other perquisites shall be in accordance with and within the limits prescribed in Part II of the Schedule XIII of the Companies Act, 1956.

Other facilities performing the official duties not considered as perquisites to the Chairman cum Managing Director:

- (i) Car: The Company shall provide car with driver for the company's business and if no car is provided reimbursement of the conveyance shall be made on the basis of claims made by him.
- (ii) Telephone: Free use of telephone at his residence and a company mobile phone shall be provided to him .

**Compensation to Non- Executive Directors:**

Our Non- Executive Directors are entitled to sitting fees of Rs. 2,500 for every meeting of the board or committee attended by them.

**CORPORATE GOVERNANCE**

The provisions of the Listing Agreement to be entered into with the Stock Exchanges with respect to corporate governance shall be applicable to us immediately upon listing of our Company's Equity Shares on the Stock Exchanges. We have already complied with SEBI guidelines in respect of requirements of corporate governance contained in the equity listing agreement, with respect to broad basing of Board, constituting various committees such as Audit Committee, Remuneration Committee and Shareholders'/Investors' Grievance Committee. We undertake to adopt the corporate governance code as per Clause 49 of the Listing Agreement to be entered into with the Stock Exchanges prior to listing. In terms of the Clause 49 of the Listing Agreement, our Company has already appointed Independent Directors and constituted the following committees.

**Composition of Board of Directors**

The Board of Directors' have been constituted as per the said clause. For details please refer chapter titled "General Information" beginning on page 27 of this Red Herring Prospectus.

Out of total six Board members 50% of the Board comprises of Independent directors.

Our Company has constituted the following committees pursuant to the provisions of Clause 49 of the Listing Agreement.

**Audit committee**

Our Company has formed an Audit Committee vide Board Resolution dated July 16, 2007 in compliance with Section 292A of the Companies Act and Clause 49 of the Listing Agreement. The Audit Committee has been constituted with the following Directors:

- |    |                          |                        |            |
|----|--------------------------|------------------------|------------|
| 1. | Mr. Padmanabh P. Vora    | – Independent Director | – Chairman |
| 2. | Dr. R. Srinivasan        | – Independent Director | – Member   |
| 3. | Mr. Jagdishkumar M Gupta | – Managing Director    | – Member   |

Our Company Secretary shall be the Secretary to the Audit Committee.

The Scope of the Audit Committee shall be as follows:

1. The Audit Committee shall have meetings periodically as it may deem fit with at least three meetings in a year, viz., one meeting before finalization of annual accounts and one every six months.
2. The Audit Committee shall invite such of the executives (and in particular the head of the finance division), to be present at the meetings of the Committee whenever required by it.
3. The finance head and the auditors of our Company shall attend and at the meetings without right to vote.
4. The Audit Committee shall have the following powers:
  - It shall have authority to investigate into any matter in relation to the items specified in Section 292A of the Companies Act, 1956 or referred to it by the Board and for this purpose, shall have full access to information contained in the records of our Company and external professional advice, if necessary.
  - To investigate any activity within its terms of reference.
  - To seek information from any employee.
  - To obtain outside legal or other professional advice.
  - To secure attendance of outsiders with relevant expertise, if it considers necessary.
  - Oversight of our Company's financial reporting process and the disclosure of financial information to ensure that the financial statement is correct, sufficient and credible.
  - Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
  - Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
    - Any changes in accounting policies and practices.
    - Major accounting entries based on exercise of judgment by management.
    - Qualifications in draft audit report.
    - Significant adjustments arising out of audit.
    - The going concern assumption.
    - Compliance with accounting standards.
    - Compliance with stock exchange and legal requirements concerning financial statements.
  - Any related party transactions, i.e. transaction of our Company which are of material nature, with promoters or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of company at large.
  - Reviewing with the management, external and internal auditors and the adequacy of internal control systems.
  - Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  - Discussion with internal auditors and significant findings and follow up thereon.
  - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
  - Discussion with external auditors before the audit commences, nature and scope of audit as well as have post audit discussion to ascertain any area of concern.
  - Reviewing our Company's financial and risk management policies.
  - To look into the reasons for substantial defaults in the payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividends) and creditors.
  - It shall have discussions with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors and review the quarterly, half yearly, and annual financial statements before submission to the Board.
  - It shall ensure compliance of internal control systems.
  - The Chairman of the Audit Committee shall attend the Annual General Meetings of our Company to provide any clarification on matters relating to audit sought by the members of our Company.

Further, the Audit Committee shall also be responsible for monitoring of utilization of Issue Proceeds.

### **Remuneration Committee**

The Remuneration Committee was constituted by our Directors at their Board meeting held on July 16, 2007. The committee's goal is to ensure that our Company attracts and retains highly qualified employees in accordance with our business plans, that our Company fulfils its ethical and legal responsibilities to its employees, and that management compensation is appropriate. The Remuneration Committee consists of the following members:

1. Dr. R. Srinivasan – Independent Director – Chairman
2. Mr. Padmanabh P. Vora – Independent Director – Member
3. Mr. Roshankhan H. Tadvī – Independent Director – Member

The terms of reference of the Remuneration Committee are as follows:

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

### **Share Transfer & Shareholders/Investors Grievance Committee**

The Shareholders' Grievance Committee has been formed by the Board of Directors at the meeting held on July 16, 2007, in compliance with the Companies Act and Clause 49 of the Listing Agreement. The Shareholders' Grievance Committee has been constituted with the following Directors:

1. Mr. Roshankhan H. Tadvī – Independent Director – Chairman
2. Mr. Nalin J. Gupta – Executive Director – Member
3. Mr. Kamal J. Gupta – Executive Director – Member

Our Company Secretary shall act as Secretary to the Shareholders' Grievance Committee.

The terms of reference of the Shareholders'/Investors' Grievance, Share Allotment and Share Transfer Committee are as follows:

“To allot the equity shares of the Company, and to supervise and ensure

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

### **Policy on Disclosures and Internal Procedure for Prevention of Insider Trading**

We will comply with the provisions of SEBI (Prohibition of Insider Trading) Regulations 1992 on the listing of our Company's shares on BSE & NSE.

Ms. Poornima Reddy our Company Secretary and Compliance Officer is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.



## SHAREHOLDING OF OUR DIRECTORS

As per our Articles, our Directors are not required to hold any Equity Shares in our Company. Save and except as below, our Directors do not hold any Equity Shares in our Company as on the date of filing of this Red Herring Prospectus.

Sr. No.	Names of our Directors	No. of Equity Shares	% of Pre-Issue Shareholding
1.	Mr. Jagdishkumar M Gupta	5,093,980	35.81%
2.	Mr. Kamal J Gupta	1,222,500	8.59%
3.	Mr. Nalin J Gupta	1,207,000	8.49%

### Interest of Directors (Other than Promoter Directors)

Except as stated in Annexure - XVI of the Financial Statements titled “Related Party Transactions” on page 151 of this Red Herring Prospectus and to the extent of their compensation/sitting fees and reimbursement of expenses as mentioned in chapter titled “Our Management” beginning on page 121 of this Red Herring Prospectus, and their shareholding or shareholding of companies they are interested, the Directors, other than the Promoters who are also Directors, do not have any other interest in our Company.

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

Additionally, J. kumar & Co., by an agreement dated 12<sup>th</sup> September, 2007, has Let Out two premises 16-A and 14, Andheri Industrial Estate, Veera Desai Road, Andheri (West), Mumbai – 400 058 to our Company for period of Eleven months. According to the terms of the agreement, our Company is required to pay Rs. 1,000/- per month towards rent.

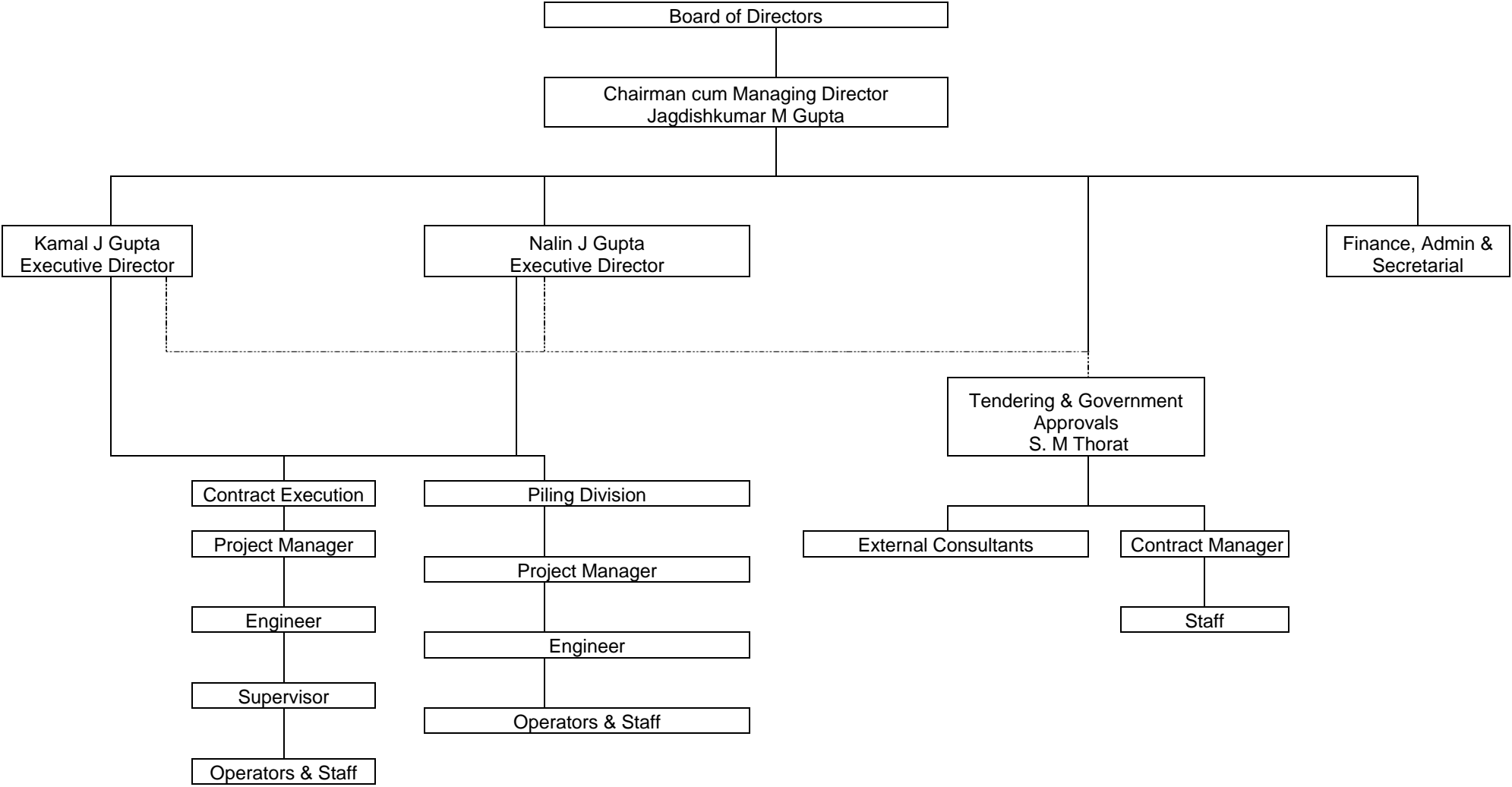
Our Directors do not have any interest in any property acquired by our Company in a period of two years before filing this Red Herring Prospectus with SEBI or proposed to be acquired by us as on date of filing this Red Herring Prospectus with SEBI.

The Articles of Association provide that the Directors and officers shall be indemnified by our Company against loss in defending any proceeding brought against Directors and officers in their capacity as such, if the indemnified Director or officer receives judgment in his favour or is acquitted in such proceeding.

### CHANGES IN BOARD OF DIRECTORS DURING THE LAST THREE YEARS

Sr. No.	Name of the Director	Date of Appointment	Date of Cessation	Reasons
1.	Mr. Govind S. Dabriwal	August 1, 2005	Januray 10, 2007	Resigned as Director
2.	Dr. R. Srinivasan	July 16, 2007	Nil	Appointed as an Independent Director
3.	Mr. Padmanabh P. Vora	July 16, 2007	Nil	Appointed as an Independent Director
4.	Mr. Roshankhan H. Tadv	July 16, 2007	Nil	Appointed as an Independent Director

**ORGANISATIONAL STRUCTURE**



## OUR KEY MANAGERIAL PERSONNEL

The key managerial personnel of our Company other than our whole-time Directors are as follows:

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

Mr. S.M. Thorat, 70 years, is associated with our Company us since August 01, 2004 and with J. Kumar & Co. since September 01, 1995. He has done his B.E. in Civil from Poona University. Mr. Thorat has a total experience of 43 years. He retired as a Superintending Engineer after 32 years of service in PWD, Maharashtra state. He has extensive experience in planning and execution of various bridges, roads, flyovers and multi storied buildings and administration. During his tenure with PWD, he was instrumental in (a) Construction of flyover at Turbhe, Navi Mumbai, Amar Mahal at Chembur, Kalanagar at Bandra and Thane on Eastern Express Highway. (b) Multi-storied building such as MLA Hostel, VVIP guesthouse at Sahyadri. (c) Various creek bridges and river bridges (d) Road work on state Highways and major district roads. Post his retirement from PWD. Mr. Thorat has executed several construction projects of flyover, subways and bridges. Prior to joining our Company, he was working with J. kumar & Co. (proprietary concern) since 1995-1996. Currently he is drawing a compensation of Rs. 2,40,000 p.a.

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

Mr. Nalin M Gupta, 44 years, is associated with our company us since August 01, 2005. He is a Civil Engineer and has also done Diploma in Civil Engineering. He is a member of Indian Institute of Bridge Engineers and of Indian Concrete Institute. Prior to joining our Company, he was working with M/s. Villayati Ram Mittal and has total experience of 22 years in this field. He has experience of execution of various construction projects like Bridges, Flyovers, Roads, High-rise buildings and other infrastructure projects. Presently he is looking after execution of various Flyover Projects in Mumbai. Mr. Nalin J Gupta is currently drawing a compensation of Rs. 5,76,000 p.a.

### **Mr. P. K. Prabhakaran, Contract Manager**

Mr. P. K. Prabhakaran, 64 years, is associated with our Company us since June 01, 2007 and with J. Kumar & Co. since November 01, 2004. He has done his Diploma in Civil Engineering from Department of Technical Education, Kerala. Mr. Prabhakaran joined our organization after retiring as Deputy Executive Engineer with PWD, Maharashtra. He was associated with PWD Maharashtra state, for period of 37 years. He has an experience in planning and execution various road works, reclamation works, building works, creek bridge work at Thane Creek and Road work in Mumbai carried out by the PWD deparment. Currently he is looking after tendering work and liasioning with various government departments. Presently, Mr. Prabhakaran is drawing a compensation of Rs. 1,80,000 p.a.

### **Mr. Mohammad Fahim, Project Manager**

Mr. Mohammad Fahim, 55 years, is associated with our Company us since September 01, 2006 and with J. Kumar & Co. since April 01, 1989. He has done his B.Sc. He has total 27 years of experience in this field. Since his association with us, he has completed flyover work at Chheda-nagar, Konkan Bhavan on Express Highway, Flyover at seven Hills junction, Aurangabad, subway on Western Express Highway, reinforced earth structures, road work, etc. Prior to joining us he was working with a Contractor Mr. D. D. Patel. Mr. Fahim is drawing a compensation of Rs. 2,40,000 p.a.

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

Mr. Shirish Kulkarni, 43 years, is associated with our company us since November 1, 2006. He has done his M.Sc in Geology. He carries with him a total experience of 19 years in Soil Investigation, Rock Anchoring, Piling / Micro piling, Construction of Diaphragm wall and Rotary piling work for various types of structures like Dams, Tunnels, Highways, Bridges, Flyovers, Canals, Buildings and Hydropower and thermal power stations. Prior to joining us, he has worked with DBM Geotechnics and Constructions Private Limited and Consolidation Foundations Limited. Presently looking after the Piling Division of our organization. Mr. Shirish Kulkarni is drawing a compensation of Rs. 5,04,000 p.a.

### **Ms. Poornima Reddy, Company Secretary & Compliance Officer**

Ms. Poornima Reddy, 36 years, is associated with our company us since July 16, 2007. She is a Company Secretary and has done her LLB alongwith with P.G.Diploma in Financial Management. She carries with her a total experience of 8 years. Prior to joining us, she has worked with ThyssenKrupp Electical Steel as Manager and Company Secretary. Presently she is handling the secretarial and legal matters. She is currently drawing a compensation of Rs. 6,00,000 p.a.

### **Mr. Hiralal Poddar, Finance and Administration**

Mr. Hiralal Poddar, 70 years, is associated with our Company us since April 01, 2004 and with J. Kumar & Co. since November 01, 1988. He is a Bachelor of Commerce. Mr. Poddar has a total experience of around 50 years and has been associated with the J. Kumar group since the last 27 years. His current responsibilities include accounts

and taxation related matters, administration, and liasioning with ESIC, PF department and other government departments. Prior to joining our company he was working with Podarmills Limited. Currently he is drawing a compensation of Rs. 1,89,000 p.a.

#### **SHAREHOLDING OF OUR KEY MANAGERIAL PERSONNEL**

None of the key employees except the Directors of our Company hold any Equity Shares in our Company as on the date of this Red Herring Prospectus.

#### **CHANGES IN OUR KEY MANAGERIAL PERSONNEL DURING THE LAST THREE YEARS**

<b>Name of Employee</b>	<b>Designation</b>	<b>Date of Appointment / Resignation</b>	<b>Reason for Change</b>
Ms. Poornima Reddy	Company Secretary	16.07.2007	Appointment
Mr. P.K. Prabhakaran	Contract Manager	01.06.2007	Appointment
Mr. Shirish Kulkarni	Manager (Contracts Foundation Engineering)	01.11.2006	Appointment
Mr. Atindranath Ghosh	General Manager - Projects	01.09.2006	Appointment
Mr. Mohammad Fahim	General Manager - Projects	01.09.2006	Appointment
Mr. Atindranath Ghosh	General Manager - Projects	01.12.2007	Resgination

#### **BONUS OR PROFIT SHARING PLAN AND INTEREST OF KEY MANAGERIAL PERSONNEL**

Our Company does not have any bonus or profit-sharing plan for its key managerial personnel. Except as stated otherwise in this Red Herring Prospectus, no amount or benefit has been paid or given within the two preceding years or are intended to be given to any of our key managerial personnel except the normal remuneration for services rendered as directors, officers or employees.

#### **EMPLOYEES STOCK OPTION SCHEME**

Our Company has not granted any stock options to the employees and does not have any stock option scheme in place.

#### **NON SALARY RELATED PAYMENT OR BENEFIT TO EMPLOYEES/KEY MANAGERIAL PERSONNEL OF OUR COMPANY**

There has been no other payment or benefit given to the employees / key managerial personnel of our Company other than in accordance with their respective terms of employment.



## OUR PROMOTERS AND PROMOTER GROUP

### OUR PROMOTERS

#### Core Promoters

Our core Promoters are Mr. Jagdishkumar M Gupta, Kamal J. Gupta, Nalin J. Gupta, Ms. Kusum J. Gupta, Ms. Sonal K. Gupta and Ms. Shalini N. Gupta

	<p><b>Mr. Jagdishkumar M Gupta, Chairman-cum-Managing Director</b>, 59 years, is our founder and one of our promoters. He is the person instrumental in setting up and growth of this organization. He made a modest start in the year 1980 by setting up a Proprietorship concern by the name of J. Kumar &amp; Co. Since its inception, under his able leadership, our Company has expanded and grown as a Registered Class I-A construction company. Today, because of his acumen, our Company's turnover has increased to more than 100 Crores in 2007 from Rs. 20 lacs in J. Kumar &amp; Co. in 1980. Its because of his management skills our Company has successfully completed numerous technologically advanced projects for Construction of Roads, Bridges and Flyovers, swimming pools, Earthen Dams, Airport contracts, housing and commercial complexes etc. He also takes keen interest in various social activities.</p> <p>Driving License number is MH – 01 – 2002/ 1763          Passport number is G2451620          Permanent Account Number is AACPG2753N          Voter ID number is MT/09/042/453577</p>
	<p><b>Mr. Kamal J. Gupta, Executive Director</b>, 35 years, a resident Indian national, is promoter of our company. He has done his Bachelors in Civil Engineering. He is associated with us since 1996 and carries with him a good experience of more than 10 years in construction field. He plays a vital role in execution of flyovers within the stipulated time frame. To his credit is successful completion of 5 flyovers, swimming pool and Rail Over Bridges. Presently he is looking after the construction of flyover projects in Mumbai.</p> <p>Driving License number is MH – 02 – 90 - 19828          Passport number is G4315621          Permanent Account Number is AAEPG9892N          Voter ID number is MT/09/042/453761</p>
	<p><b>Mr. Nalin J. Gupta, Executive Director</b>, 32 years, a resident Indian national, is promoter of our company. He is a commerce graduate and a member of Indian Institution of Bridge Engineers. He is associated with us since 1997 and carries with him an experience of over 9 years. He is instrumental in construction work related to roads and its widening, construction of Subway, Railway buildings, flyovers and Rail Over Bridges. He has played a vital role in guiding our company in setting and developing the profitable line of Piling business.</p> <p>Driving License number is MH-02-200-70134729          Passport number is A6878566          Permanent Account Number is AAEPG9920B          Voter ID number is MT/09/042/453762</p>
	<p><b>Ms. Kusum J Gupta</b>, 52 years, a resident Indian national, is promoter of our company. She is an undergraduate. She is the wife of Mr. Jagdishkumar M Gupta, our Chairman cum Managing Director and mother of Mr. Kamal J Gupta and Mr. Nalin J Gupta. She has not been associated with our Company in a managerial capacity.</p> <p>Driving License number is Not available          Passport number is A4825989          Permanent Account Number is AAEPG9952H          Voter ID number is MT/09/042/453578</p>

	<p><b>Ms. Sonal K Gupta</b>, 30 years, a resident Indian national, is promoter of our company. She has done her Bachelors degree in Commerce from Calcutta university. She is the wife of our promoter Mr. Kamal J Gupta. She has not been associated with our Company in a managerial capacity.</p> <p>Driving License number is MH-02-2001-32055  Passport number is E2544495  Permanent Account Number is ADTPG0353J  Voter ID number is Not Available</p>
	<p><b>Ms. Shalini N Gupta</b>, 29 years, a resident Indian national, is promoter of our company. She has done her Bachelors degree in Commerce from University of Mumbai. She is the wife of our promoter Mr. Nalin J Gupta. She has not been associated with our Company in a managerial capacity.</p> <p>Driving License number is MH-02-96-28424  Passport number is E4490238  Permanent Account Number is AAAPR5978E  Voter ID number is Not available</p>

We confirm that the Permanent Account Number, bank account number and passport number of all the above individual promoters has been submitted to BSE and NSE at the time of filing the Draft Red Herring Prospectus with them. Further, our Promoters have not been declared as willful defaulters by RBI or any other government authority and there are no violations of securities laws committed by our promoters in the past nor any such proceedings are pending against our promoters.

## OUR PROMOTER GROUP

In terms of 6.8.3.2 Explanation II of the DIP Guidelines, the following persons form part of our Promoter Group.

### a) Natural persons part of promoter group (due to relationship with the promoters)

Relationship	Promoters who are Individuals					
	Jagdishkumar M Gupta	Kamal J Gupta	Nalin J Gupta	Kusum J Gupta	Sonal K Gupta	Shalini N Gupta
<b>Father</b>	Madanlal Gupta	Jagdishkumar M Gupta	Jagdishkumar M Gupta	Abhay Kumarji Dabriwal	Sajjan Kumar Tibrewal	Sushil Ruliramji Rajagarhia
<b>Mother</b>	Narayani Devi Gupta	Kusum J Gupta	Kusum J Gupta	Kailashodevi Dabriwal	Ganga Tibrewal	Sumitra Sushil Rajagarhia
<b>Brother</b>	Satyanarayan Gupta, Ramesh Gupta	Nalin J Gupta	Kamal J Gupta	Pramod Dabriwal, Ashok Dabriwal, Govind Dabriwal, Gopal Dabriwal,	Sandeep Tibrewal,	Prashant Rajagarhia, Nishant Rajagarhia
<b>Sister</b>	Darshana Chhapria	Sudha Jindal	Sudha Jindal	Prem Agarwal, Sunita Agarwal	Rajini Gupta, Rashmi Bagadia	Navita Pillaniwala, Manisha Agarwal
<b>Spouse</b>	Kusum J Gupta	Sonal K Gupta	Shalini N Gupta	Jagdishkumar M Gupta	Kamal J Gupta	Nalin J Gupta
<b>Children</b>	Kamal J Gupta, Nalin J Gupta, Sudha Jindal	Rachit Gupta, Prachi Gupta	Dhruv Gupta, Diya Gupta, Disha Gupta	Kamal J Gupta, Nalin J Gupta, Sudha Jindal	Rachit Gupta, Prachi Gupta	Dhruv Gupta, Diya Gupta, Disha Gupta

### b) In case promoter is a company

Our Company has no promoter which is a company

### c) In case the Promoter is an Individual

Relationship	Jagdishkumar M Gupta	Kamal J Gupta	Nalin J Gupta	Kusum J Gupta	Sonal K Gupta	Shalini N Gupta
Any company in which 10% or more of the share capital is held by the promoter or a firm or HUF in which the promoter or any one or more of his immediate relatives is a member	J. Kumar Software India Private Limited	J. Kumar Software India Private Limited	J. Kumar Software India Private Limited	Nil	Nil	Nil
Any company in which a company (mentioned above) holds 10% or more of the equity share capital	Nil	Nil	Nil	Nil	Nil	Nil
Any HUF or firm in which the aggregate share of the	1) J. Kumar & Co.	No Direct holding except indirect holding	No Direct holding except indirect holding	No Direct holding except indirect holding	Nil	Nil

Relationship	Jagdishkumar M Gupta	Kamal J Gupta	Nalin J Gupta	Kusum J Gupta	Sonal K Gupta	Shalini N Gupta
promoter and his immediate relatives is equal to or more than 10% of the total holding	2) Goldline Advertisers	in J. Kumar & Co. and Goldline Advertisers (in the capacity of being son of Jagdishkumar M Gupta)	in J. Kumar & Co. and Goldline Advertisers (in the capacity of being son of Jagdishkumar M Gupta)	in J. Kumar & Co. and Goldline Advertisers (in the capacity of being wife of Jagdishkumar M Gupta) and Govind Dabriwal Proprietary Concern (in the capacity of being sister of Govind Dabriwal)		
All persons whose shareholding is aggregated for the purpose of disclosing in the prospectus under the heading "shareholding of the promoter group"	Nil	Nil	Nil	Nil	Nil	Nil

#### Common Pursuits

J. Kumar & Co. is a proprietary concern of Mr. Jagdishkumar M Gupta and has been involved in similar business as ours i.e. execution of civil contracts. W.e.f November 25, 2004, the Class 1A registration of J. Kumar & Co. was transferred to our Company without consideration. Subsequently, vide Agreement to Purchase Assets dated March 01, 2006, certain specified assets of J. Kumar & Co., which related to our current business, were transferred to our Company for a consideration of Rs. Rs. 3,83,19,809 (Rupees Three Crores Eighty Three Lacs Nineteen Thousand Eight Hundred and Nine only). Further, vide Non-Compete, Non-Hire and Non-Disclosure Agreement dated September 12, 2007 certain obligations as to non-compete, non-hire and non-disclosure vis-à-vis our Company have been imposed on J. Kumar & Co. For details regarding these agreements, please refer paragraph titled "Other Agreements" in section titled "History and Other Corporate Matters" beginning on page 114 of this Red Herring Prospectus.

Our erstwhile Director Mr. Govind Dabriwal and part of our current Promoter Group carries on in his own name a business similar to ours, though the overall size of his operations are not comparable to ours, further he has a PWD, Yavatmal registration of Class 3 and Registration from Vidharbha Irrigation Development Corporation of 'Group A, Class 3'. As per the registration he can bid for contracts in the range of Rs. 1500 lacs to 3000 Lacs.

Except this there are no common pursuits in the business of our Company and our group concerns.

#### Interest of the Promoters

Except to the extent of reimbursement of expenses incurred at actuals, remuneration or benefits in their capacity as Directors and their shareholding in our Company our Promoters have no other interest in our Company.

Except as stated in "Related Party Transactions" beginning on page no. 151 of this Red Herring Prospectus (including remuneration as whole-time Directors and reimbursement of expenses), and to the extent of shareholding in our Company either by themselves or shareholding of companies in which they are interested, our Promoters do not have any other interest in our Company, except for the following:

1. Vide Agreement to Purchase Assets dated March 01, 2006, certain specified assets of J. Kumar & Co., which related to our current business, were transferred to our Company for a consideration of Rs. Rs. 3,83,19,809 (Rupees Three Crores Eighty Three Lacs Nineteen Thousand Eight Hundred and Nine only);



2. Vide Leave and License Agreement dated September 12, 2007, Unit no. 14 and 16A, situated at Veera Desai Road, Andheri (West), Mumbai – 400 053 have been licensed to our Company for a period of eleven months from September 1, 2007 to August 31, 2008
3. Vide Leave and License Agreement dated July 6, 2006, Unit no. 1, 3A, 5C, and 601 Goldline Business Center has been let out to our Company for a period of five years from April 1, 2006 to February 28, 2011

For details in relation to the aforesaid Leave and License Agreements, please refer section titled “Our Properties” beginning on page 107 of this Red Herring Prospectus..

Our Promoters do not have any interest in any property acquired by our Company in a period of two years before filing this Red Herring Prospectus with SEBI or proposed to be acquired by us as on date of filing this Red Herring Prospectus with SEBI.

The following companies/firms/ventures are promoted by our Promoters / Promoter Group and they may be deemed to be interested in them:

Name of Concern	Type of Concern
J. Kumar Software India Private Limited	Private Limited Company
J. Kumar & Co.	Proprietary Concern
Goldline Advertisers	Proprietary Concern
Govind Dabriwal	Proprietary Concern

#### **Payment or benefit to our Promoters**

Except as mentioned in the paragraph titled “Interest of our Promoters” above, there is no payment or benefit to our Promoters from our Company.

#### **Related Party Transactions**

The details of related party transactions have been disclosed as a part of the Auditors Report. For Details, please refer page 151.

#### **Currency of Presentation**

In this Red Herring Prospectus, all references to “Rupees” and “Rs.” “INR” and “Indian Rupees” are to the legal currency of the Republic of India.

Throughout this Red Herring Prospectus, all figures have been expressed in Lacs / Lakhs. The word “Lac” / “Lakh” means “One Hundred Thousand”, the word “Million (mn)” means “Ten Lac”, the word “Crore” means “Ten Million” and the word “Billion (bn)” means “One Hundred Crore”.

In this Red Herring Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

#### **Dividend Policy**

The declaration and payment of dividends on our Equity Shares will be recommended by our board of directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, cash flows, capital expenditure, capital requirements and overall financial condition. Since our Company is at a growth stage, the profits earned by our Company till last year were ploughed back in our Company to meet the fund requirements. Hence no dividend has been declared by our Company till date.

## SECTION V – FINANCIAL STATEMENTS

### AUDITORS' REPORT

#### **SUMMARY STATEMENTS OF ASSETS AND LIABILITIES AS AT AND PROFITS AND LOSSES FOR THE SIX MONTHS ENDED SEPTEMBER 30 2007, AND FINANCIAL YEAR ENDED MARCH 31, 2007, 2006, 2005, 2004 AND 2003 AND CASH FLOWS FOR SIX MONTHS ENDED SEPTEMBER 30 2007, AND FINANCIAL YEAR ENDED MARCH 31, 2007, 2006, 2005, 2004 AND 2003, AS RESTATED, OF J. KUMAR INFRAPROJECTS LIMITED**

To  
The Board of Directors,  
J. KUMAR INFRAPROJECTS LIMITED.  
16-A, Andheri Industrial Estate,  
Veera Desai Road,  
Mumbai - 400 058.

Dear Sirs,

We have examined the financial information of J. KUMAR INFRAPROJECTS LIMITED annexed to this report, for the purposes of inclusion in the Red Herring Prospectus, which has been prepared in accordance with the requirements of:

- a) paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ('the Act');
  - b) the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000 ('the Guidelines') issued by the Securities and Exchange Board of India ('SEBI') on January 19, 2000, as amended from time to time, in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992; and
  - c) the terms of reference received from the Company, requesting us to carry out work, proposed to be included in the Red Herring Prospectus of the Company in connection with its proposed Public Issue.
1. The Public Issue will be for a fresh issue by the Company of 65,00,000 equity shares of Rs. 10 each, at such premium, by way of book building process, as may be decided by the Board of Directors (referred to as 'the Issue'). The Issue is being made through the 100 percent book-building scheme. Financial information as per the audited financial statements are as per following:
    - We have examined the attached restated summary statement of assets and liabilities of the Company as at September 30, 2007, March 31, 2007, 2006, 2005, 2004 and 2003 the attached restated summary statement of profits and losses for period ended on those dates and the attached restated summary statement of cash flows for the six months ended September 30, 2007 March 31, 2007, 2006, 2005, 2004 and 2003 ('summary statements') (see Annexures I, II and III) as prepared by the Company and approved by the Board of Directors. These profits have been arrived at after making such adjustments and regroupings as in our opinion are appropriate and more fully described in the notes appearing in Annexure IV to this report. The summary statements as at and for the six months ended September 30, 2007, March 31, 2007, 2006, 2005, 2004 and 2003, are based on the financial statements for those period/years, which have been solely audited and reported upon by us as their statutory auditors. Based on our examination of these summary statements, we confirm that:
      - there are no extraordinary items, which need to be disclosed separately in the summary statements and
      - there are no qualifications in the auditors' reports, which require any adjustments to the summary statements. Further there are no qualifications which do not require adjustments to the financial statements.
  2. The summary of significant accounting policies adopted by the Company pertaining to the audited financial statements as at September 30, 2007 are enclosed as Annexure IV to this report.

**Other financial information :**

3. We have examined the following financial information of the Company proposed to be included in the Red Herring Prospectus as approved by you and annexed to this report:
  - I. Notes on Adjustments for restated financial statements Annexure V
  - II. Details of rates of dividend as enclosed in Annexure VI;
  - III. Accounting ratios based on the restated profits relating to earnings per share (basic and diluted), net asset value and return on net worth as enclosed in Annexure VII;
  - IV. Details of other income, as appearing in Annexure VIII;
  - V. Details of unsecured loans, as appearing in Annexure IX;
  - VI. Details of sundry debtors, as appearing in Annexure X;
  - VII. Details of secured loans, as appearing in Annexure XI;
  - VIII. Details of investments, as appearing in Annexure XII;
  - IX. Details of loans and advances, as appearing in Annexure XIII;
  - X. Details of contingent liabilities, as appearing in Annexure XIV;
  - XI. Capitalization statement as at September 30, 2007 as enclosed in Annexure ; XV
  - XII. Details of related party transactions, as appearing in Annexure XVI;
  - XIII. Segmental reporting, as appearing in Annexure XVII;
  - XIV. Statement of tax shelters as enclosed in Annexure XVIII; and
  - XV. Statement of possible tax benefits available to the Company and its shareholders as enclosed in Annexure X IX.
  - XVI. In our view, the 'Financial information as per the audited financial statements' and 'other financial information' mentioned above has been prepared in accordance with Part II of Schedule II of the Act and the Guidelines.
4. This report should not be in any way construed as a reassurance or redrafting of any of the previous audit reports issued by us nor should this report be construed as a new opinion on any of the financial statements referred to herein.
5. This report is intended solely for your information and for inclusion in the Red Herring Prospectus in connection with the proposed IPO of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For GUPTA SAHARIA & CO.**  
**Chartered Accountants**

**PAWAN GUPTA**  
**Partner**  
**Membership No. 71471**  
**Place: Mumbai**  
**Date: December 14, 2007**

**ANNEXURE - I**  
**J. KUMAR INFRAPROJECTS LIMITED**  
**STATEMENTS OF RESTATED ASSETS AND LIABILITIES**

(Rs. In Lacs)

Particulars	As at 31.03.03	As at 31.03.04	As at 31.03.05	As at 31.03.06	As at 31.03.07	As at 30.09.07
Fixed Assets						
Gross Block	-	-	-	1,288.14	3,853.91	5614.95
Less: Accumulated Depreciation	-	-	-	(47.66)	(347.81)	(635.22)
Net Block	-	-	-	1,240.48	3,506.10	4979.73
Investments	-	-	-	-	-	-
Current Assets, Loans & Advances						
<b>Inventories</b>						
Stock in hand	-	-	-	32.80	238.00	125.13
Work in Progress	-	-	-	-	90.75	68.57
Debtors	-	-	-	73.16	127.90	1710.36
Cash & Bank	0.91	0.91	7.92	572.54	1,102.77	1298.99
Other Current Assets	-	-	-	0.77	93.39	222.83
Loans & Advances	-	-	32.65	1,095.89	1,184.90	1879.56
<b>Total Assets</b>	<b>0.91</b>	<b>0.91</b>	<b>40.57</b>	<b>3,015.64</b>	<b>6,343.81</b>	<b>10285.17</b>
<b>Liabilities</b>						
Secured Loans	-	-	-	1,151.04	2644.51	3304.53
Unsecured Loans	-	-	-	10.00	10.00	-
Current Liabilities & Provision	0.06	0.08	32.86	499.03	1482.84	2634.75
Deferred Tax Liabilities	-	-	-	-	69.32	81.73
<b>Total Liabilities</b>	<b>0.06</b>	<b>0.08</b>	<b>32.86</b>	<b>1,660.07</b>	<b>4,206.67</b>	<b>6021.01</b>
<b>Networth*</b>	<b>0.85</b>	<b>0.83</b>	<b>5.22</b>	<b>107.03</b>	<b>2,137.14</b>	<b>4264.16</b>
Represented by					-	
Share Capital	1.00	1.00	1.00	1.00	1,249.54	1422.44
Reserves & Surplus (excluding revaluation reserve)	(0.15)	(0.18)	4.22	106.03	887.60	2841.72
Share Application Money	-	-	2.50	1,248.54	-	-
<b>Total</b>	<b>0.85</b>	<b>0.83</b>	<b>7.72</b>	<b>1,355.57</b>	<b>2,137.14</b>	<b>4264.16</b>

\*Networth has been calculated as net of Share Application money.

