RED HERRING PROSPECTUS
Dated January 14, 2008
Please read Section 60B of the Companies Act, 1956
100% Book Built Issue

IRB Infrastructure Developers Limited

(The Company was incorporated as a private limited company "DVJ Leasing and Finance Private Limited" on July 27, 1998 under the Companies Act, 1956, as amended ("Companies Act"). The name of the Company was changed to "IRB Infrastructure Developers Private Limited" pursuant to a special resolution of the shareholders of the Company at an extraordinary general meeting held on October 30, 2006. The fresh certificate of incorporation consequent upon the change of name was granted on November 8, 2006 by the Registrar of Companies, Maharashtra, located at Mumbai ("RoC"). Subsequently, pursuant to a special resolution of the shareholders of the Company at an extraordinary general meeting held on November 25, 2006, the Company became a public limited company and the word "private" was deleted from its name. The certificate of incorporation to reflect the new name was issued on November 27, 2006 by the RoC. The registered office of the Company was shifted with effect from July 1, 1999 from Manisha Safalya, Mahatma Gandhi Road, Dombivli, Mumbai – 421 202, to 501, Dattashram, Hindu Colony, Lane No.1, Dadar, Mumbai – 400 014. Thereafter, the registered office of the Company was shifted to 3rd Floor, IRB Complex, Chandivli Farm, Chandivli Village, Andheri (East), Mumbai – 400 072 with effect from November 28, 2006.

Registered Office: 3rd Floor, IRB Complex, Chandivli Farm, Chandivli Village, Andheri (East), Mumbai – 400 072, Maharashtra, India
Telephone: +91 22 6640 4220; **Facsimile**: +91 22 6675 1024
Contact Person: Dhananjay K. Joshi; Tel: +91 22 6640 4220; **Email**: ipo@irb.co.in
Website: www.irb.co.in

PUBLIC ISSUE OF 5,10,57,666 EQUITY SHARES OF RS. 10 EACH ("EQUITY SHARES") OF IRB INFRASTRUCTURE DEVELOPERS LIMITED ("IRB" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE AGGREGATING TO RS. [●] CRORES ("ISSUE"). UP TO 125,000 EQUITY SHARES WILL BE RESERVED IN THE ISSUE FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS SPECIFICALLY DEFINED HEREIN IN THE SECTION "DEFINITIONS AND ABBREVIATIONS") AT THE ISSUE PRICE ("EMPLOYEE RESERVATION PORTION"). THE ISSUE LESS THE EMPLOYEE RESERVATION PORTION SHALL BE HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE WILL CONSTITUTE 15.36% OF THE FULLY DILUTED POST-ISSUE EQUITY SHARE CAPITAL OF THE COMPANY.

PRICE BAND: RS. 185 TO RS. 220 PER EQUITY SHARE OF FACE VALUE RS. 10 EACH.
THE ISSUE PRICE IS 18.5 TIMES THE FACE VALUE AT THE LOWER END OF THE PRICE BAND AND 22 TIMES THE FACE VALUE AT THE HIGHER END 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 the Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), by issuing a press release and also by indicating the change on the website of the Sole Global Coordinator and Book Running Lead Manager ("BRLM"), the Co-Book Running Lead Manager ("CBRLM") and the terminals of the Syndicate.

Pursuant to Rule 19(2)(b) of the SCRR (as defined below), this Issue is for less than 25% of the post-Issue share capital of the Company and is therefore being made through a 100% Book Building Process (as defined below) wherein at least 60% of the Net Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"), out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. In addition, in accordance with Rule 19(2)(b) of the SCRR, a minimum of 20 lakh securities are being offered to the public and the size of the Issue shall aggregate to at least Rs. 100 crores. If at least 60% of the Net Issue cannot be allotted to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Further, 125,000 Equity Shares shall be available for allocation on a proportionate basis to the Eligible Employees, subject to valid Bids being received at or above the Issue Price.

IPO GRADING
The Issue has been graded by Fitch Ratings India Private Limited ("Fitch"), a credit rating agency registered with the Securities and Exchange Board of India ("SEBI"). Fitch has assigned a grade of 4 (ind) out of a maximum of 5 (ind) indicating that the fundamentals of the Issue are above average, relative to other listed equity shares in India, through its letter dated December 17, 2007. For details of the grading of the Issue, see the section "General Information" beginning on page 9 of this Red Herring Prospectus.
RISKS IN RELATION TO FIRST ISSUE
This being the first issue of Equity Shares of the Company, there has been no formal market for the Equity Shares of the Company. The face value of the Equity Shares is Rs. 10 per Equity Share and the Issue Price is [●] times the face value. The Issue Price (as determined by the Company, in consultation with the BRLM and the CBRLM, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process) 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 the 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 the Company and the Issue, including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to the statements in the section "Risk Factors" beginning on page xi of this Red Herring Prospectus.
COMPANY'S ABSOLUTE RESPONSIBILITY
The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to the Company and the Issue that is material in the context of the 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 offered through the Red Herring Prospectus are proposed to be listed on the BSE and the NSE. The Company has received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated October 12, 2007 and October 18, 2007, respectively. For the purposes of the Issue, the BSE shall be the Designated Stock Exchange.

SOLE GLOBAL COORDINATOR AND BOOK RUNNING LEAD MANAGER	CO-BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
Deutsche Bank Group **Deutsche Equities India Private Limited** DB House Hazarimal Somani Marg Fort Mumbai – 400 001, India Tel: +91 22 6658 4600 Fax: +91 22 2200 6765 E-mail: irb.ipo@db.com Investor Grievance: db.redressal@db.com Contact Person: Mr. Pulkit Bhandari Website: www.db.com/india SEBI Registration Number: INM000010833	kotak Investment Banking **Kotak Mahindra Capital Company Limited** 3rd Floor, Bakhtawar 229 Nariman Point Mumbai - 400 021, India Tel: +91 22 6634 1100 Fax: +91 22 2284 0492 Email: irb.ipo@kotak.com Investor Grievance: kmccredressal@kotak.com Contact Person: Mr. Chandrakant Bhole Website: www.kotak.com SEBI Registration Number: INM000008704	KARVY Karvy Computershare Private Limited **Karvy Computershare Private Limited** Plot No. 17 to 24, Vittalrao Nagar Madhapur Hyderabad - 500 081, India Tel: + 91 40 2342 0815 Fax: + 91 40 2342 0814 E-mail: irbipo@karvy.com Contact Person: Mr. M. Murali Krishna Website: www.karvy.com SEBI Registration Number: INR000000221

BID/ISSUE PROGRAM	
BID/ISSUE OPENS ON: JANUARY 31, 2008	**BID/ISSUE CLOSES ON: FEBRUARY 05, 2008**

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms shall have the following meanings in this Red Herring Prospectus.

Company Related Terms

Term	**Description**
The "Company" or the "Issuer" or "IRB"	IRB Infrastructure Developers Limited, a public limited company incorporated under the Companies Act and whose registered office is located at 3rd floor, IRB Complex, Chandivli Farm, Chandivli Village, Andheri (East), Mumbai – 400 072, Maharashtra, India.
"we" or "us" or "our" or "IRB Group"	IRB Infrastructure Developers Limited, together with its Subsidiaries, on a consolidated basis, as described in this Red Herring Prospectus.
Articles/ Articles of Association	The articles of association of the Company, as amended.
Auditors	S.R. Batliboi & Co., Chartered Accountants.
Board of Directors/ Board	The board of directors of the Company, as constituted from time to time, or a committee thereof.
Directors	The directors on the Board of the Company, as appointed from time to time.
Equity Shares	Equity shares of the Company with a face value of Rs. 10 each.
IDBI	Industrial Development Bank of India.
Land Reserves	The aggregate land area comprising all those pieces and parcels of land in respect of which Aryan is the registered title holder.
Memorandum/ Memorandum of Association	The memorandum of association of the Company, as amended.
Order Book	Unbilled revenue from the uncompleted portions of our "existing contracts", i.e., the total contract value of the "existing contracts" secured by the IRB Group as reduced by the value of construction work billed until the date of such Order Book. For purposes of our Order Book, we define "existing contracts" as (i) construction contracts, including EPC contracts and (ii) operation and maintenance contracts, whether relating to funded construction projects or part of a BOT project, that have been awarded to us and for which all pre-conditions to entry into force have been met.
Promoters	Mr. Virendra D. Mhaiskar, Mrs. Deepali V. Mhaiskar and Virendra D. Mhaiskar (HUF).
Promoter Group or Promoter Group Companies	The individuals, companies, or other entities specified in the section "Our Promoters and Promoter Group Companies" beginning on page 155 of this Red Herring Prospectus.
Registered Office	The registered office of the Company, which is located at 3rd Floor, IRB Complex, Chandivli Farm, Chandivli Village, Andheri (East), Mumbai – 400 072, Maharashtra, India.
Subsidiaries	The subsidiaries of the Company comprising : 1. Ideal Road Builders Private Limited ("IRBPL") 2. Modern Road Makers Private Limited ("MRM") 3. Mhaiskar Infrastructure Private Limited ("MIPL") 4. Thane Ghodbunder Toll Road Private Limited ("TGTRPL") 5. Aryan Toll Road Private Limited ("ATRPL") 6. IDAA Infrastructure Private Limited ("IDAA") 7. NKT Road & Toll Private Limited ("NKT") 8. IRB Infrastructure Private Limited ("IRB Infra") 9. MMK Toll Road Private Limited ("MMK")

Term	Description
	10. ATR Infrastructure Private Limited ("ATR Infra") 11. Aryan Infrastructure Investments Private Limited ("Aryan")

Issue Related Terms

Term	Description
Allot/ allot/ Allotment/ allotment/ Allotted/ allotted/ Allocated/ allocated/ Allocation/ allocation	The issue/allotment of Equity Shares pursuant to the Issue.
Allottee	A successful Bidder to whom Equity Shares are Allotted.
Banker(s) to the Issue	Deutsche Bank AG, Fort branch, Kotak Mahindra Bank Limited, Nariman Point branch, Standard Chartered Bank, Fort branch and HDFC Bank Limited, Fort branch, which are registered with the SEBI as bankers to an issue.
Bid	An indication to make an offer during the Bidding Period by a prospective investor to subscribe for or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto.
Bid Amount	The highest value of the optional Bids indicated in the Bid-cum-Application Form and payable by the Bidder in respect of the Bid.
Bid-cum-Application Form	The form in terms of which the Bidder shall make an offer to subscribe for or purchase the Equity Shares and which will be considered as the application for Allotment pursuant to the terms of the Red Herring 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 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 Bid(s) including any revisions thereof.
Bid/Issue Closing Date	The date after which the members of the Syndicate will not accept any Bids for the Issue and which shall be notified in a widely circulated English national newspaper, a widely circulated Hindi national newspaper and a widely circulated Marathi newspaper.
Bid/Issue Opening Date	The date on which the members of the Syndicate shall start accepting Bids for the Issue and which shall be notified in a widely circulated English national newspaper, a widely circulated Hindi national newspaper and a widely circulated Marathi newspaper.
Book Building Process	The book building process as described in Chapter XI of the SEBI Guidelines, in terms of which the Issue is being made.
BRLM/ Sole Global Coordinator and Book Running Lead Manager	Deutsche Equities India Private Limited.
BSE	The Bombay Stock Exchange Limited.
CAN/ Confirmation of Allocation Note	The note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process.
Cap Price	The higher end of the Price Band and the maximum price at which the Issue Price will be finalised and above which no Bids will be accepted.
CDSL	The Central Depository Services (India) Limited.
CBRLM/ Co-Book Running Lead Manager	Kotak Mahindra Capital Company Limited.
Companies Act	The Companies Act, 1956, as amended.
Cut-off Price	Any price within the Price Band finalised by the Company in consultation with the BRLM and the CBRLM. A Bid submitted at the

Term	Description
	Cut-off Price by a Retail Individual Bidder or an Eligible Employee for a Bid Amount not exceeding Rs. 100,000 is a valid Bid. Only Retail Individual Bidders and Eligible Employees are entitled to Bid at the Cut-off Price for a Bid Amount not exceeding Rs. 100,000. QIBs, Non-Institutional Bidders and Eligible Employees whose Bid amount is in excess of Rs. 100,000 are not entitled to Bid at the Cut-off Price.
Debenture Subscription Agreement	A debenture subscription agreement dated March 19, 2007 between Deutsche Bank AG, Hong Kong Branch, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited (collectively the "Investors"), Mr. Virendra D. Mhaiskar, Mrs. Deepali V. Mhaiskar and the Company.
DEIPL	Deutsche Equities India Private Limited.
Depositories	NSDL and CDSL.
Depositories Act	The Depositories Act, 1996, as amended.
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended.
Depository Participant/DP	A depository participant as defined under the Depositories Act.
Designated Date	The date on which the Escrow Collection Banks transfer the funds from the Escrow Account of the Company to the Public Issue Account after the Prospectus is filed with the RoC, following which the Board may approve the Allotment of Equity Shares to successful Bidders.
Designated Stock Exchange	The BSE.
Draft Red Herring Prospectus	The Draft Red Herring Prospectus dated September 28, as filed with SEBI, which did not have, *inter alia,* complete particulars of the price at which the Equity Shares are offered and the size (in terms of value) of the Issue.
ECS	Electronic Clearing System.
Eligible NRI	NRIs from such jurisdictions 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 for or purchase the Equity Shares offered thereby.
Employee or Eligible Employee (in the context of Employee Reservation Portion)	Subject to the next paragraph, all or any of the following: (a) A permanent employee of the Company; (b) A Director of the Company, whether a whole time Director, part time Director or otherwise; or (c) An employee as defined in sub-clauses (a) and (b) above of a Subsidiary. An Employee or Eligible Employee, as used in the context of the Employee Reservation Portion, means an Indian National (as defined herein) that is a person resident in India (as defined under FEMA), and excludes any Promoter or member of the Promoter Group. The Eligible Employee should be on the payroll of the Company or any Subsidiary on the date of filing the Red Herring Prospectus with the RoC. Employee(s) or Eligible Employee(s) may also be referred to as "Bidder(s) in the Employee Reservation Portion" in this Red Herring Prospectus.
Employee Reservation Portion	The portion of the Issue being up to 125,000 Equity Shares available for allocation to the Employees.
Escrow Account	An account opened with the Escrow Collection Bank(s) and in whose favour the Bidder will issue cheques or drafts in respect of the Bid Amount.
Escrow Agreement	An agreement to be entered into among the Company, the Registrar, the

Term	Description
	Escrow Collection Bank(s), the BRLM, the CBRLM and the Syndicate Members for collection of the Bid Amounts and for remitting refunds, if any to the Bidders.
Escrow Collection Bank(s)	The banks that are clearing member and registered with SEBI as bankers to the issue with whom the Escrow Account will be opened, and in this Issue comprising of Deutsche Bank AG, Kotak Mahindra Bank, Standard Chartered Bank and HDFC Bank.
FCNR Account	Foreign Currency Non Resident Account.
FEMA	The Foreign Exchange Management Act, 1999, as amended and the regulations framed thereunder.
FII	Foreign Institutional Investors, as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended and registered with SEBI.
FIPB	Foreign Investment Promotion Board.
First Bidder	The Bidder whose name appears first in the Bid-cum-Application Form or Revision Form.
Fiscal/fiscal/Financial Year/financial year/FY	A period of twelve months ended March 31 of that particular year, unless otherwise stated.
Fitch	Fitch Ratings India Private Limited.
Floor Price	The lower end of the Price Band and the minimum price at which the Issue Price will be finalised and below which no Bids will be accepted.
GIR Number	General Index Register Number.
Indian GAAP	Generally accepted accounting principles in India.
Indian National	As used in the context of the Employee Reservation Portion, a citizen of India as defined under the Indian Citizenship Act, 1955, as amended, who is not an NRI.
Industrial Policy	The policy and guidelines relating to industrial activity in India issued by the Ministry of Commerce and Industry, Government of India, as updated, modified or amended from time to time.
Issue	The public issue of 51,057,666 Equity Shares comprising the Net Issue and the Employee Reservation Portion.
Issue Price	The final price at which Equity Shares will be Allotted in the Issue, as determined by the Company, in consultation with the BRLM and the CBRLM on the Pricing Date.
Investors	Deutsche Bank AG, Hong Kong Branch, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited.
Investment Documentation	The Debenture Subscription Agreement and the Investor Rights Agreement.
Investor Rights Agreement	An investor rights agreement dated March 19, 2007 between Deutsche Bank AG, Hong Kong Branch, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited, the Company, Mr. Virendra D. Mhaiskar and Mrs. Deepali V. Mhaiskar.
KMCC	Kotak Mahindra Capital Company Limited.
Margin Amount	The amount paid by the Bidder at the time of submission of the Bid, which may be between 10% and 100% of the Bid Amount, as applicable.
MICR	Magnetic Ink Character Recognition.
Monitoring Agency	SICOM Limited.
Letter of Variation	A letter of variation executed on September 27, 2007 between Deutsche Bank AG, Hong Kong Branch, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited, Mr. Virendra D. Mhaiskar (in his individual capacity and as the Karta of Virendra D. Mhaiskar (HUF), Mrs. Deepali Mhaiskar and the Company.
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended.

Term	Description
Mutual Fund Portion	5% of the QIB Portion, equal to a minimum of 1,527,980 Equity Shares, available for allocation to Mutual Funds from the QIB Portion.
Net Issue	The Issue less the Equity Shares included in the Employee Reservation Portion.
Non-Institutional Bidders	All Bidders that are not Qualified Institutional Buyers or Retail Individual Bidders and have bid for an amount greater than Rs. 100,000.
Non-Institutional Portion	The portion of the Issue being not less than 10% of the Net Issue consisting of 5,093,266 Equity Shares, available for allocation to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price.
Non-Residents/NRs	All eligible Bidders that are persons resident outside India, as defined under FEMA, including Eligible NRIs and FIIs.
NRI/Non-Resident Indian	A person resident outside India, as defined under FEMA and who is a citizen of India or a person of Indian origin as such terms are defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended.
NSDL	The National Securities Depository Limited.
NSE	The National Stock Exchange of India Limited.
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not permitted to invest in this Issue.
Pay-in Date	The Bid/ Issue Closing Date with respect to the Bidders whose Margin Amount is 100% of the Bid Amount or the last date specified in the CAN with respect to the Bidders whose Margin Amount is less than 100% of the Bid Amount.
Pay-in Period	(i) 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 (ii) 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 specified in the CAN.
Price Band	The price band with a minimum price (Floor Price) of Rs. 185 per Equity Share and a maximum price (Cap Price) of Rs. 220 per Equity Share, including any revision to such Floor Price or Cap Price as permitted under the SEBI Guidelines.
Pricing Date	The date on which the Issue Price is finalised by the Company in consultation with the BRLM and the CBRLM.
Prospectus	The prospectus filed with the RoC after the Pricing Date containing, *inter alia*, the Issue Price, the size of the Issue and certain other information.
Public Issue Account	The account opened with the Bankers to the Issue to receive money from the Escrow Account on the Designated Date.
QIBs or Qualified Institutional Buyers	As defined under the SEBI Guidelines and includes public financial institutions as defined in Section 4A of the Companies Act, FIIs, scheduled commercial banks, mutual funds, multilateral and bilateral development financial institutions, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with a minimum corpus of Rs. 25 crore and pension funds with a minimum

Term	Description
	corpus of Rs. 25 crore.
QIB Margin Amount	An amount representing at least 10% of the Bid Amount that QIBs are required to pay at the time of submitting a Bid.
QIB Portion	The portion of the Net Issue being at least 60% of the Net Issue consisting of 30,559,600 Equity Shares, to be allotted to QIBs on a proportionate basis.
Refund Account	The account opened with (an) Escrow Collection Bank(s) from which refunds, if any, of the whole or part of the Bid Amount shall be made.
Registrar/Registrar to the Issue	Karvy Computershare Private Limited, having its registered office as indicated on the cover page.
Retail Individual Bidders	Bidders (including HUFs) who have bid for Equity Shares of an amount less than or equal to Rs. 100,000.
Retail Portion	The portion of the Net Issue being not less than 30% of the Net Issue consisting of 15,279,800 Equity Shares, available for allocation to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.
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).
RHP or Red Herring Prospectus	This Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which will not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The Red Herring Prospectus will be filed with the RoC at least three days before the Bid/Issue Opening Date and will become the Prospectus after filing with the RoC after the Pricing Date.
RoC	The Registrar of Companies, Maharashtra, located at Mumbai.
RTGS	Real Time Gross Settlement.
SCRA	The Securities Contracts (Regulation) Act, 1956, as amended.
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended.
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act.
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended.
SEBI Guidelines	The Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000, as amended.
Securities Act	The U.S. Securities Act of 1933, as amended.
Stock Exchanges	The BSE and the NSE.
Syndicate Agreement	The agreement to be entered into among the Company and the members of the Syndicate, in relation to the collection of Bids in this Issue.
Syndicate Members	DEIPL and Kotak Securities Limited.
Syndicate or members of the Syndicate	The BRLM, the CBRLM and the Syndicate Members.
Takeover Code	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended.
TRS or Transaction Registration Slip	The slip or document issued by any of the members of the Syndicate to a Bidder as proof of registration of the Bid.
Underwriters	The BRLM, the CBRLM and the Syndicate Members.
Underwriting Agreement	The agreement to be entered into among the Underwriters and the Company on or after the Pricing Date.
U.S. GAAP	Generally accepted accounting principles in the United States of America.
VCFs	Venture Capital Funds as defined under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended and registered with SEBI.