**For Gupta Saharia & Co.**  
**Chartered Accountants**

**For and on behalf of Board of Directors of**  
**J.Kumar Infraprojects Limited**

**Pawan Gupta**  
**Partner**  
**Membership No. 71471**  
**Place: Mumbai**  
**Date: December 14, 2007**

**Chairman & Managing Director**

**Director**

**ANNEXURE- II**  
**J. KUMAR INFRAPROJECTS LIMITED**  
**STATEMENTS OF RESTATED PROFIT AND LOSS A/C**

(Rs. In Lacs)

Particulars	For the year ended					Six months ended
	31.03.03	31.03.04	31.03.05	31.03.06	31.03.07	30.09.07
<b>INCOME</b>						
Income From Operations	-	-	303.29	2,296.19	11,265.61	8194.43
Other Income	-	-	-	7.09	70.39	41.29
<b>Total 1 :</b>	-	-	<b>303.29</b>	<b>2,303.28</b>	<b>11,336.00</b>	<b>8235.73</b>
<b>EXPENDITURE</b>						
Construction Expenses	-	-	265.82	1,806.94	8,887.73	5875.09
Employees' Remuneration & Benefits	-	-	14.50	51.11	135.38	116.95
Administration, Selling & Other Expenses	-	-	16.03	211.11	567.82	485.50
Interest and Financial Charges	-	-	-	39.77	228.97	261.27
Depreciation	-	-	-	47.66	300.15	287.41
<b>Total 2 :</b>	-	-	<b>296.36</b>	<b>2,156.58</b>	<b>10,120.06</b>	<b>7026.22</b>
<b>Profit/(Loss) before taxation (1-2)</b>	-	-	6.93	146.70	1,215.94	1209.51
Less: Provision For Taxation						
Current	-	-	2.53	37.28	352.06	394.71
Deferred Tax Liability	-	-	-	-	57.22	12.41
FBT	-	-	-	1.32	5.84	3.37
<b>Profit/(Loss) After taxation</b>	-	-	<b>4.39</b>	<b>108.10</b>	<b>800.82</b>	<b>799.02</b>
<b>Balance of Profit carried to Balance Sheet</b>	-	-	<b>4.39</b>	<b>108.10</b>	<b>800.82</b>	<b>799.02</b>

For Gupta Saharia & Co.  
Chartered Accountants

For and on behalf of Board of Directors of  
J.Kumar Infraprojects Limited

Pawan Gupta  
Partner  
Membership No. 71471  
Place: Mumbai  
Date: December 14, 2007

Chairman & Managing Director

Director

**ANNEXURE- III**  
**J. KUMAR INFRAPROJECTS LIMITED**  
**STATEMENT OF RESTATED CASH FLOW**

(Rs. In Lacs)

Particulars	31.03.03	31.03.04	31.03.05	31.03.06	31.03.07	30.09.07
<b>CASH FLOW FROM OPERATING</b>						
<b>ACTIVITIES</b>						
Net Operating Profit before Taxation & Extraordinary Item	-	-	6.93	146.70	1,215.94	1209.51
Adjustment for:						
Depreciation	-	-	-	47.66	300.15	287.41
Interest & Rent Received	-	-	-	(1.94)	(55.21)	(20.90)
Preliminary Expenses	(0.03)	(0.03)	-	(6.29)	(7.15)	(55.20)
Interest & Finance Charges paid	-	-	-	39.77	228.97	261.27
<b>Operating Profit before working capital</b>						
<b>Changes</b>	(0.03)	(0.03)	6.93	225.90	1,682.70	1682.09
Adjustment for changes in Working Capital:						
Inventories	-	-	-	(32.80)	(295.95)	135.05
Debtors	-	-	-	(73.16)	(54.75)	(1582.47)
Loans and Advances	-	-	-	-	(89.01)	(694.65)
Other Current Assets & Loans and Advances	-	-	(32.65)	(1064.01)	(92.61)	(129.44)
Current Liabilities & Provision	0.03	0.03	30.24	427.58	625.91	753.83
<b>Increase/(Decrease) in Working Capital</b>	-	-	(2.41)	(742.39)	<b>93.59</b>	<b>(1517.68)</b>
Cash generated from operation	-	-	4.52	(516.49)	1,776.29	164.42
Less: Income Tax	-	-	-	-	-	-
<b>Net Cash from Operating Activities (A)</b>	-	-	4.52	(516.49)	1,776.29	164.42
<b>CASH FLOW FROM INVESTING</b>						
<b>ACTIVITIES</b>						
Purchased of Fixed Assets	-	-	-	(1,288.14)	(2,565.77)	(1761.04)
Interest & Rent Received	-	-	-	1.94	55.21	20.90
<b>Net Cash from Investing Activities (B)</b>	-	-	-	(1,286.20)	(2,510.56)	(1740.14)
<b>CASH FLOW FROM FINANCING</b>						
<b>ACTIVITIES</b>						
Proceeds from Long Term Borrowing	1.00	-	-	1,161.04	1,493.47	660.02
Repayment of Unsecured Loan	-	-	-	-	-	(10.00)
Proceeds from Issue of Equity Share	(0.10)	-	-	0.00	1,248.54	172.90
Proceeds from Share Premium	-	-	-	-	-	1210.30
Increase/(Decrease) from Share Application	-	-	2.50	1,246.04	(1,248.54)	-
Interest & Finance charges paid	-	-	-	(39.77)	(228.97)	(261.27)
<b>Net Cash from Financing Activities (C)</b>	0.90	-	2.50	2,367.31	1,264.51	1771.94
<b>Net Increase/( Decrease) in Cash &amp; Cash Equivalent (A+B+C)</b>	<b>0.90</b>	<b>-</b>	<b>7.02</b>	<b>564.62</b>	<b>530.24</b>	<b>196.22</b>
Cash & Cash Equivalent at the beginning of the year	<b>0.00</b>	<b>0.91</b>	<b>0.91</b>	<b>7.92</b>	<b>572.53</b>	<b>1102.77</b>
Cash & Cash Equivalent at the end of year	<b>0.91</b>	<b>0.91</b>	<b>7.92</b>	<b>572.54</b>	<b>1,102.77</b>	<b>1298.99</b>

Note: - All figures have been rounded off to the nearest decimal

**Pawan Gupta**  
**Partner**  
**Membership No. 71471**  
**Place: Mumbai**  
**Date: December 14, 2007**

**Chairman & Managing Director**

**Director**

**ANNEXURE- IV**  
**ACCOUNTING POLICIES AND BASIS OF PREPARATION**

**1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

**(A) Significant Accounting Policies:**

**1. Accounting Concepts:**

- a) The Financial Statements are prepared under the historical cost convention on an accrual basis and in accordance with the applicable mandatory Accounting Standards issued by the Institute Of Chartered Accountants of India (ICAI) and relevant provision of Companies Act, 1956.
- b) Accounting policies have been consistently applied by the company and except for the changes in accounting policies referred below, are consistent with those used in the previous year.

**2. Revenue Recognition:**

Income from construction contracts is recognized on the basis of work certified in accordance with the percentage completion method. All other income and expenditure are recognized and accounted for on an accrual basis. Losses on contracts are fully accounted for as and when incurred.

**3 Fixed Assets:**

- a) Fixed Assets are valued at cost (including other expenses related to acquisitions and installation) less accumulated depreciation/ amortization.
- b) The cost of an asset comprises of purchase price and any directly attributable cost of bringing the assets to its present condition for intended use.

**4. Depreciation:**

- a) Depreciation on Fixed Assets is being provided on Written Down value Method as specified in Schedule XIV to the Companies Act, 1956.
- b) Depreciation in respect of additions to fixed assets is provided on prorata basis from the year in which such assets are acquired/ put to use.
- c) The method of charging the depreciation has been changed from wdv as per Income Tax Act, 1961 to wdv as per The Companies Act; 1956. The impact of change of method has resulted in to increase in profit by Rs. 35,94,929 in the restated accounts of Financial Year 2005 - 2006

**5. Valuation of Inventories:**

- a) Inventories are valued at the lower of cost or net realizable value except waste/scrap which is valued at net realizable value. The cost is computed on Weighted average/FIFO basis.
- b) Work in progress on construction contracts reflect the value of material inputs and expenses including appropriate overheads incurred on such contracts, at cost.

**6. Provision for Current and Deferred Tax:**

- a) Provision for Current Tax is made on the basis of estimated taxable income for the current accounting period and in accordance with the provisions as per Income Tax Act, 1961.

- b) Deferred Tax resulting from timing difference between book and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date.

**7. Borrowing Cost:**

All borrowing cost is charged to revenue.

**8. Accounting for Joint Venture Contracts:**

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

As per AS-27 “In respect of its interest in jointly controlled operations, a Venturer should recognize in its separate financial statements and consequently in its consolidated financial statements:

- (a) the assets that it controls and the liabilities that it incurs; and
- (b) the expenses that it incurs and its share of the income that it earns from the joint venture.”

As on 30.09.2007 the Company does not have any Investment in joint venture. The company does not control any assets or liabilities on behalf of joint venture and does not incur any expense on behalf of joint venture; hence they have not been shown separately. However the income that it earns from joint venture is shown separately under the head Income from Operations as a profit from joint venture. All receivables due from Joint Venture is included as part of Sundry Debtors.

**9. Foreign Exchange Transaction:**

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

**10. Earning Per Share:**

Basic EPS is computed using the weighted average number of equity share outstanding during the year. Diluted EPS is computed using the weighted average number of equity and diluted equity equivalent shares outstanding during the year except where the result would be anti- dilutive.

**11. Provision, Contingent Liabilities Contingent Asset:**

Provision involving substantial degree of estimation in measurement is recognize when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognize but are disclosed in the notes. Contingent asset are neither recognized nor disclosed in the financial statements. Outstanding Bank Guarantee as on 30<sup>th</sup> September, 2007 is Rs.1659.76 Lacs.

**12. Retirement Benefits to Employees:**

The Company is not making any provision in the books of account for Gratuity, Leave Encashment and Superannuation however Provident Fund contributions are made to the Government administered provident fund. The Company has no further obligations in respect of provident fund beyond the contribution charged in the financial statements.

- 13.** There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding more than 45 days at the Balance Sheet date. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

**14. Change in Constitution of the company and Further Issue of Shares:**

Effective from 31<sup>st</sup> January 2007, the company has been converted from “Private Company” into “Public company” pursuant to Section 44 of the Companies Act, 1956. A fresh Certificate of Incorporation has been issued by the Registrar of Companies, Maharashtra, Mumbai on 31<sup>st</sup> January 2007. Accordingly, the name of the company stands as **J. Kumar Infraprojects Limited** effective from the said date. During the period company has allotted 17,29,000 shares at a premium of Rs.70 to various parties as per the return of allotment filed with ROC on 18<sup>th</sup> August , 2007.



## ANNEXURE- V

### NOTES ON ADJUSTMENTS FOR RESTATED FINANCIAL STATEMENTS:

#### Adjustments on account of change in accounting policies :

The method of charging the depreciation has been changed from wdv as per Income Tax Act, 1961 to wdv as per The Companies Act, 1956. The impact of change of method has resulted in to increase in profit by Rs. 35,94,929 in the restated accounts of Financial Year 2005 - 2006

#### A. Deferred Taxation

Accounting Standards 22, ('AS -22') 'Accounting for Tax On Income' issued by the ICAI was applied by the company in preparing the accounts for the year ended March 31, 2005 and subsequent years. For the purpose of these statements, AS-22 has been applied for the year ended March 31, 2005 onwards. Accordingly deferred tax asset / liabilities have been computed.

#### The Break up of Deferred Tax Asset / Liabilities is as under:

(Rs. In Lacs)						
Particulars	31.03.2003	31.03.2004	31.03.2005	31.03.2006	31.03.2007	30.09.2007
Deferred Tax Liabilities Difference between Book And Tax Depreciation	-	-	-	12.10	57.22	12.41

#### B. Income form Joint Venture:

Accounting Standards 27, ('AS-27') 'Financial reporting of interest in joint venture' Issued by the ICAI was applied by the company in preparing the accounts for the six months ended September 30 ,2007. Accordingly, the share of profit or loss of the company accrued from the joint Venture was recognised to the respective year.

#### Financial reporting of interest in joint venture:

Sr no.	Joint Venture name	Proportion of Our interest in JV
1	Ameya J. Kumar Constructions	50%
2	J.Kumar & Chirag Construction J.V.	55%

#### 2. Earning Per Share

(Rs. In Lacs)						
As at	31.03.2003	31.03.2004	31.03.2005	31.03.2006	31.03.2007	30.09.07
Net Profit attributable to Equity Shareholders as restated	-	-	4.39	108.10	800.82	799.02
Weighted average number of Equity Shares outstanding during the year	10000	10000	10,000	10,000	75,67,281	1,27,03,847
Actual no. of Shares outstanding at the end of the year	10000	10000	10,000	10,000	12,495,420	1,42,24,420
Nominal value of equity share	Rs.10	Rs.10	Rs.10	Rs.10	Rs.10	Rs.10
Basic & Diluted Earning per share (Rs.)	-	-	43.91	1081.03	10.58	12.58*

\* Annualised

**ANNEXURE - VI****STATEMENT OF RATE OF DIVIDEND FOR THE LAST FIVE YEARS:**

(Rs. In Lacs)						
Particulars	31.03.2003	31.03.2004	31.03.2005	31.03.2006	31.03.2007	30.09.07
Dividend	Nil	Nil	Nil	Nil	Nil	Nil

**ANNEXURE - VII****STATEMENT OF ACCOUNTING RATIO**

(Rs. In Lacs)						
Particulars	31.03.2003	31.03.2004	31.03.2005	31.03.2006	31.03.2007	30.09.07
Basic & Diluted EPS (Rs.)	-	-	43.91	1081.03	10.58	12.58*
Return on net Worth (%)	-	-	84.10	101.00	37.47	18.74
Net Asset value per Share (Rs.)	-	-	52.20	1070.30	17.07	29.98
Weighted average number of equity shares outstanding during the year used for computing Basic and Diluted Eps	10,000	10,000	10,000	10,000	7,567,281	1,27,03,847
Total Number of shares outstanding at the end of year	10,000	10,000	10,000	10,000	12,495,420	1,42,24,420

EPS has been computed in accordance with AS – 20

\*Annualised

**Notes:**

- Earnings per Share (Rs.) =  $\frac{\text{Net Profit after tax, as restated, attributable to equity shareholders}}{\text{Weighted Average number of equity shares outstanding during the year}}$
- Return on Net Worth (%) =  $\frac{\text{Net Profit after tax, as restated, attributable to equity shareholders}}{\text{Net Worth as restated, at the end of the period}}$
- Net Asset Value per Equity Share (Rs.) =  $\frac{\text{Net Worth as restated, at the end of the period}}{\text{Number of equity shares outstanding, at the end of the period}}$

**Annexure VIII****STATEMENTS OF OTHER INCOME**

(Rs. In Lacs)						
Particulars	31.03.2003	31.03.2004	31.03.2005	31.03.2006	31.03.2007	30.09.2007
Discount Received	-	-	-	2.92	7.29	0.57
Interest Received	-	-	-	1.94	13.93	-
Rent Received	-	-	-	-	41.28	20.90
Lease & License	-	-	-	0.20	5.00	12.00
Miscellaneous	-	-	-	2.04	2.89	7.83
<b>Total</b>	-	-	-	<b>7.09</b>	<b>70.39</b>	<b>41.30</b>

**Annexure IX**  
**STATEMENTS OF UNSECURED LOANS**

(Rs. In Lacs)						
Particulars	31.03.2003	31.03.2004	31.03.2005	31.03.2006	31.03.2007	30.09.2007
Dalmia Sarees Private Limited	-	-	-	10.00	10.00	-
<b>Total</b>	-	-	-	10.00	10.00	-

**Annexure X**  
**STATEMENTS SHOWING AGE- WISE ANALYSIS OF SUNDRY DEBTORS**

(Rs. In Lacs)						
Particulars	31.03.2003	31.03.2004	31.03.2005	31.03.2006	31.03.2007	30.09.2007
Debts Outstanding	-	-	-	-	-	-
For a period exceeding Six month:						
a) Considered good					10.97	11.47
b) Considered doubtful						
Other Debts:	-	-	-			
Considered good				73.16	100.73	1681.75
Due from Joint Venture	-	-	-	-	16.20	17.14

**Annexure XI**  
**STATEMENTS OF SECURED LOANS**

(Rs. In Lacs)						
Particulars	31.03.2003	31.03.2004	31.03.2005	31.03.2006	31.03.2007	30.09.2007
Working Capital Limits	-	-	-	-	(391.45)	314.71
Overdraft against FDR	-	-	-	-	(126.53)	(59.08)
Term Loan	-	-	-	1151.04	3162.49	3048.90
<b>Total</b>	-	-	-	1151.04	2644.51	3304.53

**i. Working Capital Limits**

Particulars	Working Capital Facility
Cash Credit	Rs. 500 Lacs
BG Limit	Rs.3000 Lacs
Primary Security	Hypothecation of Stock consisting of Construction Materials lying at various sites as well as against the Book Debt and Pledge of TDR
Collateral Security	(1)Equitable Mortgage of Residential flat no.701 & 702, Ritu Apartment, Plot no.42, JVPD scheme , Vile Parle (w) . (2)E.M. of open plot at Thane. (3)E.M. of unit no.16,Andheri Industrial Premises C.H.S ltd. in Amboli,Andheri (w) to the extent of Rs. 25 Lacs. (4)Hypothecation of unencumbered plant & machinery amounting to Rs.43 Lacs as per list given by the company.
Guarantor	Personal guarantees of Directors Mr.Jagdishkumar M.Gupta, Mr.Kamal J Gupta, Mr.Nalin J Gupta and Mrs. Kusum J. Gupta & J.Kumar & Co.
Outstanding as on 30.09.2007	Rs. 3,14,70,718

**ii) Overdraft against FDR:**

The Company has taken Overdraft Facility against Fixed Deposit Receipts from Bank Of India and the outstanding balance as at 30th September, 2007 was Rs. (59.08) Lacs

**iii) Term Loan:**

The Company has taken Term Loan for the Purchase of Plant & Machinery from Several financial institutions. The Outstanding balance as at 30<sup>th</sup> September, 2007 is Rs. 3048.90 lacs. The Company has also taken a loan from UTI Bank against mortgage of Immovable Properties.

The followings are the Terms of Secured Loan taken by us as on April 1, 2007:-

Sr.No.	Name of the Bank	Outstanding Balance as on 30.09.2007 (Rs.)	Loan Taken during 2007-08	Payment to be made in 2007-08	Payment to be made in 2008-09	Rate of Interest p.a	Nos.of Installments	Last Installment Date
1	ABN Amro Bank A/c Const. Eq (Mait-HR-180 Piling Rig)	13065195.00	-	6122556	6122556	5.75	47	2-Sep-09
2	ABN Amro Bank(MAIT-HR-1801621015) No.3	15875154.00	-	5864172	5864172	7.33	47	2-May-10
3	Citi Bank (4 Chasis)	252319.84	-	173820	173820	7.40	35	6-Feb-09
4	Citi Bank (4 Dumper)	2434801.08	-	1677228	1677228	7.40	35	27-Jan-09
5	Citi Bank (Ex 110)	1377001.61	-	903000	903000	7.10	35	23-Mar-09
6	Citi Bank Greave Mixer (MH-04-CP-8280)	462048.80	-	272004	272004	6.50	35	27-Apr-09
7	Citi Bank Transit Mixer MH-04-CP-8280)	657064.65	-	381996	381996	8.50	35	24-Apr-09
8	Citicorp Finance (MH-04-CP-6727)	285054.85	-	174336	174336	8.50	35	26-Mar-09
9	Citi Corp. Fin. (I) Ltd. Dumper MH-04 (9469/9470 )	1033834.02	-	948000	948000	6.25	35	22-Sep-08
10	Citi Corp. Fin. (I) Ltd. (Hydra Crane MH-04-B-9930)	410071.50	-	348000	348000	6.25	35	18-Oct-08
11	HDFC Bank Ltd. C.E.Fin. (Atlas Air Compressor)	404915.97	-	196164	196164	9.38	35	15-Aug-09
12	HDFC Bank Ltd. Ex-210V-0898	2907727.21	-	1417404	1417404	8.25	35	1-Aug-09
13	HDFC Bank Ltd. (JCB 3DX Loader)	1557673.00	1638000	546000	546000	9.50	35	15-Jun-10
14	ICICI Bank Ltd. (MH-04-CP-2791 & 2800)	1616312.16	-	1284000	1284000	3.64	35	5-Jan-09
15	ICICI Bank Ltd. (MH-04-CP-3542/3543)	1840484.60	-	1284000	1284000	6.50	35	1-May-09
16	ICICI Bank Ltd. (Rock Braker)	784290.20	-	351768	351768	5.44	35	22-Nov-09
17	ICICI Bank Ltd. (Volvo Hydraulic Exavator)	2946499.40	-	1328916	1328916	5.44	35	22-Nov-09
18	ICICI Bank Ltd. (Water Tanker (MH-04-CU-8048)	611529.22	-	274284	274284	5.44	35	22-Nov-09
19	Srei Infra. Fin. Ashok Ley. MH-04-CU-6059,62 & 63	2299834.00	-	1149480	1149480	9.25	35	22-Oct-09
20	Srei Infra Fin. (Hydra Crane) MH-04-CU-9286	1313173.00	-	635652	635652	9.25	35	8-Nov-09
21	Srei Infra. Fin. Ltd. (2 No. Mixer & Chassis)	3246488.00	-	1148880	1148880	9.10	47	22-Sep-10
22	Srei Infra Fin. Ltd. (4 Hywa Yvt.)	4396368.00	-	2230056	2230056	9.25	35	8-Nov-09
23	Srei Infra Fin. Ltd. (ACE Hydra Crane MH-04-B-5236)	777674.00	-	375132	375132	9.24	35	8-Nov-09

Sr.No.	Name of the Bank	Outstanding Balance as on 30.09.2007 (Rs.)	Loan Taken during 2007-08	Payment to be made in 2007-08	Payment to be made in 2008-09	Rate of Interest p.a	Nos.of Installments	Last Installment Date
24	Srei Infra. Fin. Ltd. Ex-210 (I) V-1000	3144647.00	-	1491996	1491996	8.69	35	22-Oct-09
25	Srei Infra. Fin. Ltd. EX-210-V-1007	3282953.00	-	1491996	1491996	8.69	35	1-Nov-09
26	Srei Infra. Fin. Ltd. EX-210 V - 1049	3144557.00	-	1491996	1491996	8.69	35	22-Oct-09
27	Srei Infra. Fin. Ltd. (Ex-70)	1658249.00	-	791664	791664	13.37	35	1-Dec-09
28	Srei Infra. Fin. Ltd. (HR-130 Rig No. II)	15959721.00	-	4940424	4940424	12.15	47	8-Dec-10
29	Srei Infra. Fin. Ltd. (HR-130 Rig No. III)	15931714.00	-	4858080	4858080	10.16	47	22-Dec-10
30	Srei Infra Fin. Ltd. (Hyd. Rock Braker)	787916.00	-	380004	380004	9.25	35	8-Nov-09
31	Srei Infra. Fin. Ltd. JCB - 3DX (MH-04-B-5232)	1402490.00	-	631668	631668	8.88	35	22-Oct-09
32	Srei Infra. Fin. Ltd. JCB - 4DX (MH-04-B-5214)	1297020.00	-	658332	658332	9.25	35	22-Oct-09
33	Srei Infra. Fin. Ltd. Mait-HR-180 (No. 8)	20920534.00	-	6883584	6883584	9.25	47	22-Sep-10
34	Srei Infra. Fin Ltd.(Mait Rig-HR-180 Sr.1801470307)	11254985.00	-	5429472	5429472	5.96	47	15-Sep-09
35	Srei Infra. Fin. Ltd. (Maxmech Batching)	2150996.00	-	967788	967788	10.26	35	22-Jan-10
36	Srei Infra. Fin. Ltd. (MH-04-DD-2485)	913991.00	-	325248	325248	9.25	47	15-Sep-10
37	Srei Infra Fin. Ltd. (Putzmozer Pump)	7547872.00	-	2667840	2667840	9.26	47	22-Sep-10
38	Srei Infra. Fin. Ltd. (Soil Mec. Piling Rig No. 7)	14788500.00	-	5331060	5331060	13.26	47	15-Aug-10
39	Srei Infra. Fin. Ltd. Tanker (MH-04-CU-5278)	609692.00	-	224184	224184	9.25	47	15-Sep-10
40	Srei Infra. Fin. Ltd. ( Tata Hywa No. 8)	9522204.00	-	3416268	3416268	9.25	47	15-Sep-10
41	Srei Infra. Fin. Ltd. (Vibratory Soil No. 1)	1394055.00	-	497892	497892	8.37	47	15-Sep-10
42	Srei Infra. Fin. Ltd. (Vibratory Soil No. 2)	1436867.00	-	650028	650028	7.73	35	22-Oct-09
43	Srei Infra (Mait HR. 130 Sr. No. 1302991032) (I)	16436510.00	-	5749800	5749800	7.95	48	8-Jun-10
44	Srei Infrastructure Finance Ltd.(Rig No. 6)	18419795.00	-	6496632	6496632	11.21	47	1-Aug-10
45	Standard Chartered Bank (Mait HR-180 No. 11)	28360330.00	32353200	8088300	8088300	10.45	22	28-Jun-09
46	Standard Chartered Bank (Mait HR-180 No. 5)	17795568.00	-	6942504	6942504	8.53	47	7-Aug-10
47	Sundara, Finance Ltd. (Bolero Camper MH-04-CP-6025)	211094.00	-	132000	132000	9.75	36	10-Mar-09
48	Sundaram Finance Ltd. (Bolero MH-04-Cp-3293)	187937.00	-	132000	132000	9.35	36	3-Jan-09
49	Sundaram Fin. Ltd.(Bolero Camper MH-04-CU-742)	265443.00	-	132000	132000	10.38	36	17-Mar-09
50	UTI Bank Ltd.(A/c No. 245010600159821)	45508713.00	-	5000004	5000004	9.50	120	5-Nov-15
	<b>Total</b>	<b>304889867</b>	<b>33991200</b>	<b>104889612</b>	<b>104889612</b>			

**Annexure XII**  
**STATEMENTS OF INVESTMENTS**

(Rs. In Lacs)						
Particulars	31.03.2003	31.03.2004	31.03.2005	31.03.2006	31.03.2007	30.09.2007
	NIL	NIL	NIL	NIL	NIL	NIL

**Annexure XIII**  
**DETAILS OF LOANS AND ADVANCES**

(Rs. In Lacs)						
Particulars	31.03.2003	31.03.2004	31.03.2005	31.03.2006	31.03.2007	30.09.2007
Advances	-	-	-	996.65	364.78	800.82
Deposits	-	-	32.65	97.92	593.68	870.22
Advance tax	-	-	-	1.32	226.44	208.52
<b>Total</b>	-	-	32.65	1095.89	1184.90	1879.56

**Loans And Advances - Related Party Transactions**

(Rs. In Lacs)						
Particulars	31.03.2003	31.03.2004	31.03.2005	31.03.2006	31.03.2007	30.09.2007
Govind Dabriwal	-	-	-	24.75	65.17	24.92
J.Kumar & Co.	-	-	-	855.65	-	-
<b>Total</b>	-	-	-	880.40	65.17	24.92

Included in Loans & Advances are

*J.Kumar & Company - NIL*

(Maximum outstanding during the year Rs.. 4,47,15,628/- (Previous year Rs. 9,50,65,173/-))

*Govind Dabriwal- Rs.24,91,806*

(Maximum outstanding during the year Rs. 24,91,806 /-(Previous year Rs.65,16,806/-))

He has resigned as a director with effect from January 10, 2007.

Details of Advances		
Sr.no.	Name of the Parties	Amounts
1	Advani Builders Pvt. Ltd.	13100000
2	Agarwal Stone Udyog	2961367
3	Ameya Developers Pvt. Ltd.	215000
4	Ameyas Buildcons Pvt. Ltd.	2395000
5	Chirag Construction Co. (Loan)	5000000
6	Eastman Infrastructure	5220000
7	Govind S. Dabriwal	2491806
8	Indian Infrastructure Equipment Ltd.	100000
9	Inter State Carrier of India	7500000
10	Lonavala Construction Pvt. Ltd.	335704
11	M. S. Engineers	200000
12	New Infra-Tech Industries	50000
13	Omkar Realtors & Developers Pvt. Ltd.	9654167
14	Pradeep Goyal (Loan)	150000
15	Pradeep P. Goyal	160000

16	Prashant Joshi (Loan)	1264479
17	Prime Yatayat Pvt. Ltd.	7500000
18	Rajesh P. Goyal (Loan)	300000
19	Rashtriya Cargo Movers	7500000
20	Salary Advance	4870
21	S.A. TAX (2005-2006)	2232949
22	Sheetal S. Agarwal	85000
23	Shweta S. Agarwal	85000
24	Spun Concrete Pipes Pvt. Ltd.	76500
25	Tirupati Corporation	4000000
26	Uniglory Logistics Pvt. Ltd.	7500000
	<b>Grand Total</b>	<b>80081842</b>

Details of Deposits		
Sr.no.	Name of the Parties	Amounts
1	Annasaheb Shivnath Shinde (Flat Deposit)	15000
2	Ashok Parmar (Flat Deposit Barfiwala)	50000
3	Autopet (Deposit)	50000
4	Brih. Maha. Palika (Tree Deposit)	168000
5	Deepak Yewale Dindoshi (Flat Deposit)	30000
6	Earnest Money Deposit (EMD)	4829069
7	Electricity Deposit (Package 8)	12400
8	Electricity Security Deposit (Bandra Kurla Complex)	60400
9	Electricity Security Deposit(Dahisar Site)	22900
10	Electricity Security Deposit (Dahissar)	22900
11	Ganesh Service Station (Deposit)	50000
12	Ghose Sab Dahisar (Flat Deposit )	60000
13	Hind Automobiles Parel (Deposit)	50000
14	Income Tax (AD&JKJV)	1917529
15	Jadhav Vijay Gangaram (Flat Deposit)	75000
16	K. P. Morya (Flat Deposit)	15000
17	Liladevi Zhawar Dindoshi (Flat Deposit)	35000
18	Madhukar Sairoba Desai (Flat Deposit)	10000
19	Manmohan Chonkar (Flat Deposit)	40000
20	Mobilization Advance Bhiwandi	27246
21	M.S.E.D. Co. Ltd. Pimpri (Security Deposit)	100000
22	M. V. Choudhari (Flat Deposit)	10000
23	Nirmala Maruti Mhaske (Flat Deposit)	15000
24	Pranjal Industrial Gases (Deposit)	10000
25	Prestige Associate PCMC Eng. (Flat Deposit)	25000
26	Rahini K. Shah(Flat Deposit)	6000
27	Rajaram Chandru Mhatre(Deposit)	35000
28	Raj Auto Services (Deposit)	50000
29	Rajdev Devnath Singh (Flat Deposit)	25000
30	Rajendra Bahadur Yadav (Flat Deposit)	30000
31	Rajkumar Sharma (Flat Deposit)	30000
32	R Form Deposit	693000

33	Sanjay Salvi (Flat Deposit)	50000
34	Satish Haribhau Gavhale (Flat Deposit)	25000
35	Satyavan Ramchandra Bait (Flat Deposit)	42000
36	Security Deposit	38213185
37	Security Deposit (ADJKJV)	9924121
38	Security Deposit (Bandongri)	13900
39	Security Deposit Bandra Kurla Complex Plot	68650
40	Security Deposit (Barfiwala Andheri)	30400
41	Security Deposit (Bitcon)	761
42	Security Deposit (Electricity Charges) Aarey Colony	187900
43	Security Deposit (ITT Bhatti Goregaon East)	13900
44	Security Deposit (Main Gate Thakur Complex)	13900
45	Security Deposit MIDC PCMC(Water Con.)	57544
46	Security Deposit (Unique Agencies)	12000
47	Shakar D. Yesane (Flat Deposit)	20000
48	Subhadra R. Ganak (Flat Deposit)	25000
49	Taximen's Service Ltd. (Deposit)	50000
50	TDS on Contract	21814153
51	Tds on FDR	269698
52	Tds on Hire	4120116
53	Tds on Interest	140090
54	Tds on Mobilisation Adv.	278817
55	Tds on Piling Work	2606893
56	TDS on Rent	395605
57	Tds on Service & Facility	15921
58	Tree Cutting Deposit	41000
59	Vijaya A. Jadhav (Flat Deposit PCMC)	22000
	<b>Grand Total</b>	<b>87021998</b>

#### Annexure XIV

##### Details of Contingent Liabilities, Guarantees and capital Commitment:

(Rs. In Lacs)						
Particulars	31.03.2003	31.03.2004	31.03.2005	31.03.2006	31.03.2007	30.09.2007
Bank Guarantee	-	-	-	-	2357	1659.76



**Annexure XV**  
**CAPITALISATION STATEMENTS**

(Rs. In Lacs)		
Particulars	Pre Issue as at	Post Issue
<b>Borrowings :</b>	<b>30.09.2007</b>	<b>[•]</b>
Short Term Debts	255.63	[•]
Long Term Debts	3048.89	[•]
Toat Debts	3304.52	[•]
Shareholders Funds:		
Share Capital	1422.44	[•]
Reserves ( Excluding Revaluations Reserve)	2910.53	[•]
Total Shareholders Funds	4332.97	[•]
Total Capitalization	7637.49	[•]
Long Term Debt / Equity Ratio	0.70	[•]
Total Debt / Equity Ratio	0.76	[•]

**Annexure - XVI**

**RELATED PARTY TRANSACTIONS**

**Disclosure of Related Parties & Related Party Transactions**

Proprietary Concern	Joint Venture	Key Managerial Personnel	Relative of Key Managerial Personnel	Group Company
J.Kumar & Co.	Ameya Developers & J. Kumar	Jagdishkumar M. Gupta	Kusum J Gupta	J Kumar Software System (India) Private Limited
		Kamal J Gupta	Sonal K Gupta	
		Nalin J Gupta	Shalini N Gupta	
		Poornima Reddy	Govind Dabriwal	
		S.M.Thorat		
		Atindranth Ghosh		
		Mohammad Fahim		
		P. K. Prabhakaran		
		Nalin M. Gupta		
		Shirish A Kulkarni		
		Hiralal Poddar		

**Year Ended 2002 – 2003**

(Rs. In Lacs)					
Particulars	Proprietary Concern	Joint Venture	Key Managerial Personnel	Relative of Key Managerial Personnel	Associate Company
NIL	NIL	NIL	NIL	NIL	NIL

**Year Ended 2003 – 2004**

(Rs. In Lacs)					
Particulars	Proprietary Concern	Joint Venture	Key Managerial Personnel	Relative of Key Managerial Personnel	Associate Company
NIL	NIL	NIL	NIL	NIL	NIL

**Year Ended 2004 – 2005**
**(Rs. In Lacs)**

<b>Particulars</b>	<b>Proprietary Concern</b>	<b>Joint Venture</b>	<b>Key Managerial Personnel</b>	<b>Relative of Key Managerial Personnel</b>	<b>Associate Company</b>
Purchase of Goods	204.75	-	-	-	-
Transport Charges Paid	14.2	-	-	-	-
Expenses	44.56	-	-	-	-
Loan given	(296.17)	-	-	-	-
Loan taken	60.32	-	-	-	-

**Year Ended 2005 – 2006**
**(Rs. In Lacs)**

<b>Particulars</b>	<b>Proprietary Concern</b>	<b>Joint Venture</b>	<b>Key Managerial Personnel</b>	<b>Relative of Key Managerial Personnel</b>	<b>Associate Company</b>
Sales	8.28	-	-	-	-
Profit from J.V.	-	2.04	-	-	-
Rent paid	5.11	-	-	-	-
Transfer of Fixes assets	383.2	-	-	-	-
Deposite Received	-	111.26	-	-	-
Loans liability	-	19.46	-	-	-
Loan given	2,411.69	-	-	-	-
Loan taken	(1,528.39)	-	-	-	-
Account Receivable	-	-	-	24.75	-
Membership fees paid	-	-	0.02	-	-
Remeneration Paid	-	-	9.08	-	-
Consultancy Charges	-	-	0.12	-	-
Sub contract received	153.91	-	-	-	-

**Year Ended 2006 – 2007**
**(Rs. In Lacs)**

<b>Particulars</b>	<b>Proprietary Concern</b>	<b>Joint Venture</b>	<b>Key Managerial Personnel</b>	<b>Relative of Key Managerial Personnel</b>	<b>Associate Company</b>
Consultancy Charges	-	-	1.44	-	-
Remeneration Paid	-	-	10.2	-	-
Foreign Travelling Expenses	-	-	2.45	0.24	-
Membership fees paid	-	-	0.13	-	-
Rent paid	24	-	0.37	1.2	-
Travelling Expenses	-	-	5.04	0.98	-
Conveyance Expenses	-	-	1.2	-	-
Loan given	4,277.33	-	-	-	-
Loan taken	(3,421.68)	-	-	-	-
Account Receivable	-	-	-	65.17	4.54
Account Receivable Paid	-	-	-	-	(4.54)

For the year ended 30.09.2007

(Rs. In Lacs)					
Particulars	Proprietary Concern	Joint Venture	Key Managerial Personnel	Relative of Key Managerial Personnel	Associate Company
Consultancy Charges	-	-	-	-	-
Remuneration Paid	-	-	15.15	-	-
Foreign Travelling Expenses	-	-	-	-	-
Membership fees paid	-	-	-	-	-
Rent paid	-	-	0.6	-	-
Travelling Expenses	-	-	2.16	-	-
Conveyance Expenses	-	-	-	-	-
Loan given	-	-	-	-	-
Loan taken	-	-	-	-	138.25
Account Receivable	447.16	-	-	24.92	-
Account Receivable Paid	(447.16)	-	-	-	-

## Annexure XVII

### Segment information:

#### (a) Primary Segment

The business Segment has been considered as the primary segment. The company is engaged in only one reportable segment viz. Construction.

#### (b) Secondary Segment

The company's business activities falls within a single primary business segment viz. construction and related activities , and it operates in a single geographical segment i.e. India.

As per AS-17 "A geographical segment is a distinguishable component of an enterprises that is engaged in providing products or services within a particular economic environment and that is subject to risk and returns that are different from those of components operating in other economic environments."

Since there is only one segment in which company is operating, in the same environment and risk and return are similar in whole of the region therefore segment reporting as per AS-17 is not applicable to the company

## Annexure XVIII

### STATEMENTS OF TAX SHELTER

(Rs. In Lacs)						
Particulars	31.03.2003	31.03.2004	31.03.2005	31.03.2006	31.03.2007	30.09.2007
Net Profit /(Loss) before Tax	-	-	-	146.70	1215.93	1209.51
Tax rate - Normal	-	-	-	33.66%	33.66%	33.66%
Tax at Normal Tax Rates (A)	-	-	-	49.38	409.28	394.71
Adjustments:						
Permanent Difference (B)	-	-	-	-	-	-
Temporary Difference ( C )						
Depreciation as per Books	-	-	-	47.66	300.15	287.41
Depreciation as per Income Tax	-	-	-	(83.61)	(470.16)	324.27
Expenses disallowed u/s 43B	-	-	-	-	-	-
Total Timing Difference	-	-	-	(35.95)	(170.00)	(36.86)
Net Adjustment D=(B)+( C )	-	-	-	(35.95)	(170.00)	(36.86)
Tax Saving thereon (E)	-	-	-	(12.10)	(57.22)	(12.41)
Tax on Taxable Income F=(A)-(E)	-	-	-	37.28	352.06	382.30

**For Gupta Saharia & Co.  
Chartered Accountants**

**For and on behalf of Board of Directors of  
J.Kumar Infraprojects Limited**

**Pawan Gupta  
Partner  
Membership No. 71471  
Place: Mumbai  
Date: December 14, 2007**

**Chairman & Managing Director**

**Director**

## OUR PROMOTER GROUP ENTITIES

### 1. J KUMAR SOFTWARE SYSTEM (INDIA) PRIVATE LIMITED

J Kumar Software System (India) Private Limited was incorporated under the Companies Act, 1956 on March 01, 2007, having its Registered Office at 16-A, Andheri Industrial Estate, Veera Desai Road, Andheri (West), Mumbai – 400 058.

Presently J Kumar Software System (India) Private Limited does not have any activity. However, the Main Objects of J Kumar Software System (India) Private Limited allows it to conduct the following business:

To carry on business of dealing in software of all kinds, and to acquire, buy, purchase, lease develop, renovate, improve, maintain, exchange, or otherwise own software park.

J Kumar Software System (India) Private Limited holds 15.47% of the pre-Issue paid up share capital and 10.62% of the post issue paid up share capital

#### Board of Directors:

Name of the Director	Designation
Mr. Jagdishkumar M. Gupta	Director
Mr. Kamal J. Gupta	Director
Mr. Nalin J. Gupta	Director

#### Shareholding pattern

Name of the Shareholder	No. of shares held	% holding
Mr. Jagdishkumar M. Gupta	4,000	40%
Mr. Kamal J. Gupta	3,000	30%
Mr. Nalin J. Gupta	3,000	30%
<b>Total</b>	<b>10,000</b>	<b>100%</b>

#### Financial performance:

(Rs. in Lacs)

Particulars	For the Financial Year ended March 31 2007
Equity Share Capital	1,00,000
Reserves (Excluding Revaluation reserves)	Nil
Sales	Not Applicable
Profit After Tax (PAT)	Not Applicable
Earning Per Share	Not Applicable
Net Asset Value	(35.90)

This being the first year of the company previous years figures are not given; further no profit and loss account is prepared as no commercial activity has started.

There are no defaults in meeting any statutory/bank/institutional dues/obligations. No proceedings have been initiated for economic offences against J Kumar Software System (India) Private Limited.

There are no pending litigations, defaults, etc against J Kumar Software System (India) Private Limited.

The above company is neither a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1995 nor under winding up.

## 2. J. KUMAR & Co. (Proprietary Concern)

J. Kumar & Co. is a proprietary concern of Mr. Jagdishkumar M Gupta. It was established in 1980, at 16-A, Andheri Industrial Estate, Veera Desai Road, Andheri (West), Mumbai – 400 058.

The proprietary concern was originally formed to undertake small contracts from PWD and other government departments. The proprietary concern was subsequently registered as a Class I-A contractor with PWD, Government of Maharashtra. The J. Kumar & Co. has successfully executed several road and flyover construction projects with Joint Venture partners as well as individually.

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

Pursuant to this transfer, 7 contracts amounting to a contract value of Rs. 3008.98 lacs awarded to J. Kumar & Co. were transferred in the name of our Company by the respective authorities and were thereafter carried out by us. Thereafter no fresh business was undertaken in the J. Kumar & Co.

The details of contracts transferred in Our Company and of contracts retained by J. Kumar & Co. are given below:

Sr. No.	Contract name	Contract Value (Rs. in lacs)	Project Status
1.	New Station building at Bandra terminal alongwith miscellaneous work inside new station building and circulating area of the building	658.20	Retained in J. Kumar & Co.
2.	Bembla Canal Aqueduct at RD 655 mt	401.75	Retained in J. Kumar & Co.
3.	Three washing cum pit line with elevated cat walks at Wadibunder goods	484.31	Retained in J. Kumar & Co.
4.	New bridge over Mithi River carrying Taxi tracks at Chatrapati Shivaji International Airport, Mumbai.	1400.42	Retained in J. Kumar & Co.
5.	Pagote Site (Unity Infraprojects Limited)	157.72	Retained in J. Kumar & Co.
6.	Kurla Kalina Road from LBS marg to Air India, CST Road Vidhanagari	482.15	Retained in J. Kumar & Co.
	<b>Total Value of Contracts retained in J. Kumar &amp; Co.</b>	<b>3584.55</b>	
1.	Ghorpuri Saswad Railway Station at Udai Bagh	698.00	Transferred to Our Company
2.	Hadapsar Saswad Phata junction on Pune Sholapur Road	1193.00	Transferred to Our Company
3.	Anand Nagar Road (Eastern Express Highway)	243.88	Transferred to Our Company
4.	Vanjarpatti Naka (Length 1200m width 24 m)	449.05	Transferred to Our Company
5	FCI Circle Eastern Express Highway at 17.2 - 30 Kms	190.05	Transferred to Our Company
6	Flyover at Kalyan Naka Junction to ST Bus Depot Old National Highway 3 (Bhiwandi)	1494..55	Transferred to Our Company
7	Constructon of ROB in lieu of existing LC No. 114-A at Nandgaon, Malegaon at Aurangabad	235.00	Transferred to Our Company
	<b>Total Value of Contracts transferred to Our Company</b>	<b>3008.98</b>	

As on date, pursuant to these aforesaid contracts there is some performance security deposit lying with the respective departments and some final bills pending. The performance security deposit normally released after 3 - 5 years of the completion of the contract.

Further, vide Agreement to Purchase Assets dated March 01, 2006, certain specified assets of J. Kumar & Co., which related to our current business, were transferred to our Company for a consideration of Rs. Rs. 3,83,19,809 (Rupees Three Crores Eighty Three Lacs Nineteen Thousand Eight Hundred and Nine only). Further, vide Non-Compete, Non-Hire and Non-Disclosure Agreement dated September 12, 2007, certain obligations as to non-compete, non-hire and non-disclosure vis-à-vis our Company have been imposed on J. Kumar & Co. For details regarding these agreements, please refer paragraph titled “Other Agreements” in section titled “History and Other Corporate Matters” beginning on page 114 of this Red Herring Prospectus.

**Financial performance:**

Particulars	(Rs. in Lacs)		
	For the Financial Year ended March 31		
	2005	2006	2007
Total Income	3318.95	1609.79	220.14
Net Profit	107.75	20.64	25.21
Proprietors Capital	291.66	(66.92)	(70.30)

There are no defaults in meeting any statutory/bank/institutional dues / obligations. No proceedings have been initiated for economic offences against J. Kumar & Co.

There are no pending litigations, defaults, etc against J Kumar & Co. or its proprietor.

The J. Kumar & Co. is neither a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1995 nor under winding up.

### 3. GOLDLINE ADVERTISERS (Proprietary Concern)

Goldline Advertisers is a proprietary concern of Mr. Jagdishkumar M Gupta. It was established in 2002, at 16-A, Andheri Industrial Estate, Veera Desai Road, Andheri (West), Mumbai – 400 058.

The Goldline Advertisers was originally formed to undertake sourcing hoardings from government department and giving on lease to various advertising companies and institutions.

#### Financial performance:

Particulars	(Rs. in Lacs)		
	For the Financial Year ended March 31		
	2005	2006	2007
Total Income	181.58	179.90	325.67
Net Profit	11.22	10.13	13.73
Proprietors Capital	48.90	63.71	77.44

There are no defaults in meeting any statutory/bank/institutional dues/obligations. No proceedings have been initiated for economic offences against Goldline Advertisers.

There are no pending litigations, defaults, etc against Goldline Advertisers.

The Goldline Advertisers is neither a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1995 nor under winding up.

### 4. GOVIND DABRIWAL (Proprietary Concern)

Mr. Govind Dabriwal has been carrying on business in his proprietary concern that was registered with PWD, Yavatmal since 30<sup>th</sup> September 1995 and is currently established at Shivam Bunglow, Agrawal Lay-out, Waghupur Road, Yavatmal – 445 001.

The proprietary concern is formed to undertake contracts from Vidharbha Irrigation Development Corporation relating to irrigation. The firm is registered as a Class 3 contractor with PWD, Yavatmal and registration from Vidharbha Irrigation Development Corporation of 'Group A, Class 3'. He has been carrying on small irrigation projects and as per the registration he can bid for contracts in the range of Rs. 1500 lacs to 3000 Lacs.

#### Financial performance:

Particulars	(Rs. in Lacs)		
	For the Financial Year ended March 31		
	2005	2006	2007
Total Income	103.05	105.87	163.35
Net Profit	3.36	5.16	5.17
Proprietors Capital	18.08	21.71	25.66

There are no defaults in meeting any statutory/bank/institutional dues/obligations. No proceedings have been initiated for economic offences against Govind Dabriwal.

There are no pending litigations, defaults, etc against Govind Dabriwal.

The proprietary concern is neither a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1995 nor under winding up.

None of our Promoter Group Entities are listed on any stock exchanges in India.



### **Companies with which our Promoters have disassociated themselves in the last three years**

Our Promoter and Chairman cum Managing Director Mr. Jagdishkumar M Gupta has disassociated himself on 3<sup>rd</sup> January, 2007 from Himgiri Dynamics Limited during the preceding three years. He had joined the Board of Himgiri Dynamics Limited for the purpose of jointly executing certain projects. However, since the same did not materialize, he has disassociated himself by resigning from its board with effect from 3<sup>rd</sup> January, 2007.

### **Common Pursuits among Promoter Group Entities:**

In the year 2004, the Class 1A registration of J. Kumar & Co. was transferred to our Company without consideration. Subsequently, vide Agreement to Purchase Assets dated March 01, 2006, certain specified assets of J. Kumar & Co., which related to our current business, were transferred to our Company for a consideration of Rs. Rs. 3,83,19,809 (Rupees Three Crores Eighty Three Lacs Nineteen Thousand Eight Hundred and Nine only). Further, vide Non-Compete, Non-Hire and Non-Disclosure Agreement dated September 12, 2007, certain obligations as to non-compete, non-hire and non-disclosure vis-à-vis our Company have been imposed on J. Kumar & Co. For details regarding these agreements, please refer paragraph titled "Other Agreements" in section titled "History and Other Corporate Matters" beginning on page 114 of this Red Herring Prospectus.

Our erstwhile Director Mr. Govind Dabriwal and part of our current Promoter Group carries on in his own name a business similar to ours, though the overall size of his operations are not comparable to ours, further he has a PWD, Yavatmal registration of Class 3 and Registration from Vidharbha Irrigation Development Corporation of 'Group A, Class 3'. As per the registration he can bid for contracts in the range of Rs. 1500 lacs to 3000 Lacs.

### **Related business transactions within the group**

The sales or purchases between entities amongst the Promoter Group does not exceed in value in aggregate 10% of the total sales or purchases of our Company and there is no significant impact of these transactions on the financial performance of our company or Promoter Group Entities.

### **Sales or Purchase between Companies in the Promoter Group**

There have been no sales or purchases between companies in the Promoter Group of our Company exceeding in value in the aggregate 10% of the total sales or purchases of our Company.

### **Changes in Accounting Policies in the last three years**

There have been no change in accounting policies in the last three years except as stated in section titled "Financial Statements" beginning on page 136

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

The following discussion of our financial condition and results of operations are based on standalone financial statements for the years ended March 31, 2003, 2004, 2005, 2006 and 2007 including the notes thereto and reports thereon, prepared in accordance with Indian GAAP and the Companies Act, 1956.

### **Overview**

#### **Material Developments since the last Balance Sheet date:**

1. Our Company has allotted 17,29,000 equity shares of Rs. 10/- each at Rs. 80/- per share; details of which are appearing under the heading 'Share Capital History of our Company' on page no. 34 of this Red Herring Prospectus. We intend to deploy these proceeds to fund our working capital requirement.
2. Our Promoter and Executive Director, Mr. Nalin J Gupta and four other employees of our Company received summons, all dated May 9, 2007 under Section 108 of the Customs Act, 1962 from the Directorate of Revenue Intelligence, Mumbai Zonal Unit for an inquiry in connection with the import of certain machinery based on an exemption from payment of customs duty (hydraulic drilling rig HR - 180 under notification under Cus.21/2002). Pursuant to these summons, a search was conducted at our Company's registered office and its adjoining premises located at No. 14- B in Andheri Industrial Estate, Veera Desai Road, Andheri (West), Mumbai – 400 053 on May 9, 2007 by officials of the Directorate of Revenue Intelligence, Mumbai Zonal Unit. Pursuant to the aforesaid, our Company has paid customs duty and interest amounting to Rs. 7,33,18,057/- (Rupees Seven Crores Thirty Three Lacs Eighteen Thousand Fifty Seven only) in favour of Government authorities comprising of customs duty of Rs. 6,67,91,973 and interest of Rs. 65,26,084, since the conditions applicable for availing duty exemption for import of the aforesaid machinery had allegedly not been met. We have not received any further communication in this regard from the concerned authorities.

Other than the above, in the opinion of the Board of Directors of our Company, there have not arisen, since the date of the last financial statements disclosed in this Red Herring Prospectus, any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months.

#### **Factors affecting our results of operations**

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

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

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

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

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

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

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

Our contribution from Top 10 clients for the six months ended September 30, 2007 are as follows:

Sr. No.	Clients	Rs. in lacs	% of Total Sales
1	Mumbai Metropolitan Region Development Authority	2,926.70	35.54%
2	Maharashtra State Road Development Corporation Ltd	1,745.63	21.20%
3	Financial Technologies (India) Limited	1,053.52	12.79%
4	Pimpri Chinchwad Municipal Corporation	584.18	7.09%
5	Reach Hotels (P) Ltd.	337.90	4.10%
6	Era Construction India Limited	225.76	2.74%
7	Vidarbha Irrigation Development Corporation	253.51	3.08%
8	Airport Authority Of India	223.67	2.72%
9	Mumbai Railway Vikas Corporation Ltd	82.12	1.00%
10	Bhiwandi Nizampur Municipal Corporation	62.24	0.76%
	<b>Total</b>	<b>7,495.23</b>	<b>91.01%</b>

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

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

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

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

- **Availability of cost effective funding sources**

We will need significant funds which are cost effective for our future growth. Need of additional working capital to finance our future business plans and, in particular, our plan for expansion is significant. All these funding sources depend on various factors, including certain extraneous factors such as changes in tariff regulations, interest rates, insurance and other costs or borrowing and lending restrictions, if any, we may not be able to finance our working capital needs, or secure other financing as and when needed, on acceptable commercial terms. Any such situation would adversely affect our business and growth prospects. We believe for growth the availability of cost effective funding sources would be of importance.

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

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

- **Changes in Tax Laws:**

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

## **Significant Accounting Policies**

### **1. Accounting Concepts:**

- a) The Financial Statements are prepared under the historical cost convention on an accrual basis and in accordance with the applicable mandatory Accounting Standards issued by the Institute Of Chartered Accountants of India (ICAI) and relevant provision of Companies Act, 1956.
- b) Accounting policies have been consistently applied by the company and except for the changes in accounting policies referred below, are consistent with those used in the previous year.

### **2. Revenue Recognition:**

Income from construction contracts is recognized on the basis of work certified in accordance with the percentage completion method. All other income and expenditure are recognize and accounted for on an accrual basis. Losses on contracts are fully accounted for as and when incurred.

### **3. Fixed Assets:**

- a) Fixed Assets are valued at cost (including other expenses related to acquisitions and installation) less accumulated depreciation/ amortization.
- b) The cost of an asset comprises of purchase price and any directly attributable cost of bringing the assets to its present condition for intended use.

### **4. Depreciation:**

- a) Depreciation on Fixed Assets is being provided on Written Down value Method as specified in Schedule XIV to the Companies Act, 1956.
- b) Depreciation in respect of additions to fixed assets is provided on prorata basis from the year in which such assets are acquired/ put to use.
- c) The method of charging the depreciation has been changed from wdv as per Income Tax Act, 1961 to wdv as per The Companies Act; 1956. The impact of change of method has resulted in to increase in profit by Rs. 35,94,929 in the restated accounts of Financial Year 2005 - 2006

### **5. Valuation of Inventories:**

- a) Inventories are valued at the lower of cost or net realizable value except waste/scrap which is valued at net realizable value. The cost is computed on Weighted average/FIFO basis.
- b) Work in progress on construction contracts reflect the value of material inputs and expenses including appropriate overheads incurred on such contracts, at cost.

### **6. Provision for Current and Deferred Tax:**

- a) Provision for Current Tax is made on the basis of estimated taxable income for the current accounting period and in accordance with the provisions as per Income Tax Act, 1961.
- b) Deferred Tax resulting from timing difference between book and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date.

### **7. Borrowing Cost:**

All borrowing cost is charged to revenue.

### **8. Accounting for Joint Venture Contracts:**

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

**9. Foreign Exchange Transaction:**

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

**10. Earning Per Share:**

Basic EPS is computed using the weighted average number of equity share outstanding during the year. Diluted EPS is computed using the weighted average number of equity and diluted equity equivalent shares outstanding during the year except where the result would be anti- dilutive.

**11. Provision, Contingent Liabilities Contingent Asset:**

Provision involving substantial degree of estimation in measurement is recognize when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognize but are disclosed in the notes. Contingent asset are neither recognized nor disclosed in the financial statements. Outstanding Bank Guarantee as on 31<sup>st</sup> March 2007 is Rs.2357 Lacs.

**12. Retirement Benefits to Employees:**

The Company is not making any provision in the books of account for Gratuity, Leave Encashment and Superannuation however Provident Fund contributions are made to the Government administered provident fund. The Company has no further obligations in respect of provident fund beyond the contribution charged in the financial statements.

**13.** There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding more than 45 days at the Balance Sheet date. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

**14. Change in Constitution of the company and Further Issue of Shares:**

Effective from 31<sup>st</sup> January 2007, the company has been converted from “Private Company” into “Public company” pursuant to Section 44 of the Companies Act, 1956. A fresh Certificate of Incorporation has been issued by the Registrar of Companies, Maharashtra, Mumbai on 31<sup>st</sup> January 2007. Accordingly, the name of the company stands as **J. Kumar Infraprojects Limited** effective from the said date.

**Analysis of Revenues**

The breakup of revenues of our Company is as given below.

(Rs. in Lacs)

Particulars	For the Year Ended March 31,							
	2005	% of Total Income	2006	% of Total Income	2007	% of Total Income	HY 2008	% of Total Income
Contract Revenue	303.29	100.00%	2,164.46	93.97%	10,278.60	90.67%	7,269.46	88.27%
Boring, Chiseling & Hiring Charges (Piling)	-	0.00%	83.34	3.62%	800.04	7.06%	552.53	6.71%
Hiring & Idle Charges	-	0.00%	-	0.00%	149.77	1.32%	307.80	3.74%
RMC Sales	-	0.00%	19.19	0.83%	37.19	0.33%	64.64	0.78%
Share in Joint Venture	-	0.00%	29.2	1.27%	-	0.00%	-	0.00%
<b>Operating Income</b>	<b>303.29</b>	<b>100.00%</b>	<b>2,296.19</b>	<b>99.69%</b>	<b>11,265.60</b>	<b>99.38%</b>	<b>8,194.43</b>	<b>99.50%</b>
Other Income	-	0.00%	7.09	0.31%	70.39	0.62%	41.29	0.50%
<b>Total Income</b>	<b>303.29</b>	<b>100.00%</b>	<b>2,303.28</b>	<b>100.00%</b>	<b>11,335.99</b>	<b>100.00%</b>	<b>8,235.73</b>	<b>100.00%</b>
<b>PAT</b>	<b>4.39</b>		<b>108.1</b>		<b>800.82</b>		<b>799.02</b>	
<b>PAT Margins</b>	<b>1.45%</b>		<b>4.69%</b>		<b>7.06%</b>		<b>9.70%</b>	

Our revenues have grown from Rs. 303.29 Lacs, in FY 2005 to Rs. 11,335.99 Lacs, in FY 2007 by a CAGR of 234.35%. Our main revenue from execution of contracts has gone up over the years and also the share of Piling, our relatively new line of business has gone up from being Nil in FY 2005 to Rs. 800 Lacs in FY 2007. The Profits have gone up from 4.39 Lacs in FY 2005 to 800.82 Lacs in FY 2007 by a CAGR of 471.51%. For the six months ended September 30, 2007 our total income was Rs. 8235.73 lacs out of which Piling has contributed Rs. 552.53 lacs during the same period.

The reason for the sharp increase in the operating profit margins is because of the new business line of Piling. The Operating profit margins in Piling business is approximately 30% – 40% which is considerably higher than the other operational activities we undertake. We are focusing on increasing the revenues from this Piling division by acquiring additional machineries by this Initial Public Issue. As on date we have 11 Piling machines and we intend to purchase 4 additional piling machines of Mait make from Italy.

In case our machinery is idle for any reason, then we utilize the machinery for hiring it to other contractors / builders. Also we produce the Ready Mix Concrete for outside parties in case the machinery is relatively free and Concretisation work is not being carried out at our site.

We are executing certain projects under Joint Ventures, though the overall number of projects being executed in Joint ventures is less.

As depicted below in the table, our reliance on Flyover segment has reduced from 65% of our total income in FY 2006 to only 25% in FY 2007, further the share of other types of construction has also simultaneously increased alongwith new lines of business.

(Rs. in Lacs)						
Type of Contract	31.03.2006	% share	31.03.2007	% share	30.09.2007	% share
Roads	329	15%	4,498	41%	2,927	37%
Flyover & Bridges	1,466	65%	2,748	25%	2,474	32%
Airport contract	242	11%	1,149	10%	224	3%
<b>Transportation Engineering</b>	<b>2,037</b>	<b>91%</b>	<b>8,395</b>	<b>76%</b>	<b>5,625</b>	<b>78%</b>
<b>Civil Construction</b>	-	0%	1,378	12%	1,391	18%
<b>Irrigation Projects</b>	127	6%	505	5%	254	3%
<b>Piling</b>	83	4%	800	7%	553	7%
<b>Total</b>	<b>2,248</b>	100%	<b>11,079</b>	100%	<b>7,822</b>	100%

Our Company undertakes contracts for private companies as well as government departments and has a diversified customer base. During FY 2006 and FY 2007 the breakup of our customer base as regards private and government companies is as shown below:

(Rs. in Lacs)						
Particulars	FY 2006		FY 2007		HY 2008	
	Amount	% share	Amount	% share	Amount	% share
Government Contracts	2,194	96%	8,900	79%	5821.23	71%
Private	103	4%	2,365	21%	2373.2	29%
Total	2,296	100%	11,265	100%	8194.43	100%

## Our Order Book position

(Rs. in Lacs)

Order Book and Backlog	FY 2005	FY 2006	FY 2007
Opening Backlog	-	290	5,191
<b>New Contracts received during the year</b>	<b>593</b>	<b>7,066</b>	<b>20,371</b>
Work executed during the year	303	2,164	10,279
Closing backlog	290	5,191	15,283
Total Income	303	2,303	11,336
<b>Order Book to Sales Ratio</b>	<b>0.95</b>	<b>2.25</b>	<b>1.35</b>

Our Order book position has been improving constantly; we have been successful in bidding for new contracts and winning them. Our order book has grown from Rs. 593 Lacs in FY 2005 to Rs. 20,371 Lacs in FY 2007. Our order book, which includes some uncommenced projects and the unfinished and uncertified portions of our commenced projects as on November 30, 2007, was Rs. 46,115 Lacs. The Order book has swelled due to new contracts received from MMRDA and various other government agencies. Also the work executed by us has increased from 303 Lacs in FY 2005 to 10279 Lacs in FY 2007, and further to Rs. 7,269 lacs for period upto November 30, 2007 which depicts the scalability of our existing business model and our capability to handle the growth at this pace.

## Analysis of Operating Costs

(Rs. in Lacs)

Particulars	FY 2005	FY 2006	FY 2,007	HY 2008
<b>Total Operating Income</b>	303.29	2266.99	11265.61	8194.43
<b>Total Income</b>	303.29	2303.28	11336	8235.72
Raw Materials Consumed	207.07	984.64	6677.25	4945.17
Sub Contract Expenses	0	241.88	228.19	176.43
Labour Expenses	44.56	293.55	963.8	278.76
Other Direct Expenses	14.2	357.52	1038.58	452.53
<b>Total Operating Expenses</b>	265.82	1,877.60	8,907.82	5,852.91
<i>Total Operating expenses as a % of Total Operating Income</i>	87.65%	82.82%	79.07%	71.43%
Operating profit	37.47	425.68	2,428.18	2,382.81
<i>Operatin margin % of total income</i>	12.35%	18.48%	21.42%	28.93%
Administrative Expenses	30.54	260.61	699.8	602.45
<i>Administrative Expenses as a % of Total Income</i>	10.07%	11.31%	6.17%	7.32%
Add/Decrease/(Increase) in Work in Progress	-	(70.67)	(20.08)	22.18
EBITDA	6.93	235.74	1,748.47	1,758.19
<i>EBITDA as a % of Total Income</i>	2.28%	10.23%	15.42%	21.00%
Depreciation	-	47.66	300.15	287.41
<i>Depreciation as a % of Total Income</i>	-	2.07%	2.65%	3.49%
Finance Charge	-	39.77	228.97	261.27
<i>Finance Charge as a % of Total Income</i>	-	1.73%	2.02%	3.17%
Preliminary Expenditure Written Off	-	1.62	3.4	-
<b>Profit before Tax (PBT)</b>	6.93	146.7	1,215.94	1,209.51
<i>PBT as a % of Total Income</i>	2.28%	6.37%	10.73%	14.69%
Provision for Tax	2.53	38.6	415.12	410.49
<b>Profit After Tax (PAT)</b>	4.39	108.1	800.82	799.02
<i>PAT as a % of Total Income</i>	1.45%	4.69%	7.06%	9.70%

## Cost Analysis:

Over the last 3 years we have experienced improvements in our Operating margins from 12.35% in FY 2005 to 28.93% in HY 2008. This was mainly due to introduction of new line of business, i.e. Piling, reduction in the labour expenses as a percentage of total income from 14.69% in FY 2005 to 3.38% in HY 2008.

Pursuant to the increase in the Operating Profits the PAT and EBIDTA have also increased from 1.45% to 9.70% and 2.28% to 21.00% respectively from FY 2005 to HY 2008

Depreciation and Finance charges have remained constant percentage wise. In spite of the rising interest rate scenario the Term loans availed by our Company are at very competitive rates and have a fix rate of interest. Hence this has shielded our Company from escalating interest costs.

### **Discussion on Results of Operations**

The following descriptions set forth information with respect to key components of our statement of operations.

#### ***Income from operations***

Our income from operations includes revenue from

- a) Contracts Executed,
- b) Boring, Chiseling and Hiring Charges - Piling Division
- c) RMC Sales and
- d) Profit from Joint Venture

*Other income:* Other income primarily consists of interest earned, Rent received, Discount received and other miscellaneous income.

#### ***Expenditure***

*Construction Expenses:* The heading construction expenses includes expenses incurred for purchase of materials, Work in progress sub contracting charges, transportation and other direct expenses for construction activities

*Employees remuneration and benefits:* Personnel expenses consist primarily of salary and wage expenses, provident fund contributions, Workmen Compensation Insurance, ESIC, medical expenses and Staff and Welfare contributions.

*Administration, Selling and other expenses:* Our Administration, Selling and other expense mainly consist of expenditures on Rent and Taxes, operating and other expenses, Insurance, M.VAT paid, Consultant charges, Maintenance charges, Repairs and maintenance, Traveling expenses, and other miscellaneous expenses.

*Interest and Financial Charges:* The heading mainly consists of Bank guarantee commission and L.C charges, Bank Interest, Interest on Term Loan and Mobilisation Advance.

*Depreciation:* The method of charging the depreciation has been changed from w.d.v as per Income Tax Act, 1961 to w.d.v as per The Companies Act; 1956. The impact of change of method has resulted in to increase in profit by Rs. 35,94,929 for the FY 2007.

*Taxation:* We are subject to income tax liability pursuant to the Income Tax Act, 1961. Also, pursuant to this act, corporations are in some circumstances subject to a minimum tax liability based on book profit. We make provision for current tax as well as for deferred tax liability based on the effect of timing differences. The Government also has introduced a fringe benefit tax on various benefits and expenditures we are deemed to provide or incur towards our employees as part of our business, for which we have made provision with effect from the current fiscal.



**Discussion on Results of Operations**

A summary of restated past financial results are given below:

(Rs. In Lacs)

Particulars	For the year ended					
	31.03.03	31.03.04	31.03.05	31.03.06	31.03.07	30.09.07
<b>INCOME</b>						
Income From Operations	-	-	303.29	2,296.19	11,265.61	8194.43
Other Income	-	-	-	7.09	70.39	41.29
<b>Total 1 :</b>	-	-	<b>303.29</b>	<b>2,303.28</b>	<b>11,336.00</b>	<b>8235.73</b>
<b>EXPENDITURE</b>						
Construction Expenses	-	-	265.82	1,806.94	8,887.73	5875.09
Employees' Remuneration & Benefits	-	-	14.5	51.11	135.38	116.95
Administration, Selling & Other Expenses	-	-	16.03	211.11	567.82	485.5
Interest and Financial Charges	-	-	-	39.77	228.97	261.27
Depreciation	-	-	-	47.66	300.15	287.41
<b>Total 2 :</b>	-	-	<b>296.36</b>	<b>2,156.58</b>	<b>10,120.06</b>	<b>7026.22</b>
<b>Profit/(Loss) before taxation (1-2)</b>	-	-	6.93	146.7	1,215.94	1209.51
Less: Provision For Taxation						
Current	-	-	2.53	37.28	352.06	394.71
Deferred Tax Liability	-	-	-	-	57.22	12.41
FBT	-	-	-	1.32	5.84	3.37
<b>Profit/(Loss) After taxation</b>	-	-	<b>4.39</b>	<b>108.1</b>	<b>800.82</b>	<b>799.02</b>
<b>Balance of Profit carried to Balance Sheet</b>	-	-	<b>4.39</b>	<b>108.1</b>	<b>800.82</b>	<b>799.02</b>

*During FY 03 and FY 04 Our Company had no operations hence no Profit and Loss Statement for the said period has been prepared.*

**Comparison of performance for the six months ended September 30, 2007 vis-à-vis 2006-07**

**Income**

Our total income was Rs. 11,335.99 Lacs in fiscal 2007. For the six months ended September 30, 2007 our total income is Rs. 8,235.73 lacs. Within the total income our "Income from Operations" was Rs.11,265.61 Lacs in fiscal 2007. For the six months ended September 30, 2007 our "Income from Operations" was Rs. 8,194.43 lacs. During the six months ended September 30, 2007, we have been able to earn contract revenue of Rs. 7,269 lacs and the contribution of civil works to the total income has been at 18% as against 12% of the total income during year ended March 31, 2007. Further our revenue from Piling for the six months ended September 30, 2007 was Rs. 553 lacs.

**Other Income**

Our other income was Rs. 70.39 Lacs in fiscal 2007 and during the six months ended September 30, 2007 was Rs. 41.29 lacs. Income from rent received and income from lease and license has been the primary contributor to our other income.

**Expenditure**

Our total expenditure was Rs. 10,120.06 Lacs in fiscal 2007 and for the the six months ended September 30, 2007 was Rs. 7,026.22 lacs. Construction expenses formed a major portion of the overall expenditure. During the year ended March 31, 2007, the construction expenses formed 87.82% of total expenditure, and during the the six months ended September 30, 2007 the construction expenses formed 83.62% of total expenditure.

**Profit before tax**

Our Profit Before was Rs. 1,215.94 Lacs in fiscal 2007 and for the the six months ended September 30, 2007 was Rs. 1,205.91 lacs. Profit before tax as a percentage of total income was 10.73% in fiscal 2007 and 14.69% for the six months ended September 30, 2007

**Provision for tax and net profit**

Our provision for tax is Rs. 352.06 Lacs in Fiscal 2007 and for the the six months ended September 30, 2007 was Rs. 394.71 lacs.

### ***Comparison of performance for year 2006-07 vis-à-vis 2005-06***

#### **Income**

Our total income increased by 392.17% from Rs. 2,303.28 Lacs in fiscal 2006 to Rs. 11,335.99 Lacs in fiscal 2007. Within the total income we have witnessed an increase of 390.62% in the segment of "Income from Operations" to Rs.11,265.61 Lacs in fiscal 2007 from Rs.2,296.19 Lacs in fiscal 2006. This is mainly due to increase in contract revenue from Rs. 2,164.46 Lacs in FY06 to Rs. 10278.60 Lacs in FY07 which is an increase of 374.88%.

#### **Other Income**

Other income has increased from Rs. 7.09 Lacs in fiscal 2006 to Rs. 70.39 Lacs in fiscal 2007 which is a growth of 892.81% which is mainly due to Interest on FDR and Rent received which was Rs. 13.93 Lacs and 41.28 Lacs respectively in FY07 as against 1.94 Lacs and Nil in the previous year ended 2006.

#### **Expenditure**

Our total expenditure increased by 369.26% to Rs. 10,120.06 Lacs in fiscal 2007 from Rs. 2,156.58 Lacs in fiscal 2006. This was primarily due to higher construction expenses, consisting of Rs. 8,887.73 Lacs in FY07 as against Rs. 1,806.94 Lacs during FY06. Further during FY07 Interest and Financial charges incurred were Rs. 228.97 Lacs as against Rs. 39.77 Lacs during FY06, an increase of 475.74%. Administration, Selling and Other Expenses increase by 169.11% from Rs. 211.11 Lacs in FY06 to Rs. 568.12 Lacs in FY07.

#### **Profit before tax**

Our Profit Before Tax increased by 728.86% to Rs. 1,215.94 Lacs in fiscal 2007 from Rs. 146.70 Lacs in fiscal 2006, which is primarily due to increase in Income from Operations as stated above. Further, 'Boring, Chiseling and Hiring Charges' also known as 'Piling work', our new line of business has contributed substantially higher to our revenues. In FY07, our Piling work has contributed Rs. 949.81 lacs as against Rs. 83.34 lacs in FY06. Piling work has greater profit margins as compared to our other operations, being approximately 30% – 40%.

#### **Provision for tax and net profit**

Our provision for tax is Rs. 352.06 Lacs in Fiscal 2007 as against Rs. 37.28 Lacs in fiscal 2006, which is 844.37% increase. The increase in the provision for taxation is due to increase in the profit. Net Profit after tax has increased from Rs. 108.10 lacs in 2006 to Rs. 800.82 Lacs in 2007.

### **Comparison of performance for year 2005-06 vis-à-vis 2004-05**

#### **Income**

Our total income increased by 659.44% from Rs. 303.29 Lacs in fiscal 2005 to Rs. 2,303.28 Lacs in fiscal 2006. Within the total income we have witnessed an increase of 657.09% in the segment of "Income from Operations" to Rs.2,296.19 Lacs in fiscal 2006 from Rs.303.29 Lacs in fiscal 2005. This was mainly due to increased revenue from contracts which was Rs.2,164.46 Lacs in FY06 as against 303.29 Lacs during FY05, an increase of 613.66%. Further there was additional revenue from Boring and Chiseling and RMC Sales of Rs.83.34 Lacs and Rs.19.19 Lacs respectively which had no contribution during FY05.

#### **Other Income**

Other income was Rs. 7.09 lacs during FY06. There was no other income during FY05.

#### **Expenditure**

Our total expenditure increased by 627.69% to Rs. 2,156.58 Lacs in fiscal 2006 from Rs. 296.36 Lacs in fiscal 2005. This was primarily due to an increase of 579.76% in construction expenses, consisting of Rs. 1,806.94 Lacs in fiscal 2006 from Rs. 265.82 Lacs in fiscal 2005. Further during FY06 Interest and Financial charges incurred were Rs. 39.77 Lacs whereas there was no such expenditure incurred during FY05. Administration, Selling and Other Expenses increase by 1216.97% from Rs. 16.03 Lacs in FY05 to Rs. 211.11 Lacs in FY06.

#### **Profit before tax**

Our Profit Before Tax increased by 2016.88% to Rs. 146.70 Lacs in fiscal 2006 from Rs. 6.93 Lacs in fiscal 2005, which is primarily due to increase in Income from Operations as stated above.

#### **Provision for tax and net profit**

Our provision for tax is Rs. 37.28 Lacs in Fiscal 2006 as against Rs. 2.53 Lacs in fiscal 2005, which is 1373.52% increase. The increase in the provision for taxation is due to increase in the profit. Net Profit after tax has increased from Rs. 4.39 lacs in 2005 to Rs. 108.10 Lacs in 2006.

## **INFORMATION REQUIRED AS PER CLAUSE 6.10.5.5 OF SEBI (DIP) GUIDELINES.**

### **1. Unusual or infrequent events or transactions**

There are no unusual or infrequent events or transactions having significant impact on the operations of our Company.

### **2. Significant economic changes that materially affected or likely to affect income from continuing operations.**

There are no significant economic changes that materially affected or likely to affect income from existing operations.

### **3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations**

Apart from the risks disclosed in the DRHP, there are no other trends and uncertainties that have had or are expected to have material adverse impact on sales, revenues or income from continuing operations.

### **4. Future changes in relationships between costs and revenues in case of events such as future increase in labour or material cost or prices that will cause material change are known.**

There are no such changes in relationship between cost and revenues.

### **5. The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.**

The material increase in revenue has been mainly due to higher income from contracts executed.

### **6. Total turnover of each major industry segment in which our Company operated.**

Our Company is engaged in only one reportable segment viz. Construction and also operates in India and hence there are no geographical segments.

### **7. Status of any publicly announced new products or business segment.**

Our Company has not publicly announced any new products or segments other than those mentioned in this DRHP.

### **8. The extent to which our Company's business is seasonal**

Our Company's business is not seasonal.

### **9. Any significant dependence on a single or few suppliers or customers**

Majority of our contracts are from various government departments.

### **10. Competitive conditions**

For details of competitive conditions, please refer the chapters titled, "Our Business" and "Risk Factors" on page 68 and 10 of this Red Herring Prospectus.

## SECTION VI – LEGAL AND REGULATORY INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as otherwise described below, there are no outstanding litigations, suits or criminal or civil prosecutions, proceedings or tax liabilities against our Company, our Directors, our Promoters, our Promoter Group Companies, our Joint Ventures and there are no defaults, non-payment or overdue of Statutory dues, institutional/ bank dues and dues payable to the holders of any debentures, bonds and fixed deposits other than unclaimed liabilities against our Company, our Directors, our Promoters, our Promoter Group Companies, our Joint Ventures and no disciplinary action has been taken by SEBI or any Stock Exchanges against our Company, our Directors, our Promoters, our Promoter Group Companies or our Joint Ventures.

#### I. LITIGATIONS BY OUR COMPANY

There are no litigations by our Company.

#### II. LITIGATIONS AGAINST/DEFAULTS OF OUR COMPANY:

##### II (a) LITIGATIONS AGAINST OUR COMPANY:

###### A. Motor Accidents Claims

The claimants, being Mrs. Parvati Madhukar Shingade (wife of the deceased) and four other family members of the deceased, the deceased being Mr. Madhukar Dagadu Shingade, have filed a claim (Case no. 992/ 2006) against our Company and The New India Assurance Company Limited before the Motor Accidents Claim Tribunal, Thane (“MACT”) on account of the death of the deceased allegedly on account of an accident which took place on September 4, 2006 with a truck being driven by an employee of our Company. The claimants have preferred claims under Sections 140 and 166 of the Motor Vehicles Act, 1988 (“MVA”). The claim under Section 140 of the MVA is for Rs. 50,000 along with interest and costs, and any other relief deemed fit and proper. The claim under Section 166 of the MVA is for just compensation as the MACT may deem fit and proper, with interest and costs and any other relief deemed fit and proper. However, for the purposes of court fees, the claim under Section 166 has been valued at Rs. 10,00,000. The claim is pending before the MACT. No reply to the same has been filed by our Company till date.

###### B. Customs Duty

Our Promoter and Executive Director, Mr. Nalin J Gupta and four other employees of our Company received summons, all dated May 9, 2007 under Section 108 of the Customs Act, 1962 from the Directorate of Revenue Intelligence, Mumbai Zonal Unit for an inquiry in connection with the import of certain machinery based on an exemption from payment of customs duty (hydraulic drilling rig HR - 180 under notification under Cus.21/2002). Pursuant to these summons, a search was conducted at our Company’s registered office and its adjoining premises located at No. 14- B in Andheri Industrial Estate, Veera Desai Road, Andheri (West), Mumbai – 400 053 on May 9, 2007 by officials of the Directorate of Revenue Intelligence, Mumbai Zonal Unit. Pursuant to the aforesaid, our Company has paid customs duty and interest amounting to Rs. 7,33,18,057/- (Rupees Seven Crores Thirty Three Lacs Eighteen Thousand Fifty Seven only) in favour of Government authorities comprising of customs duty of Rs. 6,67,91,973 and interest of Rs. 65,26,084, since the conditions applicable for availing duty exemption for import of the aforesaid machinery had allegedly not been met. We have not received any further communication in this regard from the concerned authorities.

##### II (B) DEFAULTS OF OUR COMPANY:

###### A. Non-registration of charges

As per the provisions of Section 125 of the Companies Act, 1956, we are required to register charges created on our assets within thirty days of their creation, by filing of the requisite forms. On 31 occasions in the past, we have not filed the requisite forms with the Registrar of Companies within the aforesaid thirty day period. Of the aforesaid, we have filed the requisite forms after the aforesaid thirty-day period in 25 cases, while we are in the process of filing the balance requisite forms to be filed. We are also in the process of applying to the Company Law Board for

condonation of delay in filing the aforesaid forms. We and our whole-time Directors may be exposed to penalties/prosecution in relation to the aforesaid defaults.

### **B. Delay in intimation of receipt of funds received by way of investments for our Equity Shares from outside India to RBI**

In terms of Regulation 5 of FEMA Notification No. 20/2000-RB dated May 3, 2000 and Clause 9(1)(A) of Schedule I of FEMA Notification No. 20/2000-RB dated May 3, 2000 issued by the RBI, and in terms of the Master Circular on Foreign Investments in India No. 2/2007-08 dated July 2, 2007 issued by the RBI (collectively the ("**FEMA Regulations**")), an Indian company receiving investment from outside India for issuing shares under the FDI Scheme, should report the details of the inflow to the RBI not later than 30 days from the date of receipt of funds.

In terms of the FEMA Regulations, the reporting was to be done within thirty days of receipt of the funds. The funds were received by our Company on various dates starting from July 9, 2007 till August 9, 2007, including on July 9, 2007, July 10, 2007 and July 12, 2007, for which we were required to report to RBI on August 9, 2007, August 10, 2007 and August 12, 2007 respectively. However, the intimation to RBI was made on August 24, 2007, that is after the expiry of the thirty-day period in respect of the aforesaid funds received on July 9, 2007, July 10, 2007 and July 12, 2007. We have informed the RBI of the same vide our letter dated August 24, 2007, and are awaiting further communication in this regard.

### **III. Litigations relating to our Directors/Promoters**

In addition to the summons to Mr. Nalin J Gupta, our Promoter and Executive Director as referred to in II (a).B above, our Promoter and Chairman and Managing Director, Mr. Jagdishkumar M Gupta is involved in two income tax litigations, the details of which are as follows:

(a) *For Assessment Year 2001-02:* Vide Assessment Order dated May 12, 2006, the Assessing Officer imposed a penalty of Rs. 1,80,000 on Mr. Jagdishkumar M Gupta under Section 271(1)(c) of the Income Tax Act, 1961. Mr. Jagdishkumar M Gupta has preferred an appeal against this order before the Commissioner of Income Tax, Appeals. This appeal is pending before the Commissioner of Income Tax, Appeals. This appeal is pending before the Commissioner of Income Tax (Appeals). The penalty of Rs. 1,80,000 has not been paid by Mr. Jagdishkumar M Gupta, and an application to keep the penalty in abeyance has been made.