Industry Related Terms

Term	Description
BOQ	Bill of Quantities.
BOOT	Build Own Operate Transfer.
BOT	Build Operate Transfer.
COD	Commercial Operations Date.
DBFO	Design Build Finance and Operate.
EPC	Engineering, Procurement and Construction.
FEED	Front End Engineering and Design.
Km/km	Kilometre.
MSRDC	The Maharashtra State Road Development Corporation Limited.
MPEW	Mumbai-Pune Expressway.
MW	Mega Watt.
NHAI	The National Highways Authority of India.
NHDP	National Highway Development Program.
NH	National Highway.
NSEW	North South East West.
O&M	Operation and Maintenance.
PMGSY	Pradhan Mantri Grameen Sadak Yojana.
RFP	Request for Proposal.
SARDP-NE	Special Accelerated Road Development Programme – North East.
SPV	Special purpose vehicle.
RFQ	Request for Qualification.

Other Abbreviations/Terms

Abbreviation	Full Form
AGM	Annual General Meeting.
Air Act	Air (Prevention and Control of Pollution) Act, 1981, as amended.
Arbitration Act	The Arbitration and Conciliation Act, 1996, as amended.
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India.
CAGR	Compound Annual Growth Rate.
DIPP	The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India.
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation.
EGM	Extraordinary General Meeting.
EPS	Earnings Per Share.
ESI	Employee's State Insurance.
ESIC	Employee's State Insurance Corporation.
ESOP	Employee Stock Option Plan.
FCNR Account	Foreign Currency Non-Resident Account.
FDI	Foreign Direct Investment, as understood under applicable laws and regulations in India.
FIPB	The Foreign Investment Promotion Board, Government of India.
GDP	Gross Domestic Product.
GoI/Government of India/ Government	The Government of India.
HUF	Hindu Undivided Family.
IPO	Initial Public Offering.
IRDA	The Insurance Regulatory and Development Authority constituted under the Insurance Regulatory and Development Authority Act, 1999,

Abbreviation	Full Form
	as amended.
I.T	Information Technology.
I.T. Act	The Income Tax Act, 1961, as amended.
ITES	Information Technology Enabled Services.
LIBOR	London Interbank Offered Rate.
N.A.	Not Applicable.
NAV	Net Asset Value.
NRE Account	Non-Resident External Account.
NRO Account	Non-Resident Ordinary Account.
P.A./ p.a.	Per annum.
PAN	Permanent Account Number.
P/E Ratio	Price/Earnings Ratio.
PLR	Prime Lending Rate.
RBI	The Reserve Bank of India.
RoNW	Return on Net Worth.
Rs./ Rupees	Indian Rupees.
SICA	The Sick Industrial Companies (Special Provisions) Act, 1985, as amended.
U.S., US or USA	The United States of America, together with its territories and possessions.
Water Act	The Water (Prevention and Control of Pollution) Act, 1974, as amended.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Financial Data

Unless indicated otherwise, the financial data in this Red Herring Prospectus is derived from our restated financial statements prepared in accordance with generally accepted accounting principles followed in India ("Indian GAAP") and the Companies Act and restated in accordance with the SEBI Guidelines. Our fiscal year commences on April 1 and ends on March 31, so all references to a particular fiscal year are to the 12 month period ended March 31 of that year. In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

There are significant differences between Indian GAAP and generally accepted accounting principles in the United States ("U.S. GAAP"); accordingly, the degree to which the Indian GAAP financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI Guidelines. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI Guidelines on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited. The Company has not attempted to quantify the differences between Indian GAAP and U.S. GAAP or their impact on the financial data included herein, and you should consult your own advisors regarding such differences and their impact on our financial data. For more information on these differences, see the section "Summary of Significant Differences between Indian GAAP and U.S. GAAP" beginning on page 399 of this Red Herring Prospectus.

Certain Conventions

All references to "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India. All references to "US$" or "U.S. Dollars" are to United States Dollars, the official currency of the United States of America.

Currency of Presentation

The following table sets forth, for each period indicated, information concerning the number of Rupees for which one U.S. Dollar could be exchanged at the noon buying rate in the City of New York on the last business day of the applicable period for cable transfers in Rupees as certified for customs purposes by the Federal Reserve Bank of New York. The row titled "Average" in the table below is the average of the daily noon buying rate for each day in the period. Similarly, the rows titled "low" and "high" give the lowest and highest noon buying rates during the period.

	Fiscal 2007	**Fiscal 2006**	**Fiscal 2005**
Period End	43.10	44.48	43.62
Average	45.12	44.17	44.86
Low	42.78	43.05	43.27
High	46.83	46.26	46.45

On September 23, 2007, the noon buying rate was Rs. 39.65 per U.S. Dollar.

Translations of U.S. Dollar amounts into Indian Rupees have been presented solely to comply with Clause 6.9.7.1 of the SEBI Guidelines. These translations should not be construed as a representation that such U.S Dollar amount could have been, or could be, converted into Indian Rupees at any particular rate or at all.

Industry and Market Data

Unless stated otherwise, industry data used in this Red Herring Prospectus has been obtained from industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Company believes that the industry data used in this Red Herring Prospectus is reliable, it has 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 and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

FORWARD-LOOKING STATEMENTS

This Red Herring Prospectus contains certain "forward-looking statements". These forward looking statements can generally be identified by words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "potential", "plan", "contemplate", "seek to", "future", "objective", "goal", "may", "project", "should", "will pursue" and similar expressions or variations of such expressions.

Similarly, statements that describe our objectives, strategies, plans or goals are also forward-looking statements. These forward looking statements are based on our current plans and expectations and are subject to a number of uncertainties and risks that could significantly affect our current plans and expectations, and our future financial condition and results of operations. Factors that could cause actual results to differ materially from our expectations, include, but are not limited to:

- Substantial reliance on Government-owned and Government-controlled entities for revenue;
- General economic and business conditions in India in general and the construction and infrastructure industries in particular;
- The ability to successfully implement our strategy and our growth and expansion plans;
- Changes in political conditions in India;
- Changes in laws and regulations that apply to our customers, suppliers, and the infrastructure development and construction industries;
- Changes in the value of the Rupee and other currency changes; and
- Increasing competition in and the conditions of our customers and suppliers.

For a further discussion of factors that could cause our actual results or performance to differ, see the sections "Risk Factors", "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages xi, 67 and 346, respectively, of this Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Forward looking statements speak only as of the date of this Red Herring Prospectus. Neither the Company, its Directors and officers, the Underwriters, nor any of their respective affiliates or associates 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, the Company, the BRLM and the CBRLM will ensure that investors in India are informed of material developments until such time as the commencement of the final listing and trading on the Stock Exchanges of the Equity Shares Allotted pursuant to the Issue.

SECTION II: RISK FACTORS

RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should consider all of the information in this Red Herring Prospectus, including the risk and uncertainties described below and the sections "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 67 and 346, respectively, of this Red Herring Prospectus before making an investment in our Equity Shares. If any of the following risks or uncertainties actually occur, our business, prospects, financial condition and results of operations could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment.

This Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Red Herring Prospectus.

In this section, a reference to the "Company" means IRB Infrastructure Developers Limited. Unless the context otherwise requires, references to the "IRB Group", "we", "us", or "our" refers to IRB Infrastructure Developers Limited and its Subsidiaries. In this section, a reference to "Project SPV" means any of Ideal Road Builders Private Limited, ATR Infrastructure Private Limited, Aryan Toll Road Private Limited, MMK Toll Road Private Limited, Mhaiskar Infrastructure Private Limited, Thane Ghodbunder Toll Road Private Limited, IDAA Infrastructure Private Limited, NKT Road & Toll Private Limited and IRB Infrastructure Private Limited, as applicable, through which we conduct our infrastructure development business.

Internal Risk Factors

Risks Related to the Company

1. The audit reports relating to the consolidated and unconsolidated financial statements of the Company and the financial statements of certain of our Subsidiaries contain qualifications.

The audit reports relating to the consolidated and unconsolidated financial statements of the Company and the financial statements of certain of our Subsidiaries contain certain qualifications. The auditors' report on the restated consolidated financial statements of the IRB Group included in this Red Herring Prospectus states that all qualifications in the auditors' reports relating to the audited consolidated and unconsolidated financial statements of the Company and the audited financial statements of the relevant Subsidiaries that require any adjustments to the restated consolidated financial statements included in this Red Herring Prospectus have been adjusted, except for the effect of non-compliance with Section 295 of the Companies Act with respect to loans given by IRBPL and MIPL to certain directors and Promoter Group entities and non-compliance with Section 297 of the Companies Act with respect to certain contracts entered into by IRBPL and MIPL with other entities in the IRB Group and certain Promoter Group entities (in which directors of IRBPL and MIPL had an interest), the impact of which cannot be ascertained.

Non-compliance with Section 295 of Companies Act

Under Section 295 of the Companies Act, private companies that are subsidiaries of public companies are required to obtain prior approval of the Government of India for loans granted to directors and entities in which such directors are interested. Since the Company became a public limited company with effect from November 25, 2006, the requirements of Section 295 became applicable to IRBPL and MIPL with effect from November 25, 2006. Subsequent to November 25, 2006, certain loans were extended by IRBPL and MIPL to their respective directors and to certain Promoter Group entities, aggregating to Rs. 23.19 crores. Failure to obtain such approval could result in fines up to Rs. 50,000 for IRBPL and MIPL and/or simple imprisonment of up to six months for every person who is knowingly a party to the contravention of the provisions of Section 295 of the Companies Act, including any person to whom such loan is made. In addition, any director involved in such contravention may be required to vacate office under Section 283(1)(h) of the Companies Act. For further information on such qualification, see Note 3A to Annexure IV (Notes to Accounts) relating to the restated consolidated financial statements of the IRB Group included in "Financial Information" beginning on page 171 of this Red Herring Prospectus. The tables below provide certain information with respect to these loans extended by IRBPL and MIPL.

Loans extended by IRBPL:

Person/entity to which loan granted by IRBPL	**Aggregate loan amount granted subsequent to November 25, 2006 (and interest thereon and on other outstanding loans) to such person/ entity**	**Outstanding loan amounts (inclusive of interest thereon) as of August 31, 2007**
	(Rupees in crores)	
Aryan Constructions	2.34	8.12
D. S. Enterprises	2.07	9.38
Jan Transport	7.28	9.77
MEP Toll Road Private Limited	3.05	2.51
Mhaiskar Udyog	0.40	5.46
Mr. Dattatraya P. Mhaiskar	0.78	6.57
Total	**15.92**	**41.81**

Loans extended by MIPL:

Person/entity to which loan granted by MIPL	**Aggregate loan amount granted subsequent to November 25, 2006 (and interest thereon and on other outstanding loans) to such person/ entity**	**Outstanding loan amounts (inclusive of interest thereon) as of August 31, 2007**
	(Rupees in crores)	
Company	3.37	3.37
Anuya Enterprises	1.21	1.21
Rideema Enterprises	1.21	1.21
D. P. Mhaiskar	1.44	1.44
Mr. Virendra D. Mhaiskar	0.03	0.03
S. D. Mhaiskar	0.005	0.005
Total	**7.27**	**7.27**

Non-compliance with Section 297 of Companies Act

With respect to certain agreements entered into by IRBPL and MIPL with other entities in the IRB Group and certain Promoter Group entities (in which directors of IRBPL and MIPL had an interest), the requirements of Section 297 of the Companies Act, which requires the approval of the board of directors of the relevant entities and the prior approval of the Government of India, were not complied with. Failure to obtain such approval may result in a fine of Rs. 5 thousand for each instance of such failure as well as a fine of Rs. 500 for every day during which such contravention continues. However, such offence is compoundable by the Government of India. For further information on such qualification, see Note 3B to Annexure IV (Notes to Accounts) relating to the restated consolidated financial statements of the IRB Group included in "Financial Information" beginning on page 171 of this Red Herring Prospectus. The following tables provide certain information with respect to the agreements with respect to which the requirements of Section 297 were not complied with.

Agreements entered into by IRBPL:

Sr. No.	Principal Contractor	Contractor	Nature of Contract	Duration	Total amount	Status
1	MIPL	IRBPL	Operation and maintenance contract (including toll collection)	15 years (August 10, 2004 to August 9, 2019)	Toll collection paid (Reimbursement) : Rs. 50.86 crores Toll collection charges received: Rs. 2.13 crores	Toll contract discontinued on August 31, 2006
2	IRBPL	Dattakrupa Enterprises	Tolling contractor	15 years (August 10, 2004 to August 10, 2019)	Toll collection received (Reimbursement) : Rs. 50.86 crores Toll collection charges paid Rs. 2.10 crores	Discontinued on August 31, 2006
3	TGTRPL	IRBPL	Operation and maintenance contract (including toll collection)	15 years (December 23, 2005 to December 22, 2020)	Toll collection paid (Reimbursement) : Rs. 8.62 crores Toll collection charges received : Rs. 0.76 crores	Discontinued on September 30, 2006
4	IRBPL	Rideema Toll Private Limited	Tolling contractor	April 1, 2006 to February 2, 2007	Toll collection received (Reimbursement) : Rs. 8.62 crore Toll collection charges paid Rs. 0.70 crores	Discontinued on August 31, 2006
5	A.J. Toll Private Limited	IRBPL	Tolling contractor (Durgadi)	April 1, 2006 to January 17, 2007 for toll collection	Toll collection paid (Reimbursement) :Rs. 3.05 crores	Discontinued on September 30, 2006
6	MEP Toll Road Private Limited	IRBPL	Toll collection at five entry points of Mumbai city	April 1, 2006 to March 31, 2007	Toll collection paid (Reimbursement) : Rs. 63.36 crores	Discontinued on September 30, 2006
7	IRBPL	Jan Transport	Toll collection at five entry points of Mumbai city	April 1, 2006 to March 31, 2007	Toll collection received (Reimbursement) : Rs. 67.79 crores	Discontinued on September 30, 2006
8	IRBPL	Rideema Toll Private Limited	Toll collection at Chaltan	April 1, 2006 to February 28, 2007	Toll collection received (Reimbursement) : Rs. 33.31 crores	Contract expired
9	IRBPL	Rideema Enterprises	Toll collection at Vadodara - Bharuch NH 8	April 1, 2006 to July 31, 2006	Toll collection received (Reimbursement) : Rs. 14.68 crores	Contract expired
10	IRBPL	Rideema Enterprises	Toll collection at Manor Shirsat	February. 22, 2005 to July 31, 2006	Toll collection paid Rs. 0.21 crores	Contract expired

Agreements entered into by MIPL:

Sr. No.	Principal Contractor	Contractor	Nature of Contract	Duration	Total amount	Status
1	MIPL	IRBPL	Operation and maintenance contract (including toll collection)	15 years (August 10, 2004 to August 9, 2019)	Toll collection: Rs. 50.86 crores Toll collection charges: Rs. 2.13 crores	Toll contract discontinued on August 31, 2006

Internal audit systems

The auditors' reports also included, as an annexure, a statement on certain matters specified in the Companies (Auditor's

Report) Order, 2003, wherein qualifications have been made indicating that the Company and its subsidiary IRBPL did not have an internal audit system and that the internal audit systems of its subsidiary MIPL was inadequate.

Suresh Surana & Associates, Chartered Accountants, have subsequently been appointed as the internal auditors of the Company and its Subsidiaries in October 2007.

Delay in payment of statutory dues

The auditors' reports also included, as an annexure, a statement on certain matters specified in the Companies (Auditor's Report) Order, 2003, wherein qualifications have been made in relation to IRBPL's and MIPL's delay in payment of certain statutory dues in fiscal 2007, including provident fund, employees' state insurance, professional tax, fringe benefit tax and income-tax deductions at source, aggregating to Rs. 1.74 crores for IRBPL and Rs. 0.42 crores for MIPL. These delayed payments attracted payment of certain interest aggregating to Rs. 0.18 crores which have been paid by IRBPL and MIPL. The following table provides certain information with respect to the delays in the payment of statutory dues by IRBPL and MIPL:

Particulars of Delayed Payments	**Amount (Rupees in crores)**
Delayed Payments by IRBPL	
Provident fund	0.01
Professional tax	0.01
Fringe benefit tax	0.03
Income tax deducted at source	1.69
Delayed Payments by MIPL	
Income tax deducted at source	0.42

Delay in repayment of certain loans

The auditors' reports also included, as an annexure, a statement on certain matters specified in the Companies (Auditor's Report) Order, 2003, wherein qualifications have been made with respect to IRBPL's delay in repaying certain loans due to HDFC in fiscal 2007 aggregating Rs. 13.12 crores. Such delayed payments resulted from delays in the transfer of funds to the designated account for loan repayments. IRBPL paid additional interest aggregating to Rs. 0.10 crores to HDFC in connection with such delayed payments. The following table provides certain information with respect to such delayed payments:

For the Month	**Instalment Amount (Rupees in crores)**	**Due on**	**Paid on**	**No. of Days delayed**	**Additional Interest Paid (Rupees in crores)**
April 2006	1.35	April 30, 2006	May 16, 2006	15	0.01
May 2006	1.35	May 31, 2006	June 12, 2006	11	0.01
June 2006	1.33	June 30, 2006	July 17, 2006	16	0.01
July 2006	1.33	July 31, 2006	August 10, 2006	9	0.01
August 2006	1.33	August 31, 2006	September 20, 2006	19	0.02
September 2006	1.31	September 30, 2006	October 17, 2006	16	0.01
October 2006	1.31	October 31, 2006	November 11, 2006	13	0.01
November 2006	1.30	November 30, 2006	December 13, 2006	12	0.01
February 2007	1.25	February 28, 2007	March 2, 2007	1	-
March 2007	1.26	March 31, 2007	April 9, 2007	8	0.01
Total	**13.12**				**0.10**

2. *The Company has, in the past, allotted its Equity Shares to certain of its subsidiaries in contravention of the Companies Act and may be subject to penalties imposed by the RoC.*

On November 17, 2006, the Company allotted an aggregate of 300 Equity Shares of Rs. 100 each, in contravention of Section 42 of the Companies Act, to three of its subsidiaries, ATRPL, ATR Infra and MRM. On September 7, 2007, the Company cancelled this allotment of Equity Shares to such subsidiaries pursuant to a Board resolution. The Company has intimated the RoC, pursuant to a letter dated September 25, 2007, of its allotment of Equity Shares in contravention of

Section 42 of the Companies Act and the subsequent cancellation of these Equity Shares. We cannot assure you that the RoC will not impose penalties on the Company in this regard. Further, we cannot assure you that we will not, in the future, be subject to any penalties or other sanctions by the RoC or other administrative or regulatory authorities in respect of our corporate actions that may not be compliant with applicable law. The RoC has not yet provided any response to our letter dated September 25, 2007. Other than as described herein, no Equity Shares of the Company were issued to or held by any of the other Subsidiaries of the Company in contravention of Section 42 of the Companies Act.

3. There are legal and regulatory proceedings that have been initiated against us in connection with our business.

We are party to various legal and regulatory proceedings in the ordinary course of our business. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers, and appellate tribunals. Although we intend to defend or appeal these proceedings, we may be required to devote management and financial resources to such actions. Any adverse decision may have a significant effect on our business and results of operations. Significant proceedings include the following:

Stamp duty claims

On September 16, 2005 an order was passed by the Deputy Inspector General of Registration, Deputy Collector of Stamps and Collector of Stamps, Mumbai, State of Maharashtra against MIPL and IRBPL demanding payment of Rs. 27.54 crores as stamp duty. In addition to the deficit stamp duty, MIPL has also been ordered to pay a penalty of 2% per month on the deficient stamp duty payable under the Bombay Stamp Act, 1959. MIPL had contested the order dated September 16, 2005 and had filed an appeal with the Inspector General of Registration and Controller of Stamps, State of Maharashtra. An order dated October 11, 2007 has been passed by the Chief Controlling Revenue Authority in the said appeal whereby the order dated September 16, 2006 passed by the Deputy Inspector General of Registration, Deputy Collector of Stamps and Collector of Stamps, Mumbai, Maharashtra, India has been upheld and the appeal has been dismissed. MIPL has filed a writ petition in the Bombay High Court for quashing the order dated October 11, 2007 of the Chief Controlling Revenue Authority. The Hon'ble High court was pleased to set aside the said order dated October 11, 2007 and further directed Inspector General of Registration and Deputy Collector of Stamps for a fresh hearing. For further details, see the section "Outstanding Litigation and Material Developments" beginning on page 423 of this Red Herring Prospectus.