(b) *For Assessment Year 2003-04:* Vide Assessment Order dated August 31, 2005, the Assessing Officer imposed a penalty of Rs. 17,32,500 on Mr. Jagdishkumar M Gupta under Section 271(1)(c) of the Income Tax Act, 1961. Mr. Jagdishkumar M Gupta had preferred an appeal against this order before the Commissioner of Income Tax, Appeals, which was dismissed vide order of the Commissioner of Income Tax (Appeals) dated August 17, 2006, and the order of the Assessing Officer was upheld. Mr. Jagdishkumar M Gupta has filed an appeal before the Income Tax Appellate Tribunal against the aforesaid order of the Commissioner of Income Tax (Appeals). This appeal is pending. The penalty of Rs. 17,32,500 has already been paid by Mr. Jagdishkumar M Gupta/adjusted against refunds due to him.

### **IV. Litigations relating to our Promoter Group entities/Joint Ventures**

Nil

### **V. Penalties imposed in past cases on our Company, our Promoters, Promoter Group entities in the last five years**

Nil

**Material Developments since the last Balance Sheet date:**

1. Our Company has allotted 1729000 equity of Rs. 10/- each at Rs. 80/- details of which are appearing under the Heading 'Share Capital History of our Company' on page no. 34 of this Red Herring Prospectus. We intend to deploy these proceeds to fund our working capital requirement.
2. Our Promoter and Executive Director, Mr. Nalin J Gupta and four other employees of our Company received summons, all dated May 9, 2007 under Section 108 of the Customs Act, 1962 from the Directorate of Revenue Intelligence, Mumbai Zonal Unit for an inquiry in connection with the import of certain machinery based on an exemption from payment of customs duty (hydraulic drilling rig HR - 180 under notification under Cus.21/2002). Pursuant to these summons, a search was conducted at our Company's registered office and its adjoining premises located at No. 14- B in Andheri Industrial Estate, Veera Desai Road, Andheri (West), Mumbai – 400 053 on May 9, 2007 by officials of the Directorate of Revenue Intelligence, Mumbai Zonal Unit. Pursuant to the aforesaid, our Company has paid customs duty and interest amounting to Rs. 7,33,18,057/- (Rupees Seven Crores Thirty Three Lacs Eighteen Thousand Fifty Seven only) in favour of Government authorities comprising of customs duty of Rs. 6,67,91,973 and interest of Rs. 65,26,084, since the conditions applicable for availing duty exemption for import of the aforesaid machinery had allegedly not been met. We have not received any further communication in this regard from the concerned authorities.

Other than the above, in the opinion of the Board of Directors of our Company, there have not arisen, since the date of the last financial statements disclosed in this Red Herring Prospectus, any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months.

## GOVERNMENT AND OTHER APPROVALS

Except for pending approvals mentioned under this heading, our Company has received the necessary material consents, licenses, permissions and approvals from the Government/RBI and various Government agencies required for our present business. Our Company has not applied for the licences, if any, required by us pursuant to the activities as mentioned in the section titled “Objects of the Issue” beginning on page 42 of this Red Herring Prospectus.

It must, however, be distinctly understood that in granting the above approvals, the Government and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed.

### APPROVALS FOR OUR BUSINESS

S.No.	Name of the License/Registration/Authority	Granting Authority	Number of License/Registration	Validity
1.	Registration under Bombay Shops and Establishments Act, 1948 for Unit No. 16A situated at Andheri Industrial Estate	Inspector, Bombay Shops and Establishments Act, 1948, Mumbai	KW010986	December 31, 2007
2.	Certificate of Registration under Section 16 of the Maharashtra Value Added Tax Act, 2002	Registration Authority, Sales Tax Department, Maharashtra	Tax Identification Number : 27080015133V	Valid until cancelled
3.	Certificate of Registration under the Central Sales Tax (Registration and Turnover) Rules, 1957	Registration Authority, Sales Tax Department, Maharashtra	Tax Identification Number: 27080015133C	Valid until cancelled
4.	Allotment of Account Number under the Employees Provident Funds and Miscellaneous Provision Act, 1952	Regional Provident Fund Commissioner, Maharashtra	MH/PF/APP93233/ENFV III/ SAD/KND/1090	Valid until cancelled
5.	Registration as Contractors with the Municipal Corporation of Greater Mumbai*	Executive Engineer, Monitoring & Registration Cell, Mumbai	748	December 31, 2007
6.	Registration under the Employee State Insurance Corporation Act, 1948	Assistant Director, Employee's State Insurance Corporation, Mumbai	31-29734-A-102	Valid until cancelled
7.	Permanent Account Number under Income Tax Act, 1961	Income Tax Department, Mumbai	AAACJ9161C	Valid till cancelled
8.	Certificate of Service Tax Registration under Section 69 of the Finance Act, 1994	Superintendent of Service Tax, Mumbai	AAACJ9161CST001	Valid till cancelled
9.	Tax Deduction Account Number under the Income Tax Act, 1961	Income Tax Department, Mumbai	MUMJ10056E	Valid till cancelled
10.	Certificate of Registration under Section 5(1) of the Maharashtra State Tax on Profession, Trade, Callings and Employments Act 1975	Sales Tax Officer, Registration Branch, Mumbai	PT/R/1/1/29/24149	Valid till cancelled
11.	Certificate of Enrolment under Section 5 (2) (2A) of the Maharashtra State Tax on Profession, Trade, Callings and Employments	Profession Tax Officer, Enrollment Registration Branch, Mumbai	PT/E/1/1/29/18/7508	Valid till cancelled



S.No.	Name of the License/ Registration/ Authority	Granting Authority	Number of License/ Registration	Validity
	Act 1975			
12.	Registration with the Public Works Department	Executive Engineer, North Mumbai (P.W) Division, Mumbai	3/2003-2004	May 13, 2012
13.	Registration as Contractors with the Vidharbha Irrigation Development Corporation, Nagpur for projects in Yavatmal*	The Superintendent Engineer, Goshi Khurd Project Circle, V. I. D. C, Nagpur	1129	September 30, 2009
14.	Factory License under the Factories Rules, 1948 for mixing, welding, testing, drilling, grinding, cutting at Goregaon, Mumbai*	Industrial Safety and Health Department, Mumbai	218/07/RDK/6236	Valid until cancelled
15.	Contract Labour License under Section 12(2) of the Contract Labour (Regulation & Abolition) Act, 1970 taken by our Company for the Construction of grade separator, Pimpri Chinchwad Municipal Corporation, Pimpri, Pune*	Assistant Commissioner of Labour, Registering and Licensing Officer, Contract Labour Act, 1970	4809	December 31, 2007
16.	Contract Labour License under Section 12(1) of the Contract Labour (Regulation & Abolition) Act, 1970 and Central Rules, 1971 for the extension of rail over bridge on the Western Express Highway between Mahim and Bandra Railway Stations	Asst. Labour Commissioner (Central Mumbai) and The Licensing Officer; The Contract Labour (Regulation and Abolition) Act, 1970	B-ALC(C) I/46 (202)/2007 – L	October 16, 2008
17.	Contract Labour License under Section 12(1) of the Contract Labour (Regulation & Abolition) Act, 1970 and Central Rules, 1971 for the work of construction of Approach Road, Raising of Apron and hanger at Juhu Helibase	Asst. Labour Commissioner (Central Mumbai) and The Licensing Officer; The Contract Labour (Regulation and Abolition) Act, 1970	B-ALC. I/46 (203)/2007 – L	October 16, 2008
18.	Contract Labour License under Section 12(1) of the Contract Labour (Regulation & Abolition) Act, 1970 and Central Rules, 1971 for the work of construction of New Bridge No. 20 across Mithi River on pile foundation with PSC and steel girder super structure at Bandra -Mahim	Asst. Labour Commissioner (Central Mumbai) and The Licensing Officer; The Contract Labour (Regulation and Abolition) Act, 1970	B-ALC. I/46 (204)/2007 – L	October 16, 2008
19.	Contract Labour License under Section 12(2) of the Contract Labour (Regulation & Abolition) Act, 1970 for improvement	The Licensing Officer; The Contract Labour (Regulation and Abolition) Act, 1970	DYCL-CLA-LIC-091-28	December 31, 2007

S.No.	Name of the License/ Registration/ Authority	Granting Authority	Number of License/ Registration	Validity
	of road connecting Bandra Kurla Complex and LBS Marg including construction of balance portion of PSC superstructure bridge across Mithi River			
20.	Registration under Bombay Shops and Establishments Act, 1948 for Unit No. 14 situated at Andheri Industrial Estate	Inspector, Bombay Shops and Establishments Act, 1948, Mumbai	760021838; Ward KW	December 31, 2007
21.	Registration under Bombay Shops and Establishments Act, 1948 for Unit No. 27B situated at Andheri Industrial Estate	Inspector, Bombay Shops and Establishments Act, 1948, Mumbai	760021859; Ward KW	December 31, 2007

\* In relation to the aforesaid licences, applications have been made by us for change of name therein to our current name, that is, "J. Kumar Infraprojects Limited", and these applications are pending approval.

**Licenses / Approvals for which fresh applications/applications for renewal have been made but yet not received by our Company:**

Our Company has applied for the following licenses, which are not yet received:

S.No.	Name of the license/ approval/ certificate	Issuing Authority	Application date
1.	Contract Labour License under Section 12(2) of the Contract Labour (Regulation & Abolition) Act, 1970 taken by our Company for the Construction of ROB across railway tracks between Dahisar and Mira Road Station	The Deputy Chief Labour Commissioner (Central) , Mumbai	September 5, 2007
2.	Contract Labour License under Section 12(2) of the Contract Labour (Regulation & Abolition) Act, 1970 taken by our Company for the work of Mithi River, widening & deepening RCC retaining wall, service road from Custom Colony FOB to pipe line road, Powai, South Ward	The Deputy Chief Labour Commissioner (Central) , Mumbai	September 5, 2007
3.	Certificate of Registration under the Governing Board of Q.A. International Certification Limited (ISO certification) **	Governing Board of Q.A. International Certification Limited	July 25, 2007
4.	Application file no. 03/04/ 171/00567/ AM08/ (key:1947240) for Certificate of Importer Exporter Code (IEC) No. 0305032488 under the provisions of the Foreign Trade (Development and Regulation) Act in our current name, and consequential changes to the license by the licensing authority.	Office of Jt. Director, General of Foreign Trade, Mumbai	November 29, 2007

In addition to the aforesaid, a trademark application bearing no. 0158119 dated July 17, 2007 has been filed before the Trademarks Registry, Mumbai, for registration of our logo under class 37, under the Trademarks Act, 1999.

\* In relation to the aforesaid licences, applications have been made by us for change of name therein to our current name, that is, "J. Kumar Infraprojects Limited", and these applications are pending approval.

\*\* The aforesaid license was initially issued to us in our old name, viz. J. Kumar & Co. (India) Pvt. Ltd. In relation to the aforesaid license, our Company has applied for renewal and is in the process of making application for change of our name to “J. Kumar Infraprojects Limited”

#### **APPROVALS IN RELATION TO THE OBJECTS OF THE ISSUE**

The objects of this Issue other than meeting Issue expenses, as contained on page 42 of this Red Herring Prospectus, are as follows:

1. Purchase of Capital Equipments;
2. Funding Working Capital Requirement; and
3. General Corporate Purposes

We do not currently envisage any specific government approvals required by us for the aforesaid objects and hence we have not applied for government approvals, if any, which may be required in relation to the objects of this Issue.

## SECTION VII – OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for This Issue

The Board of Directors have, pursuant to a resolution passed at its meeting held on April 30, 2007, authorised the Issue, subject to the approval of the shareholders of our Company under Section 81 (1A) of the Companies Act and such other authorities as may be necessary.

Our shareholders have authorised the Issue by a special resolution adopted pursuant to Section 81 (1A) of the Companies Act, passed at the Extraordinary General Meeting held on May 24, 2007.

We have also obtained all necessary contractual approvals required for the Issue. For further information, please refer the chapter titled “Government and Other Approvals” on page 174 of this Red Herring Prospectus.

### Prohibition by SEBI, RBI or governmental authorities

Our Company, our Directors, our Promoters, other companies promoted by our Promoters and companies with which our Directors are associated as directors have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

We have never applied, and hence have never been refused listing of our shares at any time by any stock exchange in India.

None of our Company, its promoters, promoter group companies or relatives of promoters, its directors and the companies in which the directors are associated as directors have been declared as willful defaulters by the RBI or any other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them.

### ELIGIBILITY FOR THIS ISSUE

We are eligible for the issue as per Clause 2.2.2 of the SEBI Guidelines as explained under.

Clause 2.2.2 of the SEBI Guidelines state as follows:

An unlisted company not complying with any of the conditions specified in Clause 2.2.1 may make an initial public offering of equity shares or any other security which may be converted into or exchanged with equity shares at a later date, only if it meets both the conditions in (a) and (b) given below:

*(a)(i) The issue is made through the book build process, with atleast 50% of the net offer to the public being allotted to the Qualified Institutional Buyers (QIBs), failing which the subscription monies shall be refunded.*

*OR*

*(a)(ii) The “project” has atleast 15% participation by Financial Institutions/Scheduled Commercial Banks, of which atleast 10% comes from the appraiser(s). In addition to this, atleast 10% of the issue size shall be allotted to QIBs, failing which full subscription monies shall be refunded.*

*AND*

*(b)(i) The minimum post issue face value capital of the Company shall be Rs. 10 crores.*

*OR*

*(b)(ii) There shall be compulsory market making for atleast 2 years from the date of listing of the shares subject to the following:*

- (a) Market makers undertake to offer buy and sell quotes for a minimum depth of 300 shares;*
- (b) Market makers undertake to ensure that the bid ask spread (difference between quotations for sale and purchase) for their quotes shall not at any time exceed 10%;*
- (c) The inventory of the market makers on each of such stock exchanges, as on the date of allotment of securities, shall be atleast 5% of the proposed issue of the company”*

We are an unlisted company not complying with the conditions specified in clause 2.2.1 of the SEBI guidelines and are, therefore, required to meet both the conditions detailed in sub clause (a) and (b) of clause 2.2.2 of the SEBI

Guidelines. Accordingly, in compliance with Clause 2.2.2 of the SEBI Guidelines, the Issue is being made through the book build process, with atleast 50% of the Net Issue being allotted to the Qualified Institutional Buyers (QIBs). In case we do not receive subscriptions of atleast 50% of the Net Issue from QIBs, we shall forthwith refund the subscription monies. The post Issue face value capital of our Company is Rs. 2072.44 Lacs which is more than the minimum requirement of Rs. 10 crores.

#### **Eligibility for This Issue**

Our Company is eligible for the Issue in accordance with Clause 2.2.2 of the SEBI Guidelines as explained hereunder, and confirmed by the auditor's of our Company:

- (a) Our Company has net tangible assets of at least Rs.300 lacs in each of the preceding three full years (of 12 months each) of which not more than 50% are held in monetary assets;
- (b) Our Company has a track record of distributable profits in accordance with Section 205 of Companies Act, for at least three out of immediately preceding five years;
- (c) Our Company has a net worth of at least Rs.100 lacs in each of the preceding three full years of 12 months each;
- (d) There has been no change in the name of our Company in the last one year suggesting any change in the activities carried on by our Company. The only change in our name is the deletion of 'Private' from the name of our Company consequential to its change from a private limited company to a public limited company.
- (e) The aggregate of the proposed Issue size and all previous issues made in the same financial year is not expected to exceed five times the pre-Issue net worth of our Company as per restated financial statements for the year ended March 31, 2007.

In terms of a certificate issued by M/s Gupta & Saharia, our Statutory Auditors dated November 23, 2007 our Company satisfies the above eligibility criteria as follows

	<b>FY 2007</b>	<b>FY 2006</b>	<b>FY 2005</b>	<b>FY 2004</b>	<b>FY 2003</b>
Net tangible assets (Rs. lacs.)*	4860.97	2516.61	7.72	-	-
Monetary assets (Rs. lacs.)**	1102.77	572.54	7.92	-	-
Monetary assets as % of Net tangible assets	23%	23%	103%	-	-
Distributable profits (Rs. lacs.)***	800.82	108.10	4.39	-	-
Net worth (Rs. lacs.)****	2137.14	107.03	5.22	-	-

\*Net Tangible Assets are defined as the sum of all net fixed assets (including capital work in progress and excluding revaluation reserve, if any), excluding intangible assets as defined in Accounting Standard 26 issued by ICAI and including Net Current Assets and Trade Investment, if any, excluding Non trade Investments and Deferred Tax Assets.

\*\*Monetary Assets are defined as the sum of cash on hand, Non Trade Investments, Balance with Scheduled Bank in Current accounts and Fixed Deposits and public deposit account with the Government, if any.

\*\*\*Distributable profits have been computed in terms section 205 of the Companies Act, 1956.

\*\*\*\*Net Worth has been computed as the aggregate of equity shares capital and reserves, excluding miscellaneous expenditure not written off, if any.

Hence, we are eligible under Clause 2.2.2 of the SEBI Guidelines.

Further, in accordance with Clause 2.2.2A of the SEBI Guidelines, we shall ensure that the number of allottees, i.e. persons to whom the Equity Shares will be allotted under the Issue shall be not less than 1,000 otherwise; the entire

application money will be refunded forthwith. In case of delay, if any, in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

#### **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 TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THIS 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 MANAGER, ANAND RATHI SECURITIES LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000, 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 MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, ANAND RATHI SECURITIES LIMITED, HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 14, 2007 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992, WHICH READS AS FOLLOWS:**

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS 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 COMPANY, IT'S DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY,**

#### **WE CONFIRM THAT:**

- a) THE DRAFT RED HERRING PROSPECTUS FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THIS ISSUE;**
- b) ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY SEBI, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
- 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.**
- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID.**
- 4. WHEN UNDERWRITTEN, WE SHALL SATISFY OURSELVES ABOUT THE NET WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.**
- 5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTERS' CONTRIBUTION**

**SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.**

**THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 AND SECTION 68 OF THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BRLM, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.**

#### **General Disclaimer from our Company and the BRLM**

Our Company, the Directors, and the BRLM accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at instance of the above mentioned entities and anyone placing reliance on any other source of information, including our website, [www.jkumar.com](http://www.jkumar.com), would be doing so at his or her own risk.

The BRLM accepts no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into among the BRLM and us dated September 12, 2007 and the Underwriting Agreement to be entered into among the Underwriters and us.

All information shall be made available by us and BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at bidding centres etc.

Neither we nor the Syndicate is liable to the Bidders for any failure in downloading the Bids due to faults in any software / hardware system or otherwise.

#### **Caution**

**Investors that bid in the Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.**

#### **Disclaimer in Respect of Jurisdiction**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks subject to RBI permission), trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorised under their constitution to hold and invest in shares), Public Financial Institution as specified in Sec 4A of the Companies Act and to NRIs, FIIs and Foreign Venture Capital Funds Registered with SEBI. This Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to equity shares Issued hereby in any other jurisdiction to any person to whom it is unlawful to make an Issue or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or her self 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 in India only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus has been filed with SEBI for observations and SEBI has given its observations and this Red Herring Prospectus has been filed with Registrar of Companies, Maharashtra at Mumbai as per the provisions of the Companies Act. Accordingly, the Equity Shares, represented thereby may not be issued or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there

has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to "qualified institutional buyers", as defined in Rule 144A of the Securities Act in reliance on Rule 144A under the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**Further each bidder where required agrees that such bidder will not sell or transfer any equity shares or create any economic interest therein, including any off-shore derivative instrument, such as participatory notes, issued against the equity shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislation in each jurisdiction, including India.**

#### **Disclaimer Clause of the Bombay Stock Exchange Limited**

The Bombay Stock Exchange Limited ("BSE") has given by its letter dated October 22, 2007, permission to our Company to use BSE's name in this offer document as one of the stock exchanges on which our Company's securities are proposed to be listed. BSE has scrutinised this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to our Company. BSE does not in any manner:

1. Warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
2. Warrant that this company's securities will be listed or will continue to be listed on BSE; or
3. Take any responsibility for the financial or other soundness of this company, its promoters, its management or any scheme or project of this company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities of this company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

#### **Disclaimer Clause of the National Stock Exchange of India Limited**

As required, a copy of the Draft Red Herring Prospectus has been submitted to the National Stock Exchange of India Limited ("NSE"). NSE has given *vide* its letter No. NSE/LIST/60632-6 dated November 16, 2007 permission to our Company to use the NSE's name in this offer document as one of the stock exchanges on which our Company's securities are proposed to be listed.. NSE has scrutinised the offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to our Company. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Draft Red Herring Prospectus has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus; nor does it warrant that our Company's securities will be listed or will continue to be listed on NSE; nor does it take any responsibility for the financial or other soundness of our Company, its promoters, its management or any scheme or project of our Company.

Every person who desires to apply for or otherwise acquire any securities of our Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription or acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.



**Filing**

A copy of the Draft Red Herring Prospectus has been filed with the Corporate Finance Department of SEBI, SEBI Bhavan, Block G, Plot No. C-4A, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, and copy of the Prospectus required to be filed under Section 60 of the Companies Act will be delivered to the Registrar of Companies, Maharashtra at 100, Everest Building, Marine Lines, Mumbai – 400 002.

**Listing**

Applications have been made to the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited for permission to deal in and for an official quotation of our Equity Shares being offered and sold. The Bombay Stock Exchange Limited ("BSE") shall be the Designated Stock Exchange with which the basis of allotment will be finalized.

If the permission to deal in and for an official quotation of our Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Red Herring Prospectus. If such money is not repaid within eight days after the day from which our Company become 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 our Company, and every Director of our Company who is an officer in default shall, on and from such expiry of eight days, be jointly and severally liable to repay that money with interest as prescribed under Section 73 of the Companies Act.

We shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges mentioned above are taken within seven working days of finalisation and adoption of the Basis of Allotment for this Issue.

**Undertaking from the Promoters and Directors**

Our Company accepts full responsibility for the accuracy of the information given in this Red Herring Prospectus and confirms that to the best of their knowledge and belief, there are no other facts, their omission of which make any statement in this Red Herring Prospectus misleading and they further confirm that they have made all reasonable inquiries to ascertain such facts. Our Company further declares that the Stock Exchanges to which an application for official quotation is proposed to be made do not take any responsibility for the financial soundness of the Issue or for the price at which the Equity Shares are offered or for the correctness of the statement made or opinions expressed in this Red Herring Prospectus. The Promoters/Directors declare and confirm that no information/material likely to have a bearing on the decision of investors in respect of the Equity Shares offered in terms of this Red Herring Prospectus has been suppressed, withheld and/or incorporated in the manner that would amount to misstatement, misrepresentation and in the event of its transpiring at any point of time till allotment/refund, as the case may be, that any information/material has been suppressed /withheld and/or amounts to a misstatement/ misrepresentation, the Promoters/ Directors undertake to refund the entire application monies to all the subscribers within 7 days thereafter without prejudice to the provisions of Section 63 of the Companies Act.

**Consents**

Consents in writing of: (a) the Directors, our Company Secretary and Compliance Officer, the Auditors, Bankers to our Company and Bankers to this Issue; and (b) Book Running Lead Manager to this Issue, the Syndicate Member, Escrow Collection Bankers, Registrar to this Issue and legal advisors to our Company to act in their respective capacities, will be obtained and will be filed along with a copy of Red Herring Prospectus with the Registrar of Companies, Maharashtra at Mumbai as required under Sections 60 the Companies Act and such consents have not been withdrawn up to the time of delivery of the Red Herring Prospectus for registration.

Gupta Saharia & Co., Chartered Accountants have given their written consent to the inclusion of their report in the form and context in which it appears in this Red Herring Prospectus and such consent and report has not been withdrawn up to the time of delivery of this Red Herring Prospectus for registration to the ROC.

Gupta Saharia & Co., Chartered Accountants, have given their written consent to the inclusion of their report relating to the possible tax benefits accruing to our Company and its members in the form and context in which it appears in this Red Herring Prospectus and has not withdrawn such consent up to the time of delivery of this Red Herring Prospectus for registration with the ROC.

ICRA Limited, the agency engaged by us for the purpose of obtaining IPO grading in respect of this Issue, has given its written consent to the inclusion of its report in the form and context in which it will appear in this Red Herring Prospectus and such consent and report will not be withdrawn up to the time of delivery of this Red Herring Prospectus and the Prospectus to the RoC.

#### **Expert Opinion**

We have not obtained any expert opinions.

#### **Expenses of the Issue**

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar fees and listing fees. The estimated Issue expenses are as follows:

(Rs in Lacs)				
<b>Sr No</b>	<b>Particulars</b>	<b>Amount</b>	<b>As a % of the Issue Size</b>	<b>As a % of the total issue expenses</b>
1	Fees to Book Running Lead Manager	[•]	[•]	[•]
2	Fees to Registrar to the Issue	[•]	[•]	[•]
3	Fees to Legal Advisors to the Issue	[•]	[•]	[•]
4	Fees to Auditors	[•]	[•]	[•]
5	Underwriting and Selling Commission	[•]	[•]	[•]
6	Printing and Stationary	[•]	[•]	[•]
7	Advertising Expenses	[•]	[•]	[•]
8	Other Expenses (including filing fees, listing fees, depository charges etc)	[•]	[•]	[•]
9	Contingencies	[•]	[•]	[•]
10	IPO Grading Expenses	[•]	[•]	[•]
	<b>Total</b>	[•]	[•]	[•]

#### **Fees Payable to the BRLM and the Syndicate Members**

The total fees payable to the Book Running Lead Manager (including underwriting commission and selling commission) and the Syndicate Member will be as per the Mandate Letter dated May 28, 2007 with the BRLM issued by our Company, a copy of which is available for inspection at our registered office.

#### **Fees Payable to the Registrar to the Issue**

The fees payable by us to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order (or revised CAN's if required), preparation of refund data on magnetic tape, printing of bulk mailing register will be as the per the memorandum of understanding between us and the Registrar to the Issue dated June 22, 2007.

The Registrar to the Issue will be reimbursed for all out of pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post/speed post/under certificate of posting.

#### **Brokerage and selling commission on previous issues**

Since this is an initial public offer of our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception, except that in relation to the allotment of Equity Shares to certain investors on August 18, 2007, we have paid commission aggregating to Rs. 29,03,040 to our BRLM Anand Rathi Securities Limited

#### **Previous Rights and Public issues during last five years**

Our Company has not made any previous rights and public issues in India or abroad in the five years preceding the date of this Red Herring Prospectus.

#### **Previous issues of shares otherwise than for cash**

Our Company has not made any previous issues of shares for consideration otherwise than for cash.

**Particulars in Regard to our Company and Other Listed Companies under the Same Management within the meaning of Section 370(1)(B) of the Companies Act, 1956, which made any Capital Issue during last three years**

There are no listed companies under the same management within the meaning of section 370 (1)(B) of the Companies Act that made any capital issue during the last three years.

**Promises Vs Performance**

Our Company has not made any public issue of shares since its incorporation. There are no group company, which has made any public issues.

**Outstanding Debentures or Bonds**

As on the date of filing of this Red Herring Prospectus, our Company does not have any outstanding Debenture or Bond Issue.

**Outstanding Preference Shares**

As on the date of filing of this Red Herring Prospectus, our Company does not have any outstanding preference shares.

**Stock Market Data for our Equity Shares**

This being an initial public offering of our Company, no stock market data is available.

**Mechanism for Redressal of Investor Grievances**

The memorandum of understanding between the Registrar to this Issue and our company will provide for retention of records with the Registrar to this Issue for a period of atleast one year from the last date of dispatch of the letters of allotment, demat credit and refund orders or where refunds are being made electronically, giving of refund instructions, to the clearing system, to enable the investors to approach the Registrar to this Issue for redressal of their grievances.

All grievances relating to this Issue may be addressed to the Registrar to this Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application, depository participant, application number and the bank branch or collection center where the application was submitted.

**Disposal of Investor Grievances**

We estimate that the average time required by us or the Registrar to this Issue for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

We have constituted a Share Transfer & Shareholders/Investors Grievance Committee of the Board *vide* resolution passed at the Board Meeting held on July 16, 2007. The composition of the Investors' Grievances Committee is as follows:

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

Our Company has appointed Ms. Poornima Reddy, Company Secretary as the Compliance Officer and he may be contacted in case of any pre issue or post issue related problem at the following address:

Ms. Poornima Reddy,  
J. Kumar Infraprojects Limited,  
16-A, Andheri Industrial Area,  
Veera Desai Road,  
Andheri (West),  
Mumbai – 400 053.  
India  
**Tel:** + 91 22 2673 0291 / 0848 / 0853  
**Fax:** + 91 22 2673 0814,  
**Email:** jkumar.ipo@jkumar.com,  
**Website:** www.jkumar.com

**Disposal of investor grievance by listed companies under the same management as our Company**

There is no listed company under the same management of our Company.

**Changes in Auditors during the last three financial years and reasons therefore**

There have been no changes of the auditors of our Company in the last three years.

**Capitalisation of Reserves or Profits during the last five years**

We have not capitalized any of our reserves or profits during the last five years.

**Revaluation of Assets**

Our Company has not revalued its assets in the past five years.

## SECTION VIII – ISSUE RELATED INFORMATION

### TERMS OF THIS ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, the Memorandum and Articles of Association of our Company, the terms of the Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Bid cum Application Form, the Revision form, the CAN and other terms and conditions as may be incorporated in the allotment advice, and other documents/certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to this issue of capital and listing and trading of securities issued from time to time by SEBI, Government of India, Reserve Bank of India, Stock Exchanges, Registrar of Companies, FIPB and/or other authorities, as in force on the date of this 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 and shall rank *pari passu* in all respects with the other existing Equity Shares of our Company including rights in respect of dividend. The Allottees will be entitled to dividend or any other corporate benefits, if any, declared by our Company after the date of Allotment.

For description of our Articles of Association, please refer the section titled “Main provisions of the Articles of Association” beginning on page 221 of this Red Herring Prospectus.

#### Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of the Companies Act and recommended by the Board of Directors and the shareholders at their discretion, and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company.

#### Face Value and Issue Price

The Equity Shares with a Face Value of Rs. 10/- each are being issued in terms of this Red Herring Prospectus at a Price Band of Rs. 110 to Rs. 120 per equity share. At any given point of time, there shall be only one denomination for the Equity Shares of our Company, subject to applicable laws.

#### Compliance with SEBI Guidelines

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, Memorandum and Articles of Association of our Company and the Listing agreements to be entered with the Stock Exchanges.

For further details on the main provisions of our Company’s Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, refer “Main Provisions of the Articles of Association” beginning on page 221 of this Red Herring Prospectus.

#### Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares of our Company shall be allotted only in dematerialized form. In terms of existing SEBI Guidelines, the trading in the Equity Shares of our Company shall only be in dematerialized form for all investors. Since trading of our Equity Shares will be in dematerialized mode, the tradable lot is one equity share.

Allocation and allotment of Equity Shares through this Issue will be done only in electronic form in multiples of one Equity Shares to the successful Bidders subject to a minimum Allotment of 55 Equity Shares. For details of Allocation and Allotment, please refer the chapter titled “Issue Procedure - Basis of Allotment or Allocation” on page 214 of this Red Herring Prospectus.

**Jurisdiction**

The jurisdiction for the purpose of this Issue is with competent courts/authorities in Mumbai, India.

**Nomination Facility to the Investor**

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

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

- a. to register himself or herself as the holder of the Equity Shares; or
- b. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, 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 monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

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

**Minimum Subscription**

If we do not receive the minimum subscription of 90% of the Net Issue to Public amount including devolvement of Underwriters within 60 days from the Bid/Issue Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company shall pay interest as per Section 73 of the Companies Act, 1956.

If the number of allottees in the proposed Issue is less than 1000 allottees, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 15 days after our Company becomes liable to pay the amount, our Company shall pay interest at the rate 15% per annum for the delayed period.

**Withdrawal of the Issue**

Our Company in consultation with the BRLM, reserves the right not to proceed with the Issue at any after the Bid/Issue opening Date any reason thereof.

**Arrangements for Disposal of Odd Lots**

Our Company's shares will be traded in dematerialized form only and therefore the marketable lot is one (1) share. Therefore, there is no possibility of odd lots.

**Restriction on Transfer and Transmission of Shares**

For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation/splitting, please refer sub-heading "Main Provisions of the Articles of Association" appearing on page 221 of this Red Herring Prospectus.

There is no reservation for Non Residents, NRIs, FIIs and Foreign Venture Capital Funds and all Non Residents, NRI, FII and Foreign Venture Capital Fund Bidders will be treated on the same basis as other categories for the purpose of allocation. As per the policy of RBI, Overseas Corporate Bodies cannot participate in the Issue.

**Application by Non Residents/NRIs/FIIs**

There is no reservation for Non Residents, NRIs, FIIs and Foreign Venture Capital Funds and all Non Residents, NRI, FII and Foreign Venture Capital Fund applicants will be treated on the same basis with other categories for the purpose of Allocation.

As per the policy of the RBI, Overseas Corporate Bodies cannot participate in the Issue.

**The Equity Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act in reliance on Rule 144A under the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.**

**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.**

## ISSUE STRUCTURE

Public Issue of 65,00,000 Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share aggregating Rs. [●] Lakhs (the "Issue") including a reservation for Eligible Employees of 2,00,000 Equity Shares aggregating Rs. [●] Lakhs and a Net Issue to the Public of 63,00,000 Equity Shares by our Company. The Issue would constitute 31.36% of the fully diluted post-Issue paid-up capital of our Company.

	<b>Employees</b>	<b>QIBs</b>	<b>Non-Institutional Bidders</b>	<b>Retail Individual Bidders</b>
Number of Equity Shares	Upto 2,00,000 Equity Shares	At least 31,50,000 Equity Shares must be allotted to QIBs.	Upto 9,45,000 Equity Shares	Upto 22,05,000 Equity Shares
Percentage of Issue Size available for allocation	Upto 3.08% of the Issue Size	At least 50% of the Net Issue (of which 5% shall be reserved for Mutual Funds) subject to the preceding condition that the QIB Portion may be Net Issue size less allocation to Non-Institutional Bidders and Retail Individual Bidders.  Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion, if any, in the Mutual Fund Portion will be available to QIBs.	Upto 15% of the Net Issue to Public or Net Issue to Public less allocation to QIB bidders and Retail Individual Bidders	Upto 35% of the Net Issue to Public or Net Issue to Public less allocation to QIB bidders and Non-Institutional Bidders
Basis of allocation if respective category is oversubscribed	Proportionate	Proportionate	Proportionate	Proportionate
Minimum Bid	55 Equity Shares and multiple of 55 Equity Shares thereafter	Such number of Equity Shares that the Bid Amount exceeds Rs. 1,00,000 and in multiples of 55 Equity Shares thereafter	Such number of Equity Shares that the Bid Amount exceeds Rs. 1,00,000 and in multiples of 55 Equity Shares thereafter.	55 Equity Shares and in multiples of 55 Equity Share thereafter
Maximum Bid	Not exceeding 2,00,000 Equity Shares	Not exceeding the size of the Issue subject to applicable limits	Not exceeding the size of the Issue subject to applicable limits	Such number of Equity Shares whereby Bid Amount does not exceed Rs. 1,00,000
Mode of Allotment	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.
Trading Lot/ Market Lot	One Equity Share	One Equity Share	One Equity Share	One Equity Share
Who can Apply	Eligible Employees of our Company.	Public financial institutions, as specified in Section 4A of the Companies Act: Scheduled Commercial Banks, Mutual Funds, Foreign Institutional	Resident Indian individuals, HUF (in the name of Karta), companies, corporate bodies, NRIs, Scientific Institutions, Societies and Trusts	Individuals (including NRIs and HUFs in the name of Karta) applying for Equity Shares such that the Bid Amount does not exceed Rs.



	Employees	QIBs	Non-Institutional Bidders	Retail Individual Bidders
		Investor Registered with SEBI, Multilateral and Bilateral Development Financial Institutions, Venture Capital Funds Registered with SEBI, Foreign Venture Capital Investors registered with SEBI, State Industrial Development Corporations, permitted Insurance Companies registered with The Insurance Regulatory and Development Authority, Provident Funds with minimum corpus of Rs. 2,500 Lacs (subject to applicable laws) and Pension Funds with minimum corpus of Rs. 2,500 Lacs (subject to applicable laws).		1,00,000 in value.
Terms of Payment	Margin Amount applicable to Eligible Employees at the time of submission of Bid cum Application Form to the Member of Syndicate.	Margin Amount applicable to QIB Bidders at the time of submission of Bid cum Application Form to the Member of Syndicate.	Margin Amount applicable to Non-institutional Bidder at the time of submission of Bid cum Application Form to the Member of Syndicate.	Margin Amount applicable to Retail Individual Bidder at the time of submission of Bid cum Application Form to the Member of Syndicate.
Margin Amount	Full Bid Amount on Bidding	Atleast 10% of the Bid Amount in respect of bids placed by QIB Bidder on Bidding.	Full Bid Amount on Bidding	Full Bid Amount on Bidding.

Notes: Subject to valid Bids being received 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 spillover inter-se from any of the other categories, at the sole discretion of our Company, the BRLM and subject to applicable provisions of the SEBI Guidelines.

If the aggregate demand by Mutual Funds is less than 1,57,500 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB portion and be allocated proportionately to the QIB Bidders in proportion to their bids.

In case the Bid Cum Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and in the same sequence in which they appear in the Bid Cum Application Form.

**After the Bid / Issue Closing Date, depending upon the level of subscription, additional margin amount, if any, may be called from the QIB Bidders.**

**If the aggregate demand by Mutual Funds is less than 1,57,500 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders in proportion to their Bids.**

**Bidding / Issue period**

BID / ISSUE OPENS ON	January 18, 2008
BID / ISSUE CLOSES ON	January 23, 2008

Bids and any revision in Bids will be accepted **only between 10 a.m. and 3 p.m.** (Indian Standard Time) during the Bid/Issue Period as mentioned above at the bidding centres mentioned in the Bid cum Application Form **except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10 a.m. and 1 p.m.** (Indian Standard Time) and uploaded until:

- (i) 5.00 p.m. in case of Bids by QIB Bidders, Non-Institutional Bidders and Employees bidding under the Employee Reservation Portion where the Bid Amount is in excess of Rs. 1,00,000 and
- (ii) until such time as permitted by the BSE and the NSE, in case of Bids by Retail Individual Bidders and Employees Bidding under the Employee Reservation Portion where the Bid Amount is up to Rs. 1,00,000. 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 1.00 p.m (Indian Standard Time) on the Bid/Issue Closing Date.

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, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on Business Days. Bids will be accepted only on Business Days.

Investors please note that as per letter no. List/smd/sm/2006 dated July 03, 2006 and letter no. NSE/IPO/25101-6 dated July 06, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and Holidays as declared by the exchanges.

Our Company reserves the right to revise the Price Band during the Bid/Issue Period in accordance with SEBI Guidelines. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.

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 the Bid/Issue Period not exceeding 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 BSE and the NSE, by issuing a press release, and also by indicating the change on the web sites of the BRLM and at the terminals of the Syndicate.

## ISSUE PROCEDURE

### Book Building Procedure

The Issue is being made through the 100% Book Building Process wherein atleast 50% of the Net Issue to Public shall be available for Allocation to QIBs on a proportionate basis, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. Further, upto 35% of the Net Issue to Public shall be available for Allocation on a proportionate basis to Retail Individual Bidders and upto 15% of the Net Issue to Public shall be available for Allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price.

Bidders are required to submit their Bids through the members of the Syndicate. We, in consultation with the BRLM reserve the right to reject any QIB Bid procured by any or all members of the Syndicate provided the rejection is at the time of receipt of such Bid and the reason for rejection of the Bid is communicated to the Bidder at the time of rejection of the Bid. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company would have a right to reject the Bids only on technical grounds.

**Investors should note that Equity Shares will be allotted to successful Bidders only in the dematerialized form. Bidders will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the 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 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 Confirmation of Allocation Note ("CAN"), and filing of the Prospectus with the Registrar of Companies, Maharashtra at Mumbai, 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 our Company to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the Registrar of Companies, Maharashtra at Mumbai and as would be required by Registrar of Companies, Maharashtra at Mumbai after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form
Indian public or NRIs applying on a non-repatriation basis	White
Non-residents, NRIs, FIIs, Foreign Venture Capital Fund registered with SEBI, Multilateral and Bilateral Development Financial Institutions applying on repatriation basis	Blue
Eligible Employees	Pink

### Who can Bid

1. Indian nationals resident in India who are majors, in single or joint names (not more than three);
2. Hindu Undivided Families or HUFs in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs would be considered at par with those from individuals;
3. Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in the Equity Shares;
4. Indian Mutual Funds registered with SEBI;
5. Indian Financial Institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations, as applicable);
6. Venture Capital Funds registered with SEBI;
7. Foreign Venture Capital Investors registered with SEBI;
8. State Industrial Development Corporations;
9. Multilateral and bilateral development financial institutions;
10. Eligible NRIs and other Non Residents including FIIs on a repatriation basis or non-repatriation basis subject to applicable laws; and
11. Insurance companies registered with the Insurance Regulatory and Development Authority;
12. Provident funds with minimum corpus of Rs. 2500 Lacs and who are authorised under their constitution to hold and invest in Equity Shares;

13. Pension funds with minimum corpus of Rs. 2500 Lacs and who are authorised under their constitution to hold and invest in Equity Shares;
14. Trust/ society registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/ society and who are authorised under their constitution to hold and invest in Equity Shares; and
15. Scientific and/ or industrial research organizations authorised to invest in Equity Shares and
16. Persons otherwise eligible to invest under all applicable laws, rules, regulations and guidelines.

**As per existing regulations, OCBs cannot Bid in this Issue.**

**Note:** The BRLM and Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligation. However, associates and affiliates of the BRLM, and Syndicate Members may subscribe for Equity Shares in the Issue, including in the QIB Portion and Non-Institutional Portion where the allocation is on a proportionate basis. Such holding or subscription maybe on their behalf or on behalf of their clients.

Notwithstanding the aforesaid, in the Employee Reservation Portion, Bids can be submitted only by the Eligible Employees.

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 the relevant laws, rules, regulations, guidelines and approvals.

**BIDS BY MUTUAL FUNDS**

An eligible bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Funds Portion. In the event that the demand is greater than the 1,57,500 Equity Shares, allocation shall be made to Mutual Funds on a proportionate basis to the extent of Mutual Funds Portion. The remaining demand by Mutual Funds shall, as part of the aggregate demand by QIB Bidders, be made available for allocation proportionately out of the remainder of the QIB portion, after excluding the allocation in the Mutual Funds Portion. The Bids made by Asset Management Companies or Custodians of Mutual Funds should specifically state the name of concerned schemes for which Bids are made.

**As per the current regulations, the following restrictions are applicable for investments by Mutual Funds:**

No mutual fund scheme shall invest more than 10% of its net asset value in 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 its scheme should own more than 10% of any company's paid-up capital carrying voting rights. These limits would have to be adhered to by the mutual funds for investment in the Equity Shares.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

**BIDS BY NRIs**

Bid cum Application forms has been made available for NRIs at the Registered office of our Company and at selected locations of the members of the Syndicate.

NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for allotment under the NRI category. The NRIs who intend to make payment through Non-Resident Ordinary (NRO) Account shall use the form meant for Resident Indians (white in colour). All instruments accompanying bids shall be payable in Mumbai only.

**BIDS BY FIIs**

**As per current regulations, the following restrictions are applicable for investment by FIIs:**

No single FII can hold more than 10% of the Post-Issue paid-up capital of our Company (i.e. 10% of 2,07,24,420 Equity Shares of Rs. 10 each). In respect of an FII investing in the Equity Shares of our Company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital or 5% of the total issued capital of our Company in case such sub-account is a foreign corporate or an individual.

As of now, the aggregate FII holding in our Company cannot exceed 24% of the total issued capital of our Company. With the approval of the Board of Directors 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 our 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, an FII or its sub-account may issue, deal or hold, off-shore derivative instruments such as Participatory Notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "know your client" requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

### **Bids by NRIs or FIIs on Repatriation Basis**

#### **Bids and revision to bids must be made:**

- On the Bid cum Application Form or Revision Form, as applicable (Blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
- In a single or joint names (not more than three).
- Bids by NRIs for a Bid amount of up to Rs. 1,00,000 would be considered under the Retail Individual Bidders Portion for the purpose of Allocation and Bids for a Bid amount of more than or equal to Rs. 1,00,000 would be considered under Non-Institutional Bidder Portion for the purposes of allocation; by FIIs or Foreign Venture Capital Fund, Multilateral and Bilateral Development Financial Institutions for a minimum of such number of Equity Shares and in multiples of 55 Equity Shares thereafter so that the Bid amount exceeds Rs. 1,00,000; for details, please refer the chapter titled "Issue Procedure - Maximum and Minimum Bid Size" beginning on page 196 of this Red Herring Prospectus.
- In the names of individuals or in the names of FIIs or in the names of Foreign Venture Capital Fund, Multilateral and Bilateral Development Financial Institutions but not in the names of minors, firms or partnerships, foreign nationals or their nominees or OCB's.
- 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 payable upon submission of the Bid cum Application Form or Revision Form 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/speed 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. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

**There is no reservation for Non Residents, NRIs, FIIs and foreign venture capital funds and all Non Residents, NRI, FII and foreign venture capital funds applicants will be treated on the same basis with other categories for the purpose of allocation.**

### **APPLICATION BY SEBI REGISTERED VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS**

**As per the current regulations, the following restrictions are applicable for investments by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors:**

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, the holding by any individual venture capital fund or foreign venture capital investor registered with SEBI should not exceed 33.33% of the corpus of the venture capital fund/ foreign venture capital investor. The aggregate holdings of venture capital funds and foreign venture capital investors registered with SEBI could, however, go up to 100% of our Company's paid-up equity capital.

Pursuant to the SEBI Guidelines, the shareholding of SEBI registered Venture Capital Funds and Foreign Venture Capital Investors held in a company prior to making an Initial Public Offering would be exempt from Lock in requirements only if the shares have been held by them for atleast one year prior to the time of filing the draft prospectus with SEBI.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations, and our Company and the BRLM shall on no grounds whatsoever be liable for or responsible for any breach of applicable regulations by any investor or category of investors.

#### Maximum and Minimum Bid Size

- (a) **For Retail Individual Bidders:** The Bid must be for a minimum of 55 Equity Shares and in multiples of 55 Equity Shares thereafter, subject to maximum Bid amount of Rs. 1,00,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 1,00,000. In case the maximum Bid Amount is more than Rs. 1,00,000 due to revision of the Bid or revision of Price Band or on exercise of the option, then the same would be considered for allocation under the Non-Institutional Bidders category. The Cut-off option is given only to the Retail Individual Bidders indicating their agreement to bid and purchase at the final Issue Price as determined at the end of the Book Building Process.
- (b) **For Non-Institutional Bidders and QIBs Bidders:** The Bid must be for a minimum of such Equity Shares such that the Bid Amount exceeds Rs. 1,00,000 and in multiples of 55 Equity Shares thereafter. A Bid cannot be submitted for more than the size of the Issue. However, the maximum Bid by a QIB should not exceed the investment limits prescribed for them by the regulatory or statutory authorities governing them. Under existing SEBI guidelines, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay the QIB Margin Amount upon submission of the Bid.

In case of revision of Bids, the Non Institutional Bidders who are individuals have to ensure that the Bid Amount is greater than Rs. 1,00,000. In case the Bid Amount reduces to Rs. 1,00,000 or less due to a revision in Bids or revision of Price Band, the same would be considered for allocation under the Retail portion. Non Institutional Bidders and QIB Bidders are not allowed to Bid at 'Cut-Off' price.

Bidders are advised to ensure that any single bid from them does not exceed the investment limit or maximum number of equity shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.

Refund amounts following a permitted withdrawal of a bid shall be made in the manner described under paragraph "Payment of Refund"

- (c) **For Bidders in the Employee Reservation Portion:** The Bid must be for a minimum of 55 Equity Shares and in multiple of 55 Equity Shares. The maximum bid by an Eligible Employee in the Employee Reservation Portion cannot exceed 2,00,000 Equity Shares. Bidders in the Employee Reservation Portion applying for a maximum Bid in any of the Bidding Options not exceeding Rs. 1,00,000 may bid at "Cut-off".

No Promoters or persons belonging to the Promoter Group are part of the Eligible Employees in the Employee Reservation Portion.

#### Information for Bidders

- (a) Our Company will file the Red Herring Prospectus with the Registrar of Companies, Maharashtra at Mumbai atleast 3 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 BRLM/Syndicate Members.
- (d) Investors who are interested in subscribing for our Company's Equity Shares should approach the BRLM or Syndicate Member or their authorised agent(s) to register their Bid.

- (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) Our Company and the BRLM shall declare the Bid/Issue Opening Date, Bid/Issue Closing Date and Price Band at the time of filing the Red Herring Prospectus with Registrar of Companies, Maharashtra at Mumbai and also publish the same in one English national daily, one Hindi national daily and in one Regional newspaper with wide circulation. This advertisement shall contain the minimum disclosures as prescribed under Schedule XX-A of the SEBI Guidelines. The BRLM and Syndicate Members shall accept Bids from the Bidders during the Issue Period in accordance with the terms of the Syndicate Agreement.
- b) The Bidding Period shall be a minimum of three working days and shall not exceed seven working days. In case the Price Band is revised, the revised Price Band and Bidding Period will be published in two national newspapers (one each in English and Hindi) by indicating on the websites of the BRLM and at the terminals of the members of the Syndicate. The Bidding Period may be extended, if required, by an additional three working days, subject to the total Bidding Period not exceeding 10 working days.
- c) Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph entitled “Bids at Different Price Levels” below) and specify the demand (i.e. the number of Equity Shares bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.
- d) The Bidder cannot bid on another Bid cum Application Form after such Bidder’s 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 “Build up of the Book and Revision of Bids” on page of 200 this Red Herring Prospectus.
- e) During the Bidding 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.
- f) Along with the Bid cum Application Form, all Bidders will be required to make payment in the manner described under the paragraph “Terms of Payment” on page 199 of this Red Herring Prospectus.
- g) The Syndicate Member 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. It is the responsibility of the Bidder to obtain the TRS from the members of the Syndicate.

#### **Bids at Different Price Levels**

- (a) The Price Band has been fixed at Rs. 110/- to Rs. 120/- per Equity Share of face value Rs. 10/- each, Rs. 110/- being the Floor Price and Rs. 120/- being the Cap Price. The Bidders can bid at any price within the Price Band, in multiples of Re 1. In accordance with SEBI Guidelines, our Company in consultation with the BRLM can revise the Price Band by informing the Stock Exchanges, releasing a press release, disclosure on the website of the members of the Syndicate, if any and notification on the terminal of the members of the Syndicate. In case of a revision in the Price Band, the Issue will be kept open for a period of three additional working days after the revision of the Price Band, subject to the total Bidding Period not exceeding ten working days.
- (b) Our Company in consultation with BRLM can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders. The Price Band can be revised during the Bidding Period in which case the maximum revisions on either side of the Price Band shall not exceed 20% of the Cap Price and the Floor Price disclosed in the Red Herring Prospectus. Our Company can finalise the issue price in consultation with the BRLM without the prior approval of, or intimation to the bidders.

- (c) 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 may bid at “Cut-off”. However, bidding at “Cut-off” is prohibited for QIB or Non Institutional Bidders and such Bids from QIBs and Non-Institutional Bidders shall be rejected.**
- (d) Retail Individual Bidders, who bid at the Cut-Off, agree that they shall purchase the Equity Shares at the Issue price. Retail Individual Bidders bidding at Cut-Off shall submit the Bid cum Application form with cheque/ demand draft for the Bid Amount based on the Cap of the Price Band in with the Syndicate Members. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders who bid at the Cut-off Price (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), Retail Individual Bidders shall receive the refund of the excess amounts from the respective Refund Account.
- (e) Any revision in the Price Band shall be widely disseminated including by informing the Stock Exchanges, issuing a press release and making available this information on the Bidding terminals.
- (f) In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall be within the range of Rs. 5,000 to Rs. 7,000. The Issuer Company in consultation with the BRLM shall stipulate the minimum application size (in terms of number of shares) falling within the aforesaid range of minimum application value.
- (g) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders, who had bid at Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the cap of the revised Price Band (such that the total amount i.e. original bid amount plus additional payment does not exceed Rs. 1,00,000, 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. 1,00,000, 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 allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.
- (h) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Refund Account.

#### **Option to Subscribe**

Equity Shares being issued through this Red Herring Prospectus can be applied for in the dematerialised form only. Bidders will not have the option of getting the allotment in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

#### **Escrow Mechanism**

##### **Escrow Account for the Issue:**

Our Company and members of Syndicate shall open Escrow Accounts with one or more Escrow Collection Banks in whose favor 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 Accounts. The monies in the Escrow Accounts shall be maintained by the Escrow Collection Banks for and on behalf of the Bidders. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the monies from the Escrow Account to the Public Issue Account and the Refund Account with the Bankers to the Issue as per the terms of the Escrow Agreement, the Red Herring Prospectus and the Prospectus. Payment of refunds to the Bidders shall be made from the Refund Account as per the terms of the Escrow Agreement and this 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 Escrow Collection Bank(s), our Company, Book Running Lead Manager, Members of the Syndicate and the Registrar to the Issue to facilitate collections from the Bidders.



## **Terms of Payment and Payment into the Escrow Accounts**

Each Bidder shall provide the applicable Margin Amount, and shall, with the submission of the Bid cum Application Form draw a cheque or demand draft for the maximum amount of his/her Bid in favour of the Escrow Account of the Escrow Collection Bank(s) (refer "Payment Instructions" on page 207) and submit the same to the member of the Syndicate to whom the Bid is being submitted. The Bidder may also provide the applicable Margin Amount by way of an electronic transfer of funds through the RTGS mechanism. Each QIB shall provide their QIB Margin Amount only to the BRLM. Bid cum Application Forms accompanied by cash/Stockinvest/money order shall not be accepted. The Margin Amount based on the Bid Amount has to be paid at the time of submission of the Bid cum Application Form.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Bidders until such time as the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the issue from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account maintained by the refund banker

Each category of Bidders i.e. QIBs, Non-Institutional Bidders, Employee Reservation Portion 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 will be 10% of the total Bid amount applicable and shall be uniform across all the bidders in the same category. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares Allocated at the Issue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date, which shall be a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLM. If the payment is not made favoring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled. However, if the applicable margin amount for bidder is 100%, the full amount of payment has to be made at the time of submission of the Bid cum Application Form.

Where the Bidder has been allocated lesser number of Equity Shares than he or she had bid for, the excess amount paid on bidding, if any, after adjustment for allocation, will be refunded to such Bidder within 15 days from the bid/issue closing date, failing which our Company shall pay interest at 15% per annum for any delay beyond the periods as mentioned above.

## **Electronic Registration of Bids**

- (a) The members of the Syndicate will register the Bids using the on-line facilities of NSE and BSE. There will be atleast one on-line connectivity in each city, where a Stock Exchange is located in India and where Bids are being accepted.
- (b) NSE and BSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the Syndicate Member 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 download the off-line data file into the on-line facilities for book building on a regular basis. On the Bid/Issue Closing Date, the members of the syndicate shall upload the Bids till such time as maybe permitted by the Stock Exchanges.
- (c) BSE and NSE will aggregate demand and price for Bids registered on their electronic facilities on a regular basis and display graphically the consolidated demand at various price levels. This information can be accessed on BSE's website at "www.bseindia.com" or on NSE's website at "www.nseindia.com" during the bidding period.
- (d) At the time of registering each Bid, the Syndicate members shall enter the following details of the investor in the on-line system:
  - Name of the investor (Investors should 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, investors should ensure 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)
  - Investor Category such as Individual, Corporate, FII, NRI, Mutual Fund, etc.
  - Number 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 request and obtain the TRS from the members of the Syndicate.** The registration of the Bid by the Syndicate Member does not guarantee that the Equity Shares shall be allocated either by the Syndicate Member or our Company.
- (f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- (g) The BRLM may reject a bid placed by a QIB for reasons to be recorded in writing provided that such rejection shall be made at the time of acceptance of the Bid and the reasons thereof shall be disclosed to the Bidders. In case of Non-Institutional Bidders, Employee Reservation Portion and Retail Individual Bidders, Bids would not be rejected except on the technical grounds listed on Page 210 in this Red Herring Prospectus.
- (h) It is to be distinctly understood that the permission given by NSE and BSE to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, BRLM are cleared or approved by NSE and BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company.
- (i) It is also to be distinctly understood that the approval given by NSE and BSE should not in any way be deemed or construed that the Draft Red Herring Prospectus has been cleared or approved by the NSE and BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the NSE and BSE.
- (j) The bidding terminals shall contain a online graphical display of demand and bid prices updated at periodic intervals, not exceeding 30 minutes. Our BRLM shall ensure the availability of adequate infrastructure for data entry of the bids in a timely manner

#### **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 NSE or BSE mainframe on a regular basis.
- (b) The book gets built up at various price levels. This information will be available with the BRLM on a regular basis.
- (c) The Price Band can be revised during the Bidding Period, in which case the bidding period shall be extended further for a period of three days, subject to the total bidding period not exceeding ten working days. The Cap on the Price Band shall not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the Floor of Price Band can move up or down to the extent of 20% of the floor of the Price Band disclosed in the Red Herring Prospectus.
- (d) Any revision in the Price Band will be widely disseminated by informing the Stock Exchanges, by issuing a Public Notice in two national newspapers (one each in English and Hindi) and one local newspaper and also indicating the change on the relevant websites and the terminals of the members of the syndicates.
- (e) During the Bidding Period, any Bidder who has registered its 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.
- (f) Revisions can be made in both the desired number of Equity Shares and the Bid price by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in such Bidder's 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 such Bidder is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed, in the Revision Form. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.

- (g) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) of the Bid, the Bidders will have to use the services of the same members 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.
- (h) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Red Herring Prospectus. In case of QIBs, the members of the Syndicate shall collect the payment in the form of cheque or demand draft or electronic transfer of funds through RTGS for the incremental amount in the QIB margin, if any, to be paid on account of the upward revision of bid at the time of one or more revision by the QIB bidders.
- (i) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the Syndicate Member. **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.**

Only bids that are uploaded to the online IPO system of NSE/ BSE shall be considered for Allocation / Allotment. In case of discrepancy of data between NSE or BSE and the Syndicate Member, the decision of the Book Running Lead Manager based on physical records of Bid cum Application Forms shall be final and binding to all concerned.

### **Price Discovery and Allocation**

- (a) After the Bid/Issue Closing Date, the BRLM will analyze the demand generated at various price levels and discuss pricing strategy with us.
- (b) Our Company in consultation with the BRLM shall finalise the “Issue Price” and the number of Equity Shares to be allotted in each investor category.
- (c) The Allocation for QIBs, atleast 50% of the Net Issue to Public, of which 5% shall be reserved for Mutual Funds would be proportionate. The allocation to Non-Institutional Bidders and Retail Individual Bidders of upto 15% and 35% of the Net Issue to Public, respectively, would be on proportionate basis, in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price. The Allocation in the Employee Reservation Portion would also be on a proportionate basis.
- (d) Under subscription, if any, in Non-Institutional, Retail and Employee Reservation Portion categories would be allowed to be met with spill over from any of the other categories at the discretion of our Company and the BRLM. However, if the aggregate demand by Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares from the portion specifically available for allocation to Mutual Funds in the QIB Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders in proportion to their Bids, for further details please refer the chapter titled “Issue Procedure - Basis of Allotment or Allocation” beginning on page 214 of this Red Herring Prospectus.
- (e) Any under subscription in equity shares reserved for allocation to Eligible Employees would be treated as a part of the Net Issue to public and allocated in accordance with the basis of allotment described in the the chapter titled “Issue Procedure - Basis of Allotment or Allocation” beginning on page 214 of this Red Herring Prospectus.
- (f) The BRLM, in consultation with us, shall notify the Syndicate Member of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.
- (g) We reserve the right to cancel the Issue any time after the Bid/Issue Opening Date but before Allotment without assigning any reasons whatsoever.
- (h) Allocation to QIBs, Non-residents, FIIs and NRIs applying on repatriation basis will be subject to the terms and conditions stipulated by the RBI, FIPB, if any while granting permission for Allotment of Equity Shares to them.
- (i) In terms of SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the closure of Bidding.
- (j) The Allotment details shall be put up on the website of the Registrar to the Issue.

**Notice to QIBs: Allotment Reconciliation**

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. Based on the electronic book, 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 Guidelines, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange. 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.

**Signing of Underwriting Agreement and RoC Filing**

- (a) The BRLM shall enter into an Underwriting Agreement on finalisation of the Issue Price and allocation(s) to the QIB Bidders.
- (b) After signing the Underwriting Agreement, we would update and file the updated Red Herring Prospectus with Registrar of Companies, Maharashtra at Mumbai, 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**

We will file a copy of the Prospectus with the RoC in terms of Section 56, Section 60 and Section 60B of the Companies Act.

**Announcement of pre-Issue advertisement**

Subject to Section 66 of the Companies Act, our Company shall after receiving final observations, if any, on the Draft Red Herring Prospectus from SEBI, publish an advertisement, in the form prescribed by the SEBI Guidelines in an English national daily with wide circulation, one Hindi national newspaper and one regional language newspaper.

**Advertisement regarding Issue Price and Prospectus**

A statutory advertisement will be issued by our Company after the filing of the Prospectus with the Registrar of Companies, Maharashtra at Mumbai in two widely circulated newspapers (one each in English and Hindi) and one local newspaper. This advertisement in addition to the information that has to be set out in the statutory advertisement shall indicate the Issue Price. Any material updates between the date of Red Herring Prospectus and the Prospectus shall be included in the advertisement.

**Issuance of Confirmation of Allocation Note ("CAN")**

After the determination of Issue Price, the following steps would be taken

- (a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the Syndicate Member a list of their Bidders who have been Allocated Equity Shares in the Issue. The approval of the basis of allocation by Designated Stock Exchange for QIB Bidders may be done simultaneously with or before the approval of the basis of allocation for the Retail Individual Bidders, Non Institutional Bidders, Eligible Employees. However, investors should note that, we shall ensure that the date of Allotment of the Equity Shares to all the investors in this issue shall be done on the same date.
- (b) The BRLM or Syndicate Members would then send the 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 QIB Bidders who have not paid the Bid Amount in full 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 Equity Shares and who have already paid the Margin Amount for the said Equity Shares into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realization of their 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 all the Equity Shares to be allotted to such Bidder.
- (d) The issuance of CAN is subject to “Notice to QIB’s: Allotment Reconciliation” as mentioned above.

#### **Designated Date and Allotment of Equity Shares**

- (a) We shall ensure the allotment of Equity Shares is done within 15 days of Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account and the Refund Account on the Designated Date, we would ensure the credit to the successful bidders depositories account of the allotted Equity Shares to the allottees within two working days of the date of allotment. In case we fail to make allotment within 15 days of the Bid/ Issue Closing Date, interest would be paid to the investors @15% p.a.
- (b) All allottees will receive credit for the Equity Shares directly in their depository account. **As per SEBI Guidelines, equity Shares will be issued only in the dematerialized form to the Allottees.** Allottees will have the option to re-materialize the Equity Shares so allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.
- (c) Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be credited to their depository account to them pursuant to Allotment in this Issue.

#### **GENERAL INSTRUCTIONS**

##### **Do’s:**

- a) Check if you are eligible to apply having regard to applicable laws, rules, regulation, guidelines and approvals and the terms of this Red Herring Prospectus.
- b) Complete the Bid cum Application Form(White or Blue or Pink in Colour, as the case may be) after reading all the instructions carefully;
- c) Ensure that the details about Depository Participant and beneficiary account are correct as Equity Shares will be allotted in the dematerialized form only;
- d) Ensure that the Bids are submitted at the bidding centers only on forms bearing the stamp of a member of the Syndicate;
- e) Ensure that you have been given a TRS for all your Bid options;
- f) Submit Revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;
- g) Ensure that the Bid is within Price Band;
- h) Ensure that DP account is activated;
- i) 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, investors should ensure that the Depository Account is also held in the same sequence as they appear in the Bid-cum- Application Form;
- j) Each of the bidders should hold a valid Permanent Account Number (PAN) allotted under the IT Act and mention his/her PAN number in the application form while bidding for this issue. **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.**

- k) If you have mentioned “applied for” or “not applicable” in the Bid-cum-Application Form in the section dealing with PAN number ensure that you submit Form 60 or 61, as the case may be, together with permissible documents as address proof; and
- l) Ensure that the demographic details as registered with your Depository participant are updated, true and correct at all respects.

**Don'ts:**

- a) Do not bid for lower than the minimum Bid size;
- b) Do not bid/ revise Bid price to less than 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 member of the Syndicate;
- d) Do not pay the Bid amount in cash, through stockinvest, by money order or by postal order;
- e) Do not send Bid cum Application Forms by post; instead submit the same to members of the Syndicate only;
- f) Do not bid at Cut-off Price (for QIBs, non-institutional bidders and employees bidding above Rs. 1,00,000);
- 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; or under the terms of this Red Herring Prospectus.
- h) **Do not submit the GIR number instead of the PAN as the bid is liable to be rejected on this ground.**
- i) Do not submit the Bid without the QIB Margin Amount, in case of a Bid by a QIB.
- j) Do not bid at Bid Amount exceeding Rs 1,00,000 for incase of a Bid by a Retail Individual Bidder.

**Instructions for Completing the Bid cum Application Form**

Bidders can obtain Bid cum Application Forms and / or Revision Forms from the BRLM or Syndicate Member.

**Bids and Revisions of Bids**

Bids and revisions of Bids must be:

- (a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable (white colour for resident Indians, blue for Non-residents including NRIs, FIIs, Foreign Venture Capital Fund/Multilateral and Bilateral Development Financial Institutions applying on repatriation basis and pink for Eligible Employees.)
- (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) The Bids from the Retail Individual Bidders must be for a minimum of 55 Equity Shares and in multiples of 55 thereafter subject to a maximum Bid amount of Rs. 1,00,000.
- (d) For Non-institutional and QIB Bidders, Bids must be for a minimum of such number of equity shares such that the Bid Amount exceeds Rs. 1,00,000 and in multiples of 55 Equity Shares thereafter. Bids cannot be made for more than the Issue size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of Equity Shares that can be held by them under the applicable laws or regulations.

- (e) For Employee Reservation Portion, the Bid must be for a minimum of 55 Equity Shares and in multiples of 55 thereafter, subject to a maximum of 2,00,000 equity shares
- (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 in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

#### **Bids in the Employee Reservation Portion**

1. Bids by the Eligible Employees of our Company shall be made only in the prescribed Bid cum Application Form or Revision Form, (i.e. Pink colour Bid cum Application Form marked “Employees”). Eligible Employees should mention their Employee ID at the relevant place in the Bid cum Application Form.
2. The sole/first Bidder should be an Eligible Employee
3. 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.
4. Eligible Employees who apply or bid for equity shares of or for a value of not more than Rs. 1,00,000 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. 1,00,000.
5. The maximum Bid in this category can be 2,00,000 Equity Shares.
6. If the aggregate demand in this category is less than or equal to 2,00,000 Equity Shares at or above the Issue Price, full Allocation shall be made to the Eligible Employees to the extent of their demand. Under-subscription in this category would be added to any other category at the sole discretion of our Company in consultation with the BRLM.
7. If the aggregate demand in this category is greater than 2,00,000 Equity Shares at or above the Issue Price, the Allocation shall be made on a proportionate basis subject to a minimum of 55 Equity Shares. For details on the method of proportionate basis of allotment, please refer to the chapter titled “Issue Procedure - Basis of Allotment or Allocation” beginning on page 214 of this Red Herring Prospectus.
8. Bid/ Application by Eligible Employees can be made also in the Net Issue to Public and such bids shall not be treated as multiple Bids.

#### **Bidder’s Bank 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 Bidders bank account details. These bank account details would be printed on the refund order, if any, to be sent to Bidders or used for sending the refund through direct credit or ECS. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to Bidders at the Bidders sole risk and neither the BRLM nor the Bank shall be liable to pay any interest for such delay or shall have any responsibility and undertake any liability for the same.

#### **Bidder’s Depository Account Details**

**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.**

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 demographic details of the Bidders such as address, bank account details for printing on refund orders or giving credit through ECS or direct credit and occupation ("Demographic Details"). These bank account details would be used for giving refunds 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 can result in delay in credit of refunds to Bidders at the Bidders sole risk and neither the BRLM nor our Company shall be liable to pay any interest for such delay or have any responsibility or undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/ CANs/allocation advice and printing of bank particulars on the refund order and the demographic details given by Bidders in the Bid cum Application Form would not be used for these purposes by the Registrar.

Hence, Bidders are advised to update their Demographic Details as provided to their Depository Participants and ensure that they are true and correct.

By signing the Bid cum Application Form, Bidder would have deemed to authorize 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 our Company nor the Escrow Collection Bank nor the BRLM shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic mode as detailed in this Red Herring Prospectus, Bidders may note that refunds may get delayed if bank particulars obtained from the Depository Participant are incorrect.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

### **Bids under Power of Attorney**

**In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum and Articles of Association and/or Bye Laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.**

In case of the 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, our 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 insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to 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. 2500 Lacs and pension funds with minimum corpus of Rs. 2500 Lacs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of Bids made by Mutual Funds registered with SEBI, Venture Capital fund registered with SEBI and Foreign Venture Capital Fund registered with SEBI, a certified copy of the SEBI registration certificate must be



submitted with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

**We, in our absolute discretion, reserve 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 that we may deem fit.**

Our Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order / CANs/ Allocation Advice, the Demographic Details given on the Bid cum Application Form should be used (and not those obtained from the depository of the Bidder). In such cases, the registrar shall use Demographic Details as given in the Bid cum Application Form instead of those obtained from depositories.

#### **Bids by Non-Residents, including Eligible NRIs and FIIs, on a repatriation basis**

NRI, FIIs and Foreign Venture Capital funds Bidders to comply with the following:

- a) Individual NRI Bidders can obtain the Bid cum Application Forms from our Registered Office or from members of the Syndicate or the Registrar to the Issue.
- b) NRI Bidders may please note that only such Bids as are accompanied by payment in free foreign exchange through approved banking channels shall be considered for allotment.
- c) NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the Bid cum Application form meant for Resident Indians (white in colour).

#### **Bids and Revision of Bids:**

1. On the Bid cum Application Form or the Revision Form, as applicable (blue in color), and completed in full in **BLOCK LETTERS in ENGLISH** in accordance with the instructions contained therein.
2. In a single name or joint names (not more than three) and in the same order as the Depository Participant details.
3. Eligible NRIs for a Bid Amount of up to Rs. 1,00,000 would be considered under the Retail Portion for the purposes of Allocation and for a Bid Amount of more than Rs. 1,00,000 would be considered under Non-Institutional Portion for the purposes of Allocation. Other Non-Resident Bidders should bid for a minimum of such number of Equity Shares and in multiples of 55 thereafter that the Bid Amount exceeds Rs. 1,00,000. For details, please refer the chapter titled "Issue Procedure - Maximum and Minimum Bid Size" beginning on page 196 of this Red Herring Prospectus.
4. In the names of individuals, or in the names of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding Eligible NRIs) or their nominees.
5. **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 U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. We will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.**

It is to be distinctly understood that there is no reservation for Non-Residents, including Eligible NRIs and FIIs, and all Non-Resident Bidders will be treated on the same basis with other categories for the purpose of Allocation.

#### **Payment Instructions**

We shall open an Escrow Account with the Escrow Collection Bank(s) for the collection of the Bid Amounts payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation in the Issue.

Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation as per the following terms:

**Payment into Escrow Account:**

- (a) The Bidders shall along 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.
- (b) 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 Syndicate Member by the BRLM.
- (c) The payment instruments for payment into the Escrow Account shall be marked “A/c payee only ” and should be drawn in favour of:
  - (i) In case of QIB Bidders: **“Escrow Account –JKIL- IPO-QIB”**
  - (ii) In case of Resident Bidders: **"Escrow Account- JKIL-IPO "**
  - (iii) In case of Non Resident Bidders: **"Escrow Account- JKIL –IPO-NR"**
  - (iv) In case of Eligible Employees: **“Escrow Account-JKIL-IPO - Employees”**
- (d) 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 authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of a Non-Resident Ordinary (NRO) Account of a Non-Resident bidder bidding on a 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 Account.
- (e) 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.
- (f) Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on Bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Escrow Account.
- (g) The monies deposited in the Escrow Account will be held for the benefit of the Bidders until Designated Date.
- (h) 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 and the surplus amount if any shall be transferred into the Refund Account maintained with the Refund Banker.
- (i) On the Designated Date and no later than 15 days from the Bid/Issue Closing Date, the Refund Bank shall also refund all amounts payable to unsuccessful bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders.

**Payments should be made by cheque, or demand draft drawn on any bank (including a Co-operative bank), which is situated at, and is a member of or sub-member of the 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/ stock invest/money orders/ postal orders will not be accepted. Investors in the QIB Category may also make payment by RTGS.**

**Payment by Stock invest**

In terms of Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of bid money has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

**Submission of Bid cum Application Form**

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the Syndicate Member at the time of submission of the Bid. At the time of submission of Bid cum Application Form and Revision Form, each member of the Syndicate shall collect the 10% or 100% Margin Amount as may be applicable.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection center of the Syndicate Member 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 ("First Bidder"). 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 cum Application Form for bidding in this Issue. Two or more Bids will be deemed to be multiple Bids if the sole or first Bidder is one and the same.

**Procedure for segregating multiple bids**

1. All applications with the same name and age will be accumulated and taken to a separate process file as probable multiple master.
2. In this master, a check will be carried out for the same PAN numbers. In cases where the PAN numbers are different, the same will be deleted from this master.
3. The Registrar 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. Then the addresses of all these applications from the address master will be strung. 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.
5. The applications will be scanned for similar DP ID and Client ID numbers. In case applications bear the same numbers, these will be treated as multiple applications.
6. After consolidation of all the masters as described above, a print out of the same 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.

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 bidding in the Employee Reservation Portion can also Bid in the Net Issue to the Public Portion, and such Bids shall not be treated as Multiple Bids.

We reserve the right to reject, in our absolute discretion, all or any multiple Bids in any or all categories.

**Procedure for Application by Mutual Funds**

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.

We reserve the right to reject, in our absolute discretion to accept or reject, all or any multiple Bids in any or all categories.

### **Permanent Account Number (PAN)**

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 SEBI has recently issued a circular directing that with effect from July 2, 2007 PAN would be the sole identifiable number for participants transacting in the securities market, irrespective of the amount of transaction. Each of the bidders should hold a valid Permanent Account Number (PAN) allotted under the IT Act and mention his/her PAN number in the application form while bidding for this issue. **It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.** In case the sole/First Bidder and Joint Bidder(s) is/are not required to obtain PAN, each of the Bidder(s) shall mention "Not Applicable" and in the event that the sole Bidder and/or the joint Bidder(s) have applied for PAN which has not yet been allotted each of the Bidder(s) should Mention "Applied for" in the Bid cum Application Form. Further, where the Bidder(s) has mentioned "Applied for" or "Not Applicable", the sole/First Bidder and each of the Joint Bidder(s), as the case may be, would be required to submit Form 60 (Form of declaration to be filed by a person who does not have a PAN and who enters into any transaction specified in rule 114B), or, Form 61 (form of declaration to be filed by a person who has agricultural income and is not in receipt of any other income chargeable to income tax in respect of transactions specified in rule 114B), as may be applicable, duly filled along with a copy of any one of the following documents in support of the address: (a) Ration Card (b) Passport (c) Driving License (d) Identity Card issued by any institution (e) Copy of the electricity bill or telephone bill showing residential address (f) Any document or communication issued by any authority of the Central Government, State Government or local bodies showing residential address (g) Any other documentary evidence in support of address given in the declaration. It may be noted that Form 60 and Form 61 have been amended vide a notification issued on December 1, 2004 by the Ministry of Finance, Department of Revenue, Central Board of Direct Taxes. All Bidders are requested to furnish, where applicable, the revised Form 60 or Form 61, as the case may be.

### **Unique Identification Number ("UIN")**

SEBI has, with effect from July 2, 2007 declared that the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. Thus the use of UIN has been discontinued.

### **Our Right to Reject Bids**

In case of QIB Bidder's, our Company, in consultation with the BRLM may reject a Bid placed by QIB's for reasons to be recorded in writing provided the rejection is made at the time of submission of Bid and the reasons thereof shall be disclosed to the QIB Bidder's. In case of Non-Institutional Bidders and Retail Individual Bidders and Eligible Employees, our Company and BRLM have a right to reject bids based on technical grounds. Consequent refunds shall be made in accordance with the Paragraph Titled "Mode of making refunds" beginning on page 219 of this Red Herring Prospectus.

### **Grounds for Technical Rejections**

Bidders are advised to note that Bids are liable to be rejected among others on the following technical grounds:

- 1) Amount paid doesn't tally with the amount payable for the highest value of Equity Shares bid for;
- 2) Age of first Bidder not given;
- 3) In case of Partnership firms, Equity shares may be registered in the names of the individual partners and no firm as such, shall be entitled to apply.
- 4) NRIs, except Eligible NRIs.
- 5) Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors, insane persons;
- 6) PAN number / Form 60 or Form 61 declaration along with documentary evidence in support of address given in the declaration, not given regardless of the size of the Bid;
- 7) GIR number furnished instead of PAN;

- 8) Bids for lower number of Equity Shares than specified for that category of investors;
- 9) Bids at a price less than lower end of the Price Band;
- 10) Bids at a price more than the higher end of the Price Band;
- 11) Bids at Cut-off Price by Non-Institutional Bidders and QIB Bidders;
- 12) Bids for number of Equity Shares which are not in multiples of 55;
- 13) Category not ticked;
- 14) Multiple Bids as defined in this Red Herring Prospectus;
- 15) In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- 16) Bids accompanied by Stock Invest/ money order/postal order/cash;
- 17) Signature of sole and / or joint Bidders missing;
- 18) Bid cum Application Form does not have the stamp of the BRLM or Syndicate Member;
- 19) Bid cum Application Form does not have bidder's depository account details;
- 20) In case no corresponding record is available with the Depository that matches three parameters: name of Bidder (including sequence of names of joint holders), Depository Participant identification number and beneficiary account number;
- 21) Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Form, Bid/Issue Opening Date advertisement and this Red Herring Prospectus and as per the instructions in this Red Herring Prospectus and the Bid cum Application Form;
- 22) Bids for amounts greater than the maximum permissible amounts prescribed by the regulations. For details, please refer the chapter titled "Issue Procedure - Maximum and Minimum Bid Size" beginning on page 196 of this Red Herring Prospectus;
- 23) Bids by OCBs
- 24) Bids by persons other than Eligible Employees in the Employee Reservation Portion;
- 25) Bids by US persons other than "qualified institutional buyers" as defined in Rule 144A of the Securities Act or other than in reliance on Regulation S under the Securities Act; and
- 26) Bids by any persons outside India if not in compliance with applicable foreign and Indian laws.
- 27) Bids by QIBs not submitted through the members of the syndicate

#### **Equity Shares in Dematerialized Form with NSDL or CDSL**

As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Issue shall be allotted only in a dematerialized 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 us, the respective Depositories and the Registrar to the Issue:

- a) A tripartite agreement dated August 30, 2007 with NSDL, us and Karvy Computershare Private Limited, Registrar to the Issue;
- b) A tripartite agreement dated August 20, 2007 with CDSL, us and Karvy Computershare Private Limited, Registrar to the Issue.

All Bidders can seek allotment only in dematerialized mode. Bids from any Bidder without relevant details of his or her Depository Account are liable to be rejected.

- a) A Bidder applying for Equity Shares must have atleast 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) Equity Shares allotted to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder
- d) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details 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) Non-transferable allotment advice or refund orders will be directly sent to the Bidder by the Registrar to this Issue.
- f) 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.
- g) 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.
- h) It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
- i) The trading of the Equity Shares of our Company would be in dematerialized form only for all investors.

Investors are advised to instruct their Depository Participants to accept the Equity Shares that may be allocated to them pursuant to this Issue.

### **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, details of Depository Participant, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof. Investors can contact the Compliance Officer or the Registrar to the Issue in the case of any pre-Issue or post-Issue related problems such as non receipt of letters of allotment, credit of allotted shares in the respective beneficiary account, refund orders etc.

### **PRE-ISSUE AND POST ISSUE RELATED PROBLEMS**

We have appointed Ms. Poornima Reddy, Company Secretary, as the Compliance Officer and she may be contacted in case of any pre-Issue or post-Issue-related problems. She can be contacted at the following address:

**Ms. Poornima Reddy**  
**J. Kumar Infraprojects Limited**  
16-A, Andheri Industrial Area,  
Veera Desai Road,  
Andheri (West),  
Mumbai – 400 053.  
India  
**Tel:** + 91 22 2673 0291 / 0848 / 0853  
**Fax:** + 91 22 2673 0814,  
**Email:** jkumar.ipa@jkumar.com  
**Website:** www.jkumar.com

## **Disposal of Applications and Applications Money**

We shall ensure dispatch of allotment advice and/or refund orders/refund advice (in case refunds made through ECS, Direct Credit, RTGS, NEFT) as the case may be giving credit to the Beneficiary Account of the bidders with their respective Depository Participant and submission of the allotment and listing documents to the Stock Exchanges within two working days of finalization of the basis of allotment of Equity Shares. The mode of dispatch of refunds shall be as mentioned in the paragraph titled “Mode of Making Refunds” beginning on page 219 of this Red Herring Prospectus. Where refunds are made through electronic transfer of funds, a suitable communication will be sent to the bidders within 15 days of closure of the issue, giving details of the Bank where refund will be credited along with amount and expected date of electronic credit of refund.