Claim under toll agency arrangements

In a separate matter, the NHAI has served us with a show cause notice dated December 12, 2006 for the shortfall of toll fees aggregating to approximately Rs. 17.44 crores. The shortfall dispute relates to a toll agency contract for the collection of toll fees between IRBPL and the NHAI pursuant to which IRBPL was responsible for the collection of toll fees at the Manglej and Chalthan Toll Plaza. We have disputed this claim and this matter has been referred to arbitration. For further details, see the section "Outstanding Litigation and Material Developments" beginning on page 423 of this Red Herring Prospectus.

The table below summarises outstanding litigation as of the date of this Red Herring Prospectus with respect to the Company, its Subsidiaries, its directors, its Promoters and Promoter Group entities:

Category	Company	Subsidiaries	Directors	Promoters	Promoter Group entities
Civil proceedings	Nil	16 proceedings, aggregate amount under consideration (for proceedings that may be quantified): Rs. 53.39 crores	Nil	Nil	Nil
Tax proceedings	Nil	Six proceedings, aggregate amount under consideration (for proceedings that may be quantified): Rs. 4.86 crores	Nil	Nil	Nil
Labour cases	Nil	One proceeding, aggregate amount under consideration (for proceedings that may be quantified): Rs. 0.02 crores	Nil	Nil	Nil

For further details on legal and regulatory proceedings, see the section "Outstanding Litigation and Material Developments" beginning on page 423 of this Red Herring Prospectus.

4. ***The restated consolidated financial statements of the IRB Group for fiscal 2007 do not reflect a full year of results of operations at the consolidated level. The restated consolidated financial statements of the IRB Group for fiscal 2007 and as of and for the five months ended August 31, 2007 included in this Red Herring Prospectus do not reflect any restructuring in the IRB Group subsequent to March 31, 2007 and August 31, 2007, respectively.***

The IRB Group has undergone significant restructuring in fiscal 2007 and subsequently. For detailed information relating to the restructurings in the IRB Group, see "Management's Discussion and Analysis of Financial Condition and Results of Operations as per Consolidated Financial Statements - Restructuring of the IRB Group and presentation of Financial Information" beginning on page 346 of this Red Herring Prospectus and the section "History and Certain Corporate Matters" beginning on page 104 of this Red Herring Prospectus.

Prior to the restructuring of the IRB Group during fiscal 2007, the Company did not have any subsidiaries. Pursuant to the restructurings of the IRB Group in fiscal 2007, IRBPL, MIPL, MRM, ATR Infra, ATRPL, MMK, IDAA, NKT, IRB Infra and TGTRPL became direct or indirect subsidiaries of the Company with effect from various dates during fiscal 2007. Since the various subsidiaries of the Company became direct or indirect subsidiaries of the Company at various points of time in fiscal 2007, and since such subsidiaries were consolidated from the date on which effective control of each such subsidiary was transferred to the Company, the consolidated restated financial statements of the Company for fiscal 2007 reflect the results of operations for each such subsidiary from the date that such subsidiary became a subsidiary of the Company. The consolidated restated financial statements of the Company for fiscal 2007 therefore do not reflect a full fiscal year of consolidated results of operations of the Company as constituted on 31 March 2007.

We have included in this Red Herring Prospectus (i) historical financial statements of the various Subsidiaries for the last five completed fiscal years (to the extent applicable) and for the five months ended August 31, 2007, restated in accordance with the SEBI Guidelines, (ii) discussions on the results of operations of the Company on an unconsolidated basis for fiscal 2005, 2006 and 2007 and for the five months ended August 31, 2007 and (iii) discussions on the results of operations of each of IRBPL, MIPL and MRM (the three largest subsidiaries of the Company, based on unconsolidated turnover for the period ended March 31, 2007 and for the five months ended August 31, 2007) for fiscal 2005, 2006 and 2007 and for the five months ended August 31, 2007.

However, please note that as a result of various inter-company transactions among the Company and/or its Subsidiaries, there are significant consolidation adjustments that are reflected in the consolidated restated financial statements of the Company for fiscal 2007 and the five months ended August 31, 2007 included in this Red Herring Prospectus. Accordingly, an aggregation of unconsolidated financial information relating to the various Subsidiaries in any fiscal period may not be reflective of the consolidated results of operations of the Company for such period, had the relevant Subsidiaries been direct or indirect subsidiaries of the Company at the outset of such period. For further information on our accounting policies and principles of consolidation relating to our restated consolidated financial statements included in this Red Herring Prospectus, see Annexure IV-A "Significant Accounting Policies" relating to the consolidated financial statements included in "Financial Information" beginning on page 171 of this Red Herring Prospectus and "Management's Discussion and Analysis of Financial Condition and Results of Operations as per Consolidated Financial Information - Critical Accounting Policies of the Company on a Consolidated Basis" on page 346 of this Red Herring Prospectus.

The consolidated restated financial statements of the Company for fiscal 2007 also do not take into account the various restructurings in the IRB Group subsequent to March 31, 2007. Since the IRB Group underwent certain additional restructurings between April 1, 2007 and August 31, 2007, and the consolidated restated financial statements of the Company for the five months ended August 31, 2007 reflect such transactions, the consolidated restated financial statements of the Company for the five months ended August 31, 2007 reflects a different structure of the IRB Group from that reflected in the consolidated restated financial statements of the Company for fiscal 2007.

In addition, since IDAA and Aryan have not yet commenced commercial operation, no profit and loss account has been prepared for either IDAA or Aryan for the five months ended August 31, 2007 or any prior period. Accordingly, the restated consolidated profit and loss account for fiscal 2007 and the five months ended August 31, 2007 do not reflect any income with respect to IDAA or Aryan.

The consolidated restated financial statements of the Company for the five months ended August 31, 2007 do not reflect the various restructurings in the IRB Group subsequent to August 31, 2007. Accordingly, any consolidated financial statements of the Company for any period subsequent to August 31, 2007 which may be published by the Company will reflect a different structure of the IRB Group from that reflected in, and will not be directly comparable to, the consolidated restated financial statements of the Company for fiscal 2007 or the consolidated restated financial statements as of and for the five months ended August 31, 2007 included in this Red Herring Prospectus.

In general, then, no financial statements are available which describe the consolidated results or condition of the Company and its current subsidiaries (reflecting the current structure of the IRB Group) for any particular period, and investors will have to base their assessment of the Company and the IRB Group as a whole on financial statements which are not directly comparable with each other or reflective of the current structure of the IRB Group.

For further information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations as per Consolidated Financial Statements - Restructuring of the IRB Group and presentation of Financial Information" on page 346 of this Red Herring Prospectus.

5. The Company has pledged and will continue to pledge a significant portion of its equity interest in the Project SPVs in favour of lenders, who may exercise their rights under the respective pledge agreements in the event of a default.

The Company has pledged, or has agreed to pledge, a significant percentage of its equity interest in the Project SPVs in favour of lenders as security for the loans provided to these Project SPVs. If these Project SPVs default in their obligations under the relevant financing agreements, the lenders may exercise their rights under such pledges, resulting in such shareholding in the Project SPVs being transferred to such lenders in accordance with such financing arrangements to enable them to acquire management control over such defaulting Project SPV. In such circumstances, the Company could lose the value of such equity interest in the relevant Project SPV.

6. We have substantial indebtedness and will continue to have substantial indebtedness and debt service obligations following the Issue.

As of August 31, 2007, we had total indebtedness of Rs. 2434.40 crores (not including outstanding fully convertible debentures of Rs. 263.99 crores). Our substantial indebtedness could have a material effect on our future financial results and business prospects, including:

- increasing our vulnerability to a downturn in business in India, inflation and other factors;
- limiting our ability to pursue our growth plans and expansion of business operations;
- requiring us to dedicate a substantial portion of our cash flow from operations to service debt, thereby reducing the availability of cashflow to fund capital expenditures, meet working capital requirements and use for other general corporate purposes;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate; or
- placing us at a competitive disadvantage to any of our competitors that have less debt;
- requiring us to meet additional financial covenants; and
- limiting our ability to raise additional funds or refinance existing indebtedness.

We cannot assure you that we will generate cash in an amount sufficient to enable us to service our debt or fund other liquidity needs. In addition, we may need to refinance all or a portion of our debt on or before maturity. We cannot assure you that we will be able to refinance any of our debt on commercially reasonable terms, or at all. The Company and our Promoters have given guarantees as collateral security for amounts borrowed under many of the financing agreements for funding our Project SPVs. We cannot assure you that the Company or the Promoters will pay or be able to pay the entire amount called under such collateral security in the event that the Company and/or such Promoters are required to do so.

Most of our financing arrangements are secured by our movable and immovable assets, including a charge on our equipment. Many of our financing agreements also include various conditions and covenants that require the Company or the Project SPVs or both, to obtain lender consents prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. Specifically, the Company and/or the Project SPVs require, and may be unable to obtain, lender consents to incur additional debt, issue equity, change their respective capital structure, increase or modify their respective capital expenditure plans, undertake any expansion, provide additional guarantees, change their respective management structure, or merge with or acquire other companies, whether or not there is any failure by such entities to comply with the other terms of such agreements. Under certain of these financing agreements, the Company and/or the relevant Project SPV, are also required to obtain the consent of the relevant lender to pay dividends. Further, under our financing arrangements relating to MIPL and TGTRPL, the relevant lenders have the right to nominate directors to the board of directors of these entities.

We believe that our relationships with our lenders are good, and we have in the past obtained consents from them to undertake various actions and have informed them of our activities from time to time. Compliance with the various terms of our financing arrangements is, however, subject to interpretation and we cannot assure you that we have requested or received all consents from our lenders that are required by our financing documents. As a result, it is possible that a lender could assert that we have not complied with all terms under our existing financing documents. Any failure to comply with the requirement to obtain a consent, or other condition or covenant under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may lead to a termination of our credit facilities, acceleration of all amounts due under such facilities and trigger cross default provisions under certain of our other financing agreements, and may adversely affect our ability to conduct our business and operations or implement our business plans. Although there have been delays in repayment of certain loan amounts (See "Risk Factors – Risks related to the Company - The audit reports relating to the consolidated and unconsolidated financial statements of the Company and the financial statements of certain of our Subsidiaries contain qualifications"), neither the Company nor any Subsidiary has defaulted on the repayment of any loans.

The proceeds of the debenture issue of Rs. 264 crores were invested in fixed deposits with banks and financial institutions and overdraft facilities were obtained against such fixed deposits; these facilities were utilized by the Company for acquisition of shares in various Subsidiaries as well as for its operating requirements. Particulars of utilization of such funds until October 31, 2007 are as follows:

Funds utilized for	**Amount of funds utilized (Rs. crores)**
Acquisition of shares in Subsidiaries	
Acquisition of further shares in IDAA on various dates between April 30, 2007 and October 31, 2007	4.36
Acquisition of further shares in TGTRPL on September 8, 2007	12.21
Acquisition of further shares in NKT on September 8, 2007	2.5
Acquisition of further shares in MIPL on September 8, 2007	41.63
Acquisition of further shares in IRB Infra on September 8, 2007	2.33
Acquisition of further shares in IRBPL on September 8, 2007	23.32
Investment in share capital of Aryan on June 20, 2007 and July 18, 2007	54.57
Loans to Subsidiaries	
Loan to ATRPL between July 19, 2007 and September 6, 2007	3.74
Loan to ATR Infra between July 10, 2007 and September 10, 2007	72.04
Operating and business requirements	
Operating and business requirements of the Company	19.21

For more information regarding our indebtedness, see the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations — Indebtedness" and "Our Indebtedness" beginning on pages 346 and 404, respectively, of this Red Herring Prospectus.

7. ***We have a number of contingent liabilities and our profitability could be adversely affected if any of these contingent liabilities materialises.***

As on August 31, 2007, contingent liabilities appearing in our restated consolidated financial statements aggregated to Rs. 180.45 crores, including claims against the Company not acknowledged as debt of Rs. 29.24 crores, guarantees to banks for loans taken by others of Rs. 139.84 crores and guarantees and counter guarantees given by the Company of Rs. 11.37 crores.

Contingent liabilities of the Company as on August 31, 2007 arising from transactions relating to other entities in the IRB Group include guarantees extended by the Company of Rs. 17.40 crores to IDBI Bank with respect to loans to MRM, of Rs. 591.41 crores to Union Bank of India with respect to loans to IDAA, of Rs. 75 crores to IDBI Bank for loans to MRM and of Rs. 500 crores to Deutsche Bank AG, Mumbai branch in connection with an interest swap arrangement entered into between IDAA and Deutsche Bank AG. The interest swap arrangement between IDAA and Deutsche Bank AG was subsequently terminated on November 11, 2007 and accordingly the guarantee of Rs. 500 crores to Deutsche Bank AG is no longer in effect.

If any of these contingent liabilities materialise, our profitability may be adversely affected. For more detailed descriptions of our contingent liabilities, see "Financial Information" beginning on page 171 of this Red Herring Prospectus.

8. Information relating to our Order Book may not be representative of our future results.

Our Order Book, as of October 31, 2007, is disclosed in the section "Business—Order Book" beginning on page 67 of this Red Herring Prospectus. Our Order Book as of any particular date consists of unbilled revenue from the uncompleted portions of our "existing contracts", i.e., the total contract value of the "existing contracts" secured by the IRB Group as reduced by the value of construction work billed until the date of such Order Book. For purposes of our Order Book, we define "existing contracts" as (i) construction contracts, including EPC contracts and (ii) operation and maintenance contracts, whether relating to funded construction projects or part of a BOT project, that have been awarded to us and for which all pre-conditions to entry into force have been met. Our Order Book is not audited and may not reflect our financial results. The Order Book amount does not necessarily indicate future earnings related to the performance of that work and if we do not achieve our expected margins or suffered losses on one or more of these contracts, this could reduce our income or cause us to incur a loss. Future earnings related to the performance of the work in the Order Book may not necessarily be realised. Although projects in the Order Book represent business that we consider firm, cancellations or scope adjustments may occur. Due to changes in project scope and schedule, we cannot predict with any certainty when or if the projects in our Order Book will be performed and will generate revenue. In addition, even where a project proceeds as scheduled, it is possible that contracting parties may default and fail to pay amounts owed or dispute the amounts owed to us. There may also be delays associated with collection of receivables from clients. Any delay, cancellation or payment default could materially harm our cash flow position, revenues or profits, and adversely affect the trading price of our Equity Shares. Investors are cautioned against placing undue reliance on the information relating to our Order Book included in this Red Herring Prospectus.

9. We follow certain accounting policies for our BOT and construction operations. In the event of any change in law or Indian GAAP which requires a change in such accounting policies, our financial results may be adversely affected.

We recognise revenue generated from our construction operations on the "percentage of completion method" of accounting. Under this method, revenue is recognised based on the stage of completion. Percentage of completion is determined on the basis of surveys performed. Stage of completion is determined with reference to physical measurement of work done as compared to the total work done. In case of any unmeasured work done at the balance sheet date, revenue is recognised as work-in-progress at cost. In case the actual work is lower than the work estimated in the survey, our reported profits could be lower.

We also follow the "percentage of completion method" of accounting with respect to income from BOT projects and BOT project related expenses. However, until fiscal 2006, income from BOT projects and BOT related expenses for BOT projects undertaken by IRBPL, one of our significant subsidiaries, were capitalized on the basis of the "completed contract" method. Under such accounting method, the project was treated as incomplete until completion of the concession period, and consequently, the toll income was credited to project cost and expenses added to the project cost. Further, amortization of intangible assets, i.e. toll collection rights under the various concession agreements relating to such BOT projects were not accounted for in the financial statements. In fiscal 2007, IRBPL changed its accounting policy to record toll income in the profit and loss account and corresponding expenses based on the "percentage of completion method". The construction cost incurred is considered as exchanged against toll collection rights and disclosed as intangible assets. Accordingly, certain adjustments have been made to the restated financial statements of IRBPL for fiscal 2007, 2006, 2005, 2004 and 2003.

For BOT contracts awarded to IRB Group entities that are subcontracted to other entities within the IRB Group, the inter-group transactions on BOT contracts result in realised revenue and profits are therefore not eliminated on consolidation. Revenue and profit in respect of such transactions during fiscal 2007 that have not been eliminated on consolidation was Rs. 39.17 crores and Rs. 8.84 crores , respectively while revenue and profit in respect of such transactions during the five months ended August 31, 2007 that have not been eliminated on consolidation was Rs. 92.88 crores and Rs. 44.99 crores, respectively.

For further information on accounting policies followed by the IRB Group, see the section “Financial Information” beginning on page 171 of this Red Herring Prospectus, together with “Management’s Discussion and Analysis of Financial Conditions and Results of Operations as per Consolidated Financial Statements – Critical Accounting Policies” beginning on page 346 of this Red Herring Prospectus. In the event of any change in law or Indian GAAP which requires a change in the accounting policies followed by us, our financial results may be adversely affected.

10. The Company’s financial results depend on the financial performance of the Project SPVs and their ability to declare and pay dividends.

The Company is a holding company and conducts no business operations of its own and is not engaged in any activity other than the holding of ownership interests in its Subsidiaries and the proposed future subsidiaries.

Most of our infrastructure development projects are operated through Project SPVs. The ability of these Project SPVs to make dividend payments is subject to applicable laws and regulations in India relating to payment of dividends. In addition, loans obtained by these Project SPVs contain restrictions on the payment of dividends, including, among others, financial covenants being met and certain debt service accounts being adequately funded prior to the declaration and/or payment of dividends by these Project SPVs.

In the event of a bankruptcy, liquidation or reorganisation of a Project SPV, the Company’s claim in the assets of such Project SPV as a shareholder in the Project SPV remains subordinated to the claims of lenders and other creditors. Lenders to the Project SPVs also typically have a floating charge over all assets of the Project SPVs, including dividend payments by, and all cash of, these Project SPVs, effectively providing the lenders to the Project SPV a first priority lien over any distribution upon the occurrence of an event of default under the financing arrangements.

11. Increases in interest rates may materially impact our results of operations.

As our infrastructure development and construction business and our real estate business are capital intensive, we are exposed to interest rate risk. Interest rates for borrowings have increased in India in recent periods. Our infrastructure development and construction projects are funded to a large extent by debt and increases in interest expense may have an adverse effect on our results of operations and financial condition. Our current debt facilities carry interest at variable rates as well as fixed rates with the provision for periodic reset of interest rates. As of August 31, 2007, all our indebtedness was subject to variable interest rates.

Although we may decide to engage in interest rate hedging transactions or exercise any right available to us under our financing arrangements to terminate the existing debt financing arrangement on the respective reset dates and enter into new financing arrangements, there can be no assurance that we will be able to do so on commercially reasonable terms, that our counterparties will perform their obligations, or that these agreements, if entered into, will protect us adequately against interest rate risks.

12. We are subject to risks arising from exchange rate and international interest rate fluctuations.

We have entered into interest and principal swap transactions with respect to our Rupee borrowings in respect of MIPL whereby adverse movements in international interest rates in the Dollar and Yen may adversely impact our results of operations. Similarly in respect of the principal swaps any depreciation of the Rupee against the Dollar and other currencies such as Yen may impact us adversely. Accordingly, our operating and financial results would be negatively affected when the Rupee depreciates against the Dollar and the Yen and interest rates in Dollar and Yen increase. For information on interest rate hedging transactions that we have entered into, see note 10 (Derivative Instruments and Unhedged Foreign Currency Exposure) of Annexure IV (Notes to Accounts) of the restated consolidated financial statements of the Company beginning on page 346 of this Red Herring Prospectus. We cannot assure you that we will be able to effectively mitigate the adverse impact of currency fluctuations and increases in international interest rates on our results of operation.

13. Restrictions on foreign direct investment in the real estate sector may hamper our ability to raise additional capital.

While the Government of India has permitted foreign direct investment of up to 100% without prior regulatory approval in townships, housing, built-up infrastructure and construction and development projects, it has in 2005 issued a notification titled Press Note No. 2, which subjects such investment to certain conditions, including the following: (i) the minimum area to be developed under each project is 10 hectares in case of serviced housing plots and 50,000 square metres in case of construction development projects; where the development is a combination project, the minimum area can be either 10 hectares or 50,000 square metres; (ii) minimum capitalization of US$10 million for a wholly owned subsidiary and US$5 million for a joint venture has been specified and such capitalization is required to be brought in within six months of commencement of business of the company; (iii) the investment is not permitted to be repatriated before three years from completion of minimum capitalization except with the prior approval of the Foreign Investment Promotion Board, Government of India; (iv) at least 50% of the project is required to be developed within five years of obtaining all statutory clearances and the responsibility for obtaining it is cast on the foreign investor. Further, the sale of undeveloped plots is prohibited; and (v) projects are required to conform to the norms and standards, including land use requirements and provision of community amenities and common facilities, specified under applicable rules, regulations and bye-laws of state governments, municipal and local bodies. Our inability to raise additional capital as a result of these and other restrictions could adversely affect our business and prospects. For further details, see the section titled "Regulations and Policies" beginning on page 98 of this Red Herring Prospectus.