**The bank account details for ECS, Direct Credit, RTGS, National Electronic Funds Transfer (NEFT) credit will be directly taken from the depositories’ database and hence bidders are required to ensure that bank details including the nine digit MICR code (Magnetic Ink Character Recognition) maintained at the depository level are updated and correct.**

Our Company shall ensure that all steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges where the Equity Shares are proposed to be listed are taken within 7 (seven) working days of finalisation of the basis of allotment. In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Guidelines, we further undertake that:

- Allotment shall be made only in dematerialised form within 15 (fifteen) days of the Bid/Issue Closing Date;
- Dispatch refund orders within 15 (fifteen) days of the Bid/Issue Closing Date would be ensured; and
- We shall pay interest at 15% (fifteen) per annum (for any delay beyond the 15 (fifteen)-day time period as mentioned above), if allotment is not made and refund orders are not dispatched and/or demat credits are not made to investors within the 15 (fifteen)-day time prescribed above as per the Guidelines issued by GoI, Ministry of Finance pursuant to their letter no. F/8/S/79 dated July 31, 1983, as amended by their letter no. F/14/SE/85 dated September 27, 1985, addressed to the Stock Exchanges, and as further modified by SEBI’s Clarification XXI dated October 27, 1997, with respect to the SEBI Guidelines.

**We will provide adequate funds required for dispatch of refund orders/advice or allotment advice to the Registrar to the Issue.**

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the Syndicate Member 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.

Save and except refunds effected through the electronic mode i.e.. ECS, NEFT, direct credit or RTGS, refunds will be made by cheques, payorders, or demand drafts drawn on a bank appointed by us, as a refund bank, and payable at par at places where Bids are received, except for bidders who have opted to receive refunds through the electronic facility. Bank charges if any, for encashing such cheques, payorders or Demand drafts at other centres will be payable by the bidder.

## **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.”**

## **Interest on Refund of excess Bid Amount**

Our Company shall pay interest at the rate of 15% per annum on the excess Bid Amount received if refund orders are not dispatched within 15 days from the Bid/Issue Closing Date as per the Guidelines issued by the GoI, Ministry

of Finance pursuant to their letter No.F/8/S/79 dated July 31, 1983, as amended by their letter No. F/14/SE/85 dated September 27, 1985, addressed to the stock exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI Guidelines.

### **Basis of Allotment or Allocation**

#### **A. For Retail Individual Bidders**

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all the successful Retail Individual Bidders will be made at the Issue Price.
- The Net Issue to Public less allocation to Non-Institutional and QIB Bidders (subject to minimum subscription of 50% of the net issue) shall be available for allocation to Retail Individual Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 22,05,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Retail Individual Bidders to the extent of their demand.
- If the aggregate demand in this category is greater than 22,05,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of 55 Equity Shares and multiples of one Equity Shares thereafter. 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 allocation to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Net Issue to Public less allocation to QIBs and Retail Portion shall be available for allocation to Non-Institutional Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 9,45,000 Equity Shares at or above the Issue Price, full allocation shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the aggregate demand in this category is greater than 9,45,000 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis up to a minimum of 55 Equity Shares and in multiples of 1 Equity Share thereafter. For the method of proportionate basis of allotment, refer below.

#### **C. For QIB Bidders**

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to all the QIB Bidders will be made at the Issue Price.
- The Net Issue to Public less allocation to Non-Institutional Portion and Retail Portion shall be available for allocation to QIB Bidders (subject to minimum subscription of 50% of the net issue) who have bid in the Issue at a price, which 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 upto 5% of the QIB Portion shall be determined as follows;
    - (i) In the event that Mutual Fund Bids exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for upto 5% of the QIB Portion.
    - (ii) In the event that the aggregate demand for Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full allotment to the extent of valid Bids received above the Issue Price.
    - (iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available to all QIB Bidders as set out in (b) below;
  - (b) In the second instance allocation to all QIBs shall be determined as follows:



- (i) In the event of the over-subscription 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, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.
- (c) The aggregate allocation to QIB Bidders shall not be less than 31,50,000 Equity Shares.

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 sole discretion of our Company and the BRLM.

#### **D. For our Eligible Employees**

- In case of under-subscription in the Net Issue, spillover to the extent of under-subscription shall be permitted from the Employee Reservation Portion.
- Bids received from the Employees at or above the Offer Price shall be grouped together to determine the total demand under this category. The allocation to all the successful Employees will be made at the Issue Price.
- If the aggregate demand in this category is less than or equal to 2,00,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Employees to the extent of their demand.
- If the aggregate demand in this category is greater than 2,00,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of 55 Equity Shares. For the method of proportionate basis of allocation, refer below.
- Only Eligible Employees are eligible to apply under the Employee Reservation Portion.

#### **Procedure and Time Schedule for allotment and demat credit of Equity**

The Issue will be conducted through a “100% Book Building Process” pursuant to which the Underwriters will accept bids for the Equity Shares during the Bidding Period. The Bidding Period will commence on January 18, 2008 and expire on January 23, 2008. Following the expiration of the Bidding Period, our Company, in consultation with the BRLM, will determine the Issue Price, and, in consultation with the BRLM, the basis of allocation and entitlement to allotment based on the bids received and subject to the confirmation by the BSE. Successful bidders will be provided with a confirmation of their allocation and will be required to pay any unpaid amount for the Equity Shares within a prescribed time. The Prospectus will be filed with SEBI and the Registrar of Companies and will be made available to investors. SEBI Guidelines require our Company to complete the allotment to successful bidders within 15 days of the expiration of the Bidding Period. The Equity Shares will then be credited and allotted to the investors’ demat accounts maintained with the relevant depository participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence. This typically takes three trading days from the date of crediting the investor’s demat account, subject to final approval by the Stock Exchanges.

### Method of Proportionate Basis of Allotment

In the event the Issue is over-subscribed, the basis of allotment shall be finalised by our Company in consultation with the Designated Stock Exchange. The Executive Director or Managing Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLM and the Registrar to the Issue shall be responsible for ensuring that basis of allotment is finalised in a fair and proper manner. Allotment to Bidders shall be as per the basis of allocation as set out in this Prospectus under “Issue Structure”.

- 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 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 in that category subject to minimum allotment of 55 Equity Shares. The minimum allotment lot shall be the same as the minimum application lot irrespective of any revisions to the Price Band.
- d) In case the proportionate allotment to any Bidders is in fractions, then the same would be rounded off to nearest integer.
- e) In all bids where the proportionate allotment is less than 55 per Bidder, the allotment shall be made as follows:
  - Each successful Bidder shall be allotted a minimum of 55 Equity Shares; and
  - The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (c) above.
- f) If the proportionate allotment to a Bidder is a number that is more than 55 but is not a multiple of 1 (which is the marketable lot), the number in excess of the multiple of 1 would be rounded off to the higher multiple of 1 if that number is 0.5 or higher. If the number is lower than 0.5, it would be rounded off to the lower multiple of 1. All Bidders in such categories would be allotted Equity Shares arrived at after such rounding off.
- g) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for allotment shall be first adjusted against any other category, where the allotted Equity Shares are not sufficient for proportionate allotment to the successful bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising of bidders applying for minimum number of Equity Shares.

### Illustration of Allotment to QIBs and Mutual Funds (“MF”)

#### A. Issue Details

Sr. No.	Particulars	Issue Details
1.	Issue Size	200 crore equity shares
2.	Allocation to QIB (50%)	100 crore equity shares
	Of which :	
	a) Allocation to MF (5%)	5 crores equity shares
	b) Balance for all QIBs including MFs	95 crores equity shares
3.	Number of QIB applicants	10
4.	Number of shares applied for	500 crores 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.	MF 1	40
7.	MF 2	40
8.	MF 3	80
9.	MF 4	20
10.	MF 5	20
	<b>Total</b>	<b>500</b>

A1-A5 (QIB bidders other than MFs)

MF1-MF5 (QIB bidders which are MFs)

**C. Details of Allotment to QIB Bidders/Applicants**

Type of QIB bidders	Shares bid for	Allocation of 5 million Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 95 million Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	(II)	(III)	(IV)	(V)
A1	50	0	9.60	0
A2	20	0	3.84	0
A3	130	0	24.95	0
A4	50	0	9.60	0
A5	50	0	9.60	0
MF 1	40	1	7.48	8.48
MF 2	40	1	7.48	8.48
MF 3	80	2	14.97	16.97
MF 4	20	0.5	3.74	4.24
MF 5	20	0.5	3.74	4.24
<b>Total</b>	<b>500</b>	<b>5</b>	<b>95</b>	<b>42.42</b>

Please note:

1. The illustration presumes compliance with the provisions of clause 7.6.1.1 of the guidelines pertaining to minimum allotment.
2. Out of 100 crore Equity Shares allocated to QIBs, 5 crores (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 95 crore Equity Shares [i.e. 100 – 5 (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 number IV are arrived as under:

- For QIBs other than Mutual Funds (A1 to A5)= No. of shares bid for (i.e. in column II) X 95/495
- For Mutual Funds (MF1 to MF5)= [(No. of shares bid for (i.e. in column II of the table above) less Equity Shares allotted ( i.e., column III of the table above)] X 95/495
- The numerator and denominator for arriving at allocation of 95 crore shares to the 10 QIBs are reduced by 5 crore 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**

We shall give credit of Equity Shares allotted to the beneficiary account with Depository Participants within 2 working days of finalization of Basis of Allotment. Applicants residing at 15 centres where clearing houses are managed by the Reserve Bank of India (RBI) will get refunds through ECS only (subject to availability of all information for crediting the refund through ECS) except where applicant is otherwise disclosed as eligible to get refunds through direct credit, RTGS, or NEFT. In case of other applicants, we 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. 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, the bank where their refund shall be credited (as per details given to the Depository Participant), alongwith the amount and the expected date of electronic credit of refund within 15 working days of closure of Issue.

We shall ensure dispatch of refund orders/advice, if any, by “Under Certificate of Posting” or registered post or speed post or Electronic Clearing Service or Direct Credit or RTGS, as applicable, only at the sole or First Bidder’s sole risk within 15 days of the Bid /Issue Closing Date, and adequate funds for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the issuer.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Guidelines, we further undertake that:

- Allotment of Equity Shares will be made only in dematerialised form within 15 working days from the Bid/Issue Closing Date;
- Dispatch of refund orders will be done within 15 working days from the Bid/Issue Closing Date;
- We shall pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), if allotment is not made, refund orders/advice are not dispatched and in case where a refund is made through electronic mode, the refund instruction have not been given to the clearing system and/or demat credits are not made to investors within the 15 working day time prescribed above as per the guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No.F/8/S/79 dated July 31, 1983, as amended by their letter No.F/14/SE/85 dated September 27, 1985, addressed to the Stock Exchanges and as further modified by SEBI’s clarification XXI dated October 27, 1997, with respect to the SEBI Guidelines.

We will provide adequate funds required for dispatch of refund orders/advice or allotment advice to the Registrar to the Issue. Refunds will be made by cheques, pay-orders or demand drafts drawn on a the Refund Bank and payable at par at places where Bids are received, except for Bidders who have opted to receive refunds through the Electronic mode i.e. RTGS, ECS or NEFT facility. The charges for NEFT/RTGS/ECS if any, levied by the refund banker shall be borne by the issuer company and not by the bidders.

## **Mode of making refunds**

The payment of refund, if any, would be done through various modes in the following order of preference

I. Direct Credit – For investors having their Bank Account with the Refund Bankers, the refund amount would be credited directly to their Bank Account with the Refund Banker.

II. NEFT - Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method.

III. RTGS – Applicants having a bank account at any of the below mentioned fifteen centres and whose refund amount exceeds Rs. 10 lacs, 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 applicant's bank receiving the credit would be borne by the applicant.

IV. ECS - Payment of refund would be done through ECS for applicants residing at one of the 15 centres, namely Ahmedabad, Bangalore, Bhubaneswar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna and Thiruvananthapuram, where clearing houses for ECS are managed by Reserve Bank of India. This would be subject to availability of complete bank account details including MICR code from the Depository. The payment or refund through ECS is mandatory for applicants having a bank account at any of the 15 centers named hereinabove, except where the applicant is otherwise disclosed as eligible to receive refunds through direct credit, NEFT or RTGS, as the case may be.

In case of all or any of the aforesaid modes of refund, charges, if any, levied by the Refund Bank(s) for the same would be borne by such applicant opting for RTGS as a mode of refund. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

For all the other applicants except for whom payment of refund is not possible through I, II, III and IV, the refund orders would be dispatched "Under Certificate of Posting" for refund orders less than Rs. 1500 and through Speed Post/Registered Post for refund orders exceeding Rs. 1500. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Refund Banks and be payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

## **Interest in Case of Delay in Despatch of Refund Orders**

Our Company agrees that allotment of securities offered to the public shall be made not later than 15 days of the closure of public issue. We further agree that we shall pay interest @15% per annum if the 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 to the clearing system in the disclosed manner) within 15 days from the date of the closure of the issue.

## **Undertaking by our Company**

We undertake as follows:

- that the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily;
- that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within seven working days of finalisation of the basis of Allotment;
- that 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 us;
- that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 working days of closure of the issue, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund
- that the refund orders or allotment advice to the Non Residents shall be dispatched within specified time; and
- that no further issue of Equity Shares shall be made till the Equity Shares offered through this Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.

## **Utilisation of Issue proceeds**

Our Board of Directors 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 referred above shall be disclosed 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 the appropriate head in our balance sheet indicating the form in which such unutilised monies have been invested;
- details of all unutilized monies out of the funds received under the reservations shall be disclosed under a separate head in the balance sheet of our Company indicating then form in which such unutilized monies have been invested.
- we 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.

## **Restrictions on Foreign Ownership of Indian Securities**

Foreign investment in Indian securities is regulated through the industrial policy of Government of India, or the Industrial Policy and FEMA. While the Industrial Policy 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 to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. As per current foreign investment policies, foreign investment in the construction and engineering sector is permitted upto 100% under the automatic route.

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public Issue without prior RBI approval, so long as the price of Equity Shares to be issued is not less than the price at which Equity Shares are issued to residents. In our Company, as on date aggregate FII holding cannot exceed 24% of the total Issued Share Capital.

### **Subscription by foreign investors (NRIs/FIIs)**

There is no reservation for Non Residents, NRIs, FIIs, foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor. All Non Residents, NRIs, FIIs and foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor applicants will be treated on the same basis with other categories for the purpose of allocation.

As per existing regulations, OCBs cannot participate in the Issue.

**The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (the Securities Act) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to "qualified institutional buyers", as defined in Rule 144A of the Securities Act in reliance on Rule 144A under the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.**

**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 above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.**

## SECTION IX - MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

### MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF J. KUMAR INFRAPROJECTS LIMITED

Pursuant to Schedule II of the Companies Act, 1956 and the SEBI guidelines, the important provisions of the Articles of Association of our Company relating to members voting rights, lien on Equity Shares and process for modification of such rights, forfeiture of Equity Shares, restrictions on transfer and transmission of Equity Shares and debentures and on their consolidation and splitting are detailed below.

<b>SHARE CAPITAL</b>
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4. The Authorised Share Capital of the Company is as laid down in Clause V of Memorandum of Association of the company.
5. a) The Company in general meeting may, from time to time by Ordinary Resolution increase the capital by the creation of new shares, such increase to be of such aggregate amount and of such classes & to be divided into shares of such respective amounts as the resolution shall prescribe.
  - b) Subject to the provisions of the Act, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the Company in general meeting shall prescribe, and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company, and with a right of voting at general meetings 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.
6. Except, so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender transfer and transmission voting and otherwise.
7. Subject to the provisions of Section 80 of the Act any such new shares may be issued as preference shares which are or at the option of the Company are to be liable to be redeemed, and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption subject however to the following conditions:
  - a. No such shares shall be redeemed except out of profits of the Company which would otherwise be available for dividend or out of the proceeds of fresh issue of shares made for the purpose of redemption.
  - b. No such shares shall be redeemed unless they are fully paid up.
  - c. The premium, if any payable on redemption shall have been provided for out of the profits of the company or the company's share premium account before the shares are redeemed.
  - d. Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account" a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the Share Capitals of the Company shall, except as provided in Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.
  - e. Subject to the provisions of Section 80 of the Act, the redemption of preference share here under may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf in such manner as the Directors determine.
  - f. Whenever the Company shall redeem any Redeemable Preference shares, the Company shall, within one month thereafter, give notice thereof to the Register of Companies as required by Section 95 of the Act.
8. Subject to the provisions of Section 78, 80, and 100 to 105 of the Act, the Company may from time to time, by Special Resolution reduce its capital in any manner for the time being authorized by law, and in particular, capital may be paid off on the footing that it may be called up again or otherwise. The Article is not to Derogate from any power the Company would have it if were omitted.
9. Subject to the provisions of Section 94 of the Act the Company in general meeting may from time to time.
  - i) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.
  - ii) convert all or any of its fully paid-up shares into stock and reconvert that stock into fully paid-up shares of any denomination.
  - iii) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on

- each reduced share shall be the same as it was in the case of the share from which the reduced share is derived
- iv) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

#### **MODIFICATION OF CLASS RIGHTS**

10. If at any time the share capital by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares all or any of the rights and privileges attached to each class may, subject to the provisions of Section 106 and 107 of the Act, and whether or not the Company is being wound up, be varied modified abrogated or dealt with, the consent in writing of the holders of not less than three-fourths of the issued shares of that class, or with the sanction of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class and all the provisions contained in these Articles as to general meetings (including the provisions relating to quorum at such meetings) shall mutatis mutandis apply to every such meeting.
11. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly prohibited by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

#### **SHARES**

12. The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned, no share shall be subdivided.
- 13 (a) Where at any time it is proposed to increase the subscribed capital of the Company by the issue of further new shares, then subject to the provisions of Section 81 of the Act or other applicable provisions (if any) of the Act, such further new shares shall be offered to the persons who at the date of the offer are holders of the equity shares in the Company, in proportion, as nearly as circumstances admit to the capital paid up on those shares at the date; and such offer shall be made by a notice specifying the number of shares offered and limiting the time not being less than 15 days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined. The offer aforesaid shall include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person acceptable to the Board of Directors. After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the company. Option or right to call of Shares shall not be given to any person or persons without the sanction of the Company in General Meeting.
- b) Notwithstanding anything contained in Clause (a) hereinabove further new shares aforesaid may be offered to any persons, (whether or not these persons include the persons who, at the date of the offer, are holders of the equity shares of the Company) in any manner whatsoever:-
- (i) if a Special Resolution to that effect is passed by the Company in general meeting; or.
  - (ii) where no such Special Resolution is passed, if the votes cast (whether on a show of hands or on poll, as the case may be) in favour of the proposal contained in the Resolution moved at the general meeting sanctioning the issue of such shares (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in that behalf that the proposal is most beneficial to the Company.
  - (iii) Notwithstanding anything contained in Clause (a) above, but subject, however to Section 81 (3) of the Act, the Company may increase its subscribed capital on exercise of an option attracted to the Debenture issue or loans raised by the Company to convert such Debentures or loans into shares, or to subscribe for shares in the Company.
14. In addition to and without derogation from the powers conferred on the Board under Article 13(a) and (b) above the Company in general meeting may by a Special Resolution determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or not) in such proportion and on such terms and conditions and (subject to compliance with the provisions of Sections 78 and 79 of the Act) either at a premium or at par or at a



discount, as such general meeting shall determine and with full power to give any person (whether a member or not) the option to call for or be allotted shares of any class of the Company either at a premium or at par or at discount (subject to compliance with the provisions of Sections 78 and 79 of the Act, in either case) such option being exercisable at such time and for such consideration as may be directed by such general meeting; or the Company in general meeting may make other provisions whatsoever for the issue, allotment of disposals of any shares.

15. Any application signed by the applicant for shares in the Company, followed by an allotment; of any share therein shall be an acceptance of shares within the meaning of these Articles; and every person who thus or otherwise accepts any shares and whose name is on the Register shall, for the purpose of the Act and these Articles, be a Member of the Company.
16. The money (if any) which the Board of Directors shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the inscription of the name of the allottee in the Register as the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.
17. Every member of his heirs, executor or administrators shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being remain unpaid thereon, in such amounts, at such time or times and in such manner as the Board of Directors shall from time to time, in accordance with the Company's regulations, require or fix for the payment thereof.

#### **SHARE CERTIFICATE**

18. (a) A certificate with Common Seal of the Company specifying any shares held by any Member shall be prima facie evidence of the title of the Member to such shares.
- (b) The certificates of title to shares shall be issued under the Seal of the Company which shall be affixed in the presence of and signed by (i) Two Directors or persons acting on behalf of the Directors under a duly registered Power of Attorney; and (ii) the Secretary or some other persons - appointed by the Board for the purpose; provided that if the composition of the Board permits of it a least one of the aforesaid two Directors shall be a person other than a Managing Director or Whole time Director. A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography. PROVIDED ALWAYS that notwithstanding anything contained in this Articles the certificates of title to shares may be executed and issued in accordance with such other provision of the Act or the Rules made thereunder as may be in force for the time being and from time to time.

#### **DEMATERIALISATION OF SECURITIES**

##### Definitions

19. (1) For the purpose of this Article:  
"SEBI" means the Securities and Exchange Board of India established under Section 3 of The Securities and Exchange Board of India Act, 1992.  
  
"Depositories Act" means The Depositories Act, 1996, including any statutory modifications or re-enactments thereof for the time being in force.  
  
"Depository" means a Company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under Sub-Section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992.  
  
"Bye-laws" means bye-laws made by a Depository under Section 26 of the Depositories Act.  
  
"Beneficial Owner" means a person whose name is recorded as such with a Depository.  
  
"Member" means the duly registered holder from time to time of the shares of the Company and includes every person whose name is entered as a Beneficial Owner in the records of the Depository." Participant"

means a person registered as such under Section 12(1A) of The Securities and Exchange Board of India Act, 1992.

“Record: includes the records maintained in the form of books or stored in Computer or in such other form as may be determined by regulations made by SEBI in relation to the Depository Act.

“Regulations” means such security as may be specified by SEBI. Words imparting the singular number only include the plural number and vice versa.

Words imparting persons include corporations.

Words and expressions used and not defined in this Article shall have the same meaning as respectively assigned to them in the Depositories Act.

- (2) Either the Company or the investor may exercise an option to issue, dealin, hold Securities (including Shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof shall be governed by the provisions of the Depositories Act as amended from time to time or any statutory modification thereto or reenactment thereof.

#### **DEMATERIALIZATION OF SECURITIES**

- (3) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing Securities, rematerialize its Securities held in the Depositories and/or offer its fresh Securities in a dematerialized form pursuant to the Depositories Act and the rules framed there under, if any.

#### **OPTION TO RECEIVE SECURITIES CERTIFICATES OR HOLD SECURITIES WITH DEPOSITORY**

- (4) Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. 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 records, the name of the allottees as the Beneficial Owner of the security.

#### **SECURITIES IN DEPOSITORIES**

- (5) All Securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

#### **RIGHTS OF DEPOSITORIES AND BENEFICIAL OWNERS**

- (6)
  - (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of Security on behalf of the Beneficial Owner.
  - (b) Save as otherwise provided in (a) above, the Depository as the registered owner of the Securities shall not have any voting rights or any other rights as the case may be in respect of the Securities held by it.
  - (c) Every person holding securities of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Member of the Company. The Beneficial Owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a Depository.

#### **BENEFICIAL OWNER DEEMED AS ABSOLUTE OWNER**

- (7) Except as ordered by a Court of competent jurisdiction or required by law, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or where the name appears as the beneficial Owner of the Security in the records of the Depository, as the absolute owner hereof. The Company shall not be bound to recognize any benami trust or equitable, contingent, future or partial interest in the Security (except otherwise provided by the articles) or any right in respect of

the Security other than an absolute right thereto in accordance with these Articles on the part of any other person whether or not it has express or implied notice thereof, but the Board shall subject to the provisions of the Act, be at its sole discretion to register the Security in the joint names of any two or more persons or the survivor or survivors of them.

#### **DEPOSITORY TO FURNISH INFORMATION**

- (8) Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.

#### **CANCELLATION OF CERTIFICATES UPON SURRENDER BY A PERSON**

- (9) Upon receipt of Certificate of Securities for dematerialization in terms of the applicable provisions of appropriate Acts or rules, the Company shall cancel such certificates and substitute in its records, the name of the Depository as the owner in respect of the said Securities and shall also inform the Depository accordingly.

#### **OPTION TO OPT OUT IN RESPECT OF ANY SECURITY**

- (10) If a Beneficial Owner seeks to opt out of a Depository in respect of any security, the Beneficial Owner shall inform the Depository accordingly. The Depository shall on receipt of information as above make appropriate entries in its records and shall inform the Company. The Company shall within thirty (30) days of the receipt of intimation from the Depository and on fulfillment of such conditions and payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.

#### **SERVICE OF DOCUMENTS**

- (11) Notwithstanding anything in the Act, or these Articles to the contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository to the Company by means of electronic mode or by delivery of floppies or discs.

#### **PROVISIONS OF THE ACT AND ARTICLES TO APPLY TO SECURITIES HELD IN THE DEPOSITORY**

- (12) All the provisions of the Act and Articles of Association of the Company, particularly the provision relating to joint holding, calls, lien, forfeiture and transfer and transmission of Securities shall also be applicable to securities held in the Depository.

#### **ALLOTMENT OF SECURITIES DEALT WITHIN A DEPOSITORY**

- (13) Notwithstanding anything in the Act or these where securities are dealt with by a Depository, the Company shall intimate the details thereof to Depository immediately on allotment of such securities.

#### **DISTINCTIVE NUMBER OF SHARES HELD IN THE DEPOSITORY**

- (14) The Share in the capital shall be numbered progressively according to their several denominations, provided however, that the provisions relating to progressive numbering shall not apply to the Shares of the Company which are dematerialized or may be dematerialized in future or issued in future in dematerialized form.

#### **REGISTER AND INDEX OF BENEFICIAL OWNERS**

- (15) The Company shall cause to keep a Register and Index of Members and a Register and Index of Debenture holders in accordance with Section 151 and 152 of the Act respectively read with the applicable provisions of the Depositories Act with details of Shares and Debentures held in material and demat forms in any media as may be permitted by law. The Register and Index of Beneficial Owners maintained by a

Depository under Section 11 of the Depositories Act shall be deemed to be the Register and Index of Members and Register and Index of Debenture holders, as the case may be, for the purpose of the Act. The Company shall have the power to keep in any state or country outside India, a branch Register of Members in respect of the resident in that state or country.

#### **REGISTER OF TRANSFER**

- (16) The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share held in material form.

#### **TRADING AND TRANSFER OF SECURITIES**

- (17) Trading and transfer of securities can be effected in the form permitted by appropriate authorities from time to time.

#### **POWER TO BOARD TO TAKE NECESSARY ACTION TO DEMATERIALIZE SECURITIES OFFERED BY THE COMPANY**

- (18) The Board is authorized to take all such actions and steps as may be necessary to dematerialize listed securities offered by the Company including executing deeds, documents and papers and appointing such persons and agencies as may be necessary to facilitate dematerialization / re-materialization and trading in such securities.

#### **NOMINATION**

- (20) a. Every holder of Share or debenture of the Company, may at any time, nominate, in the prescribed manner, a person to whom his shares in, or debentures of the Company shall vest in the event of his death. A member may revoke or vary his or her nomination, at any time, by notifying the Company to that effect.
- b. Where the shares or debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the manner prescribed under the Act, a person to whom all the rights in the shares or debentures of the Company shall vest in the event of death of all joint holders.
- c. Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the shares or debentures where a nomination is made in the manner prescribed under the Act, purports to confer on any person the right to vest the shares or debentures of the Company, the nominee shall, on the death of the shareholder or the debenture holder concerned, or on the death of the joint holders, become entitled to all the rights in the shares or debentures of the Company of such shareholder or holder of debentures or, as the case may be, of all the joint holders, in relation to such shares in or debentures of the Company to the exclusion of all other persons, unless the nomination is varied, cancelled in the manner prescribed under the Act.
- d. Where the nominee is a minor, the holder of the Share or debentures concerned, can make the nomination to appoint, in the prescribed manner under the Act, any person to become entitled to the shares or debentures concerned in the event of his death, during the minority.
- e. Notwithstanding anything contained in these Articles, any person who becomes a nominee under the provisions of Section 109A, and to whom the shares in or debentures of the Company have vested on the death of the Shareholder or holder of the debentures of the Company, or as the case may be, on the death of the joint holders, upon the production of such evidence as may be required by the Board, and subject as hereinafter provided elect either.
1. to be registered himself as holder of the share or debenture as the case may be; or
  2. to make such transfer of the share or debenture, as the case may be, as the deceased shareholder or debenture holder, as the case may be, could have made.
- f. If the person being a nominee, so becoming entitled, elects to be registered as holder of the share or debenture himself as the case may be, he shall deliver or send to the Company a notice in writing duly signed by him that nominee concerned so elects and such notice shall be accompanied with the death certificate of the deceased shareholder/ debenture holder as the case may be.
- g. All the limitations, restrictions and provisions of this Act relating to the right to transfer and the registration of transfers of shares or debentures shall be applicable to any such notice or transfer as aforesaid as if the

death of the member had not occurred and the notice or transfer were signed by that shareholder or debenture holder, as the case may be.

- h. A person being a nominee becoming entitled to share or debenture by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share or debenture except that he shall not, before being registered as member in respect of his share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meeting of the Company. Provided that the Board may, at any time give notice requiring any such person to elect to be registered himself or to transfer the share or debenture, and if, the notice is not complied with within ninety days, the Board may thereafter withhold all payments of all dividends, bonuses or other moneys payable in respect of the share or debenture, until the requirements of the notice have been complied with.
  - i. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased shareholder or debenture holders the case may be had transferred the share or debentures as the case may be, before his death.
  - j. No person shall be recognized by the Company as a nominee unless these shareholder has, during his life time, giving an intimation to the Company of his having appointed a nominee in the manner specified under Section 109A of the Companies Act, 1956.
  - k. The Company shall not be in any way responsible for transferring the shares and/or debentures consequent upon such information.
  - l. If the holders of the shares or debentures survives the nominee, then and in such case, the nomination made by the registered holder shall be of no effect and shall automatically stand revoked.
  - m. A depositor may, at any time, make a nomination and the provisions of Section 109A and 109B shall as far as may be applicable to such nominations made pursuant to the provisions of Section 58A(11) of the Companies Act, 1956.
21. a) Every member or allottee of Shares shall be entitled without payment to one certificate for all the shares registered in his name. Every certificate of shares shall specify the denoting numbers of the shares in respect of which it is issued and the amount paid up thereon. For every further certificate the Board of Directors shall be entitled but shall not be bound to prescribe a charge not exceeding one rupee.
- b) The Company shall comply with the provisions of Section 113 of the Act regarding limitation of time for issue of certificates.
22. The Company may issue such fractional certificate as the Board of Directors may approve in respect of any of the shares of the Company on such terms as the Board of Directors think fit as to the period within which the fractional certificates are to be converted into share certificates.
23. If any certificates be old, discrepant, worn-out defaced, torn or be otherwise Mutilated or rendered useless for any reason whatsoever or there is no further space on the back thereof for endorsements or transfer; then, upon production thereof to the Board of Directors, they may order the same to be cancelled and issue a new certificate in lieu thereof; and if any certificate be lost or destroyed, then, upon proof thereof to the satisfaction of the Board of Directors and on such indemnity as the Board of Directors deem adequate being given and upon such advertisement being published and on such other terms and conditions as the Board of Directors may require, a new certificates in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Such sum not exceeding rupee one as the Board of Directors may from time to time prescribe shall be paid to the Company for every certificate issued under this Clause. Provided that no fee shall be charged for issue of new certificates on subdivision or consolidation of share certificates into lots of market units of trading in replacement of those which are old, decrepit or worn-out of where the pages on the reverse for recording transfers have been fully utilized.
24. If any share stands in the name of two or more persons, the person first named in the Register shall as regards receipt of dividends or cash bonus, or service of notices or any other matter connected with the Company except voting at meeting 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 shares and for all incidents thereof accordingly to the Company's regulations.

25. The certificate of shares registered in the name of two or more persons shall be delivered to the persons first named in the Register.
26.
  - a) Notwithstanding anything contained in Section 153 of the Act, any person whose name is entered in the Register of Members of the Company as the holder of the share in the Company, but does not hold the beneficial interest in such share, shall, within such time and in such form, as may be prescribed, make a declaration to the Company specifying the name and other particulars of the person who holds the beneficial interest in such share.
  - b) Where any declaration is made to the Company, as aforementioned the Company shall make a note of such declaration, in its register of members and shall file, within thirty days from the date of receipt of the declaration by it a return to the prescribed form with the Registrar with regard to such declaration.
  - c) Save as herein, or in the Act otherwise provided the Company shall be entitled treat the registered holder of any share as the absolute owner thereof, and accordingly, shall not except as ordered by a Court of competent jurisdiction or by statute or the Act required, be bound to recognize any equitable beneficial or other claim to or interest in such share on the part of any other person.
26. No member who shall change his name or who, being a female, shall marry, shall be entitled to recover any dividend or to vote in the name other than the one registered with the Company, until notice of the change of name or of marriage, respectively, is given to the Company in order that the same be registered after production of satisfactory evidence.
27. Save as otherwise provided by Sec 77, 77A, 77AA and 77B of the Companies Act, 1956, the funds of the Company shall be applied in the purchase of or in lending on security of any share of the Company.

<b>UNDERWRITING AND BROKERAGE</b>
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28.
  - a) Subject to the provisions of Section 76 of the Act of the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolute or conditionally) for any shares of debentures in the Company, such commission shall not exceed 5% on the nominal value of the share or 2.5% on the nominal value of debentures in each subscribe or to be subscribed.
  - b) The Company may also, on any issue of shares or debentures pay such brokerage as may be lawful.
  - c) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or Debentures or partly in one way and partly in other.

<b>INTEREST OUT OF CAPITAL</b>
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29. Where any shares are issued for purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant, which Cannot be made profitable for a lengthy period of Company:
  - a) may pay interest on so much of that share capital and is for the time being paid up, for the period at the rate and subject to the conditions and restrictions provided by Section 208 of the Act; and
  - b) may charge the same to the capital as part of the cost of construction of the work or building or the provision of the plant.
30. The Board of Directors may, from time to time by a Resolution passed at a meeting of the Board (and not by circular resolution) make such calls as may think 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 persons and at the time and place appointed by the Board. A call may be made payable by instalments.
31. Not less than fifteen days' notice of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such calls shall be paid; provided that before the time for payment of such call the Board of Directors may by notice in writing to the members, revoke the same or extend the time for payment thereof.
32. If by the terms of issue of any shares or otherwise any amount is made payable at any fixed time or by installment at fixed times (whether on account of the amount of the share capital or by ways of premium)

every such amount or installment shall be payable as if it were a call duly made by the Board of Directors and of such due notice had been given, and all the provisions herein contained in respect of calls shall relate and apply to such amount or premium or installment accordingly.

33. A call shall be deemed to have been made at the time when the resolution authorizing such call was passed at a meeting of the Board of Directors.
34. If the sum payment in respect of any call or installment be not paid on or before the day appointed for payment thereof, the holder for the time being of the shares in respect of which the call shall have been made or the installment shall be due, shall pay interest for the same at the rate of nine per cent per annum from the date appointed for the payment thereof to the time of the actual payment, or at such other rate as the Board of Directors may from time to time determine. The Board of Directors may however in their absolute discretion forego payment of any interest wherein their opinion the circumstances so justify.
35. On the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered appears entered on the Register of Members of the Company as the holder, at or subsequently to the date at which the money sought to be recovered is alleged to have become due, of the shares in respect of which such money is sought to be recovered: that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the member or his representative sued in pursuance of these presents; and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board at which such call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
36. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.
37. The Board of Directors may, if it thinks fit, agree to and receive from any member willing to advance the same, all or any part of the amounts of their respective shares beyond the sums actually thereof, from time to time and at any time thereafter, as exceeds the called up: and upon the moneys so paid in advance or upon so much amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Board of Directors may pay or allow interest, at such rate as the member paying the sum in advance and the Board of Directors agree upon. The Board of Directors may at their absolute discretion repay at any time any amount so advanced or may at any time repay the same upon giving to the member notice in writing, of not less than three months. PROVIDED that moneys paid in advance of calls or any shares may carry interest but shall not confer a right to dividend or to participate in profits.

<b>FORFEITURE AND LIEN</b>
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38. 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 of Directors may, at any time thereafter while 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 have been incurred by the Company by reason of such non-repayment.
39. The notice shall name the 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 and expenses as aforesaid are to be paid. The notice shall also state that in the event of the nonpayment 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.
40. If the requisitions of any such notice as aforesaid are not complied with, any shares in respect of which such notice has been given may, at any time thereafter and before payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

41. When any share shall have been so forfeited notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register.
42. Any share so forfeited, shall be deemed to be the property of the Company, and may be sold, reallocated 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 of Directors may think fit.
43. The Board of Directors may, at any time before any share so forfeited shall have been sold, reallocated or otherwise disposed of annual the forfeiture thereof upon such conditions as it think fit.
44. Any member whose share shall have been forfeited shall, notwithstanding the Forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of forfeiture until payment at such rate not exceeding 9 per cent per annum or such other rate as the Board of Directors may determine, and the Board of Directors may enforce the payment thereof, or any part thereof, if it thinks fit.
45.
  - a) The forfeiture of a share shall involve extinction, at the time of the forfeiture, of all interest in and all claims and demands against the Company in respect of the share and all other rights incidental to the share, except only such of those rights as by these presents are expressly saved.
  - b) A declaration in writing that the declarant is a Director or Secretary of the Company and that certain shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.
46.
  - a) The Company shall have a first and paramount lien on every share other than fully paid-up shares for all moneys whether presently payable or not payable at a fixed time in respect of such shares. PROVIDED THAT the Board of Directors may at any time declare any shares to be wholly or in part exempt from the provisions of this Article.
  - b) Any lien on shares shall extend to all dividends from time to time declared in respect of each shares.
  - c) Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares.
47. For the purpose of enforcing such lien, the Board of Directors may sell the shares subject thereto in such manner as they think fit; but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served as provided for service of documents in these Articles, on such members, his heirs, executors or administrators and default shall have been made by him or them in the payment, fulfillment, or discharge of such debts, liabilities, or engagements for seven days after such notice. To give effect to any such sale, the Board may authorize some person to execute an instrument of transfer in respect of the shares sold and to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the Shares comprised in any such transfer. Upon any such sale aforesaid the certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new certificate or certificates in lieu thereof to the Purchaser or purchasers concerned.
48. The net proceeds of any such sale after payment of the costs of such sale shall be applied in or towards satisfaction of the debts, liabilities, or engagements of such member and the residue (if any) or the short fall (if any) shall be paid to or recovered from him, his heirs, executors, administrators or assignees, as the case may be.
49.
  - a) Upon any sale after forfeiture or the enforcing a lien in purported exercise of the powers hereinabove given, the Board of Directors may cause the Purchaser's name to be entered in the Register in respect of the shares sold, and the Purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register in respect of such shares, the validity of the sale and of the entry in the Register in respect of the shares sold shall not be impeached by any person, and the remedy (if any) of any person aggrieved by the sale be in damages only and against the Company exclusive.
  - b) Upon any sale, re-allotment or other disposal under the provisions of the proceedings Articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on



demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect where any shares under the powers in that behalf herein contained are sold by the Board of Directors and the certificate in respect thereof has not been delivered up to the Company by the former holder of such shares, the Board of Directors may issue a new certificate for such shares distinguishing it in such manner as it may think fit from the certificate not so delivered up.