14. 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 business to grow significantly as a result of our expanded operations. 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 the organization. In particular, continued expansion increases the challenges involved in:

- maintaining high levels of client satisfaction;
- recruiting, training and retaining sufficient skilled management, technical, execution and marketing personnel;
- increasing the strength and depth of our management personnel to address future growth;
- adhering to health, safety and environment and quality and process execution standards that meet client expectations;
- preserving a uniform culture, values and work environment in operations across India; and
- developing and improving our internal administrative infrastructure, particularly our financial, operational, communications and other internal systems.

The IPO Rating Agency, Fitch, has identified certain areas of concern with our business and operations. See "General Information" beginning on page 9 of this Red Herring Prospectus. Our ability to successfully implement our business plan requires adequate information systems and resources and oversight from senior management. We will need to continuously develop and improve our financial, internal accounting and management controls, reporting systems and procedures as we continue to grow and expand our business. An inability to manage our growth may have an adverse effect on our business and results of operations.

15. We may undertake strategic acquisitions or investments, which may prove to be difficult to integrate and manage or may not be successful.

In the future, we may consider making strategic acquisitions of other infrastructure development and construction companies whose resources, capabilities and strategies are complementary to and likely to enhance our business operations. If such an opportunity arises, we may not be able to complete the acquisition on terms commercially acceptable to us, or at all. The inability to identify suitable acquisition targets or investments or the inability to complete such transactions may adversely affect our competitiveness and our growth prospects.

If we acquire another entity we may face difficulties integrating the acquired operations. In addition, the key personnel of the acquired company could decide not to work for us. These difficulties could disrupt our ongoing business, distract our management and employees and increase our expenses. There can be no assurance that we will be able to achieve the strategic purpose of such an acquisition or operational integration or an acceptable return on such an investment.

16. We have not registered the IRB trademark.

We use the "IRB" trademark and its associated logos in our business operations. On June 20, 2007, we applied for the registration of the "IRB" trademark under the Trademarks Act of 1999, as amended; there can be no assurance as to whether or when the registration of this trademark will be granted by the relevant authorities. An inability to use this trademark in connection with our business could adversely affect our business and results of operations.

17. The requirements of being a public company may strain our resources and distract management.

We have no experience as a public company or with the increased scrutiny of its affairs by shareholders, regulators and the public at large that is associated with being a public company. As a public company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as a private company. We will also be subject to the provisions of the listing agreements signed with the Stock Exchanges which require us to file unaudited financial results on a quarterly basis. In order to meet our financial control and disclosure obligations, significant resources and management supervision will be required. As a result, management's attention may be diverted from other business concerns, which could have an adverse effect on our business and operations. There can be no assurance that we will be able to satisfy our reporting obligations and/or readily determine and report any changes to our results of operations in as timely a manner as other listed companies. In addition, we will need to increase the strength of our management team and hire additional legal and accounting staff with appropriate public company experience and accounting knowledge and we cannot assure you that we will be able to do so in a timely manner.

18. The Company does not expect to pay dividends in the foreseeable future.

The Company does not expect to pay dividends in the foreseeable future, nor does the Company have any specified dividend policy for future periods.

19. The Company has not entered into any definitive agreements to utilise the proceeds of a certain portion of the net proceeds of the Issue. Further, the Company's management will have significant flexibility in applying the proceeds of the Issue.

The Company intends to use the proceeds of the Issue for investment in its subsidiary IDAA, repay and prepay certain of our existing loans and for general corporate purposes. The Company has not entered into any definitive agreements to utilise a certain portion of the net proceeds. There can be no assurance that the Company will be able to conclude definitive agreements for such proposed use of the net proceeds of the Issue on terms commercially acceptable to us, or at all. The Company's management will have significant flexibility in applying the net proceeds received by us from the Issue. For further information relating to the use of proceeds, see the section "Objects of the Issue" beginning on page 34 of this Red Herring Prospectus.

20. We have entered into various transactions with related parties.

We have in the course of our business entered into various transactions with related parties, including the Promoter Group, Directors and our employees. For detailed information on our related party transactions, see "Related Party Transactions" beginning on page 169 of this Red Herring Prospectus and disclosures concerning transactions with related parties in our restated consolidated financial statements on page 171 of this Red Herring Prospectus. Further, it is possible that our business will involve transactions with such related parties in the future.

21. Our Promoters and Directors have interests in us other than reimbursement of expenses incurred or normal remuneration or benefits.

Our Promoters are interested in the Company to the extent of their shareholding in the Company. The Company's Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by or allotted to the companies, firms or trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Issue. All of the Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares.

Loans granted to certain directors and Promoters of the Company or Subsidiaries were as follows:

Person to whom loans granted as per restated consolidated accounts as on August 31, 2007	Aggregate amount of loan granted subsequent to November 25, 2006 (and interest thereon and on other outstanding loans) to such person	Outstanding loan amounts to such person (inclusive of interest thereon) as of August 31, 2007
	(Rupees in crores)	
Mr. Dattatraya P. Mhaiskar	2.35	9.04
Mr. Jayant D. Mhaiskar	0.24	1.87
Mr. Sudha D. Mhaiskar	0.01	0.01
Mr. Virendra D. Mhaiskar	2.56	0.18
Total	**5.16**	**11.10**

No prior approval has been obtained from the Government of India under Section 295 of the Companies Act in connection with such loans. For further information, see "Risk Factors - The audit reports relating to the consolidated and unconsolidated financial statements of the Company and the financial statements of certain of our Subsidiaries contain qualifications." beginning on page xi of this Red Herring Prospectus.

For further details, see the sections, "Our Management" and "Related Party Transactions" beginning on pages 144 and 169, respectively, of this Red Herring Prospectus.

22. We have in the last 12 months issued Equity Shares at a price which may be lower than the Issue Price.

In the 12 months prior to the date of filing of the Red Herring Prospectus, the Company has issued the following Equity Shares on the dates specified below at a price which may be lower than the Issue Price:

Name of the Shareholder	Date of Issue	Whether Belongs to Promoter Group	Number of Equity Shares	Issue Price (Rs.)	Reasons for Issue
Mr. Virendra D. Mhaiskar jointly with Mrs. Deepali V. Mhaiskar	August 31, 2006	Yes	10,166,500	100[(1)]	Further Allotment
Virendra D. Mhaiskar (HUF)	August 31, 2006	Yes	500,000	100[(1)]	Further Allotment
Modern Road Makers Private Limited[(2)]	November 17, 2006	Yes	100	100[(1)]	Further Allotment
Ideal SoftTech Park Private Limited	November 17, 2006	Yes	100	100[(1)]	Further Allotment
ATR Infrastructure Private Limited[(2)]	November 17, 2006	No	100	100[(1)]	Further Allotment
Aryan Infrastructure Investments Private Limited	November 17, 2006	No	100	100[(1)]	Further Allotment
Mrs. Deepali V. Mhaiskar jointly with Mr. Virendra D. Mhaiskar	August 31, 2006	Yes	20,000	100[(1)]	Further Allotment
Mr. Suresh G. Kelkar	November 17, 2006	Yes	100	100[(1)]	Further Allotment
Aryan Toll Road Private Limited[(2)]	November 17, 2006	No	100	100[(1)]	Further Allotment
Deutsche Bank Hong Kong Branch	September 10, 2007	No	11,346,148	77.55	Further Allotment
Jade Dragon (Mauritius) Limited[(3)]	September 10, 2007	No	11,346,148	77.55	Further Allotment
CPI Ballpark Investments Limited[(4)]	September 10, 2007	No	11,346,148	77.55	Further Allotment

(1) Each Equity Share of the Company of par value Rs. 100 each was sub-divided into 10 Equity Shares of the Company of par value Rs. 10 each pursuant to an EGM resolution dated August 9, 2007.

(2) The allotment of these equity shares, in contravention of Section 42 of the Companies Act, was subsequently cancelled pursuant to a Board Resolution dated September 7, 2007.

(3) A subsidiary of Goldman Sachs

(4) A subsidiary of Merrill Lynch

For further details, see the section "Capital Structure" beginning on page 21 of this Red Herring Prospectus.

23. The Promoters will continue to retain control of the Company after the Issue, which will enable them to influence the outcome of matters submitted to shareholders for approval.

Upon completion of the Issue, members of the Promoter Group will beneficially own approximately 74.4% of our post-Issue equity share capital. As a result, the Promoter Group will have the ability to control our business including matters relating to any sale of all or substantially all of our assets, the timing and distribution of dividends and the election or termination of appointment of our officers and directors. This control could delay, defer or prevent a change in control of the Company, impede a merger, consolidation, takeover or other business combination involving the Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company even if it is in the Company's best interest. In addition, for so long as the Promoter Group continues to exercise significant control over the Company, they may influence the material policies of the Company in a manner that could conflict with the interests of our other shareholders. The Promoter Group 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.

24. Certain entities in the Promoter Group are engaged in business activities similar to ours, which could result in a conflict of interest.

Certain entities in the Promoter Group are engaged in business activities similar to our businesses. MEP Toll Road Private Limited was incorporated on December 27, 2004 and carries out toll collection activities for the project awarded relating to collection of toll at five entry points to Mumbai. Similarly VCR Toll Services Private Limited was incorporated on January 29, 2003 for the execution of the Chakan – Vadgaon – Sikhrapur BOT road project. Ideal Toll and Infrastructure Company Private Limited, promoted by Mr. J. D. Mhaiskar and Mrs. S.D. Mhaiskar, was incorporated on July 27, 1998 and is engaged in the construction business. Aryan Constructions, a proprietary concern of V.D. Mhaiskar HUF, another Promoter Group entity, is also engaged in the construction business. Other entities in the Promoter Group that are engaged in business activities similar to ours include Rideema Toll Private Limited, A.J. Tolls Private Limited, Mhaiskar Udyog, D.S. enterprises, Jan Transport, JDV Udyog, Anuya Enterprises, Virendra Builders and Rideema Enterprises (all such entities are in the business of toll collection for infrastructure projects) as well as Deepali Construction (involved in the business of labour contracting for construction projects).

Since the IRB Group and these Promoter Group entities are engaged in similar business activities, there may be conflicts of interest between the IRB Group and these and other entities in the Promoter Group in similar businesses.

In addition, members of the IRB Group may from time to time enter into transactions with entities in the Promoter Group, and there may be conflicts of interest with respect to such transactions. For example, Aryan has entered into an agreement dated March 9, 2007 with Aryan Constructions, a proprietary concern of V.D. Mhaiskar HUF, a Promoter Group entity, pursuant to which Aryan has awarded Aryan Constructions the lump sum turn key contract for the development of the proposed township in accordance with the terms of such agreement, for an aggregate consideration of Rs. 2259.66 crores. Aryan has also agreed to pay an advance of Rs. 252 crores to Aryan Constructions within six months of the date of such agreement for the mobilization of various resources relating to preliminary site preparation activities. Pursuant to such agreement, as of October 31, 2007, Aryan has made payment of Rs. 183.91 crores as mobilization advance to Aryan Constructions. For further information, see the section "History and Certain Corporate Matters – Material Agreements" on page 104 of this Red Herring Prospectus.

25. The Company has, on an unconsolidated basis, incurred losses in the five months ended August 31, 2007. Certain of our Subsidiaries and Promoter Group entities have incurred losses in recent fiscal periods.

In the five months ended August 31, 2007, the Company, on an unconsolidated basis, has incurred net loss, as restated in accordance with the SEBI Guidelines, of Rs. 2.34 crores. The Company is primarily a holding company. Although the Company carried on certain maintenance operations for road projects of other IRB Group entities in the past, it did not have any operations in the five months ended August 31, 2007 and accordingly did not record any turnover income. In such period, the Company recorded total income of Rs. 12.80 crores, comprising interest income and dividend income. However, the Company's total expenditure in the five months ended August 31, 2007 was Rs. 16.69 crores, comprising personnel expenses and certain financial expenses. For further information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations as per Unconsolidated Financial Statements of the Company and Certain Subsidiaries" beginning on page 369 of this Red Herring Prospectus.

Certain of our Subsidiaries and Promoter Group entities have, in recent fiscal periods, incurred losses, as set forth in the table below:

Entity	**Loss**			
	Fiscal 2005	**Fiscal 2006**	**Fiscal 2007**	**Five months ended August 31, 2007**
	(Rupees in crores)			
Subsidiaries				
TGTRPL	-	0.18	-	-
MMK	-	0.21	-	-
ATRPL	-	-	-	1.34
Promoter Group entities				
VCR Toll Services Private Limited	0.01	0.02	-	Not available

Losses by Subsidiaries

Fiscal 2006 was the first year of operation for TGTRPL and the Thane Godhbunder project was under the construction phase for the greater part of fiscal 2006. Although TGTRPL incurred interest expenses and other direct expenses during such fiscal period, toll collection on the project commenced only in December 2005, resulting in a loss for fiscal 2006. MMK incurred a loss in fiscal 2006 due to a change in accounting policy for BOT projects in fiscal 2007 from the "completed contract" method to the "percentage completion" method with retrospective effect, pursuant to which prior period expenses were adjusted to the profit and loss account. For further information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations as per Consolidated Financial Statements – Critical Accounting Policies" beginning on page 346 of this Red Herring Prospectus.

ATRPL incurred a loss of Rs. 1.34 crores in the five months ended August 31, 2007, primarily resulting from the sale of certain marketable securities.

Losses by Promoter Group entities

VCR Toll Services Private Limited incurred losses in fiscal 2005 and fiscal 2006 as the Chakan – Vadgaon – Shikhrapur BOT project that it is involved in is in the construction phase and accordingly it did not record any toll revenue during such fiscal periods, although it incurred construction related expenses (recorded as work in progress) as well as various indirect expenses including bank charges, rent, rates and taxes and certain miscellaneous expenses.

26. We have entered into certain financing transactions and hedging arrangements with affiliates of the BRLM.

We have entered into certain financing transactions and hedging arrangements with affiliates of the BRLM as described below. The Company and/or its subsidiaries may in the future enter into other financing transactions or similar arrangements with affiliates of the BRLM.

Debentures issued by the Company

In March 2007, the Company issued an aggregate of 3,940,083 two-year Rupee denominated transferable debentures to certain investors, including Deutsche Bank AG, Hong Kong Branch, an affiliate of the BRLM, pursuant to an investors rights agreement and a debenture subscription agreement, each dated March 19, 2007 (together, the "Investment Documentation"). The debentures were convertible into preference or equity shares of the Company. Deutsche Bank AG, Hong Kong Branch converted all the debentures into 11,346,148 Equity Shares on September 10, 2007, representing 4.03% of the issued Equity Shares prior to the Issue. Pursuant to a letter agreement dated September 27, 2007 (the "Letter of Variation"), Deutsche Bank AG, Hong Kong Branch has agreed and consented to, on and from the date of such Letter of Variation and subject to the terms of such Letter of Variation, waive all their rights under the Investment Documentation, including any right in relation to control, directly or indirectly, the management and policy decisions of the Company. See "History and Certain Corporate Matters – Material Agreements" beginning on page 104 of this Red Herring Prospectus for a description of the Investment Documentation and the Letter of Variation.

Interest rate swap transactions

In February 2007, one of our wholly-owned subsidiaries, IDAA, entered into interest rate swap transactions in the aggregate amount of Rs. 500 crores with Deutsche Bank AG, Mumbai Branch; the Company guaranteed IDAA's obligations under the swap transaction. The interest swap arrangement between IDAA and Deutsche Bank AG was subsequently terminated on November 11, 2007. For further information, see note 10 (Derivative Instruments and Unhedged Foreign Currency Exposure) of Annexure IV (Notes to Accounts) of the restated consolidated financial statements of the Company beginning on page 346 of this Red Herring Prospectus.

Arrangements with respect to certain NHDP projects

In January 2007 we entered into eight memoranda of understanding with Deutsche Bank AG, Singapore Branch to jointly bid for certain road expansion projects proposed by NHAI. For further information with respect to such arrangements with Deutsche Bank AG, see "History and Certain Corporate Matters – Material Agreements" beginning on page 104 of this Red Herring Prospectus. We had subsequently been granted pre-qualified status by NHAI that entitled us to submit request for proposals for certain NHDP Phase V road infrastructure projects, namely, the Chennai-Tada project on NH 5, the Gurgaon – Kotputli - Jaipur project on NH 8, the Surat - Dahisar project on NH 8, the Chilkaluripet - Vijayawada project on NH 5 and the Panipat - Jalandhar project on NH 1. Of these, we submitted our bids for the Gurgaon – Kotputli – Jaipur project and the Surat – Dahisar project on November 29, 2007. We did not bid for the other projects. For further information on these projects, see "Business – Our BOT Infrastructure Development Business – Recent Developments" beginning on page 67 of this Red Herring Prospectus.

Pursuant to NHAI's letter dated January 4, 2008, we and other bidders attended the opening of the financial bids for these projects on January 8, 2008 at NHAI headquarters in New Delhi. We understand that while our bid for the Gurgaon – Kotputli – Jaipur project was not the highest bid for such project, we emerged as the highest bidder (offering the highest revenue share to NHAI) for the Surat – Dahisar project. However, we have not yet received any official confirmation from NHAI to this effect.

Investors should note that there can be no assurance that we will be granted the Surat - Dahisar project on these terms, or at all, until receipt of official notification from NHAI confirming that such project has been awarded to us on such terms. There can also be no assurance that if we were to be awarded such project, that such award will not be subject to other conditions that may not be acceptable to us, or that we will be able to meet such conditions specified by NHAI, within time, or at all, including, without limitation, conditions relating to the arrangement of financing for such project. For risks associated with BOT projects, see "Risk Factors - Risks related to our Infrastructure Development and Construction Business" beginning on page xxvi of this Red Herring Prospectus.

In the event that we are awarded the Surat - Dahisar project, we propose to establish a special purpose vehicle (in the form of a subsidiary of the Company) for such project, in which the Company and Deutsche Bank AG shall hold a minimum equity interest of 51% and 10%, respectively, during the relevant concession period, in accordance with the terms of the memorandum of understanding entered into between the Company and Deutsche Bank AG in relation to such project. For further information with respect to such arrangements with Deutsche Bank AG, see section "History and Certain Corporate Matters – Material Agreements" beginning on page 104 of this Red Herring Prospectus. In the event that we are awarded such project, the definitive project documents (including the concession agreement) will be executed only following the establishment of the relevant project SPV.

27. The property where the registered office of the Company is located is not owned by the Company.

The registered office of the Company is located at 3rd floor, IRB Complex, Chandivli Farm, Chandivli Village, Andheri (East), Mumbai 400 072. This property is owned by IRBPL, a wholly owned subsidiary of the Company. No lease agreement has been entered into between the Company and IRBPL.

Risks Related to our Infrastructure Development and Construction Business

28. Our infrastructure development and construction projects are subject to various execution risks.

Our infrastructure development and construction projects are subject to various execution risks including:

- our inability to complete the project construction on time, within budget or to the specifications and standards that have been set in the contracts relating to such projects;
- delays in meeting project milestones or achieving commercial operation by the scheduled completion date resulting in increased financing costs, delayed payments from the client, the invocation of liquidated damages or penalty clauses by the client, or even in termination of the contract;
- our inability to arrange for adequate working capital or other financing on favourable terms as and when required to complete such projects;
- our inability to recover the targeted return on investment if the assumptions contained in the feasibility studies for these projects do not materialise;
- unforeseen site and geological conditions which may make the site unsuitable for the project; and
- delays associated with the inability of the clients to complete acquisition of private land or securing rights of way over private land for such projects.

The occurrence of any of these risks could adversely affect our business, results of operations and financial condition.

29. Given the long-term nature of our infrastructure development projects, we face various operational and investment risks associated with these projects.

Typically, our infrastructure development projects involve agreements that are long-term in nature. For example, the concessions granted by the Maharashtra State Road Development Corporation Limited (the "MSRDC") in connection with the BOT project for value addition works on the Mumbai - Pune Expressway and the four-laning of the NH 4 (Mumbai - Pune section) and the Thane Ghodbunder Toll Road BOT project continue until August 10, 2019 and December 23, 2020, respectively. Such long-term arrangements have inherent risks associated with them because they can restrict our and the relevant Project SPV's operational and financial flexibility.

For example, business circumstances may materially change over the life of one or more of our infrastructure projects. We may not have the ability to modify our agreements with government entities to reflect these changes or negotiate satisfactory alternate arrangements. Terms for toll collection in connection with these infrastructure development projects are typically pre-determined with the relevant government entity contracting such BOT arrangement and can typically only be adjusted for inflation. As a result, the relevant Project SPVs are prevented from increasing or discounting the toll as the prevailing circumstances may necessitate or require. Further, being committed to these projects may restrict our ability to implement changes to our business plan. For example, financing arrangements entered into in connection with these projects restrict our ability to sell, transfer or divest our interests in the relevant Project SPV. This limits our business flexibility, exposes us to an increased risk of unforeseen business and industry changes and could have an adverse effect on our business prospects and results of operations in the long term.

As the revenue structure for the Project SPVs under each project is generally predetermined for the life of the project (and fluctuates subject to the built-in adjustment mechanisms contained in the relevant concession agreements), a Project SPV's profitability is largely a function of how effectively the Project SPV manages costs during the term of those agreements. In the case of the tollway road projects whose revenues are not fixed, the relevant Project SPVs' profitability and its ability to meet debt service payments is also a function of traffic volumes and the toll levied on users of the road. We cannot assure you that the actual revenues derived from these tollway road projects will match the estimates of expected traffic volumes. In addition, these toll roads may be subject to competition from new roads developed in these stretches and toll may or may not be charged on such roads, which could potentially result in a diversion of vehicular traffic to such new roads. If the Project SPVs fail to effectively manage costs or the estimates of traffic volume are not accurate and fail to generate sufficient revenue, this may affect the dividend received from such Project SPVs as well as the recovery of our investment in such infrastructure development projects.

30. Our business is substantially dependent on infrastructure development and construction projects undertaken by a limited number of government entities and we derive a significant proportion of our revenues from our contracts with such entities.

Our business is substantially dependent on infrastructure development and construction projects undertaken by government entities and funded by governments or international and multi-lateral development finance institutions. Contracts awarded by the Government of India and various state government entities, particularly the National Highways Authority of India (the "NHAI") and the MSRDC, have historically accounted, and we expect will continue to account, for a substantial part of our revenues. Our business is also significantly dependent on our maintaining relationships and strategic alliances with these clients and obtaining contracts from such clients. Our business and results of operations will be adversely affected if we are unable to maintain a continuing relationship with our significant clients. The loss of any significant clients could have a material adverse effect on our business prospects and results of operations.

We have derived, and will continue to derive, a significant proportion of our revenue from the roads development sector. In addition, there can be no assurance that the Government of India or state governments will continue to place emphasis on the roads and highways sectors. If there is any change in the government at the state or central level, any change in budgetary allocations by governments for infrastructure development, or a downturn in available work in the roads and highways sector as a result of shifts in government policies or priorities, our financial results and business prospects may be adversely affected.

Infrastructure development and highway and road construction projects can become politicised as the government is often responsible for facilitating the acquisition of private land or securing rights of way over private land. Any delay or inability to complete such acquisition may result in cost increases in the price of construction materials from original estimates which cannot generally be passed on to clients and may also adversely affect our ability to mobilise equipment and labour due to overlapping commitments. For infrastructure development projects, government delays may delay financial closure that may affect out ability to meet scheduled completion dates. This may lead to disputes and cross-claims for liquidated damages between the Project SPV and the government entity that has granted us the project contract. Sometimes, subject to the permission from lenders, construction of a project will commence even before all land has been acquired or leased or rights of way have been secured by the government. If the relevant government entity is unable, for any reason, to acquire or lease the requisite land or right of way, the project SPV may be entitled to terminate such contract on the basis of such government default. Although the Project SPV may be entitled to a termination payment from the government, if this payment is not sufficient to cover debt service payments to lenders, we may be required to cover any shortfall between the debt amount outstanding and the termination payment or recover any amounts already spent on the project.

There may be delays associated with collection of receivables from government entities. Our construction business involves significant working capital requirements and delayed collection of receivables could adversely affect our liquidity and results of operations. Failure by our Project SPVs to make timely payments could result in a loss on our investment in these Project SPVs if lenders trigger enforcement of their security under the financing agreements due to a Project SPV payment default.

31. Our ability to negotiate standard form government contracts may be limited.

Counterparties to most of our infrastructure development and construction contracts are government entities, and we have only a limited ability to negotiate the standard terms of government contracts which means that many terms in the agreement tend to favour the client. For example, it is not always clear whether design review and approval by a client releases us from design and engineering liability, in particular latent defects. There are generally no caps on our liability as a contractor, and it is not always clear whether we can be liable for consequential and/or economic loss to a client. Further, infrastructure contracts awarded by the Government of India and state governments may include provisions which enable the client to terminate the contract without cause following provision of notice. Performance guarantees are also common features of our contracts and are typically unconditional and payable on demand, and can be invoked by the client in accordance with the terms of such contracts. Since the majority of our projects are contracts with the Government of India and state governments or their agencies, we are susceptible to such termination or invocation of performance guarantees which may adversely affect our results of operations and financial condition.

Within the context of our BOT business, the nature of our contracts with various government entities is such that we have limited control over the terms relating to collection of tolling revenues. Generally, the government entity that has granted the relevant BOT concession to us unilaterally determines the terms on which we may collect tolling revenues, and we are not permitted to amend such tolling rates without the prior written consent of such government entity. Further, with respect to certain of our BOT projects, the relevant government entity is entitled to at any one time during our concession period, effect a reduction in the prevailing tolling rates by up to 10%. The tolling rates set by government entities in consultation with us, depend on the nature of vehicles that use the roads that comprise our BOT projects. In setting toll rates that apply to such vehicles, government entities may give greater consideration to various socio-economic goals of the government, rather than to the efficiencies of our business. Our inability to exercise control over the terms of our tolling arrangements with government entities may adversely affect our results of operations.

32. Our revenues from our construction and infrastructure businesses depend upon the award of new contracts and payment terms under such contracts.

Our revenues are derived primarily from contracts awarded to us on a project-by-project basis. Generally, it is very difficult to predict whether or when we will be awarded a new contract since many potential contracts involve a lengthy and complex bidding and selection process that may be affected by a number of factors, including changes in existing or assumed market conditions, financing arrangements, governmental approvals and environmental matters. Because our revenues are derived primarily from these contracts, our results of operations and cash flows can fluctuate materially from period to period depending on the timing of contract awards.

The uncertainty associated with the timing of contract awards may increase our cost of doing business over a short period or a comparatively longer term. For example, we may decide to maintain and bear the cost of a workforce in excess of our current contract needs in anticipation of future contract awards. If an expected contract award is delayed or not received, we could incur costs in maintaining an idle workforce that may have a material adverse effect on our results of operations. Reducing our workforce could also impact our results of operations if we are unable to adequately staff projects that are awarded subsequent to a workforce reduction.

Because of the nature of our contracts, we sometimes commit resources to projects prior to receiving advances or other payments from the client in amounts sufficient to cover expenditures on projects as they are incurred by us. Delays in client payments may require us to make a working capital investment. If a client defaults in making its payments on a project on which we have devoted significant resources, or if a project in which we have invested significant resources is delayed, cancelled or does not proceed to completion, it could have a material adverse effect on our results of operations and financial condition.

We account for the expenditure incurred in respect of any additional costs, deviations and delays with respect to a project in the fiscal year in which they are incurred. Further, claims by us in relation to such additional costs, deviations or delays are only accounted for as income in the fiscal year in which we receive an acceptance or evidence of acceptance from the client or an arbitration award in our favour. Often these awards or acceptances are subsequently challenged in the court or disputed. While we have in the past been successful in defending any challenges or disputes, we cannot assure you that we will be successful in the future or that any adverse judicial decisions will not have a material and adverse effect on our business, results of operations or financial condition.

33. Infrastructure development projects have substantial capital requirements and we may not be able to raise the required capital for such projects.

Infrastructure projects are typically capital intensive and require high levels of debt financing. We intend to pursue a strategy of continued investment in infrastructure development projects. Our available financial resources for implementing these projects, based on our internal studies and estimates, may be inadequate and the project development may face cost overruns. The actual amount and timing of future capital requirements may differ from our estimates. If we decide to meet these capital requirements through debt financing, our interest obligations will increase and we may be subject to additional restrictive covenants that may affect our ability to undertake future infrastructure projects.

We have in the past been able to arrange for debt financing for our infrastructure development projects on acceptable terms at the Project SPV level. Our ability to continue to arrange for financing on commercially acceptable terms is dependent on numerous factors, including general economic and capital market conditions, availability of credit from banks and financial institutions, investor confidence, the success of our current infrastructure development projects and other factors outside our control. In addition, lenders may require the Company to invest increased amounts of equity in a project in connection with both additional financing arrangements and the extension of existing financing arrangements.

If we decide to raise additional funds through the issuance of equity or equity-linked instruments, the interests of existing shareholders will be diluted.

Our ability to raise funds, either through equity or debt, is limited by certain restrictions imposed under Indian law. We cannot assure you that the Company will be able to raise adequate capital in a timely manner and on acceptable terms or at all. Our failure to obtain adequate financing may result in a delay, scaling back, or abandonment of existing or future projects.

34. We have high working capital requirements. If we experience insufficient cash flows to meet required payments on our debt and working capital requirements, there may be an adverse effect on our financial condition and results of operations.

Our business requires a significant amount of working capital. In many cases, significant amounts of our working capital are required to finance the purchase of materials and the performance of engineering, construction and other work on projects before payment is received from clients. In certain cases, we are contractually obligated to our clients to fund working capital on our projects. Moreover, we may need to incur additional indebtedness in the future to satisfy our working capital needs.

Our working capital requirements may increase if, in certain contracts, payment terms include reduced advance payments or payment schedules that specify payment towards the end of a project or that are less favourable to us. In addition, our working capital requirements may increase if we are required to advance funds to complete projects under lump-sum contracts or become involved in lengthy recovery proceedings to recover these amounts from our clients. All of these factors may result in increases in the amount of our receivables and short-term borrowings. Continued increases in working capital requirements may have an adverse effect on our financial condition and results of operations.

It is customary in our business to provide letters of credit, bank guarantees or performance bonds in favour of clients to secure obligations under contracts. 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 could be limited. Providing security to obtain letters of credit, bank guarantees and performance bonds increases our working capital needs and limits our ability to provide bonds, guarantees, and letters of credit, and to repatriate funds or pay dividends. We may not be able to continue obtaining new letters of credit, bank guarantees, and performance bonds in sufficient amounts to match our business requirements.

35. Financing arrangements relating to certain projects enable the lenders to acquire equity interest in the relevant Project SPV in case of any payment default under the terms of such financing arrangements.

Under the financing arrangements for certain infrastructure projects, in case of a default in the repayment of principal or interest amounts, lenders have the right to convert the outstanding defaulted amounts into fully-paid equity shares of the relevant Project SPV. Such conversions may be exercised on more than one occasion, whenever there is any payment default under such financing arrangements. Any such conversion will result in a reduction of the Company's effective shareholding in the relevant Project SPV, thereby reducing the value of its investment in the relevant Project SPV.

36. We face significant competition in our business.

We operate in a competitive environment. We compete against international engineering and construction companies or their regional operating entities as well as other Indian infrastructure developers and construction companies. Most infrastructure development and construction contracts and projects are awarded through competitive bidding processes and satisfaction of other prescribed pre-qualification criteria. While service quality, technological capacity and performance, health and safety records and personnel, as well as reputation and experience, are important considerations in client decisions, price is a major factor in most tender awards. Once prospective bidders clear the technical requirements of the tender, the contract is usually awarded to the most competitive financial bidder. Our industry has been frequently subject to intense price competition. This competitive bidding process may have an adverse affect on the profit margins that we are able to attain. For more information on our competitors in specific industry and project segments, please see "Business – Competition" beginning on page 67 of this Red Herring Prospectus.

Our ability to bid for and win major infrastructure development projects is also dependent on our ability to show experience in executing large projects, demonstrate that we have strong engineering capabilities in executing technically complex projects, and that we have sufficient financial resources and/or ability to access funds. For many large construction contracts and infrastructure development projects, we may not always meet the pre-qualification criteria in our own right. Thus, another key factor affecting our financial results is our ability to partner and collaborate with other companies as joint venture partners or co-sponsors. We face competition from other bidders in a similar position looking for suitable joint venture partners for pre-qualification requirements. If we are unable to partner with other companies or lack the credentials to be the partner-of-choice for other companies, we may lose the opportunity to bid for, and therefore fail to increase or maintain our volume of new construction contract orders or new infrastructure development projects.

Some of our competitors are larger than us and have greater financial resources. They may also benefit from greater economies of scale and operating efficiencies. Competitors may, whether through consolidation or growth, present more credible integrated and/or lower cost solutions than we do, causing us to win fewer tenders. Our competitors with greater financial resources and greater economies of scale than us may be able to pre-qualify in their own right and/or attract a joint venture partner more easily than us. There can be no assurance that we can continue to effectively compete with our competitors in the future, and failure to compete effectively may have an adverse effect on our business, financial condition and results of operations.

37. Delays in the completion of current contracts or complying with the contract schedules could adversely affect our financial condition and results of operations.

Typically, infrastructure development projects and construction contracts are subject to specific completion schedule requirements. Failure to adhere to contractually agreed timelines for reasons other than for *force majeure* events or other reasons specifically contemplated in such contracts could result in the Company or one of our Project SPVs being required to pay liquidated damages or penalty amounts, lead to forfeiture of security deposits, or performance guarantees being invoked. Rates of liquidated damages range up to 10% of the aggregate contract value or project cost, as applicable. Delay in completing construction contracts could also result in the total cost of a construction contract to exceed the original estimates thereby resulting in reduced profit or a loss on that contract.

While most of our infrastructure development projects and other construction projects have been completed by us within the specified completion schedules, there can be no assurance that we will be able to complete our current and future projects within specified schedules or at all. Our infrastructure development projects are typically required to achieve commercial operation no later than the scheduled commercial operations date specified under the relevant concession agreement, subject to certain exceptions such as the occurrence and continuance of *force majeure* events that are not within the control of the Project SPV. Timely completion of these projects is subject to various execution risks as well as other matters, including securing financing and government approvals for such projects. For infrastructure projects under development or in the award stage, the agreements or the letters of award also require that the Project SPVs achieve financial closure by a date specified in the relevant concession agreement or risk losing the project. Delays may also result in cost overruns, lower returns on capital and reduced revenue for the Project SPV as well as failure to meet scheduled debt service payment dates. Moreover, any loss of goodwill could adversely affect our ability to pre-qualify for projects.

Under the terms of certain contracts and concession agreements, we are eligible for an early completion bonus. Even when we are able to complete such projects before the specified schedules and are eligible for this bonus, clients may be unwilling to make any such payment or may dispute amounts that are due to us as early completion bonus.

38. An inability to attract, recruit and retain our senior management and other key personnel could adversely affect our business and results of operations.

We are highly dependent on our directors, senior management and other key personnel, including skilled project management personnel for setting our strategic direction and managing our business, which are crucial to our success and business strategy. We have not entered into comprehensive employment contracts or non-compete agreements with our directors, senior management and other key personnel nor do we maintain "key man" insurance for these individuals. A significant number of our employees are skilled engineers and we face strong competition in recruiting and retaining skilled and professionally qualified staff. Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and retain experienced, talented and skilled professionals. Due to the current limited pool of skilled personnel, competition for senior management, commercial and finance professionals and engineers in our industry is intense. We may also need to increase our pay structures to attract and retain such personnel, which could affect our profit margins. Our relationships with key employees could deteriorate due to disputes related to, among other things, wages or benefit level; such disputes would adversely affect our operations and could potentially damage our reputation. Further, there can be no assurance that increased salaries will result in a lower rate of attrition. The loss of the services of our directors, senior management or other key personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our results of operations.

39. Our results of operations could be adversely affected by strikes, work stoppages or increased wage demands by employees as well as due to unavailability of a sufficient pool of contract labour.

As of October 31, 2007, we had 2,052 employees. Our employees are currently not represented by any labour union. While we consider our current labour relations to be good, there can be no assurance that future disruptions will not be experienced due to disputes or other problems with our work force, which may adversely affect our business and results of operations.

We are also dependent on the availability of a sufficient pool of contract labour to execute our infrastructure development and construction projects. Some of our contracts provide that a significant percentage of the aggregate number of unskilled labour employed for the relevant project must be sourced from within the district in which the work site is located. If the requisite number of contract labour is not available within such district, we may employ the rest from outside the district, with the permission of the relevant government entity.

The number of contract labourers employed by us varies from time to time based on the nature and extent of work contracted to independent contractors. We enter into contracts with independent contractors to complete specified assignments. All contract labourers engaged at our projects are assured minimum wages that are fixed by the relevant state governments. Any upward revision of wages required by such state governments to be paid to such contract labourers may adversely affect our business and results of our operations.

40. Our current operations are concentrated in two States in India. Our strategy of expanding our operations to other parts of India may pose additional risks.

Our operations are currently geographically concentrated in the States of Maharashtra and Gujarat. Our business is therefore significantly dependent on the general economic condition and activity in these States, and the central, state and local government policies relating to infrastructure development projects. Although investment in the infrastructure sector in the areas in which we operate has been encouraged, there can be no assurance that this will continue.

We may expand our operations to other parts of India, and may not gain acceptance or be able to take advantage of any expansion opportunities outside our current markets. This may place us at a competitive disadvantage and limit our growth opportunities. We face additional risks if we undertake projects in other geographic areas where we do not possess the same level of familiarity as our competitors, including but not limited to:

- adjusting our construction methods to different geographic areas;
- obtaining the necessary construction materials and labour in sufficient amounts and on acceptable terms;
- obtaining necessary governmental and other approvals in time or at all;
- failure to realize expected synergies and cost savings;
- attracting potential clients in a market in which we do not have significant experience; and
- cost of hiring new employees and absorbing increased infrastructure costs.

We may not be able to successfully manage some or all of the risks of such an expansion, which may have a material adverse effect on our results of operations.

41. To pre-qualify for, and finance, particular projects we may have to organize Project SPVs with co-sponsors and joint venture partners and we may encounter problems relating to the operation of these Project SPVs if the interests of our co-sponsors and joint venture partners do not align with our interests.

We may enter into co-sponsor or joint venture arrangements with respect to particular projects. Our partners in such joint ventures may:

- be unable or unwilling to fulfil their obligations, whether of a financial nature or otherwise;
- have economic or business interests or goals that are inconsistent with ours;
- take actions contrary to our instructions or requests or contrary to the policies and objectives of such joint venture entity;
- fail to provide timely financial and operating data in order to comply with periodic reporting obligations to clients, lenders or as required by law;
- take actions that are not acceptable to regulatory authorities;
- have financial difficulties; or
- have disputes with us.

We may also need the co-operation and consent of joint venture partners or co-sponsors in connection with the operations of such joint venture entity, which may not always be forthcoming and we may not always be successful at managing such relationships. Any such disputes could adversely affect our business or operations. With respect to joint ventures that may be pursued through a Project SPV, a change of shareholder ownership interests in a Project SPV might also cause an event of default under such Project SPV's financing arrangements with lenders, many of which contain restrictions on changes to the capital structure of a Project SPV and restrictions on the divestment of shares by co-sponsors or joint venture partners in a Project SPV.

42. On projects that may be awarded to us on the basis of joint venture partnerships or co-sponsors, we may be jointly and severally liable for the performance of obligations by our joint venture partners or co-sponsors.

In our construction business, delay or failure on the part of a joint venture partner to timely perform its obligations could result in delayed payments to us, additional liabilities, or termination of a contract.

In our infrastructure development business, lenders to Project SPVs may require joint and several undertakings and guarantees by us and the other co-sponsors of the Project SPVs of, among others, the following:

- unpaid equity capital contributions;
- a shortfall in funds necessary to complete the project and/or project cost overruns;
- shortfalls from time to time in operation and maintenance expenses;
- shortfalls in the debt service reserve accounts or shortfalls in interest payments;
- shortfalls between the outstanding debt and a project termination payment on the occurrence of a termination event; and
- performances of work divided among joint venture partners under fixed-price, lump sum contracts.

The inability of a joint venture partner to continue with a project due to financial or legal difficulties could mean that, as a result of our joint and several liabilities, we may be required to make additional investments and/or provide additional services to ensure the performance and delivery of the contracted services. With respect to BOT projects in our infrastructure development business, we may be required to draw funds from the operations of our construction business or from external sources in order to satisfy our joint and several obligations to lenders of Project SPVs. In either case, such joint and several obligations could have an adverse effect on our financial results and business prospects.

43. An inability to obtain or maintain approvals or licences required for our operations may adversely affect our operations.

We require certain statutory and regulatory approvals, licences, registrations and permissions, and applications need to be made at the appropriate stages. In our construction business, government delays in obtaining approvals may result in cost increases in the price of construction materials from original estimates which cannot generally be passed on to clients and may also adversely affect our ability to mobilise equipment and labour due to overlapping commitments.