50. The provisions of the Articles as to forfeiture shall apply in the case of nonpayment of any sum which by terms of the issue of a share becomes payable at a fixed time, whether on account of the amount of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

<b>TRANSFER AND TRANSMISSION OF SHARES</b>
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51. The Company shall keep a book, to be called "Register" of Transfer", and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of shares.
52. No transfer shall be registered unless a proper instrument of transfer has been delivered to the Company in the prescribed form and in accordance with the provisions of Section 108 of the Act. Every such instrument of transfer shall be duly stamped and executed both by the transferor and the transferee and attested. The transferor shall be deemed to remain the holder of such shares until the name of the transferee shall have been entered in the Register in respect thereof.
53. a) Subject to the provisions of Section 111 of the Act the Board of Directors may at any time in their absolute and uncontrolled discretion and without assigning any reason decline to register any proposed transfer of shares. This clause shall apply notwithstanding that the proposed transferee may be already be a member. However, registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.
- b) The Board of Directors shall be entitled to decline to register more than three persons as the Joint holders of any shares.
54. If the Board of Directors refuse to register a transfer of any shares, they shall within one month from the date on which the transfer was lodged with the Company send to the transferee and transferor notice of the refusal. Provided however, that where any instrument of transfer of shares has been delivered to the Company for registration and the transfer of such shares has not been registered, the Company shall:
- a) transfer the dividend in relation to such shares to the special account referred to in Section 203 A unless the Company is authorized by the registered holder of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer: and
- b) keep in abeyance to relation to such shares any offer of rights shares under clause (a) of the sub-section (1) of section 81 and of any issue of fully paid-up bonus shares in pursuance of sub- section (30 of Section 205).
55. No transfer shall be made to a person of unsound mind or a partnership firm.
56. a) Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by the certificate or certificates of the shares to be transferred, and such other evidence as the Board of Directors may require to prove the title of the transferor, his right to transfer the shares and generally under and subject to such conditions and regulations as the Board of Directors shall from time to time prescribe.
- b) Every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board of Directors. But any instrument of transfer which the Board of Directors may decline to register Shall, on demand, be returned to the person depositing the same.
57. There shall be paid to the Company, in respect of transfer or transmission of any number of shares to the same party, such sum as shall be determined by the Board of Directors in conformity with the regulations of the Bombay Stock Exchange.
58. The Board of Directors shall have power on giving not less than seven days previous notice by advertisement in some newspaper circulating in the state in which the Company's Registered Office is situated to close the Register of transfers, the Register of Members and/or the Register of Debenture

holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year, as the Board may deem expedient.

59. The executors or administrators of a deceased member shall be the only persons recognized by the Company as having any title to his share except in case of joint holders, in which case the surviving holder or holders or the executors or administrators of the last surviving holders shall be the only persons entitled to be recognized; but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share jointly held by him. The Company shall not be bound to recognize such executor or administrator unless he shall have first obtained Probate or Letters of Administration or other legal representation as the case may be, from a duly Constituted Court in India to grant such Probate or Letters of Administration. Provided nevertheless that in cases, which the Board in its discretion consider to be special cases and in such cases only, it shall be lawful for the Board of Directors to dispense with the production of Probate or Letters of Administration or a Succession Certificate upon such terms as to indemnity publication of notice or otherwise as the Board of Directors may, deem fit.
60. Subject to the provisions of these Articles any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Board of Directors (which the Board shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under the Article, or of his title, as the Board of Directors think sufficient, be registered as a member in respect of such shares, or may, subject to the regulations as to transfer herein above contained, transfer such shares. This clause is hereinafter referred to as "The Transmission Clause".
61. The Board of Directors shall have the same right to refuse to register a person entitled by the transmission to any shares or his nominee, as if he were the transferee named in any ordinary instrument of transfer presented for registration.
62. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares, made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register) to the prejudice of a persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice or referred thereto in any book or record of the Company, and the Company shall not be bound or required to regard to attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, notwithstanding that the notice may have been entered in or referred to in some book or record of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board of Directors shall so think fit.
63. The provision of these Articles shall mutatis mutandis apply to the transfer of or the transmission by operation of law the right to Debentures of the Company.

<b>BORROWING POWERS</b>
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64.
  - a) Subject to the provisions of Sections 58A, 58B, 292 and 293 of the Act, and these Articles, the Board of Directors may from time to time at its discretion by a resolution passed by a Meeting of the Board, accept deposits from the public and may 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 the specific purpose) the Board of Directors shall not borrow such moneys without the consent of the Company in general meeting.
  - b) he Company may invite or renew either from the public or from its members deposits up to the limit and in the manner and subject to the rules and conditions prescribed by the Central Government as contemplated by Sections 58A and 58B of the Act.
65. Subject to the provisions of the Act and these Articles the payment or payment of moneys borrowed aforesaid may be secured in such manner and upon such terms and conditions in all respect as the Board of Directors may think fit, and in particular, pursuant to a Resolution passed at a meeting of the Board (and not passed by a circular resolution) by the issue of bonds perpetual or redeemable debentures or debenture-stock of the Company, or any mortgage or charge or other security upon all or any part of the property of the Company (both present and future), including its uncalled capital for the time being.

66. Any debentures, debenture stock or other securities may be issued subject to the provisions of the Act at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending general meetings of the Company and the right to appoint Directors and otherwise. Debentures carrying the right of conversion into or allotment of shares shall be issued only with the consent accorded by a resolution of the Company in general meeting.
67. a) If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Board of Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favor such mortgage or security is executed or, if permitted by the Act may, by instrument under the Company's Seal, authorise the person in whose favor such mortgage or security is executed or any other person in Trust for him, to make calls on the members in respect of such uncalled capital, and the provisions hereinbefore contained in regard to calls, shall, mutatis, mutandis, apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally and other presently or contingently and either to the exclusion of the Board's power or otherwise and shall be assignable if expressed so to be.
- b) Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charge and shall not be entitled, by notice to the shareholders or otherwise, to obtain priority over such prior charge.
68. Subject to the provisions of the Act and these Articles if the Directors or any of them or any other persons shall become personally liable for the payment of any sum primarily due from the Company by reason of furnishing any guarantee or otherwise the Directors may execute or cause to be executed any mortgage charge or security over or affecting the whole or any part of the assets of the Company by ways of security or indemnity to secure the Directors or persons so becoming liable as aforesaid from and against any loss in respect of such liability arising out of the said guarantee.

<b>GENERAL MEETINGS</b>
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69. The Annual General Meeting shall be held in accordance with Section 166 of the Act and shall be called for a time during business hours, on a day that is not a public holiday and shall be held either at the Registered Office of the Company or at some other place within the city or town where the Registered Office of the Company is situated as the Board of Directors may determine and the notice calling the meeting shall specify it as the Annual General Meeting.
70. Every member of the Company shall be entitled to attend every general meeting Either in person or by proxy, and the Auditor of the Company shall have the right to attend and to be heard at any general meeting on any part of the business which concerns him as Auditor.
71. At every Annual General Meeting of the Company there shall be laid on the table the Director's Reports and audited statement of accounts, auditor's report (if not already incorporated in the audited statement of accounts), the proxies lodged and the Register or Director's holdings maintained under Section 307 of the Act. The Auditor's report shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company.
- All General Meetings other than Annual General Meetings shall be called Extraordinary General Meeting.
72. The Board may, whenever it thinks fit, call an Extra Ordinary General Meeting. If at any time there are not within India Directors capable of acting who are sufficient in number to form a quorum, any Director may call on Extraordinary General Meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board at such time and place as he may determine.
73. The Board of Directors of the Company shall on the requisition of such number of members of the Company as is specified in sub-section (4) of Section 169 of the Act, forthwith proceed duly to call an Extraordinary General Meeting of the Company, and in respect of any such requisition and of any meeting to be called pursuant thereto, all the other provisions of Section 169 of the Act and of any statutory modification of re-enactment thereof for the time being shall apply.
74. A General Meeting of the Company may be called by giving not less than 21 days notice in writing. However, a General Meeting may be called after giving a shorter notice than 21 days, if consent is accorded thereto:

- i) In the case of an Annual General Meeting, by all the members entitled to vote thereat; and
  - ii) in the case of any other meeting, by members of the Company holding not less than 95 per cent of such part of the paid-up share capital of the Company as gives them a right to vote at that meeting. Provided that where any members of the Company are entitled to vote only on some resolution or resolutions to be passed at the meeting and not on the others, those members shall be taken into account for the purpose of this Article in respect of the former resolutions but not in respect of the latter.
75. Every notice of a meeting of the Company shall specify the place, the date and hour of the meeting, and shall contain a statement of the business to be transacted thereat. No General Meeting, Annual or Extra ordinary, shall be competent to enter upon, discuss or transact any business which has not been specially mentioned in the notice or notices upon which it was convened.
76. a) In the case of an Annual General Meeting all business to be transacted at the meeting shall be deemed special, with the exception of business relating to:-
- i) the consideration of the accounts, balance sheet and profit and loss account and the reports of the Board of Directors and of the auditors.
  - ii) the declaration of a dividend;
  - iii) the appointment of Directors in the place of those retiring ; and
  - iv) the appointment of and, the fixing of the remuneration of the auditors;
- In the case of any other meeting all business shall be deemed special.
- b) Where any items of business to be transacted at the meeting are deemed to be special as aforesaid; there shall be annexed to the notice of the meeting a statement setting out all material facts regarding each such item of business including in particular, the nature and extent of the interest if any, therein of every Director and the Manager, if any, of the Company.
- Provided, that where any item of special business as aforesaid to be transacted at a meeting of the Company relates to, or affects any other Company, the extent of shareholder interest in that other Company, of every Director and the Manager, if any, of the Company shall also be set out in the explanatory statement, if the extent of such shareholding interest is not less than twenty per cent of the paid-up share capital of that other Company.
- c) Where any item of business to be transacted at any general meeting of the Company consists of the according of approval of any document, the time and place where the document can be inspected shall be specified in the statement aforesaid.
77. A document may be served by the Company on any member thereof either personally, or by sending it by post to him registered address, or if he has no registered address in India, to the address if any, within India supplied by him to the Company for the giving of notice to and serving of documents on him. Notice shall be given to the persons entitled to the share in consequence of the death or insolvency of a member, by sending through the post in a pre-paid letter, addressed to them by name or by the title of the representatives of the deceased or Assignees of the insolvent or by any like description, at the address in India, if any, supplied for the purpose by the persons claiming to be so entitled or, unless such an address has been so supplied, by giving the notice in any manner in which it might have been if the death or insolvency had not occurred. Provided that where the notice of a Meeting is given by advertising the same in a newspaper circulating in a neighborhood of the registered office of the Company under subsection (3) of Section 53 of the Act, the explanatory statement need not be annexed to the notice as required by Section 173 of the said Act, but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.
78. Notice of every meeting of the Company shall be given to the Auditor or Auditors for the time being of the Company, in any manner set out in Article 77 for giving notice to any member or members of the Company.
79. The accidental omission to give notice of any meeting to or the non- receipt of any notice by any member or their person to whom it should be given shall not invalidate the proceedings at the meeting.
80. Where by any provision contained in the Act or in these Articles, special notice is required of any resolution, notice in respect of the same shall be given to the Company and by the Company as provided in Section 190 of the Act.

## PROCEEDINGS OF GENERAL MEETINGS

81. Five members personally present shall be a quorum for a General Meeting. No business shall be transferred at any general meeting unless quorum requisite shall be present at the commencement of the business.
82. The Chairman and in the absence, the Vice Chairman if any, of the Board of Directors shall be entitled to take the chair at every General Meeting. If there be No such Chairman or if at any meeting he or the Vice-Chairman, if any shall not be present within fifteen minutes after the time appointed for holding such meeting or is unwilling to act, the Directors present may choose one of themselves to be Chairman and in default of their doing so, the members shall present shall choose a Director as Chairman, and if no Director is present or if all the Directors present decline to take the Chair, then the members shall present shall choose one of themselves to be Chairman.
- If a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of these Articles, the Chairman elected on a show of hands exercising all the powers of the Chairman for the purpose of conducting the poll, under the said provisions. If some other person is elected Chairman as result of the poll, he shall be Chairman for the rest of the meeting.
83. a) If within half an hour from the time appointed for the meeting of the Company a quorum is not present, the meeting, if convened upon the requisition of members, shall stand dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place or to such other day, time and place as the Board may determine.
- b) If at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, those members who are present shall be a quorum & may transact the business for which the meeting was called.
84. Every question submitted to a General Meeting and every resolution in to the vote at a General Meeting, unless a poll is demanded as hereinafter provided, be in the first instance decided by a show of hands.
85. A declaration by the Chairman that on a show of hands a resolution has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.
86. i) At any General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of voting on the show of hands) ordered to be taken by the Chairman of the Meeting of his own motion, or is ordered to be taken by him on a demand being made in that behalf by any member or members present to person or by proxy and holding shares in the Company:
- a) which confer a power to vote on the resolution not being less than one tenth of the total voting power in respect of the resolution, or
- b) on which an aggregate sum of not less than rupees fifty thousand has been Paid up.
- A declaration by the Chairman that a resolution has, on show of hands, been carried unanimously or by a particular majority, or lost and an entry to the effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without further proof of the number or proportion of the votes recorded in favour of or against that resolution.
- ii) The demand for a poll may be withdrawn at any time by the person or persons who made the demand.
87. i) A poll demanded on a question of adjournment shall be taken forthwith.
- ii) A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for the Article 82 hereof) shall be taken at such time not being later than forty-eight hours from the time when the demand was made, as the Chairman may direct.
88. The Chairman of a General Meeting may, with the consent of the meeting, adjourn the same from time to time and from place to place, but not business shall be transacted at any adjourned meeting other than business left unfinished at the meeting at which the adjournment took place.

89. On a poll taken at a meeting of the Company, a member entitled for more than one vote, or his proxy or other persons entitled to vote for him, as the case may be, need not if he votes, use all his votes or cast in the same way all the votes he uses.
90. i) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutinizer to scrutinize the votes given on the poll and to report thereon to him.
- ii) The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutinizer from office and to fill vacancies in the office of scrutinizers arising from such removal or from any other cause.
- iii) Of the two scrutineers, appointed under this Article one shall always be a member (not being as officer or employee of the Company) present at the meeting provided such a member is available and willing to be appointed.
91. a) The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting by show of hands. The Chairman present at the taking of a poll shall be the judge of the validity of every vote tendered at such poll.
- b) i) Subject to the provisions of the Act, the Chairman of the meeting shall have power to regulate the manner in which the poll shall be taken.
- ii) The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.
- c) In the case of any equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as member.
93. Where a resolution is passed at an adjourned meeting of:
- a) the Company; or
- b) the holders of any class of shares in the Company; the resolution shall, for all purposes, be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.
94. A copy of each of the following resolutions together with a copy of the statement of material facts annexed under Section 173 to the notice of the meeting in which such resolution has been passed, or agreements shall, be printed or typewritten and duly certified under the signature of an officer of the Company and filed with the Registrar within the time prescribed under the Act.
- a) Special Resolution
- b) resolutions which have been agreed to by all the members of the Company but which, if not so agreed to, would not have been effective for their purpose unless they had been passed as Special Resolutions;
- c) resolutions of the Board or agreements relating to the appointment, reappointment or the renewal of the appointment or variations of the term of appointment of a Managing Director;
- d) resolutions or agreements which have been agreed to by all the members of any class of shareholders but which, if not so agreed to, would not have been effective for their purpose unless they had been passed by some particular majority and all resolutions or agreements which effectively bind all the members of any class of shareholders though not agreed to by all those Members.
- e) resolutions requiring the Company to be wound up voluntarily passed in pursuance of sub section 1 of Section 484 of the Act;
- f) resolutions passed by the Company according consent to the exercise by its Board of Directors of any of the powers under clause (a), clause (d) and clause e) of sub-section (i) of Section 293 of the Act;
- g) resolutions passed by the Company approving the appointments of sole selling agents under Section 294 or 294AA of the Act;

- h) copies of the terms and conditions of appointment of a sole selling agent appointed under section 294 or of a sole selling agent other person appointed under Section 294AA.

A copy of every resolution which has the effect of altering the Articles of Association of the Company and a copy of every Agreement referred to in the above sub-clause (a), (d) and (e) shall be embodied in or annexed to every copy of the Articles issued after the passing of the resolution or the making of the agreement.

95. The Company shall cause minutes of the proceedings of every general meeting to be entered in the book kept for the purpose and the minutes shall contain and include the matters specified in Section 193 of the Act.
96. The books containing the aforesaid minutes shall be kept at the Registered Office of the Company and be open to the inspection of any member without charge as provided in Section 196 of the Act and any member shall be furnished with a copy of any minutes in accordance with the terms of that section.

<b>VOTES OF MEMBERS</b>
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97. Subject to the provisions of the Act and these Articles, votes may be given either personally or by an Attorney or by proxy or in the case of a body corporate also by a representative duly authorised under Section 87 of the Act.
98. Subject to the provisions of the Act and these Articles upon a show of hand every member entitled to vote and present in person (including a body corporate present by a representative duly authorised in accordance with the provisions of Section 87 of the Act and Article or by Attorney shall have one vote.
99. No member not personally present shall be entitled to vote on a show of hands unless such member is present by Attorney or unless such member is a body corporate present by a representative duly authorised under Section 87 of the Act in which case such Attorney or representative may vote on a show of hands as if he were a member of the Company.
100. Any person entitled under the Transmission Clause (Article 59 hereof) to transfer any shares may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be, at which the proposes to vote, he shall satisfy the Board of Directors or any person authorized by the Board of Directors in that behalf of his right to transfer such shares, unless the Directors shall have previously admitted his right to transfer such shares or his right to vote at such meeting in respect thereof.
101. Where there are joint registered holders of any shares any one of such persons may vote at any meeting either personally or by Attorney duly authorised under Power of Attorney or by proxy in respect of such shares as if he were solely entitled thereto; and if more than one of such joint-holders be personally present at any meeting then one of the said persons so present whose name stands first or higher on the Register in respect of such share shall alone be entitled to vote in respect thereof.
102. a) Any member entitled to attend and vote at a meeting of the Company shall been titled to appoint another person (whether a member or not) as his proxy to Attend and vote on a poll instead of himself, but a proxy so appointed shall not have any right to speak at the meeting.
- b) The instrument appointing a proxy shall be in writing under the hand of the appointed or of his Attorney duly authorised in writing or, if such appointed is a corporation, under its common seal or the hand of an officer of an attorney duly authorised by it.
103. a) Every notice convening a meeting of the Company shall state that a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be a member of the Company.
- b) A member presenting proxy shall be entitled to vote only on a poll.
104. The instrument appointing a proxy and the Power of Attorney or other authority (if any) under which it is signed or a notarially certified copy thereof shall be deposited at the Registered Office of the Company not less than forty-eight hours before the time for holding the meeting at which the person named in the

instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.

105. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or transfer of the share in respect of which the vote is given provided no intimation in writing of the death, revocation or transfer shall have been received at the same Registered Office of the Company or by the Chairman of the meeting at which the vote is given.
106. Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in Schedule IX of the Act.
107. Every member entitled to vote at a meeting of the Company according to the provisions of these Articles of any resolution to be moved thereat, shall be entitled during the period beginning twenty-four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than three days notice in writing to the intention so to inspect is given to the Company.
108. No member shall be entitled to vote at any general meeting either personally or proxy or as proxy for another member or be reckoned in a quorum while any call or other sum shall be due and payable to the Company in respect of any of the share of such member or in respect of any shares on which the Company has or had exercised any right or lien.

#### DIRECTORS

109. a) Until otherwise determined by a General Meeting, and approved by the Central Government and subject to Section 252 of the Act the number of Directors shall not be less than 3 (three) nor more than Twelve including any Debenture Director or professional Directors or any kinds of directors..  
  
b) Directors of the Company are:  
**1. Mr. Jagdishkumar Gupta**  
**2. Mr. Kamal Jagdish Gupta**  
**3. Mr. Nalin Jagdish Gupta**
110. a) The Company shall, subject to the provisions of the Act, be entitled to agree with any person; firm or corporation that he or it shall have the right to appoint his or its nominee on the Board of Directors of the Company upon such terms and conditions as the company may deem fit. Such nominee and their successors in office appointed under this Article shall be called Special Directors of the Company.

The Special Directors appointed under this Article shall be entitled to hold office until requested to retire by the Government, Financial Institution, person firm or corporation who may have appointed them and will not be bound to retire by rotation or be subject to Article 125 and 126 of the Articles of Association of the Company. A Special Director shall also not require to hold any qualification shares. As and whenever a Special Director vacates office whether upon request as aforesaid or by death, resignation or otherwise, the Government, Financial Institution, person, firm or corporation who appointed such Special Director may appoint any other Director in his place. The Special Director may at any time by notice in writing to the Company resign his office. Subject as aforesaid, a Special Director shall be entitled to the same rights and privileges and be subject to the obligation as any other Director of the Company.

#### NOMINEE DIRECTOR

111. a) Notwithstanding anything to the contrary contained in these Articles, so long as any moneys, remain owing by the Company to the Industrial Development Bank of India (IDBD, Industrial Finance Corporation of India (IFCI), The Industrial Credit and Investment Corporation of India Limited (ICICI). The Industrial Reconstruction Corporation of India Limited. (IRCI), Life Insurance Corporation of India (LIC), Unit Trust of India (UTI), General Insurance Corporation of India (GIC), National Insurance Company Limited (NIC), The Oriental Fire and General Insurance Company Limited (OFGI), The New India Assurance Company Limited (NIA), United India Insurance Company Limited (UI) or a State Financial Corporation or any financial institution owned or controlled by the Central Government or a State Government or by Government or by two or more of them or by Central Government or State Government by themselves (each of the above is hereinafter in this Articles referred to as "the Corporation") out of any loans/debenture assistance granted by them to the Company or so long as the Corporation holds or



continues to hold Debentures / Shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors, whole-time or non whole-time (which Director or Directors is/are hereinafter, referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s.

- b) The Board of Directors of the Company shall have no power to remove from office the Nominee /Director/s. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.
- c) The Nominee Director/s so appointed shall hold the said office only so long as Any moneys, remain owing by the Company to the Corporation or so long as the Corporation holds debentures in the Company as a result of direct subscription or private placement or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or the liability of the Company arising out of any Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys, owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold Debentures, shares in the Company or on the satisfaction of the liability of the Company arising out of the Guarantee furnished by the Corporation.
- d) The Nominee Director/s appointed under this Article shall be entitled to receive all notice of and attend all General/Meeting, Board Meetings and of the meetings of the Committee of which the Nominee Director/s is/are Member/s as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.
- e) The Company shall pay to the Nominee Director/s sitting fees and expenses which the other Directors of the Company are entitled, but if any other fees, commission, moneys or remuneration in any form is payable to the Directors of the Company, the fees, commissions, moneys and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director's in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director/s.

Provided further that if any such Nominee Director/s is an office of the Corporation the sitting fees, in relation to such Nominee Director/s shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to Corporation.

Provided also that in the event of the Nominee Director/s being appointed as whole time Director/s such Nominee Director/s shall exercise such powers and duties as may be approved by the Lenders and have such rights as are usually exercised or available to a whole time Director, in the management of the affairs of the Borrower. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Lenders.

Any expenses that may be incurred by the Corporation or such Nominee Director/ s in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or, as the case may be, to such Nominee Director/s.

Provided also that in the event of the Nominee Director/s being appointed as whole time Director/s, such Nominee Director/s shall exercise such powers and Duties as may be approved by the Corporation and have such rights as are usually exercised or available to a whole time Director in the management of the affairs of the Company. Such whole time Director/s shall be entitled to receive such remuneration, fees, commission, and moneys as may be approved by the Corporation.

- 112. a) Any trust deed for securing Debentures or Debenture-stock of the Company may provide for the appointment of a Director by the Trustees thereof or by the holders of Debentures (hereinafter referred to as "the Debenture Director") for and on behalf of the holders of Debenture or Debenture-stock for such period as is therein provided not exceeding the period for which the Debenture or Debenture-stock shall remain outstanding and may empower such Trustee or holders or Debenture or Debenture-stocks for the removal from office of such Debenture Director and on a vacancy being caused whether by resignation, death,

removal or otherwise, for appointment of another Debenture Director in his place. A Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed from office except as provided as aforesaid.

- b) The Trust Deed may contain such ancillary provisions as may arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.
113. Subject to the provisions of Section 313 of the Act the Board of Directors of the Company may appoint an Alternate Director to act for a Director (hereinafter called "the Original Director") during his absence for a period of not less than three months from the State in which meetings of the Board are ordinarily held, and such appointment shall have effect and such appointee, whilst he holds office as an Alternate Director, shall be entitled to notice of meetings of the Director and to attend and vote there at accordingly. An Alternate Director appointed under this Article shall vacate office if and when the Original Director returns to the said State. If the term of office of the Original Director is determined before he so returns to the said State, any provision in the Act or in these Article for the automatic re-appointment of retiring Directors in default of another appointment shall apply to the Original Director and not to the Alternate Director.

Provided always that no person shall be appointed by the Board as an Alternate Director who shall not have been previously selected and approved in writing by the Original Director or by the party which had appointed the Original Director as Special Director under Article 110.

114. Subject to the provisions of Sections 260, 262 and 284 (6) of the Act, the Board of Directors shall have power, at any time and from time to time, to appoint any person to be a Director either as an addition to the Board or to fill a casual vacancy occurring on account of the office of any Director appointed by the Company in general meeting being vacated before his term of office would expire in the normal course, but so that the total number of Directors shall not at any time exceed the maximum fixed in Article 109 above. Any person so appointed as an addition to the Board shall retain his office only upto the date all other directors are appointed in pursuance of Act 125 hereof. Any person appointed to fill a casual vacancy as aforesaid shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid.
115. A Director shall not be required to hold any share to qualify him to act as Director of the Company.
116. Subject to the provisions of Section 198, 309, 310 and 3411 of the Act, the remuneration and traveling expenses payable to the Directors of the Company may be as hereinafter provided.
- a) The fees payable to a Director for attending a meeting of the Board or Committee thereof shall be such sum as may be decided by the Board from time to time, subject to such limit as may be prescribed in that behalf from time to time by the Central Government under or pursuant to the Act.
  - b) In addition to the remuneration payable as above, the Directors may allow and pay to any Director who is not a bonafide resident of the place where a meeting is held and who shall come to such place for the purpose of attending the meeting, such sum as the Board may consider fair compensation for traveling, hotel and other expenses incurred by him, in attending and returning from meeting of the Board of Directors or any Committee thereof or general meetings of the Company.
  - c) If any Director be called upon a perform extra services or special exertions or efforts , the Board may arrange with such Director for such special remuneration for such extra service or special extortions or efforts either by a fixed sum or otherwise as may be determined by the Board subject to the provisions of the Act, and such remuneration may be in addition to his remuneration above provided.
  - d) In addition to the remuneration payable under sub-clause (c) above, the Directors may allow and pay to any Director such sum as the Board may consider fair compensation for traveling, hotel and other expenses incurred by him in connection with the business of the Company.
117. The continuing Directors may act notwithstanding vacancy in their body; but so that subject to the provisions of the Act if the number falls below the minimum number above fixed and nor withstanding the absence of a quorum, the Directors may act for the purpose of filling up vacancies or for calling summoning General Meeting or Extraordinary General Meeting of the Company or in emergencies.
118. 1) Subject to the provisions of Section 283(1) of the Act the Office of a Director shall become vacant if:-

- a) he is found to be of unsound mind by a Court of competent jurisdiction; or
  - b) he applies to be adjudicated an insolvent; or
  - c) he is adjudged an insolvent; or
  - d) he fails to pay any call made on him in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call unless the Central Government has, by notification in the Official Gazette, removed the disqualification incurred by such failure; or
  - e) he or any of his relatives or partners or any firm which he or any of his relatives is a partner or any private company of which he is a director or member accepts or holds any office or place or profit under the company, other than that of Managing Director or Manager or Banker or Trustee for the holders of Debentures of the Company, under the Company, except with the consent of the Company accorded by a Special Resolution and the approvals of the Central Government wherever necessary as required by Section 314 of the Act; or
  - f) he absent himself from three consecutive meetings of the Board of Directors or from all meetings of the Board of Directors for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board of Directors; or
  - g) he becomes disqualified by an Order of the Court under Section 203 of the Act; or
  - h) he is removed in pursuance of Article 131 or Section 284 of the Act; or
  - i) he (whether by himself or by any person for his benefit or on his account) or any firm in which he is a partner or any private company of which he is a director, accepts a loan, or any guarantee or security for a loan, from the company in contravention of Section 295 of the Act; or
  - j) he acts in contravention of Section 299 of the Act and by virtue of such contravention shall have been deemed to have vacated office; or
  - k) he is convicted by a Court of any offence involving moral- turpitude and sentenced in respect thereof to imprisonment for not less than six months; or
  - l) he having been appointed a Director by virtue of his holding any office or other employment in the Company, cease to hold such office or other employment in the Company as the case may be; or
  - m) he having been appointed a Director by virtue of his holding any office or other employment in the company, ceases to hold such office or other employment in the company.
- 2) Subject to the provisions of the Act a Director may resign his office at any time by notice in writing addressed to the Company or to the Board of Directors.
119. The Company shall observe the restrictions imposed in the matter of grant of loans to Directors and other persons as provided in Section 295 of the Act.
120. 1) Except with the consent of the Board of Directors of the Company, a Director of the Company or his relative, a firm in which such a Director or relative is a partner, any other partner in such a firm, or a private company of which the Director is a member or director, shall not enter into any contract with the Company.
- a) for the sale, purchase or supply of any goods, materials or services; or
  - b) for underwriting the subscription for any shares in or debentures of the Company.
- 2) Nothing contained in the foregoing Clause (1) shall affect:-
- a) the purchase of goods and materials from the Company or the sale of goods and materials to the Company, by any Director, relative, firm, partner or private Company as aforesaid for cash at prevailing market prices; or

- b) any contract or contracts between the company on the one side and any such Director, relative, firm, partner or private company on the other side for sale, purchase or supply of any goods, materials and services in which either the company or the Director, relative, firm, partner or private company as the case may be regularly trades or does business.

Provided that such contract or contracts do not relate to goods and materials the value of which, or services the costs of which exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract or contracts.

- 3) Notwithstanding anything contained in the foregoing clauses (1) and (2), a Director, relative, firm, partner or private company as aforesaid may, in circumstances of urgent necessity, enter, without obtaining the consent of the Board, into any contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or cost of such services exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract; but in such a case, the consent of the Board shall be obtained at a meeting within three months of the date on which the contract was entered into.
  - 4) Every consent of the Board required under this Article shall be accorded by a Resolution passed at a meeting of the Board and not otherwise; and the consent of the Board required under clause (1) above shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months of the date on which it was entered into.
  - 5) If the consent is not accorded to any contract under the Article anything done in pursuance of the contract shall be avoidable at the option of the Board.
121. 1) Subject to the provisions of clause (2), (3), (4) and (5) of this Article and the restrictions imposed by Article 120 and other Articles hereof and the Act and the observance and fulfillment thereof, no Director shall be disqualified by reason of his office from contracting with the Company either as vendor, purchaser, agent, broker or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested, be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised as a result of or in pursuance of any such contract or arrangement by reason only of such Director holding that office, or of the fiduciary relation thereby established, but it is declared that the nature of his interest must be disclosed by him as provided by clause (2), (3) and (4) hereof.
- 2) Every Director who is in any way whether directly or indirectly concerned or interested in a contract or shall disclose the nature of his concern or interest at a meeting of the Board of Directors or as provided by Clause (4) hereof.
  - 3) a) In the case of proposed contract or arrangement, the disclosure required to be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not at the date of the meeting concerned or interested in the proposed contract or arrangement, at the first meeting of the Board held after he becomes so concerned or interested.  
  
b) In the case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement.
  - 4) For the purpose of this Article, a general notice given to the Board of Directors by a Director to the effect that he is a Director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may after the date of the notice be entered into with that body corporate or firm shall be deemed to be sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for further periods of one financial year at a time by a fresh notice given in the last month of the financial year in which it would have otherwise expired. The general notice aforesaid and any renewal thereof shall be given at a meeting of the Board of Directors or the Directors concerned shall take reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.
  - 5) Nothing in Clause (2), (3) and (4) hereof shall apply to any contract or arrangement entered into or to be entered into between the company and any other Company where any one of the directors of the Company

or two or more of them together holds or hold not more than 2 per cent of the paid up share capital in the other company.

122. An interested Director defined in the proceeding Article shall not take any part in the discussions of, or vote on, any contract or arrangement entered into, or to be entered into, by or on behalf of the Company, if he is in any way, directly or indirectly, concerned or interested in the contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussions or vote; and if he does vote; his vote shall be void;

Provided that this prohibition shall not apply:-

- i) to any contract of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or a surety for the Company;
  - ii) to any contract or arrangement entered into with public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely in his being a Director of such Company and the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by the Company or in his being a member holding not more than two per cent of the paid-up share capital of such Company;
  - iii) in case a notification is issued under sub-section (3) of Section 300 of the Act to the extent specified in the notification.
123. 1) Except with the consent of the Company accorded by a Special Resolution:-

- a) No Director of the Company shall hold any office or place of profit; and
- b) No partner or relative of such a Director, as defined by the Act of such a Director, no firm in which such a Director or relative is a Partner, no Private Company of which such a Director is a Director or member and, no Director, Manager of such a Private Company, shall hold any office or place or profit carrying a total monthly remuneration of five thousand rupees or more, except that of Managing Director, or Manager, Banker, or Trustee for the holder of debentures of the Company.
  - i) under the Company; or
  - ii) under any subsidiary of the Company, unless the remuneration received from such subsidiary in respect of such office or place of profit is paid over to the Company or its holding Company.

Provided that it shall be sufficient if the special resolution according to the consent of the Company is passed at the General Meeting of the Company held or the first time after the holding of such office or place of profit.

Provided further that where a relative of a Director or a firm in which such relative is a partner, is appointed to an office or place of profit under the Company or a subsidiary thereof without the knowledge of the Director, the consent of the Company may be obtained either in the general meeting aforesaid or within three months from the date of the appointment whichever is later.

Explanation:- For the purpose of this clause a Special Resolution according consent shall be necessary for every appointment in the first instance to an office or place of profit and to every subsequent appointment to such offices or place of profit on a higher remuneration nor covered by the Special Resolution except where an appointment on a time scale has already been approved by the Special Resolution.

- 2) Nothing in Clause (1) above shall apply where a relative of a Director or a firm in which such relative is a partner holds any office or place of profit under the Company or a subsidiary thereof having been appointed to such office or place before such director becomes a Director of the Company.
- 3) If any office or place of profit is held in contravention to the provisions of the above Clause (1), the Director, partner, relative, firm, private company, or the manager, concerned shall be deemed to have vacated his or its offices as such on and from the date next following the date of the general meeting of the Company referred to in the first proviso or as the case may be, the date of the expiry of the period of three months referred to in the second proviso to clause (1) of this Article, and shall also be liable to refund to the Company any remuneration received or the monetary equivalent of any perquisite or advantage enjoyed by him or it for the period immediately proceeding the date aforesaid in respect of such office or place of

profit. The Company shall not waive the recovery of any such sum refundable to it unless permitted to do so by the Central Government.

- 4) Notwithstanding anything contained hereinabove:
- a) no partner or relative of a director or manager;
  - b) no Private Company of which such a Director or Manager or relative of either, is a Director or member, shall hold any office or place of profit in the Company which carries a total monthly remuneration of not less than Rs. 8,000/- except with the prior consent of the Company by a Special Resolution and the approval of the Central Government.
- 5) Every individual, firm, Private Company or other body corporate proposed to be appointed to any office or place of profit to which this Article applies shall, before or at the time of such appointment, declare in writing whether he or it is or is not connected with a Director of the Company in any of the ways referred to hereinabove hereof.

124. 1) The Company shall keep one or more Registers in which shall be entered separately particulars of all contracts or arrangements to which section 297 or section 299 of the Act applies, including the following particulars to the extent they are applicable in each case, namely:

- a) the date of the contract or arrangement;
  - b) the name of the parties thereto;
  - c) the principal conditions thereof;
  - d) in the case of a contract to which Section 297 of the Act applies or the case of a contract or arrangement to which sub-section (2) of Section 299 of the Act applies, the date of which it was placed before the Board;
  - e) the names of the Directors voting for and against the contract or arrangement and the names of those remaining neutral.
- 2) Particulars of every such contract or arrangement to which Section 297 of the Act or, as the case may be, sub-section (2) of the section 299 of the Act applies shall be entered in the relevant Register aforesaid:-
- a) In the case of a contract or arrangement requiring the Board's approval, within seven days (exclusive of Public Holidays) of the meeting of the Board at which the contract or arrangement is approved.
  - b) in the case of any contract or arrangement, within seven days of the receipt at the registered office of the Company of the particulars of such other contract for arrangement or within thirty days of the date of such other contract or arrangement, whichever is later; and the Register shall be placed before the next meeting of the Board and shall then be signed by all the Directors present at the meeting.
- 3) The Register aforesaid shall also specify, in relation to each Director of the Company, the names of the firms and bodies corporate of which notice has been given under sub-section (3) of Section 299 of the Act.
- 4) Nothing in the foregoing Clauses (1), (2) and (3) shall apply to any contract or arrangement for the sale, purchase or supply of any goods and materials or the costs of such services does not exceed one thousand rupees in the aggregate in any year.
- 5) The register aforesaid shall be kept at the Registered Office of the Company ;and it shall be open to inspection at such office, and extracts may be taken there from and copies thereof may be required, by any member of the Company to the same extent, in the same manner, and on payment of the same fee, as in the case of the register of member of the Company; and the provisions of Section 163 shall apply accordingly.

<b>ROTATION OF DIRECTORS</b>
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125. 1) Not less than two-thirds of the total number of Directors of the Company shall be persons whose period of office is liable to determination by retirement of Directors by rotation and save as otherwise expressly, provided in the Act and these Article, be appointed by Company in General Meeting.
- 2) The remaining Directors shall be appointed in accordance with the provisions of these Articles.

126. 1) 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, then the number nearest to one-third, shall retire From office.
- 2) Subject to Section 284(5) of the Act, the Directors to retire by rotation under the foregoing Article at every annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who becomes 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. A retiring Director shall be eligible for re- appointment.
127. Subject to the provisions of Section 261 of the Act, the Company at the Annual General Meeting of which a Director retires in manner aforesaid, may fill up the Vacated office by electing the retiring Director or some other person thereto.
128. a) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place, or if that day is a holiday till the next succeeding day which is not a public holiday at the same time and place.
- b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless:-
- i) at the meeting or at the previous meeting a resolution for the re-appointment of such Director has been put to the meeting and lost;
  - ii) the retiring Director, has by a notice in writing to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;
  - iii) he is not qualified or is disqualified for appointment;
  - iv) a resolution whether special or ordinary, is required for the appointment or reappointment in virtue of the provisions of the Act; or
  - v) the proviso to sub-section (2) of Section 263 or sub-section (3) of Section 280 of the Act is applicable to the case.
129. Subject to Section 255 and 259 of the Act, the Company may, by ordinary resolution from time to time, increase or reduce the number of directors, within The limits fixed in that behalf by these Articles, and may alter their qualifications.
130. 1) Subject to the provisions of Section 284 and other applicable provisions of the Act and these Articles, the Company may remove any Director before the expiration of his period of office and appoint another person in his stead. The person so appointed shall hold office during such time as the Director in whose Place he is appointed would have held the same if he had not been removed.
131. 1) Subject to the provisions of the Act and these Articles any person who is not a retiring Director shall be eligible for appointment to the office of Director at any general meeting if he or some member intending to propose him has, at least fourteen clear days before the meeting, left at the office of the Company, a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office.
- 2) Every person (other than a person who has left at the office of the Company a notice under Section 257 signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director shall if appointed.
- 3) A Director other than -
- a) a director re-appointed after retirement by rotation or immediately on the expiry of his term of office; or
  - b) an additional or alternative Director or a person filling a Casual Vacancy in the office of a Director under Section 262 of the Act, appointed as a Director or reappointed as an additional or alternate Director immediately upon the expiry of his term of office; or
  - c) a person named as a Director of the Company under the article as first registered. shall not act as a Director of the Company unless he has within 30 days of his appointment signed and filed with the Registrar of Companies his consent in writing to act as such Director.