There can be no assurance that the relevant authorities will issue these approvals or licences, or renewals thereof in a timely manner, or at all. For these projects, government delays may delay financial closure within the prescribed time limits, delay locking in an interest rate under loan agreements, or compliance with prescribed time limits for achieving the scheduled completion date specified in project documents. As a result, we may not be able to execute our business plan as planned. An inability to obtain or maintain approvals or licences required for our operations may adversely affect our operations. For further information on various approvals or licenses required in connection with our operations, see "Government and Other Approvals" on page 454 of this Red Herring Prospectus. For further information for various approvals applied for and not yet received, see "Government and Other Approvals – Approvals Applied for but not yet Received" on page 461of this Red Herring Prospectus.

Government approvals, licences, clearances and consents are often also subject to numerous conditions, some of which are onerous and may require significant expenditure. Furthermore, approvals, licences, clearances, and consents covering the same subject matter are often required at both the Government of India and state government level. If we fail to comply, or a regulator claims that we have not complied, with these conditions, we may not be able to commence or continue with work or operate these projects. See "Government and Other Approvals" beginning on page 454 of this Red Herring Prospectus.

44. On fixed price or turnkey contracts, and even on item-rate contracts, we are exposed to significant construction risks.

Some of our construction projects are performed on a fixed-price or lump-sum basis. Under the terms and conditions of such fixed-price or lump-sum contracts, we generally agree for a fixed price for providing engineering, procurement and construction services for the part of the project contracted to us or, in the case of turnkey contracts, completed facilities which are delivered in a ready to operate condition, subject, however, to contract variations pursuant to changes in the client's project requirements and escalation clauses relating to increases in the prices of raw materials. The actual costs incurred by us in connection with the execution of a fixed-price or lump-sum turnkey contract may, however, vary from the assumptions underlying our bid for several reasons, including:

- unanticipated changes in engineering design of the project;
- inaccurate drawings and technical information provided by clients on which bids were based;
- unforeseen design and engineering construction conditions, site and geological conditions, resulting in delays and increased costs;
- inability by the client to obtain requisite environmental and other approvals;
- delays associated with the delivery of equipment and materials to the project site;
- unanticipated increases in equipment costs;
- delays caused by local and seasonal weather conditions; and
- suppliers' or sub-contractors' failure to perform their obligations in a timely manner.

Under item-rate contracts, we agree to provide certain construction activities at a rate specified in the relevant Bill of Quantity, or "BOQ". The BOQ is an estimate of the quantity of activities involved and these quantities may be varied by the parties during the course of the project. Although the additional costs associated with actual quantities exceeding estimated quantities may not pass to us entirely, we however bear the risk associated with actual costs for construction activities exceeding the agreed upon rate, unless these item-rate contracts contain price escalation clauses. Some of our contracts specifically provide that no price variation is permitted in the construction cost.

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

45. Our construction work and operations is dependent on the timely supply of construction materials at commercially acceptable prices.

Materials costs constitute a significant part of our operating expenses. Our construction operations require various bulk construction materials including steel, cement, bitumen, stone and stone aggregates. In addition, on EPC contracts, we may be required to procure various equipment relating to such projects. Our ability to pass on increases in equipment and materials costs may be limited under fixed-price or turn key contracts with limited price variation provisions. Fuel costs for operating our construction and other equipment also constitute a part of our operating expenses. The prices and supply of these construction materials depend on factors beyond our control, including general economic conditions, competition, production levels, transportation costs and import duties. Unanticipated increases in equipment, materials or fuel costs not taken into account in our bid may adversely affect our results of operations.

We have not entered into any long-term supply contracts with suppliers of our construction materials. Additionally, we typically use third-party transportation providers for the supply of most construction 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 delivery of construction materials. Further, transportation costs have been steadily increasing, and the price of construction materials could fluctuate. If we are unable to procure the requisite quantities of construction materials in time and at commercially acceptable prices, our results of operations and financial condition could be adversely affected.

46. Our insurance policies may not provide adequate protection against various risks associated with our operations.

Infrastructure development projects and construction contracts are subject to various risks including:

- political, regulatory and legal actions that may adversely affect a project's viability;
- changes in government and regulatory policies;
- delays in construction and operation of projects;
- the willingness and ability of consumers to pay for infrastructure services;
- shortages of or adverse price movement for construction materials;
- design and engineering defects;
- breakdown, failure or substandard performance of equipment;
- improper installation or operation of equipment;
- labour disturbances;
- terrorism and acts of war;
- inclement weather and natural disasters;
- environmental hazards, including earthquakes, flooding, tsunamis and landslides;
- industrial accidents; and
- adverse developments in the overall economic environment in India.

While we insure against loss due to the occurrence of accidents in the conduct of our business, there can be no assurance that all risks are adequately insured against, that a particular claim will be paid or that we will be able to procure adequate insurance coverage at commercially reasonable rates in the future. Natural disasters in the future may cause significant disruption to our operations, damage to our properties and the environment that could have a material adverse impact on our business and operations.

In addition, not all of the above risks may be insurable, on commercially reasonable terms or at all. Although we believe that we have obtained insurance coverage customary to our business, such insurance may not provide adequate coverage in certain circumstances and is subject to certain deductibles, exclusions and limits on coverage. To the extent that we suffer damage or losses for which we did not obtain or maintain insurance, that is not covered by insurance, or exceeds our insurance coverage, the loss would have to be borne by us. The proceeds of any insurance claim may also be insufficient to cover the rebuilding costs as a result of inflation, changes in regulations regarding infrastructure projects, environmental and other factors. We cannot assure you that material losses in excess of insurance proceeds will not occur in the future.

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

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

Certain of our infrastructure development agreements provide that, following the concession period, fee booths and offices are required to be handed over to the relevant government entity in an acceptable condition, and there can be no assurance that we will not incur additional costs in ensuring that such fee booths and offices are handed over in an acceptable condition. Under certain of our BOT agreements, we may have to incur future costs; for example, with respect to the Khambatki Ghat project, we are required to pay the Government of Maharashtra certain amounts on account of land acquisition in instalments over the last five years of the relevant concession period.

The operation and maintenance under the concession contracts of road projects involves many operational risks, including labour disputes, as well as the breakdown or failure of equipment and processes. The concession agreements require us to provide a performance bond, usually in the form of a bank guarantee, in connection with the completion of such projects within the scheduled time period. In the event the work is not completed within the scheduled time period, we are liable for liquidated damages in accordance with the terms of the concession agreement. Further, such liquidated damages payable by us may be adjusted against the relevant performance bond that we have provided. Similarly, if the Project SPVs do not maintain road projects in accordance with agreed standards as agreed between the parties, the GoI, NHAI or the state governments may, at its own cost, remedy any defects, and the Project SPV is required to reimburse the GoI, NHAI or the state governments for such costs.

Further, the indemnification provisions in our project agreements are very broad. We may be required to indemnify certain government entities from the commencement of work on a project to the handing over of the project facility against all claims by any parties resulting from damages, accident or any other reason whatsoever to persons or vehicles using the relevant project roads.

48. Our infrastructure and construction business is subject to changes in tax rules and regulations that could adversely affect our results of operations.

Taxes and other levies imposed by the Government of India or the state governments in India that affect us include customs duties, excise duties, VAT, income tax, service tax and other taxes, duties or surcharges introduced from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. The final determination of our tax liabilities involves the interpretation of local tax laws and related authorities as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. Changes in the operating environment, including changes in tax law, could impact the determination of our tax liabilities for any given tax year. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability.

The Indian Income Tax Act provides certain tax benefits to companies engaged in infrastructure development and construction, including:

- a deduction of 100% of the profits (for a period of 10 consecutive assessment years) derived from the business of developing an infrastructure facility;
- a deduction of 100% of the profits derived from developing and building housing projects approved before March 31, 2007; and
- tax-free status on certain income by way of dividends, interest on long-term finance and long-term capital gains from investments/long-term loans, subject to specified conditions.

We have claimed certain tax credits under Section 80 IA of the I.T. Act, relating to infrastructure development projects which decrease the effective tax rates compared to the statutory tax rates. There can be no assurance that these tax incentives will continue in the future or that such tax credits shall be held to be available to us. Some of these benefits are available only for a specified period of time and others are available only in respect of specific projects. As and when the specified period of time expires or specified projects are completed, our tax liabilities may increase, reducing our profitability. Further, there can be no assurance that the Central or State Governments will not amend these provisions to our detriment, or that, after the expiry of the specified period of time, the Government will extend these tax benefits or that it will not enact laws in the future that could adversely impact our tax incentives and, consequently, tax liabilities and profits.

Risks related to our Real Estate Business

49. We are new to the real estate business.

Our business has been concentrated in the roads and highways infrastructure development sectors. We have limited experience in the real estate sector and no assurance can be given that we will be successful in the execution of real estate projects. We could encounter risks in our real estate business because of our lack of knowledge regarding development, regulations, land ownership and construction of properties. We cannot assure you that we will adequately be able to foresee the risks that relate to our real estate business.

50. Our proposed township project may not be successfully implemented or marketed.

Our proposed township project is the first real estate development project undertaken by us. Although we have extensive experience in the road infrastructure and construction business, we have no experience with township development projects. We have applied for locational clearance to the Urban Development Department for the development of special township at Mauje Taje and Mauje Pimploli, Taluka – Maval, District Pune in respect of 1,400 acres in accordance with applicable regulations relating to the development of special townships. Additionally, we will be required to obtain various other permits, licences and other regulatory approvals in connection with the proposed township project and there can be no assurance that these will be obtained on a timely basis or at all. Additionally, we may find it difficult to attract sufficient buyers to ensure the success of the township. Further, the success of the project could be hampered by a delay in or lack of infrastructure development in and around the proposed township. Accordingly, there can be no assurance that we will be able to successfully implement the proposed township project or that the project will be a success.

We may face significant competition from other real estate developers, many of whom undertake similar projects within the same regional markets as us. Given the fragmented nature of the real estate development industry, we often do not have adequate information about the projects our competitors are developing and accordingly, we run the risk of underestimating supply in the market. Increasing competition could result in price and supply volatility, which could cause our real estate business to suffer. We have little experience in the real estate businesses and may not be able to compete effectively with established and new competitors in these businesses.

The success of our residential property business will be dependent on our ability to anticipate and respond to consumer requirements. Our focus on the development of quality residential accommodation as part of the proposed township project requires us to satisfy these demanding consumer expectations. Similarly, our commercial real estate business will depend on the provision of quality office space to attract and retain clients who are willing and able to pay rent at suitable levels and on our ability to anticipate the future needs and expansion plans of these clients. We will also incur significant costs for the integration of modern fittings, contemporary architecture and landscaping. In addition, the telecommunications, broadband and wireless systems that our clients require involve additional costs associated with installation and maintenance by third parties.

51. Our land reserve portfolio is concentrated in the district of Pune in the state of Maharashtra.

Our land reserves portfolio is concentrated in the district of Pune in the state of Maharashtra. In the event of a slowdown in construction activity in Pune or its surrounding areas, or any developments that make projects in Pune less economically beneficial, our business, financial condition and results of operations could be adversely affected. We may expand our business to new geographic areas outside of Pune. If we decide to diversify our geographic focus, we will be subject to the systemic risk that accompanies expansion, as well as the risk of increased competition from local competitors that are more familiar with the relevant expansion markets.

52. Our proposed township project is in its preliminary stages and we have not yet received planning approval.

Our proposed township project at Mauje Taje and Mauje Pimploli Taluka, in Pune district is in the preliminary stages of planning and development. We intend to develop residential and commercial projects as part of the proposed township project. For further information, see "Business" beginning on page 67 of this Red Herring Prospectus. Our plans in relation to these intended projects are yet to be finalised. We require statutory and regulatory approvals and permits to successfully execute these proposed projects. We have applied for, or are in the process of applying for, such approvals or their renewal. There cannot be any assurance that the relevant authorities will issue any such approvals or permits in the anticipated time frames or at all.

The following, among other, applications filed by us are pending approval or registration: (i) applications to the relevant authorities for the permission to purchase the agricultural lands in our land reserves in the Pune District, under Section 43 of the Bombay Tenancy and Agricultural Lands Act, 1948, as amended and (ii) locational clearance for the development of special township at Mauje Taje and Mauje Pimploli, Taluka – Maval, District Pune in respect of land measuring 1,400 acres in accordance with applicable regulations relating to development of special townships. Any delay or failure to obtain the approvals or permits required for our project plans may adversely affect our business and prospects.

53. We may not be able to increase our Land Reserves by acquiring suitable sites.

Our Land Reserves currently include approximately 925 acres of land in Mauje Taje and Mauje Pimploli Taluka in Pune district. For further information relating to our Land reserves, see "Business – Our Real Estate Business – Land Reserves" on page 92 of this Red Herring Prospectus. We intend to acquire an additional approximately 475 acres of land in this area in connection with the development of our proposed integrated township. We cannot assure you that we will be able to acquire good and marketable title to the additional lands that we require. Should we fail to acquire good and marketable title to additional lands in this area, our proposed township development plans may be adversely affected. Our ability to identify and acquire suitable lands is dependent on a number of factors that may be beyond our control. These factors include the availability of suitable lands, the willingness of landowners to sell land on commercially acceptable terms, the ability to obtain an agreement to purchase from all of the owners where a particular plot of land has multiple owners, the availability and cost of financing, encumbrances on targeted land, government directives on land use and the obtaining of permits and approvals for land acquisition and development.

In addition, we may be unable to acquire such additional land that we require on commercially acceptable terms. While we have engaged independent consultants in connection with the development of the proposed township, we have not obtained any independent valuation in connection with the acquisition of our land reserves. Consideration paid by us for the acquisition of our current land reserves or for proposed additional land of the proposed township may exceed fair market value of such land.

54. Title to our Lands Reserves is subject to uncertainty.

The difficulty of obtaining title guarantees in India means that title records provide presumptive rather than guaranteed title. Our Land Reserves consist of agricultural lands. We have been granted permission by the District Collector, Pune, on September 21, 2007 to acquire land measuring 44 Are out of Gat No. 615 in Mauje Taje, Taluka Maval, District Pune under Section 63 of the Bombay Tenancy and Agricultural Lands Act, 1948. Pursuant to such permission, we are entitled to acquire agricultural land anywhere in India. We have not yet obtained the requisite approval under Section 43 of the Bombay Tenancy and Agricultural Lands Act, 1948 from the relevant regulatory authorities which would enable us to initiate the mutation process with respect to the Land Reserves. See "Risk Factors - Our proposed township project is in its preliminary stages and we have not yet received planning approval" above.

The title to these lands is often fragmented and the land may, in many cases, have multiple owners. Some of our current land reserves may have irregularities of title, such as non-execution or non-registration of conveyance deeds and inadequate stamping and may be subject to encumbrances of which we may not be aware.

We face various practical difficulties in verifying the title of a prospective seller or lessor of property. Indian law, for example, recognizes the ability of persons to effectuate a valid mortgage on an unregistered basis by the physical delivery of original title documents to a lender. Adverse possession under Indian law also gives rise, upon 12 years' occupation, to valid ownership rights as against all parties, including government entities that are landowners, without the requirement of registration of ownership rights by the adverse possessor. Furthermore, under Indian law, a married person retains property rights to land alienated by their spouse if such married person has not consented to such alienation, effectively requiring consent by each spouse to all land transfers in order for a transferee to receive good title. Indian law also recognizes the concept of a Hindu undivided family, whereby all family members, including minor children, jointly own land and must consent to its transfer, absent whose consent a land transfer may be challenged by a non-consenting family member. Our title to land may be defective as a result of a failure on our part, or on the part of a prior transferee, to obtain the consent of all such persons. As each transfer in a chain of title may be subject to these and other defects, our title and development rights over land may be subject to various defects of which we are not aware.

For these and other reasons, title insurance is not readily available in India. The uncertainty of title to land makes the acquisition and development process more complicated, may impede the transfer of title, expose us to legal disputes and adversely affect our land valuations. Legal disputes in respect of land title can take several years and considerable expense to resolve if they become the subject of court proceedings and their outcome can be uncertain. If we or the owners of the land which is the subject of our development agreements are unable to resolve such disputes with these claimants, we may lose our interest in the land. The failure to obtain good title to a particular plot of land may materially prejudice the success of a development for which that plot is a critical part and may require us to write off expenditures in respect of the development.

It is often impracticable to obtain legal opinions in respect of land title in India and the counsel to the Issuer for this Issue have not provided title opinions. While we seek to retain local lawyers to conduct due diligence and assessment exercises and issue title opinions prior to acquiring land and undertaking projects, with regard to many of the lands in our land reserves, it is impracticable for counsel to satisfy various technical requirements which arise out of court decisions because of the uncertainties discussed above. Further, in respect of the lands for which we have obtained title opinions from the local counsels, we may not be able to assess or identify all the risks and liabilities associated with the land, such as faulty or disputed title, unregistered encumbrances or adverse possession rights. Prospective investors should note that neither legal counsel to the Issuer nor to the Underwriters is providing opinions in respect of title to our land reserves.

55. The real estate sector in India is highly competitive.

We face significant competition from other entities engaged in the real estate development business, many of which undertake projects similar to ours in the same regional markets in which our projects are located. A number of our competitors may be larger and better placed to take advantage of efficiencies created by size, may have better financial resources or greater access to capital at lower costs and may be better known in regional markets in which we compete. Our inability to compete successfully in our industry for any of these reasons would materially affect our business prospects and financial condition.

56. Our real estate business is subject to changes in tax rules and regulations that could adversely affect our results of operations.

With respect to our real estate business, we are subject to the property tax regime in Maharashtra where our properties are located. These taxes could increase in the future, and new types of property taxes may be established which would increase our overall development and maintenance costs. In addition, property conveyances are generally subject to stamp duty. If these duties increase, the cost of acquiring properties will rise, and sale values could also be affected. Any such changes in the incidence or rates of property taxes or stamp duties could have an adverse affect on our financial condition and results of operations.

External Risk Factors

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

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

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

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

The real estate market is significantly affected by changes in government policies, economic conditions, demographic trends, employment and income levels and interest rates, among other factors. These factors can negatively affect the demand for and the valuation of our planned projects.

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

General economic conditions may adversely affect the financial stability of our prospective tenants and/or the demand for our commercial and retail real estate. In the event of a default by a tenant prior to the expiry of a lease, we will suffer a rental shortfall and incur additional costs, including legal expenses, in maintaining, insuring and reletting the property. If we are unable to re-let or renew lease contracts promptly, if the rentals upon such renewals or releasing are significantly lower than the expected value or if reserves, if any, for these purposes prove inadequate, our results of operations, financial condition and the value of our real estate could be adversely affected.

59. The infrastructure development and construction business and the real estate business are subject to extensive government regulation in India.

The infrastructure sector in India, particularly in relation to the highway and road sectors is highly regulated. Our businesses are regulated by various authorities and state governments, including the Ministry of Shipping, Road Transport and Highways, the NHAI, state governments and the Government of India. In addition to complying with regulations and directives, we are also required to adhere to the terms of our concession agreements and related agreements. Any material breach of these agreements, or any adverse change in the applicable regulations, could have an adverse effect on our financial results and business prospects. Further, for each of these projects, we may be restricted in our ability to, among other things, increase prices, sell our interests to third parties, undertake expansions and contract with customers. These restrictions may limit our flexibility in operating our business.

To conduct our infrastructure development business, we must obtain various licences, permits and approvals. Even when we obtain the required licences, permits and approvals, our operations are subject to continued review and the governing regulations and their implementation are subject to change. We cannot assure you that we will be able to obtain and comply with all necessary licences, permits and approvals required for our BOT projects, or that changes in the governing regulations or the methods of implementation will not occur. If we fail to comply with all applicable regulations or if the regulations governing our infrastructure development business or their implementation change, our Project SPVs may incur increased costs or be subject to penalties, which could disrupt their operations and adversely affect their financial results and business prospects.

The real estate industry in India is heavily regulated by the central, state and local governments. Real estate developers must comply with a number of requirements mandated by Indian laws and regulations, including policies and procedures established by local authorities and designed to implement such laws and regulations. For example, we are subject to various Land Ceiling Acts which regulate the amount of land that can be held under single ownership and where we are subject to such ownership limits we generally acquire development rights rather than the land itself. If structures through which this land is owned are said to violate such laws, that could materially and adversely affect our business. Additionally, in order to develop and complete a real estate project, developers must obtain various approvals, permits and licences from the relevant administrative authorities at various stages of project development, and developments may have to qualify for inclusion in local master plans. We may encounter major problems in obtaining the requisite approvals or licences, may experience delays in fulfilling the conditions precedent to any required approvals and we may not be able to adapt ourselves to new laws, regulations or policies that may come into effect from time to time with respect to the real estate sector. There may also be delays on the part of administrative bodies in reviewing applications and granting approvals. If we experience material problems in obtaining or fail to obtain the requisite governmental approvals, the schedule of development and sale or letting of our projects could be substantially disrupted, and our business, results of operations and prospects could be adversely affected. In addition, regulatory authorities may allege non-compliance and may subject us to regulatory action in the future, including penalties, seizure of land and other civil or criminal proceedings.