<b>PROCEEDINGS OF THE BOARD OF DIRECTORS</b>
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132. The Directors may meet together as a Board for the despatch of business from time to time, and shall so meet at least once in every three months and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings and proceedings as they may think fit.
133. A Director may, and upon the request of a Director, the Secretary shall, at any time, convene a meeting of the board of Directors. Notice of every meeting of the Directors shall be given in writing to every Director for the time being in India, and at his usual address in India to every other Director.
134. Subject to Section 287 of the Act, the quorum for a meeting of the Board of Directors shall be one-third of its total strength (excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one), or two Directors, whichever is higher, provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during the time.
135. If a meeting of the board cannot be held for want of quorum, then the meeting shall stand adjourned to such day, time and place as the director or Directors present at the meeting may fix.
136. The Directors may from time to time elect one of their Members to be Chairman of the Board of Directors to preside over the meeting and determine the period for which he is to hold office. The Directors may likewise appoint a Vice-Chairman of the Board of Directors to preside over the meeting at which the Chairman shall not be present. If so such Chairman and/or Vice-Chairman is elected, or if at any meeting of the Board of Directors the Chairman and/or the Vice-Chairman are not present within five minutes of the time appointed for holding the same the Directors present shall choose one of their Members to be Chairman of such meeting.
137. Questions arising at any Board Meeting, shall be decided by a majority of votes, and in case of any equality of votes, the Chairman shall have a second or casting vote.
138. A meeting of the Board of Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act or the Articles or the Regulations of the Company are for the time being vested in or exercisable by the Board of Directors generally.
139. Subject to the restrictions contained in Section 292 of the Act the Board of Directors may delegate any of their powers to Committees of the Board consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such Committee of the Board either wholly or in part, either as to persons or purposes but every Committee of the Board, either wholly or in part and either as to persons or purposes, so formed shall, in the exercise of the power so delegated confirm to any regulations that may from time to time be imposed on it by the Board of Directors. All acts done by such Committee of the Board in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise shall have the like force and effect as if done by the Board. Subject to the provisions of the Act the Board may from time to time fix remuneration to be paid to any member or members of their body constituting a Committee appointed by the Board in terms of these Articles and may pay the same.
140. The meeting and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable, thereto and are not superseded by any regulations made by the Directors under the last preceding Article.
141. No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft together with the necessary papers, if any, to all the directors or to all the members of the Committee, then in India (not being less in number than the quorum for a meeting of the Board of Committee, as the case may be). and to all other directors or members of the Committee, at their usual address in India and has been approved by such of the Directors or members of the Committee as are then in India or by a majority of such of them as are entitled to vote on the resolution.



142. All acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director, shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or Committee or person acting as aforesaid, or that they or any of them are disqualified or had vacated office, or that the appointment of any 67 of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director and had not vacated office or his appointment had not been terminated.
143. The Company shall cause minutes of the meetings of the Board of Directors and of Committee of the Board to be duly entered in a book or books provided for the Purpose in accordance with the relevant provisions of Section 193 of the Act. The minutes shall contain a fair and correct summary of the proceedings at the meeting including the following:
- i) The names of the Directors present at such meetings of the Board of Directors, and of any Committee of the Board;
  - ii) all orders made by the Board of Directors and Committee of the Board and of all appointments of officers and Committees of Directors;
  - iii) all resolutions and proceedings of meetings of the Board of Directors and Committees of the Board; and
  - iv) in the case of such resolution passed at a meeting of the Board of Directors, or Committees of the Board of Directors, or Committees of the Board, the names of Directors, if any, dissenting from or not concurring in the resolution; or abstain from voting.
144. All such minutes shall be signed by the Chairman of the meetings as recorded or by the person who shall preside as Chairman at the next succeeding meeting and all minutes purported to be so signed shall for all purposes whatsoever be prime facie evidence of the actual passing of the resolutions recorded and the actual and regular transaction or occurrence of the proceedings so recorded and of the regularity of the meeting at which the same shall appear to have taken place.
145. The Company shall maintain the following Registers, Books and Documents Namely:
- a) Register of Investment not held in Company's name according to Section 49 of the Act.
  - b) Register of Mortgages and charges according to Section 143 of the Act.
  - c) Register of Members, and an Index of Members according to Sections 150 and 151 of the Act.
  - d) Register and Index of Debenture holders according to Section 152 of the Act.
  - e) Register of contracts, companies and firms in which Directors are interested according to Section 301 of the Act.
  - f) Register of Directors according to Section 303 of the Act.
  - g) Register of Directors' Shareholding according to Section 307 of the Act.
  - h) Register of Investments in shares or debentures of bodies corporate in the same group according to Section 372 of the Act.
  - i) Books of Accounts in accordance with the provisions of Section 209 of the Act.
  - j) Copy of instrument creating any charge requiring registration according to Section 136 of the Act.
  - k) Copies of Annual Returns prepared under Section 159 of the Act together with the copies of Certificates and Documents required to be annexed thereto under Section 161.
  - l) Register of Renewed and Duplicate Certificate according to rule (2) of the Companies (Issue of Share Certificates) Rules, 1960.

- m) Register of Deposits according to Rule 7 of the Companies (Acceptance of Deposits) Rules, 1975, or any modification or replacement thereof.
  - n) Register of Foreign Members.
146. The said Registers, Books and Documents shall be kept open for inspection by such persons as may be entitled thereto respectively, under the Act on such days and during such business hours as may, consistently with the provisions of the Act in that behalf, be determined by the Company in general meeting.

<b>POWERS OF DIRECTORS</b>
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147. The management and control of the business of the Company shall be vested in the Directors who may exercise all such powers of the and do all such acts and things as are not by the Act or any statutory modification thereof for the time being in force or by any other Act or by the Memorandum or by these Articles, required to be exercised by the Company in general meeting, subject nevertheless to any regulations of these Articles to the provisions of the Act or any statutory modifications thereof for the time being in force or any other Act on to such 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 of Directors 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 after the commencement of the Companies Amendment Act 1960), of any such undertaking as is referred to in Clause (a), or of any premises or properties used for any such undertaking and without which it cannot be carried on only with difficulty or only after a considerable time.
  - d) Borrow moneys in excess of the limits provided in Article 63;
  - e) Contribute to charitable and other funds not directly relating to the business of the Company or welfare of its employees, any amount and 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 proceeding, whichever is greater.
148. 1) Without derogating from the power vested in the Board of Directors under these Articles the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at Meeting of the Board;
- a) The power to make calls on shareholders in respect of money unpaid on their shares.
  - b) The power to issue debentures.
  - c) The power to borrow moneys otherwise than on debentures.
  - d) The power to invest the funds of the Company.
  - e) The power to make loans.
- Provided that the Board may by resolution passed at a meeting delegate to any Committee of Directors or any other Principal Officer of the Company or to a Principal Officer of any of its branch offices, the powers specified in (c), (d) and (e) of this clause to the extent specified below on such conditions as the Board may prescribe.
- 2) Every resolution delegating the power referred to in Clause (1) (c) shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the delegates; provided, however, that where the Company has an arrangement with its Bankers for the borrowing of Moneys by way of overdraft cash or otherwise the actual day to day operation of the overdraft, cash credit or other accounts by means of which the arrangement is made is availed of shall not require the sanction of the Board.

- 3) Every resolution delegating the power referred to in Clause (1) (d) shall specify the total amount up to which the funds may be invested and the nature of the investments which may be made by the delegates.
  - 4) Every resolution delegating the power referred to in clause (1) (e) shall specify the total amount up to which the loan may be made by the delegates the purpose for which the loans may be made for each purpose in individual cases.
  - 5) Nothing in this Article contained shall be deemed to affect the right of the Company in General Meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in (a), (b), (c), (d) and (e) of Clause (1) above.
149. Without prejudice to the general power conferred by Articles 63 and 148 and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles but subject to the restrictions contained in the last preceding two Articles, the Directors shall have the following powers, that is to say; power:
- 1) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereout under the provisions of Section 76 and 208 of the Act.
  - 2) Subject to Section 292 and 297 of the Act, to purchase or otherwise acquire for the Company any property right or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit, and in any such purchase or other acquisition to accept such titles as all the then prevailing circumstances of the case may justify in the interest of the Company.
  - 3) 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, bond, debentures, mortgages or, other securities of the Company, and any such shares may be issued as paid up and such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.
  - 4) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings machinery goods stores produce and other moveable property of the Company either separately or conjointly, also to insure all or any portion of the goods produce machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance Effected in pursuance of this power.
  - 5) To open accounts with any bank or bankers or with any Company firm or individual and to pay money and draw money from and such amount from time to time as the Directors may think fit.
  - 6) To secure the fulfillment of any Contracts, Agreement or Engagements 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.
  - 7) To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested, or for any other purposes and to execute and do all such acts and things as may be required in relation to any such trust, and to provide for the remunerations of such Trustee or Trustees.
  - 8) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due or of any claims or demands by or against the Company, and to refer any claims or demands by or against the Company or any differences to arbitration, and observe, perform, implement and enforce 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 Section 292, 293(1), 295, 370, 372 and 373 of the Act, to invest and deal with any moneys of the Company, upon such security (not being shares of the Company) or without security and

in such manner as they think may think fit, and from time to time to vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.

- 12) To execute in the name of and on behalf of the Company in favour of the Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefits 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, acceptance, endorsements, cheques, dividend warrants, release, 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 transactions, and to charge such bonus or commission as part of the working expenses of the Company.
- 15) To provide for the welfare of the Director or Ex-Directors or the employees or ex-employees of the Company and the wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of housings, dwellings or chawls, or by grants or money pensions, 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 of instruction and recreation, hospitals and dispensaries, medical, and other attendance and other assistance as the Board of Directors shall think fit, and to subscribe or contribute or otherwise to assist or other institutions or objects or for any exhibition or for any public general or useful objects.
- 16) Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to depreciation fund, or to an insurance fund, or as a reserve fund or sinking fund or any special fund to meet contingencies or to repay debentures or debenture-stock, or for special dividends or for equalizing dividends or for repairing, improving, extending and maintaining any of the property of the Company, and for such other purpose (including the purposes referred to in preceding clause), as the Board of Directors may, in their absolute discretion think, conducive to the interest of the Company, and to invest the several sums to 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 expand all or any part thereof for the benefit of the Company, in such manner and for such purpose as the Board of Directors, in their absolute discretion think conducive to the interest of the Company, notwithstanding that the matter to which the Board of Directors 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 of Directors may think fit, and 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 debenture or debenture-stock and that 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 of Directors, at their discretion to pay or allow to the credit of such funds interest at such rate as the Board of Directors may think proper.
- 17) To appoint and, at their discretion, remove or suspend such managers, secretaries, officers, assistants, supervisors, clerks, agent 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, emoluments to remunerations and to require security in such instances and to such amount as they may think fit and also without prejudice as aforesaid, from time to time 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 two next following sub- clauses shall be without prejudice to the general powers conferred by the sub-clause.
- 18) To comply with the requirements of any local law which in their opinion it shall in the interest of the company be necessary or expedient to comply with.
- 19) From time to time and at any time to establish and 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 Board or any managers or agents and to fix their remunerations.

- 20) Subject to the provisions of Section 292 of the Act and Article 149 from time to time, and at any time to delegate to any such Local Board, or any member or members hereof or any managers or agents so appointed any of the powers, authorities and discretions Board of Directors, 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 under clause 19 of this Article may be made on such terms and subject to such conditions as the Board of Directors may think fit, and the Board of Directors may at any time remove any person so appointed, and may annual or vary and 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 and for such period and subject to such conditions as the Board of Directors, may from time to time think fit.
- 22) Subject to Section 294, 297 and 300 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company, to enter into all such negotiations, arrangements and contracts and rescind and vary all such arrangements or contracts and execute and do all such acts, deeds, and things in the name and behalf of the Company as they may consider expedient for on inrelation to any of the matters aforesaid or otherwise for the purposes of the Company.
- 23) Generally subject to the provisions of the Act and these Articles to delegate the powers, authorities and discretion vested in the Directors to any person, firm, company, or fluctuating body or persons as aforesaid.
- 24) From time to time to make, vary and repeal bye-laws for the regulations of the business of the Company, its officers and servants.

<b>MANAGING OR WHOLE-TIME DIRECTOR(S)</b>
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150. Subject to the provisions of the Act, the Directors may from time to time appointone or more of its members to be as Managing Director or Managing Directors (in which expression shall be included a Joint Managing Director or Whole Time Director or Whole-Time Directors) of the Company for a fixed term not exceeding five years upon such terms and conditions as they may think fit, (subject to the provisions of the Act and subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.
151. Subject to the provisions of the Act and of these Articles, a Managing Director or Whole-Time Director shall not, while he continues to hold that office, be subject to retirement by rotation under the Act or Article 125 Clause (1) but he shall, Subject to the provisions of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company and he shall ipso facto and immediately cease to be a Managing Director or Whole-Time Director if he cease to hold the office of Director for any cause. Provided that if at any time the number of Directors (including the Managing Director or Whole-Time Director) as are not subject to retirement by rotating shall exceed one-third of the total number of the Directors for the time being, then such Managing Director or Managing Directors or whole time Director or Whole-Time Directors, as the directors may from time to time select, shall be liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being.
152. Subject to the provisions of the Act and the approval of the Company in General Meeting, the remuneration of a Managing Director or Whole-Time Director shall from time to time be fixed by the Directors, and may be by way of fixed salary, or commission on profits of the Company or by participation in any such profits or by any or all of these models.
153. Subject to the superintendence, control and discretion of the Board of Directors, the day to day Management of the Company may be entrusted to the director or Directors with power to the Board to distribute such day to day functions among such Directors, if more than one, in any manner as directed by the Board, or to delegate such power of distribution to any one of them. The Board may from time to time entrust to and confer upon a Managing Director or Whole-Time Director for the time being, save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such powers for such time to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient and they may subject to the provisions of the Act and these Articles confer such powers either collaterally with or to the exclusion of or in substitution for all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

<b>SECRETARY</b>
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154. a) The Board of Directors may from time to time appoint any individual, as the Secretary of the Company to perform duties which may be performed by a Secretary under the Act & any other purely ministerial & administrative duties as the Board of Directors may from time to time assign to the Secretary including the duty to keep the registers required to be kept under the Act.
- b) The Board of Directors may at any time appoint a temporary substitute of the Secretary who shall for the purposes of these Articles and the Act be deemed to be the Secretary.

<b>COMMON SEAL</b>
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155. 1) The Board of Directors shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Directors shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of Directors or a committee of the Directors previously given.
- 2) Every deed or other instrument which the Seal of the Company is required to be affixed, shall unless the same is executed by a duly constituted Attorney of the Company, be signed by two Directors or by a Director and countersigned by the Secretary or by some other person appointed by the Board for the purpose. Provided nevertheless that certificates of title to shares may be sealed and signed as provided in Article 18.
156. Save as otherwise expressly provided by the Act, a document or proceeding requiring authentication by the Company may be signed by a Director or Secretary or other officer authorised in that behalf by the Board of the Company and need not be under its seal.

<b>ANNUAL RETURNS</b>
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157. The Company shall make requisite annual returns in accordance with Section 159 and 161 of the Act and shall file with the Registrar three copies of the balance sheet and profit and loss account in accordance with Section 220 of the Act.

<b>DIVIDENDS</b>
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158. The profits of the Company subject to any special rights relating thereto created or authorised to be created by the Memorandum or these Articles and subject to The provisions of any law for the time being in force and subject to these Articles shall be divisible among the members in proportion to the amount of capital paid up on the shares held by them respectively.
- Provided always that (subject as aforesaid) any capital paid up on a share during the period in respect of which dividend is declared shall, unless the Directors otherwise determine, only entitle & shall be deemed always to have only entitled, the holder of such share to an apportioned amount of such dividend as from the date of payment.
159. The Company in general meeting may subject to Section 205 of the Act declare dividends, to be paid to members according to their respective rights and interests in the profits but subject to any law for the time being in force and may fix the time for payment but no dividend shall exceed the amount recommended by the Board of Directors. However, the Company in general meeting may declare a smaller dividend than recommended.
160. No dividend shall be paid otherwise than out of the profits of the year or any other undistributed profits or otherwise than in accordance with the provisions of Section 205, 206 and 207 of the Act or any other law for the time being in force and no dividend shall carry interest as against the Company unless required by law. The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.
161. Subject to the provisions of the Act any law for the time being in force the Board of Directors may, from time to time, pay to the Members interim dividends as, in their judgment, the position of the Company justified.

162. Where capital is paid in advance of calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to dividend or participate in profits.
163. The Company shall pay dividends in proportion to the amount paid up or credited as paid up on each share, where a larger amount is paid up or credited as paid up on some shares than on others.
164. The Board of Directors may, if they so think fit, retain the dividends payable upon shares in respect of which any person is under Article 59 entitled to become a member or which any person under that Article is entitled to transfer until such person shall become a member in respect of such shares or shall duly transfer the same.
165. No member shall be entitled to receive payment of any interest or dividend in respect of his share or shares, whilst any money may be due or owing from his to the Company in respect of such shares or shares or otherwise howsoever, either alone or jointly with any other person or persons; and the directors may without prejudice to any other right or remedy of the Company deduct from the interest or dividend payable to any member all sums of money so due from him to the Company.
166. A transfer of shares shall not pass the right to any dividend declared thereon before the Registration of the transfer.
167. Any one of several persons who are registered as the joint holders of any share may give effectual receipts for all dividends and payment on account of dividends in respect of such share.
168. Unless otherwise directed and dividend may be paid by cheque or warrant sent through post to the registered address of the member or person entitled, or in case of joint holders to that one of them first named in the Register in respect of the joint holding. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any other means. Several executors or administrators of a deceased member in whose sole name any share stands, shall for the purposes of this clause be deemed to be joint holders thereof.
169. Where a dividend has been declared by the Company but has not been paid, or the warrant in respect thereof has not been posted within forty-two days from the date of the declaration, to any shareholder entitled to the payment of the dividend, the Company shall, within seven days from the date of expiry of the said period of forty-two days, transfer the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted within the said period of forty-two days, the special account to be opened by the Company in that behalf in any Scheduled Bank to be called "unpaid Dividend Account of "J.KUMAR INFRA PROJECTS LIMITED." and all the other provisions of Section 205A of the Act in respect of the any such unpaid dividend or any part thereof shall be applicable, observed, performed and complied with. No unclaimed dividend shall be forfeited by the Board.
170. No dividend shall be declared or paid by the Company for the financial year except out of the profits of the Company for that year arrived at after providing for depreciation in accordance with the provisions of sub section (2) of section 505 of the Act except after the transfer to the reserves of the Company of such percentage of its profits for that year, as may be prescribed.
- Provided that nothing in the sub-section shall be deemed to prohibit the voluntary transfer by a Company of a higher percentage of its profits to the reserves in accordance with such rules as may be made by the Central Government in this behalf.
171. No dividends shall be paid otherwise than in cash.
172. Annual general meeting declaring a dividend may make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend; and the dividend may, if so arranged between the Company and the members to be set off against the calls.

<b>CAPITALISATION</b>
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173. Any general meeting may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the reserve fund, or any Capital Redemption Reserve Fund, or in the hands of the Company and available for dividend or representing premium received

on the issue of shares and standing to credit of the share premium account be, subject to the provisions of Section 78 of the Act, capitalized and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportion on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund be applied on behalf of such shareholders in paying up in full either at par or such premium as the resolution may provide, any unissued shares or debentures or debenture stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued share or debentures or debenture-stock, and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum.

174. A general meeting may resolve that any surplus moneys arising from the realization of any capital assets of the Company, or any investments representing the same, or any other undistributed profits of the Company not subject to charge for Income tax distributed among the members on the footing that they receive the same as capital.
175. For the purpose of giving effect to any resolution under the two last preceding Articles, the Directors may settle any difficulty which may arise in regard to the distribution as they think expedient, and in particular may issue fractional certificate, and may (fix the value for distribution of any specific assets, and may) determine that cash payments shall be made to any members upon the footing of the value so fixed or that fractions of less value than Re. 1 may be disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalized fund as may seem expedient to the Directors and generally may make such arrangements for the acceptance allotment and sale of such shares or other specific assets and fractional certificates or otherwise as they may think fit. Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Companies Act, 1956 and the Directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund & such appointment shall be effective.
176. If and whenever any shares become held by any member in fraction, the Directors may subject to the provisions of the Act and these Articles and sell these shares which members hold in fractions for the best price reasonably to be directions, of the Company in general meeting, if any, consolidate and obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the Directors may authorise any person to transfer the shares sold to the Purchaser thereof comprised in any such transfer and he shall not be bound to see the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

<b>ACCOUNTS</b>
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177. 1) The Company shall cause to be kept proper books of account with respect to
- (a) all sums of money received and expended by the Company and the matters in respect of which receipts and expenditure take place;
  - (b) all sales and purchases of goods by the Company.
  - (c) the assets and liabilities of the Company.
- 2) If the company shall have a branch office, whether in or outside India, proper books of account relating to the transactions effected at that office shall be kept at the office and proper summarized returns made up to date at intervals of not more than three months, shall be sent by the branch office to the Company at its Registered Office or other place in India, as the Board think fit, where the main books of the Company are kept.
178. The books of account shall be kept at the Registered Office of the Company or at such other place or places as the Board of Directors think fit and shall be open to inspection by any Director during business hours.
179. The books of account of the Company relating to a period of not less than eight years immediately preceding the current year shall be preserved in good order.
180. The Board of Directors shall from time to time determine whether and to what extent and at what time and places, and under what conditions or regulations the records and documents of the Company or any of them as are in law open for inspection by members, shall be open for the inspection for the members.



181. The Board of Directors shall lay before each Annual General Meeting a Profit and Loss Account for the financial year of the Company and a Balance Sheet made to as at the end of the financial year which shall be a date which shall not precede the day of the meeting by more than six months or where an extension of time has been granted by the Registrar of Companies under the provisions of the Act by more than six months and the extension so granted.
182. a) Subject to the provisions of Section 211, of the Act, every balance sheet and profit and loss account of the Company, shall be in the forms set out in part I and II respectively of Schedule VI of the Act, or as near thereto as circumstances admit.
- b) So long as the Company is a holding Company having a subsidiary, the Company shall conform to Section 212 and other applicable provisions of the Act.
- c) If in the opinion of the Board, any of the current assets of the Company have not a value or realisation in the ordinary course of business at least equal to the amount at which they are stated, the fact that the Board is of that opinion shall be stated.
183. 1) Every balance sheet and every profit and loss account of the Company shall be signed on behalf of the Board of Directors of its Manager or Secretary, if any, and by not less than two Directors of the Company, one of whom shall be a Managing Director, if there is one.
- 2) When only one Director is for the time being in India, the balance sheet and profit and loss account shall be signed by such Director and in such a case there shall be attached to the balance sheet and the profit and loss account of a statement signed by him explaining the reason for non- compliance with the provisions of Clause (1) above.
- 3) The balance sheet and the profit and loss account shall be approved by the Board before they are signed on behalf of the board in accordance with the provisions of this Article and before they are submitted to the Auditors for their report thereon.
184. The profit and loss account shall be annexed to the balance sheet and the Auditor's Report (including the Auditor's separate, special or supplementary Report, if any) shall be attached thereto.
185. 1) Every balance sheet laid before the Company in general meeting shall have attached to it a report by the Board of Directors with respect to (a) the state of the Company's affairs; (b) the amounts, if any, which it proposes to carry to any Reserve in such balance sheet; (c) the amount, if any, which it recommends to be paid by way of dividend and (d) material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the balance sheet relate and date of the report.
- 2) The report shall, so far as it is material for the appreciation of the state of the Company's affairs by its members, and will not in the Board's opinion be harmful to the business of the company or of any of its subsidiaries, deal with any changes Which have occurred during the financial year in the nature of the Company's business in the Company's subsidiaries or in the nature of the business carried on by them and generally in the classes of business in which the Company has an interest.
- 3) a) The Board's report shall also include a statement showing the name of every employee of the Company who:
- i) if employed throughout the financial year, was in receipt of remuneration for the year which, in the aggregate, was not less than Seventy two thousand rupees;
- OR
- ii) If employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Six thousand rupees per month.
- b) The Statement referred to in clause (a) shall also indicate:
- i) Whether any such employee is a relative of any director or Manager of the Company and if so, the name of such Director, and
- ii) Such other particulars as may be prescribed.

Explanation: "Remuneration" has the meaning assigned to it in the Explanations to Section 198 of the Act.

- 4) The Board shall also give the fullest information and explanations in its report or in cases falling under the proviso every reservation, qualification or adverse remark contained in the Auditor's Report.
  - 5) The Board's Report and addendum (if any thereto shall be signed by its Chairman if he is authorized in that behalf by the Board; and where he is not so authorised shall be signed by such number of Directors as are required to sign the balance sheet and the profit and loss account of the Company by virtue of clauses (1) and (2) of the Article 184.
186. 1) A copy of every balance sheet (including the Profit and Loss Account, the Auditors report and every other document required by law to be annexed or Attached, as the case may be, to the balance sheet which is to be laid before the Company in General Meeting) shall be made available for inspection at the Registered Office of the Company during working hours for a period of twenty one days before the date of meeting. A statement containing the salient features of such documents in the prescribed form or the copies of the documents aforesaid, as the Company may deem fit will be sent to every member of the Company, to every holder of debentures issued by the Company (not being debentures which ex facie are payable to the bearer thereof) to every Trustee for one holders of any debentures issued by the Company whether such member, holder or trustee is or not entitled to have notices of General Meeting of the Company sent to him and to all person other than such members, holders or trustees being persons so entitled not less than 21 days before the date of the meeting as laid down in section 219 of the Act and all the rest of the provisions of the Section shall apply in respect of the matters referred to in this Article.
- 2) Any member or holder of debentures of the Company, whether he is or is not entitled to have copies of the Company's balance sheet sent to him shall, on demand, be entitled to be furnished without charge and any person from whom the Company has accepted sum of money by way of deposit shall, on demand, accompanied by the payment of a fee of one rupee, be entitled to be furnished with a copy of the last balance sheet of the Company and of every document required by law to be annexed or attached thereto, including the profit and loss account and the Auditor's Report.

<b>AUDIT</b>
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187. Once at least in every year the accounts of the Company shall be examined, and the correctness of the profit and loss account and balance sheet ascertained by an Auditor/Auditors to be appointed as herein provided.
188. 1) The Company at the Annual General Meeting in each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until the conclusion of the next Annual General Meeting and shall within seven days of the appointment, give intimation thereof to every Auditor so appointed. Provided that before any appointment or re-appointment of Auditor or auditors is made by the Company at any Annual General Meeting, a written certificate shall be obtained from the Auditor or Auditors proposed to be so appointed to the effect that the appointment or re-appointment, if made, will be in accordance with the limits specified in sub-section (1-B) of Section 224 of the Act.
- 2) At the Annual General Meeting, a retiring Auditor, by whatsoever authority appointed, shall be reappointed unless;
- a) he is not qualified for re-appointment;
  - b) he has given the Company notice in writing of his un-willingness to be reappointed.
  - c) a resolution has been passed at the meeting appointing somebody instead of him or providing expressly that he shall not be re-appointed; or
  - d) where notice has been given of an intended resolution to appointed some person or performs in the place of a retiring Auditor, an by reason of the Death, incapacity or disqualification of that person or of all these persons, as the case may be, the resolution cannot be proceeded with.
- 3) Where at an Annual General no Auditors are appointed or re- appointed, the Central Government may appoint a person to fill the vacancy.
- 4) The Company shall, within seven days of the Central Government's power under sub-clause (2) becoming exercisable, give notice of that fact to that Government.

- 5) The Board of Directors may fill any casual vacancy in the office of the Auditor, but while any such vacancy continues, the remaining Auditor or Auditors (if any) may act, but where such vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting. Any Auditor appointed in a casual vacancy shall hold office until the conclusion of the next Annual General Meeting.
  - 6) A person, other than a retiring auditor shall not be capable of being appointed at an Annual General Meeting unless special notice of a resolution for Appointment of that person to the office of auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with Section 190 of the Act, and the Company shall send a copy of any notice to the retiring Auditor and shall give notice thereof to the members in accordance With Section 190 of the Act, and all the other provisions of Section 225 of the Act Shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that a retiring Auditor shall not be re-appointed.
189. 1) The person qualified for appointment as Auditors shall be only those referred to in Section 226 of the Act.
- 2) None of the persons mentioned in Section 226 of the Act, to be not qualified for appointment as Auditors shall not be appointed as Auditors of the Company
190. The remuneration of the Auditors of the Company shall be fixed by the Company in General Meeting or in such manner as the Company in General Meeting may determine except that the remuneration of any Auditors appointed to fill any casual vacancy may be fixed by the Directors.
191. 1) Every auditors of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanation as may be necessary for the performance of the duties of the Auditor.
- 2) All notices of, and other communications relating to any general meeting of a Company which any member of the Company is entitled to have sent to him shall also be forwarded to the Auditor of the Company; and the Auditor shall be entitled to attend any General Meeting and to be heard at any general meeting which he attends on any part of the business which concerns him as Auditor.
- 3) The Auditor shall make a report to the members of the Company on the accounts examined by him and on every balance sheet and profit and loss account, and on every other document declared by the Act to be part of or annexed to the balance sheet or profit and loss account which are laid before the Company in General Meeting, during his tenure of office, and the report shall state whether, in his opinion and to the best of his information and according to the explanation given to him the said accounts give the information required by the Act in the manner so required and give a true and fair view:
- i) in the case of the balance sheet of the state of the Company's affairs as at the end of its financial year, and
  - ii) in the case of the profit and loss account, of the profit or loss for its financial year.
- 4) The Auditors Report shall also state:
- a) Whether he has obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit;
  - b) Whether, in his opinion, proper books of account as required by law have been kept by the Company so far as appears from his explanation of those books, and proper returns adequate for the purposes of his audit have been received from branches.
  - c) Whether the report on the accounts of any branch office audited under Section 228 by a person other than the Company's Auditor has been forwarded to him as required by clause (c) of sub-section (3) of the Section and how he has dealt with the same in preparing the Auditor's Report:
  - d) Whether the Company's balance sheet and profit and loss account dealt with by the report are in agreement with the books of accounts and returns.
- 5) Where any of the matters referred to in Clause (i) and (ii) of sub-section (2) of Section 227 of the Act, or in clauses (a), (b), and (c) of sub-section (3) of Section 227 of the Act, or sub-clause 4(a), (b), (c) and (d) hereof is answered in the negative or with a qualification the Auditor's Report shall state the reason for the answer.

- 6) The accounts of the Company shall not be deemed as not having been, and the auditor's Report shall not state that those accounts have not been properly drawn up on the ground merely that the Company has not disclosed certain matters if:
  - a) those matters are such as the company is not required to disclose by virtue of the provisions contained in the Act or any other enactment, and
  - b) those provisions are specified in the balance sheet and profit and loss account of the Company.
192. The Company shall comply with the provisions of Section 228 of the Act in Relation to the audit of the accounts of branch offices of the Company except to the extent to which any exemption may be granted by the Central Government that behalf.
193. The Auditor's Report shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company.
194. Every account and the Director's Report thereon when audited and adopted by the Company in general meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period the account shall forthwith be corrected and henceforth shall be conclusive. Provided further that such accounts and the Director's Report thereon may be amend or modified or varied at any time thereafter may be amend or modified or varied at any time thereafter with the consent of the company accorded by an Ordinary Resolution.

<b>DOCUMENTS AND SERVICE OF DOCUMENTS</b>
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- 195.1) A document (which expression for this purpose shall be deemed to include and shall include any summons, notice, requisition, process, order, judgment or any other document in relation to or in the winding up of the Company) may be served or sent by the Company on or to any member either personally or by sending it by post to him to his registered address or (if he has no registered address in India) to the address if any within supplied by him to the Company for the giving of notices to him.
- 2) Where document is sent by post:
  - a) service thereof shall be deemed to be effected by properly addressing prepaying and posting a letter containing the notice provided that where a member has intimated to the Company in advance that documents should be sent to him under a certificate of posting or by registered post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document shall not be deemed to be effected unless it is sent in the manner intimated by the member; and
  - b) Such service shall be deemed to have been effected:
    - i) in the case of a notice of a meeting, at the expiration of forty-eight hours after the letter containing the notice is posted, and
    - ii) in any other case, at the time at which the letter would be delivered in the ordinary course of post.
196. If a member has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him, documents advertised in a newspaper circulating in the neighborhood of the registered office of the Company shall be deemed to be duly served on him on the day on which the advertisement appears.
197. A document may be served by the Company on the person entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased or assignee of the insolvent or by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served if the death or insolvency had not occurred.
198. Subject to the provisions of the Act and these Articles notice of general meeting shall be given:
  - i) to members of the Company as provided by Article 77 in any manner authorized by Articles 197 and 198 as the case may be or as authorised by the Act;
  - ii) to the persons entitled to a share in consequence of the death or insolvency of a member as provided by Article 198 or as authorised by the Act;

- iii) to the Auditor or Auditors for the time of the Company, in any manner authorized by Article 77 or by the Act in the case of any member or members of the Company.
- 199. Subject to the provisions of the Act any document required to be served or sent by the Company on or to the members, or any of them, and not expressly provided for by these presents, shall be deemed to be duly served or sent if advertised once in one daily English and on daily vernacular newspaper circulating in the city or town where the registered office of the Company is situated.
- 200. Every person, who by operation of law, transfer, or other means whatsoever, shall become entitled to any share shall be bound by every document in respect of such share which, previously to his name and address being entered on the Register, shall be duly served on or sent to the persons from, whom he derives his title to such share.
- 201. The signature to any notice to be given by the Company may be written, typed or Printed.
- 202. A notice may be given by the Company to the joint-holders of a share by giving the notice to the joint holder named first in the Register in respect of shares. Several executors administrators of a deceased sole holder shall be deemed to be jointly entitled for the purpose of this Article.

#### **WINDING UP**

- 203. If the Company shall be wound up, and the assets available for distribution amongst the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed to that as nearly as may be the losses shall be borne by the members in proportion to the capital paid-up or which ought to have been paid-up, at the commencement of the winding up, on the shares, held by them respectively. And if in a winding up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital, at the commencement of the winding up paid up or which ought to have been paid-up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.
- 204. 1) If the Company shall be wound up, whether voluntarily or otherwise, the Liquidator may with the sanction of a special resolution, divide amongst the contributories, inspecie or kind, any part of the assets of the Company and ay, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories, or any of them as the liquidators, with the like sanction shall think fit.
- 2) If thought expedient any such division may subject to the provisions of the act otherwise than in accordance with the legal rights of the contributories (except were unalterably fixed by the Memorandum of Association) and in particular any class may be given preferential or special rights, or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined, on, any contributory who would be prejudiced thereby shall have a right to dissent and ancillary rights as if such determination where a Special Resolution passed pursuant to Section 494 of the Act.
- 3) In case any shares to be divided as aforesaid involve a liability to call or otherwise any reason entitled under such division to any of the said shares may within ten days after the passing of the Special Resolution by notice in writing direct the liquidators to sell his proportion and pay him the net proceeds and liquidators shall if practicable act accordingly.
- 205. A special resolution sanctioning a sale to any other Company duly passed pursuant to Section 494 of the Act may, subject to the provisions of the Act in like manner as aforesaid determine that any shares or other consideration receivable by the liquidators be distributed amongst the members otherwise than in accordance with their existing rights & any such determination shall be binding upon all the members subject to the rights of dissent & consequential rights conferred by the said section.

#### **MEMBERS**

- 206. Every person who is a subscriber to the Memorandum and Articles and/or who intends to be or becomes a member of the Company shall, subject to the provisions of any law in force, be bound by the provisions of the Memorandum and Articles of the Company and any matter of dispute arising between the Company

and any such person as regards mutual rights, obligations or otherwise shall be subject to the jurisdiction over the registered office of the in respect To the disputed matter.

<b>INDEMNITY</b>
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207. Subject to the provisions of Section 201 of the Act, every Director, Manager and other officer or servant of the company shall be indemnified by the Company against, and it shall be the duty of Directors out of the funds of the Company to pay, all costs, losses and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into or act or thing done by him as such officer or servant or in any way in the discharge of his duties including expenses, and in particular, and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Manager, Officer or Servant in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or he is acquitted, or in connection with any application under Section 633 of the Act in which relief is granted by the Court, and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company.
208. Subject to the provisions of Section 201 of the Act, no Director, Manager or other officer of the Company shall be liable for the acts, receipts, neglects of any other Director or Officer or for joining any receipt of other Act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom by moneys, securities, or effects shall be deposited or for any loss occasioned by an error of judgement, omission, default or oversight on his part, or for any other loss, damage or misfortunes whatsoever which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own dis-honesty.

<b>SECURITY CLAUSE</b>
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209. No member shall be entitled to visit or inspect any works of the Company without the permission of the Directors or to require discovery of or any information respecting any detail of the Company's trading, or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process, or any other matter which may relate to the conduct of the business of the Company, and which in the opinion of the Directors would be inexpedient in the interest of the Company to disclose.

## **SECTION X - OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of the Draft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which have been attached to the copy of this Red Herring Prospectus, delivered to the ROC, Maharashtra at Mumbai for registration and also the documents for inspection referred to hereunder, may be inspected at the registered office of our Company from 10.00 am to 4.00 pm on working days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

#### ***Material Contracts to the Issue***

1. Mandate letter dated May 28, 2007 from Anand Rathi Securities Limited offering their services to act as BRLM and Company's acceptance thereto.
2. Memorandum of Understanding dated September 12, 2007 between our Company and Anand Rathi Securities Limited, BRLM to this Issue.
3. Memorandum of Understanding dated June 22, 2007 between our Company and Karvy Computershare Private Limited as Registrars to the Issue.
4. Escrow Agreement dated January 03, 2008 between our Company, BRLM, the Escrow Banks, and the Registrar to the Issue.
5. Syndicate Agreement dated January 03, 2008 between our Company, the BRLM, and the Syndicate Member.
6. Underwriting Agreement dated [•], 2008 between our Company, the BRLM and the Syndicate Members.

#### ***Material Documents for Inspection***

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
2. Certificate of Incorporation of our Company dated December 2, 1999.
3. Fresh Certificate of Incorporation consequent upon change of name dated January 8, 2007
4. Fresh Certificate of Incorporation consequent upon change of name on conversion to public limited company dated January 31, 2007.
5. Copy of the resolution passed at the meeting of the Board of Directors held on April 30, 2007 approving the Public Issue.
6. Copy of Resolution of the Members of our Company passed at the Extraordinary General Meeting held on May 24, 2007 pursuant to Section 81(1A) of the Companies Act.
7. Copies of the Annual Reports of our Company for the years ended March 31, 2003; 2004; 2005; 2006; 2007.
8. Copy of the Statement of Tax Benefits report dated August 10, 2007 issued by the Statutory Auditors, M/s. Gupta Saharia & Co., Chartered Accountants.
9. Reports of the Statutory Auditors, M/s. Gupta Saharia & Co., Chartered Accountants dated December 14, 2007 as per Indian GAAP and included in this Red Herring Prospectus.
10. Consents letters of the (a) Directors, (b) Company Secretary and Compliance Officer, (c) Book Running Lead Manager and Syndicate Member(s) to this Issue, (d) Legal Advisors, (e) Bankers to our Company, (f) Bankers to this Issue and (g) Registrars to this Issue, to include their names in this Red Herring Prospectus to act in their respective capacities.

11. Consent letters dated December 14, 2007 from M/s. Gupta Saharia & Co., Chartered Accountants, 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 Red Herring Prospectus.
12. Certified true copies of general meeting resolutions passed under Section 269 of the Companies Act, 1956 in relation to the appointment of our whole-time Directors and variation in the terms of their appointment.
13. Due diligence Certificate dated September 14, 2007 to SEBI from Anand Rathi Securities Limited
14. Listing application(s) filed with the NSE and the BSE, respectively.
15. In-principle listing approvals dated October 22, 2007 and November 16, 2007 from BSE and NSE, respectively.
16. Tripartite agreement between the NSDL, our Company and the Registrar dated August 30, 2007.
17. Tripartite agreement between the CDSL, our Company and the Registrar dated August 20, 2007.
18. SEBI observation letter no. CFD/DIL/ISSUES/SM/109863/2007 dated December 03, 2007
19. Share Subscription Agreements as enumerated on page 117 of this Red Herring Prospectus
20. Agreement to Purchase Assets dated March 1, 2006 between J. Kumar & Co. and our Company
21. Non-Compete, Non-Hire and Non-Disclosure Agreement dated September 12, 2007 between J. Kumar & Co. and our Company
22. Consent from ICRA Limited for inclusion of their name in this DRHP for as the IPO Grading Agency and for inclusion of their report dated December 17, 2007 in the form and context in which they appear in the Red Herring Prospectus and the Prospectus
23. IPO Grading Report of ICRA Limited dated December 17, 2007.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.



## ***DECLARATION***

We, the Directors of our Company, hereby declare that, all the relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under or guidelines issued, as the case may be. We further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

### **SIGNED BY ALL THE DIRECTORS OF J. KUMAR INFRAPROJECTS LIMITED**

**Jagdishkumar Madanlal Gupta**  
Chairman-cum-Managing Director

**Mr. Kamal Jagdishkumar Gupta**  
Executive Director

**Mr. Nalin Jagdishkumar Gupta**  
Executive Director

**Mr. Padmanabh Pundarikray Vora**  
Independent Director

**Mr. Roshankhan Hasankhan Tadv**  
Independent Director

**Dr. Raghavachari Srinivasan**  
Independent Director

**Ms. Poornima Reddy**  
Company Secretary and Compliance Officer

**Place:** Mumbai  
**Date:** January 04, 2008