The regulatory framework, which consists of regulations and directives issued by government entities, has changed significantly in recent years and their impact and ramifications are still unclear. We expect that certain additional reforms, including change of the current regulatory bodies and existing legal framework, will take place in the next few years. See “Regulations and Policies” beginning on page 98 of this Red Herring Prospectus.

60. Non-compliance with, and changes in, safety, health and environmental laws and regulations may adversely affect our business, financial condition and results of operations.

Some of our projects are subject to extensive government and environmental laws and regulations which govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from the operations of our businesses. These laws and regulations include the Environmental Protection Act 1986, the Air (Prevention and Control of Pollution) Act 1981, the Water (Prevention and Control of Pollution) Act 1974 and other regulations promulgated by the Ministry of Environment and the Pollution Control Boards of the relevant states. In addition, some of our operations are subject to risks involving personal injury, loss of life, environmental damage and severe damage to property.

We believe environmental regulation of industrial activities in India will become more stringent in the future. The scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with certainty. The costs and management time required to comply with these requirements could be significant. The measures we implement in order to comply with these new laws and regulations may not be deemed sufficient by government entities and our compliance costs may significantly exceed our estimates. If we fail to meet environmental requirements, we may also be subject to administrative, civil and criminal proceedings by government entities, as well as civil proceedings by environmental groups and other individuals, which could result in substantial fines and penalties against us as well as revocation of approvals and permits and orders that could limit or halt our operations. For example, in the event that we fail to obtain pollution control certificates for our asphalt plants situated at different locations we may not be in a position to operate them, which may hamper our construction activity. There can be no assurance that we will not become involved in future litigation or other proceedings or be held responsible in any such future litigation or proceedings relating to safety, health and environmental matters in the future, the costs of which could be material. Clean-up and remediation costs, as well as damages, other liabilities and related litigation, could adversely affect our business, financial condition and results of operations.

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

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

62. Natural calamities and force majeure events may have an adverse impact on our business.

Constructions of infrastructure projects involve a number of hazards including earthquakes, flooding, tsunamis and landslides. Natural disasters may cause significant interruption to our operations, disruption to our project sites and damage to the environment that could have a material adverse impact on us. India has experienced natural calamities such as earthquakes, floods, drought and a tsunami in recent years. The extent and severity of these natural disasters determines their impact on the Indian economy. Prolonged spells of deficient or abnormal rainfall and other natural calamities could have an adverse impact on the Indian economy, which could adversely affect our business and results of operations.

63. Seasonality and inclement weather conditions may have an adverse impact on our business.

Our business operations may be adversely affected by severe weather conditions, which may require the evacuation of personnel, suspension or curtailment of operations, result in damage to construction sites or delays in the delivery of materials. This may result in delays to our contract schedules and reduce our productivity. Our operations are also adversely affected by difficult working conditions and high temperatures during summer months and during the monsoon season which restricts our ability to carry on construction activities and fully utilise our resources. During periods of curtailed activity due to adverse weather conditions, we may continue to incur operating expenses, but our income from operations may be delayed or reduced.

Risk Factors Related to India and Investment in the Equity Shares

64. Political, economic and social changes in India could adversely affect our business.

The Government of India has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Our business, and the market price and liquidity of the Company's shares, may be affected by changes in Government of India policies, including taxation. Social, political, economic or other developments in or affecting India could also adversely affect our business.

Since 1991, successive governments have pursued policies of economic liberalisation and financial sector reforms including significantly relaxing restrictions on the private sector. The rate of economic liberalisation could change, and specific laws and policies affecting infrastructure projects, foreign investment and other matters affecting investment in our Equity Shares could change as well. The current Government is a coalition of various parties, including parties that are a part of the Left front, and the withdrawal of support by parties in the coalition could result in general elections being held in the country. In addition, any political instability in India may adversely affect the Indian economy and the Indian securities markets in general, which could also affect the trading price of our Equity Shares.

India's economy could be adversely affected by a general rise in interest rates, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the Government of India towards infrastructure, which may in turn adversely affect our financial performance and our ability to implement our business strategy.

The Indian economy is influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A loss of investor confidence in other emerging market economies or any worldwide financial instability (such as the recent events following the concerns over sub-prime debt in the United States) may adversely affect the Indian economy, which could materially and adversely affect our business and results of operations and the market price of our Equity Shares.

65. *Restrictions on foreign investment limit our ability to raise debt or capital outside India.*

Indian laws constrain our ability to raise capital outside India through the issuance of equity or convertible debt securities and restrict the ability of non-Indian companies to acquire us. Generally, foreign investment in, or an acquisition of, an Indian company requires approval from the relevant government authorities in India, including the Reserve Board of India and the Foreign Investment Promotion Board in certain cases. We are also in the real estate business. Although the Government of India has permitted 100% foreign direct investment, without prior approval, in townships, housing, built-up infrastructure and construction and development projects, it has issued a notification and imposed certain restrictions on such investments pursuant to Press Note 2 (2005) dated March 2, 2005. Further, current external commercial borrowing guidelines of the Reserve Bank of India do not permit proceeds from such borrowings to be utilized for real estate, including the development of integrated townships.

In addition, making investments in, or the acquisition of, a foreign company by us requires various approvals from the Government of India. We or the foreign investors may not be able to obtain such approval from the relevant Indian or foreign authorities. If the Government of India does not approve the investment or acquisition, or introduces new laws further restricting foreign equity ownership of infrastructure and real estate companies, our ability to obtain investments and be acquired by foreign companies will be limited. This may have a material adverse effect on its growth and financial results.

66. *Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.*

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

67. *After this Issue, our Equity Shares may experience price and volume fluctuations or an active trading market for our Equity Shares may not develop.*

The market price of our Equity Shares may fluctuate after this Issue as a result of several factors beyond our control, including volatility in the Indian and global securities markets, our results of operations, the performance of our competitors, developments in the Indian construction, infrastructure development and real estate sectors, changing perceptions in the market about investments in these sectors in India, investor perceptions of our future performance, adverse media reports about us or the Indian infrastructure sector, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalisation and deregulation policies, and significant developments in India's fiscal regulations. In addition, the BSE and the NSE, the Stock Exchanges on which the Equity Shares will be listed, may experience significant price and volume fluctuations, which may have a material adverse effect on the market price of the Equity Shares.

Prior to this Issue, there has been no public market for our Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Issue. Further, the price at which the Equity Shares are initially traded may not correspond to the prices at which the Equity Shares will trade in the market subsequently.

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

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

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

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

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

Our Equity Shares are a new issue of securities for which there is currently no trading market. We will apply to the Stock Exchanges for final listing and trading approvals after the allotment of the Equity Shares in the Issue. There can be no assurance that the Company will receive such approvals on time or at all. Also, no assurance can be given that an active trading market for our Equity Shares will develop or as to the liquidity or sustainability of any such market, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which shareholders will be able to sell their Equity Shares. If an active market for the Equity Shares fails to develop or be sustained, the trading price of the Equity Shares could fall. If an active trading market were to develop, the Equity Shares could trade at prices that may be lower than their Issue Price.

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

Under the SEBI Guidelines, we are permitted to allot the Equity Shares within 15 days of the Bid/Issue Closing Date. Consequently, the Equity Shares you purchase in the Issue may not be credited to your demat account with Depository Participants until approximately 15 days after the Bid/Issue Closing Date. You can start trading in the Equity Shares only after they have been credited to your demat account and final listing and trading approvals are received from the Stock Exchanges. Further, there can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time periods.

Notes to Risk Factors:

1. Public Issue of 51,057,666 Equity Shares of Rs. 10 each for cash at a price of [●] per Equity Share, aggregating Rs. [●] crores. The Issue comprises a Net Issue to the public of 50,932,666 Equity Shares and an Employee Reservation Portion of 125,000 Equity Shares. The Issue will constitute 15.36% of the fully diluted post-Issue Equity Share capital of the Company.
2. The net worth of the Company was 242.28 crore as of August 31, 2007, as per the restated financial statements of the Company prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Guidelines. For more information, see the section "Financial Information" beginning on page 171 of this Red Herring Prospectus.
3. The book value per Equity Share of face value of Rs. 10 was Rs. 9.80 as of August 31, 2007, as per the restated financial statements of the Company prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Guidelines. For more information, see the section "Financial Information" beginning on page 171 of this Red Herring Prospectus.
4. The average cost of acquisition of the Equity Shares by our Promoters is Rs. 10 per Equity Share. The average cost of acquisition of Equity Shares by our Promoters has been calculated by taking the average of the amount paid by our Promoters to acquire the Equity Shares issued by the Company. For details, see the section "Capital Structure" beginning on page 21 of this Red Herring Prospectus.
5. For related party transactions, see the section "Related Party Transactions" beginning on page 169 of this Red Herring Prospectus.
6. Other than as stated in the section "Capital Structure —Notes to the Capital Structure" beginning on page 22 of this Red Herring Prospectus, the Company has not issued any Equity Shares for consideration other than cash.
7. For details of transactions in the securities of the Company by the Promoters, the Promoter Group and the Directors in

the last six months, see the section “Capital Structure —Notes to the Capital Structure” beginning on page 22 of this Red Herring Prospectus.

8. For information on changes in the Company’s name, registered office and objects clause of the Memorandum of Association of the Company, see the section “History and Certain Corporate Matters” beginning on page 104 of this Red Herring Prospectus.
9. Except as disclosed in the sections “Our Promoters and Promoter Group Companies” and “Our Management” beginning on pages 155 and 144, respectively, of this Red Herring Prospectus, none of the Promoters, Directors or key managerial employees have any interest in the Company except to the extent of any remuneration that may be paid to them for rendering professional services and reimbursement of expenses and to the extent of the Equity Shares held by them or held by the companies or firms in which they are interested as directors, members or partners and to the extent of the benefits arising out of such shareholding. For details of the shareholding of the Promoters, Directors and companies in which the Promoters and Directors are interested as members or directors, see the section "Capital Structure" beginning on page 21 of this Red Herring Prospectus.
10. In terms of Rule 19(2)(b) of the SCRR, this being an Issue for less than 25% of the post-Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue will be allocated on a proportionate basis to QIBs. 5% of the QIB Portion shall be available for allocation to Mutual Funds only and the remaining QIB Portion shall be available for allocation, on a proportionate basis, to the QIBs and Mutual Funds, subject to valid Bids being received at or above the Issue Price. If at least 60% of the Net Issue cannot be allotted to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Further, 125,000 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. For further details, see the section “Issue Structure” beginning on page 475 of this Red Herring Prospectus.
11. For any clarification or information relating to the Issue, investors may contact the BRLM or the CBRLM or the Company, who will provide or make available such clarification or information to the investors at large. No selective or additional information would be available for a section of investors in any manner whatsoever.
12. Investors may contact the BRLM, the CBRLM and the Syndicate Members for any complaints pertaining to the Issue.
13. Investors are advised to refer to the section “Basis for the Issue Price” beginning on page 43 of this Red Herring Prospectus.
14. Investors may note that in case of over-subscription in all categories, at least 60% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, out of which 5% shall be reserved for Mutual Funds. Mutual Funds participating in the 5% share in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. However, if the aggregate demand by Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares from the portion specifically available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allocated proportionately to the QIBs in proportion to their Bids. In case of over-subscription in the Issue, allotment to Qualified Institutional Bidders, Non-Institutional Bidders and Retail Bidders shall be on a proportionate basis. For more information, see the section “Issue Procedure - Allotment - Basis of Allotment” on page 501 of this Red Herring Prospectus.
15. Trading in the Equity Shares for all investors shall be in dematerialised form only.
16. The number of shareholders in the Company is 13.

SECTION III: INTRODUCTION

SUMMARY

The following summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information about us and our financial statements, including the notes thereto, appearing in the section "Financial Information" beginning on page 171 of this Red Herring Prospectus. For a discussion of certain matters that should be considered by investors prior to making investments in our Equity Shares, see the section "Risk Factors" beginning on page xi of this Red Herring Prospectus.

Business Overview

Overview of the IRB Group

We are an infrastructure development and construction company in India with extensive experience in the roads and highways sector and are currently involved in 12 BOT projects in the roads and highways sector. Recently, we have also diversified our business into the real estate development sector.

The Company is primarily a holding company and the assets of the IRB Group are held by, and our business operations are conducted through, the various Subsidiaries of the Company. For further information on the structure of the IRB Group, see "Business – The IRB Group" on page 68 of this Red Herring Prospectus.

Our infrastructure development business involves the construction, development and operation of infrastructure development projects. We are an established infrastructure company in the roads sector in India and have a large portfolio of completed and operational BOT projects in the Indian road infrastructure sector. Our construction business complements our infrastructure development business and involves engineering, procurement and construction work for construction projects on a contractual basis, including in the roads sector.

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

We have recently diversified our business into the real estate development sector. We are in the process of acquiring land in the Pune district in the State of Maharashtra on which we propose to develop an integrated township. Our proposed township project is in its preliminary stages of planning and development and will be the first real estate development project undertaken by us. We intend to develop residential and commercial projects within the proposed township project. Currently, our Land Reserves consist of approximately 925 acres of land in the Mauje Taje and Mauje Pimploli Taluka in Pune district, and we intend to acquire an additional approximately 475 acres of land for our proposed township project.

As of October 31, 2007, our work force consisted of 2,052 permanent employees, including 68 employees in our head office, 1,197 employees in our construction division and 787 employees in our toll collection division. In addition, we engage sub-contractors, who provide us with casual and temporary contract labour from time to time. Having a large work force enables us to mobilize our skilled employee resources depending on the location and the necessary expertise for projects undertaken by us. We own a large fleet of sophisticated construction equipment including, crushers, graders, batching plants, and sensor pavers. Our sophisticated equipment and skilled employee resources enable us to successfully implement modern infrastructure and construction methodologies effectively and efficiently.

In fiscal 2007, our consolidated total income was Rs. 325.08 crores, including consolidated turnover of Rs. 305.72 crores, and we earned consolidated net profit, as restated, of Rs. 29.96 crores. Income from BOT projects, i.e., toll revenue from various infrastructure development BOT projects undertaken by the IRB Group, of Rs. 177.87 crores represented 54.71% of our consolidated total income in fiscal 2007, while income from contract revenue of Rs. 122.12 crores, relating to construction work on funded construction projects as well as construction work on the various BOT projects undertaken by the IRB Group, represented 37.57% of our consolidated total income in fiscal 2007. Operation and maintenance income of Rs. 3.71 crores pursuant to operation and maintenance agreements relating to our BOT projects represented 1.14% of our consolidated total income in fiscal 2007.

In the five months ended August 31, 2007, our consolidated total income was Rs. 285.26 crores, including consolidated turnover of Rs. 261.88 crores, and we earned consolidated net profit, as restated, of Rs. 36.38 crores in this period. Income from BOT projects, i.e. toll revenue from various infrastructure development BOT projects undertaken by the IRB Group, of Rs. 150.53 crores represented 52.77% of our consolidated total income in the five months ended August 31, 2007, while income from contract revenue of Rs. 108.25 crores, relating to construction work on funded construction projects as well as construction work on the various BOT projects undertaken by the IRB Group, represented 37.95% of our consolidated total income in the five months ended August 31, 2007. Operation and maintenance income of Rs. 2.85 crores pursuant to operation and maintenance agreements relating to our BOT projects represented 1% of our consolidated total income in the five months ended August 31, 2007.

Competitive Strengths

For details of our principal competitive strengths, see the section "Business" beginning on page 67 of this Red Herring Prospectus.

Strategy

For details of our business strategy, see the section "Business" beginning on page 67 of this Red Herring Prospectus.

THE ISSUE

Equity Shares offered: Issue	 51,057,666 Equity Shares
Of which: Employee Reservation Portion[1]	 125,000 Equity Shares
Net Issue	50,932,666 Equity Shares
Of which:	
A) QIB Portion[2] *Of which:* Mutual Fund Portion Balance for all QIBs including Mutual Funds	At least 30,559,600 Equity Shares 1,527,980 Equity Shares 29,031,620 Equity Shares
B) Non-Institutional Portion[3]	Not less than 5,093,266 Equity Shares available for allocation
C) Retail Portion[3]	Not less than 15,279,800 Equity Shares available for allocation
Equity Shares outstanding prior to the Issue	281,306,444 Equity Shares
Equity Shares outstanding after the Issue	332,364,110 Equity Shares
Use of proceeds by the Company	See the section "Objects of the Issue" beginning on page 34 of this Red Herring Prospectus

[1] For Eligible Employee, see the section "Definitions and Abbreviations - Issue Related Terms - Employee or Eligible Employee" beginning on page i of this Red Herring Prospectus. Under-subscription, if any, in the Employee Reservation Portion would be allowed to be met with spill-over from any category or a combination of categories, at the discretion of the Company, in consultation with the BRLM and the CBRLM.

[2] Allocation to QIBs is proportionate as per the terms of this Red Herring Prospectus. 5% of the QIB Portion shall be available for allocation to Mutual Funds. Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. Further, attention of all QIBs is specifically drawn to the following: (a) QIBs will not be allowed to withdraw their Bid-cum-Application Forms after 1 p.m. on the Bid/Issue Closing Date; and (b) each QIB, including a Mutual Fund, is required to deposit a Margin Amount of at least 10% with its Bid-cum-Application Form.

[3] Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion and the Retail Portion, would be allowed to be met with spill-over from any category or a combination of categories, at the discretion of the Company, in consultation with the BRLM and the CBRLM.

SUMMARY FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from (i) the restated unconsolidated financial statements of the Company as of and for the fiscal years ended March 31, 2003, 2004, 2005, 2006 and 2007 and as of and for the five months ended August 31, 2007 and (ii) the restated consolidated financial statements of the Company as of and for the year ended March 31, 2007 and as of and for the five months ended August 31, 2007, prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Guidelines, included in the section "Financial Information" beginning on page 171 of this Red Herring Prospectus.

The IRB Group has undergone significant restructuring in fiscal 2007 and subsequently. For detailed information relating to the restructurings in the IRB Group, see "Management's Discussion and Analysis of Financial Condition and Results of Operations as per Consolidated Financial Statements - Restructuring of the IRB Group and presentation of Financial Information" beginning on page 346 of this Red Herring Prospectus and the section "History and Certain Corporate Matters" beginning on page 104 of this Red Herring Prospectus.

Prior to the restructuring of the IRB Group during fiscal 2007, the Company did not have any subsidiaries. Pursuant to the restructurings in fiscal 2007, IRBPL, MIPL, MRM, ATR Infra, ATRPL, MMK, IDAA, NKT, IRB Infra and TGTRPL became direct or indirect subsidiaries of the Company with effect from various dates during fiscal 2007. The consolidated restated financial statements of the Company for fiscal 2007 reflect the results of operations for each such subsidiary from the date that such subsidiary became a subsidiary of the Company, and do not reflect a full fiscal year of consolidated results of operations of the Company as constituted on March 31, 2007.

We have included in this Red Herring Prospectus historical financial statements of the various Subsidiaries restated in accordance with the SEBI Guidelines as well as discussions on the results of operations of each of IRBPL, MIPL and MRM (the three largest subsidiaries of the Company, based on unconsolidated turnover for the period ended March 31, 2007 and for the five months ended August 31, 2007) for fiscal 2005, 2006 and 2007 and for the five months ended August 31, 2007. Investors should note that as a result of various inter-company transactions among the Company and/or its Subsidiaries, there are significant consolidation adjustments that are reflected in the consolidated restated financial statements of the Company. Accordingly, an aggregation of unconsolidated financial information relating to the various Subsidiaries in any fiscal period may not be reflective of the consolidated results of operations of the Company for such period, had the relevant Subsidiaries been direct or indirect subsidiaries of the Company at the outset of such period. For further information on our accounting policies and principles of consolidation, see the section "Financial Statements" beginning on page 171 of this Red Herring Prospectus and "Management's Discussion and Analysis of Financial Condition and Results of Operations as per Consolidated Financial Statements - Critical Accounting Policies of the Company on a Consolidated Basis" beginning on page 346 of this Red Herring Prospectus.

The consolidated restated financial statements of the Company for fiscal 2007 also do not take into account the various restructurings in the IRB Group subsequent to March 31, 2007. The consolidated restated financial statements of the Company for the five months ended August 31, 2007 therefore reflects a different structure of the IRB Group from that reflected in the consolidated restated financial statements of the Company for fiscal 2007. Similarly, the consolidated restated financial statements of the Company for the five months ended August 31, 2007 also do not reflect the various restructurings in the IRB Group subsequent to August 31, 2007. Accordingly, any consolidated financial statements of the Company for any period subsequent to August 31, 2007 which may be published by the Company will reflect a different structure of the IRB Group from that reflected in, and will not be directly comparable to, the consolidated restated financial statements of the Company for fiscal 2007 or the consolidated restated financial statements as of and for the five months ended August 31, 2007 included in this Red Herring Prospectus.

Investors should note that in general, then, no financial statements are available which describe the consolidated results or condition of the Company and its current Subsidiaries (reflecting the current structure of the IRB Group) for any particular period, and investors will have to base their assessment of the Company and the IRB Group as a whole on financial statements which are not directly comparable with each other or reflective of the current structure of the IRB Group. See "Management's Discussion and Analysis of Financial Condition and Results of Operations as per Consolidated Financial Statements - Restructuring of the IRB Group and presentation of Financial Information" on page 346 of this Red Herring Prospectus.

Indian GAAP differs in certain significant respects from U.S. GAAP. For more information on these differences, see the section “Summary of Significant Differences between Indian GAAP and U.S. GAAP”, beginning on page 399 of this Red Herring Prospectus.

Summarised Restated Unconsolidated Statement of Assets and Liabilities of IRB Infrastructure Developers Limited

(*All amounts in Indian rupees thousands except for share data or as otherwise stated*)

	Particulars	As at August 31, 2007	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003
A.	**INVESTMENTS**	**3,233,947**	**2,682,295**	**1,349,404**	**232,250**	**225,100**	**57,600**
B.	**DEFERRED TAX ASSETS**	**371**	**333**	**-**	**-**	**-**	**-**
C.	**CURRENT ASSETS, LOANS AND ADVANCES**						
	Sundry debtors	7,757	8,257	8,257	10,677	-	-
	Cash and bank balances						
	Cash on hand	837	847	74	5	1	2
	Balances with scheduled banks						
	On current accounts	3,572	3,568	98,048	496	51,875	122
	On deposits account (Hypothecated with bank for overdraft facility)	2,637,000	2,637,000	-	-	-	-
	Loans and advances	1,611,300	70,793	44,818	920,509	480,896	10,000
	Total	**4,260,466**	**2,720,465**	**151,197**	**931,687**	**532,772**	**10,124**
D.	**LIABILITIES AND PROVISIONS**						
	Secured loans	2,320,074	14,815	-	-	-	-
	Unsecured loans	2,673,700	2,766,350	-	-	2,923	20,570
	Current liabilities	73,282	155,726	10,349	24,526	36,207	39,386
	Provisions	4,906	18,579	4,043	2,081	1,787	4,848
	Total	**5,071,962**	**2,955,470**	**14,392**	**26,607**	**40,917**	**64,804**
	Net worth (A+B+C-D)	**2,422,822**	**2,447,623**	**1,486,209**	**1,137,330**	**716,955**	**2,920**
	Net Worth represented by						
E.	Share capital	2,472,680	2,472,680	1,333,000	1,143,000	2,500	2,500
F.	Share application money pending allotment	-	-	71,000	-	717,500	-
G.	Profit and loss balance	131,022	154,384	86,951	257	(189)	444
H.	Miscellaneous expenditure	(180,880)	(179,441)	(4,742)	(5,927)	(2,856)	(24)
	(To the extent not written off or adjusted)						
	Net worth (E+F+G+H)	**2,422,822**	**2,447,623**	**1,486,209**	**1,137,330**	**716,955**	**2,920**

Summarised Restated Unconsolidated Profit and Loss Statement of IRB Infrastructure Developers Limited

(*All amounts in Indian rupees thousands except for share data or as otherwise stated*)

Particulars	For the period April 1, 2007 to August 31, 2007	For the year ended March 31, 2007	For the year ended March 31, 2006	For the year ended March 31, 2005	For the year ended March 31, 2004	For the year ended March 31, 2003
INCOME						
Turnover						
- Maintenance charges received	-	10,204	14,237	14,239	6,156	-
- Toll charges received	-	-	65,640	10,677	-	-
Other income	127,959	103,849	99,220	7	-	1
Total (A)	**127,959**	**114,053**	**179,097**	**24,923**	**6,156**	**1**
EXPENDITURE						
Direct expenses	-	9,689	77,369	22,974	6,106	-
Personnel expenses	8,581	775	-	-	-	-
Office administration and other expenses	14,521	12,793	18,024	1,690	385	22
Finance expenses	143,813	5,536	-	-	-	-
Total (B)	**166,915**	**28,793**	**95,393**	**24,664**	**6,491**	**22**
PROFIT BEFORE PRIOR PERIOD ITEM AND TAX (A-B)	**(38,956)**	**85,260**	**83,704**	**259**	**(335)**	**(21)**
Prior period item - Income from maintenance contract	-	-	-	-	5,381	-
PROFIT BEFORE TAX	**(38,956)**	**85,260**	**83,704**	**259**	**5,046**	**(21)**
PROVISION FOR TAXATION						
Current tax (including short / (excess) provision for current tax of earlier years)	(15,585)	17,310	2,100	(596)	3,006	-
Deferred tax	(38)	(333)	-	-	-	-
Fringe Benefit Tax	29	-	-	-	-	-
TOTAL	**(15,594)**	**16,977**	**2,100**	**(596)**	**3,006**	**-**
NET PROFIT BEFORE ADJUSTMENTS	**(23,362)**	**68,283**	**81,604**	**855**	**2,040**	**(21)**
ADJUSTMENTS	-	(850)	5,090	(409)	(2,673)	286
(Refer note no.1 of Annexure IV)						
CURRENT TAX IMPACT ON ADJUSTMENTS	-	-	-	-	-	(690)
NET PROFIT, AS RESTATED	**(23,362)**	**67,433**	**86,694**	**446**	**(633)**	**(425)**
Profit and loss account, at the beginning of the year	154,384	86,951	257	(189)	444	869
BALANCE CARRIED FORWARD, AS RESTATED	**131,022**	**154,384**	**86,951**	**257**	**(189)**	**444**

Summarised Restated Consolidated Statement of Assets and Liabilities of IRB Infrastructure Developers Limited

(*All amounts in Indian rupees thousands except for share data or as otherwise stated*)

	PARTICULARS	As at August 31, 2007	As at March 31, 2007
A.	**FIXED ASSETS**		
	Gross Block	1,369,084	1,252,537
	Less: Accumulated depreciation	448,043	381,422
	Net Block	**921,041**	**871,115**
	Capital work in progress (including capital advances)	117,928	46,039
	Total	**1,038,969**	**917,154**
B.	**INTANGIBLE ASSETS** (including Capital work in progress)	**24,320,315**	**23,501,072**
C.	**INVESTMENTS**	**144,454**	**413,477**
D.	**DEFERRED TAX ASSETS (net)**	**10,925**	**8,271**
E.	**CURRENT ASSETS, LOANS AND ADVANCES**		
	Inventories	284,952	91,683
	Sundry debtors	1,422,067	1,436,500
	Cash and bank balance	4,666,945	3,703,414
	Loans and advances	2,651,555	2,134,515
	Total	**9,025,519**	**7,366,112**
F.	**LIABILITIES AND PROVISIONS**		
	Secured loans	24,182,026	22,403,539
	Unsecured loans	2,801,852	2,776,044
	Current liabilities	867,075	1,029,531
	Provisions	1,327,534	1,296,421
	Total	**29,178,487**	**27,505,535**
G.	**MINORITY INTEREST**	**1,544,744**	1,115,308
	Net worth (A+B+C+D+E-F-G)	**3,816,951**	**3,585,242**
	Net worth represented by		
H.	Share capital	2,472,680	2,472,680
I.	Reserves and Surplus	1,536,603	1,296,921
J.	Miscellaneous expenditure	(192,332)	(184,359)
	(To the extent not written off or adjusted)		
	Net worth (H+I+J)	**3,816,951**	**3,585,242**

Summarised Restated Consolidated Profit and Loss Statement of IRB Infrastructure Developers Limited

(*All amounts in Indian rupees thousands except for share data or as otherwise stated*)

PARTICULARS		For the period April 1, 2007 to August 31, 2007		For the year ended March 31, 2007
INCOME				
Turnover				
- Income from BOT Projects		1,505,340		1,778,689
- Contract revenue – (gross)	1,107,011		1,274,565	
Less - Value added tax	(24,533)		(53,382)	
Contract revenue – (net)		1,082,478		1,221,183
- Operation and maintenance income	28,608		37,114	
Less – Value added tax	(145)		-	
Operation and maintenance income (net)		28,463		37,114
- Income from agency toll collection (net)		613		8,111
- Hire charges		1,918		12,060
Total		**2,618,812**		**3,057,157**
Other Income		233,816		193,683
Total (A)		**2,852,628**		**3,250,840**
EXPENDITURE				
Direct expenses		859,240		1,078,186
Personnel expenses		126,064		148,011
Office administration and other expenses		150,386		176,650
Depreciation / amortisation		420,234		525,830
Finance expenses		844,971		876,698
Total (B)		**2,400,895**		**2,805,375**
PROFIT BEFORE MINORITY INTEREST AND TAX (A-B)		**451,733**		**445,465**
PROVISION FOR TAXATION				
Current Tax (including short / (excess) provision for current tax of earlier years)		88,163		162,275
Deferred Tax		(2,654)		(17,349)
Fringe Benefit Tax		2,445		2,653
Total		**87,954**		**147,579**
NET PROFIT AFTER TAX AND BEFORE ADJUSTMENTS, MINORITY INTEREST		**363,779**		**297,886**
ADJUSTMENTS		**-**		1,713
NET PROFIT, AS RESTATED		**363,779**		**299,599**
Less: Minority interest		(124,097)		(72,331)
NET PROFIT, AS RESTATED AFTER MINORITY INTEREST		**239,682**		**227,268**
Profit and loss account at the beginning of the year		445,801		86,950
Share in brought forward profit of Subsidiaries (post-acquisition)		-		146,177
(includes loss of INR Nil, previous year INR 2,202 thousands for the period for which subsidiaries were Associates)				
Balance available for appropriation, as restated		**685,483**		**460,395**
APPROPRIATIONS				
Tax on interim dividend		**-**		14,594
TOTAL		**-**		**14,594**
BALANCE CARRIED FORWARD, AS RESTATED		**685,483**		**445,801**

GENERAL INFORMATION

The Company was incorporated as a private limited company, "DVJ Leasing and Finance Private Limited", on July 27, 1998 under the Companies Act. The name of the Company was changed to "IRB Infrastructure Developers Private Limited" pursuant to a special resolution of the shareholders of the Company at an EGM held on October 30, 2006. The fresh certificate of incorporation consequent upon the change of name was granted by the RoC on November 8, 2006. Subsequently, pursuant to a special resolution of the shareholders of the Company at an EGM held on November 25, 2006, the Company became a public limited company and the word "private" was deleted from its name. The certificate of incorporation to reflect the new name was issued by the RoC on November 27, 2006.

Registered Office of the Company

3rd Floor, IRB Complex
Chandivli Farm
Chandivli Village
Andheri (East)
Mumbai – 400 072
Maharashtra
India.
Tel: +91 22 6640 4220
Fax: +91 22 6675 1024
Website: www.irb.co.in

For details of changes in the Registered Office, see the section "History and Certain Corporate Matters" beginning on page 104 of this Red Herring Prospectus.

Corporate Identification Number: U65910MH1998PLC115967

The Company is registered at the Registrar of Companies, Maharashtra, located at Everest 5th Floor, 100 Marine Drive, Mumbai – 400 002, Maharashtra, India.

Board of Directors

The Company's Board of Directors comprises the following:

Name, Designation and Occupation, Father's name and DIN	Age (years)	Address
Mr. Virendra D. Mhaiskar *Chairman and Managing Director* *Non-Independent and Executive Director* Occupation: Business Son of Mr. Dattatraya P. Mhaiskar DIN: 00183554	36	IRB Complex, Chandivli Farm, Chandivli Village, Andheri (East), Mumbai – 400 072, Maharashtra, India.
Mrs. Deepali V. Mhaiskar *Non-Independent and Executive Director (Wholetime director)* Occupation: Business Daughter of Mr. Suresh G. Kelkar DIN: 00309884	34	IRB Complex, Chandivli Farm, Chandivli Village, Andheri (East), Mumbai – 400 072, Maharashtra, India.

Name, Designation and Occupation, Father's name and DIN	Age (years)	Address
Mr. Dattatraya P. Mhaiskar *Non-Independent and Executive Director (Wholetime director)* Occupation: Business Son of Mr. Pandurang Mhaiskar DIN: 00309942	69	Manisha Safalya, M. G. Road, Vishnu Nagar, Dombivili (West), District Thane, Dombivili - 421 202, Maharashtra, India.
Mr. Suresh G. Kelkar *Non-Independent and Executive Director (Wholetime director)* Occupation: Business Son of Mr. Govind Bhikaji Kelkar DIN: 01784048	68	44, Shrimali Society, Navrangpura, Ahmedabad, Gujarat – 390 009, India
Mr. Govind G. Desai *Independent and Non-Executive Director* Occupation: Lawyer Son of Mr. Guno G. Desai DIN: 00140853	74	202/ 203 Kedar Apartments Bhandar Lane Off L. J. Road Mahim, Mumbai - 400 016, Maharashtra, India.
Mr. Chandrashekhar S. Kaptan *Independent and Non-Executive Director* Occupation: Lawyer Son of Mr. Shankarrao A. Kaptan DIN: 01643564	55	Kaptanwada, Zenda Chowk, Mahal, Nagpur - 440 032, Maharashtra, India.
Mr. Bhalchandra K.Khare *Independent and Non-Executive Director* Occupation: Chartered Accountant Son of Mr. Kashinath C. Khare DIN: 00049778	80	Flat No. 17/18 Shiv Sagar 19, Worli Sea Face, Mumbai – 400 025, Maharashtra, India.
Mr. Berjis M. Desai *Independent and Non-Executive Director* Occupation: Solicitor	51	Yezerina II, Road No.5, 740/741, Dadar Parsi Colony, Dadar, Mumbai – 400 014, Maharashtra, India.

Name, Designation and Occupation, Father's name and DIN	Age (years)	Address
Son of Mr. Minoo B. Desai DIN: 00153675		

Four of our directors are related to each other. Mr. Virendra D. Mhaiskar is the son of Mr. Dattaraya P. Mhaiskar and the husband of Mrs. Deepali V. Mhaiskar. Mr. Suresh G. Kelkar is the father of Mrs. Deepali V. Mhaiskar. For further details regarding the Board of Directors, see the section "Our Management" beginning on page 144 of this Red Herring Prospectus.

Company Secretary

Mr. Mehul Patel
3rd Floor, IRB Complex
Chandivli Farm
Chandivli Village, Andheri (East)
Mumbai – 400 072
Maharashtra
India
Tel: +91 22 6640 4220
Fax: +91 22 6675 1024
Email: mnp@irb.co.in
Website: www.irb.co.in

Compliance Officer

Mr. Dhananjay K. Joshi
3rd Floor, IRB Complex
Chandivli Farm
Chandivli Village, Andheri (East)
Mumbai – 400 072
Maharashtra
India
Tel: +91 22 6640 4220
Fax: +91 22 6675 1024
Email: compliance@irb.co.in
Website: www.irb.co.in

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

Sole Global Coordinator and Book Running Lead Manager

Deutsche Equities India Private Limited
DB House
Hazarimal Somani Marg
Fort
Mumbai – 400 001
Maharashtra
India
Tel: +91 22 6658 4600
Fax: +91 22 2200 6765
E-mail: irb.ipo@db.com
Contact Person: Mr. Pulkit Bhandari
Website: www.db.com/india
SEBI Registration Number: INM000010833

Co-Book Running Lead Manager

Kotak Mahindra Capital Company Limited
3rd Floor, Bakhtawar 229
Nariman Point
Mumbai – 400 021
Maharashtra
India
Tel: +91 22 6634 1100
Fax: +91 22 2284 0492
Email: kmccredressal@kotak.com
Contact Person: Mr. Chandrakant Bhole
Website: www.kotak.com
SEBI registration number: INM000008704

Syndicate Members

Deutsche Equities India Private Limited
DB House
Hazarimal Somani Marg
Fort
Mumbai – 400 001
Maharashtra
India
Tel: +91 22 6658 4600
Fax: +91 22 2200 6765
E-mail: irb.ipo@db.com
Contact Person: Mr. Pulkit Bhandari
Website: www.db.com/india
SEBI Registration Number: INM000010833

Kotak Securities Limited
1st Floor, Bakhtawar 229
Nariman Point
Mumbai – 400 021
Maharashtra
India
Tel: +91 22 6634 1100
Fax: +91 22 6630 3927
E-mail: umesh.gupta@kotak.com
Contact Person: Mr. Umesh Gupta
Website: www.kotak.com
SEBI Registration Number: INB010808153

Advisor to the Company

Bajaj Consultants Private Limited
74-B, Mittal Court
Nariman Point
Mumbai - 400 021
Maharashtra
India
Tel: +91 22 2287 2178
Fax: +91 22 2204 6992
Email: bajaj.consultants@mtnl.net.in

Legal Advisors

Domestic Legal Counsel to the Company

J. Sagar Associates
Vakils House
1st Floor, 18 Sprott Road
Ballard Estate
Mumbai – 400 001
Maharashtra
India
Tel: +91 22 6656 1500
Fax: +91 22 6656 1515/16

Domestic Legal Counsel to the Underwriter

S&R Associates
64, Okhla Industrial Estate
Phase III
New Delhi – 110 020
India
Tel: + 91 11 4069 8000
Fax: + 91 11 4069 8001

International Legal Counsel to the Underwriter

Allen & Overy Shook Lin & Bok, JLV
24 Raffles Place
22-01 Clifford Centre
Singapore 048621
Tel: +65 6435 7400
Fax: +65 6435 7474

Registrar to the Issue

Karvy Computershare Private Limited
Plot No. 17 to 24
Vittalrao Nagar
Madhapur
Hyderabad - 500 081
Andhra Pradesh
India
Tel: + 91 40 2342 0815
Fax: + 91 40 2342 0814
E-mail: irbipo@karvy.com
Contact Person: Mr. M. Murali Krishna
Website: www.karvy.com
SEBI Registration Number: INR000000221

Bankers to the Issue and Escrow Collection Banks

Deutsche Bank, AG
Kodak House
222, D. N. Road
Mumbai – 400 001
Maharashtra
India
Tel: +91 22 6658 4000
Fax: +91 22 2207 6553
Email: shyamal.malhotra@db.com

Contact Person: Mr. Shyamal Malhotra
Website: deutschebank.co.in

Standard Chartered Bank
270, D. N. Road
Mumbai – 400 001
Maharashtra
India
Tel: +91 22 2209 2213
Fax: +91 22 2209 2216
Email: joseph.george@in.standardchartered.com
Contact Person: Mr. Joseph George
Website: www.standardchartered.co.in

Kotak Mahindra Bank
36-38A, Nariman Bhavan
227, Nariman Point
Mumbai – 400 021
Maharashtra
India
Tel: +91 22 6759 4850
Fax: +91 22 6648 2710
Email: ibrahim.sharief@kotak.com
Contact Person: Mr. Ibrahim Sharief
Website: www.kotak.com

HDFC Bank Limited
L Wing, 4th Floor
26A Narayan Properties
Off Sakivihar Road
Saki Naka, Andheri (East)
Chandivli
Mumbai - 400 072
Maharashtra
India
Tel: +91 22 2856 9228
Fax: +91 22 2856 9256
Email: deepak.rane@hdfcbank.com
Contact Person: Mr. Deepak Rane
Website: www.hdfcbank.com

Statutory Auditors of the Company

S. R. Batliboi & Co., Chartered Accountants
6th Floor, Express Towers
Nariman Point
Mumbai 400 021
Maharashtra
India
Tel: + 91 22 2287 6485
Fax: + 91 22 2287 6401

Internal Auditors of the Company.

Suresh Surana & Associates, Chartered Accountants
602-3, 6th Floor, Regent Chambers
208, Nariman Point
Mumbai - 400021
Maharashtra
India
Tel: +91 22 2287 5770

Fax: +91 22 2287 5771

Bankers to the Company

Canara Bank
Corporate Service Branch
101, B Wing Dalamal Towers
Free Press Journal Marg
Nariman Point
Mumbai - 400 021
Maharashtra
India
Tel: +91 22 2284 4831
Fax: +91 22 2284 4963
Email: narayananpr@canbank.co.in
Contact Person: Mr. P. R. Narayanan
Website: www.canbank.co.in

Union Bank of India
Hiranandani Gardens, Powai
Delphi Orchard Avenue
Hiranandani Business Park
Powai
Mumbai – 400 076
Maharashtra
India
Tel: +91 22 2570 3378
Fax: +91 22 2570 3393
Email: cbshiranandani@unionbankofindia.com
Contact Person: Mr. C. X. Lobo
Website: www.unionbankofindia.com

Our Subsidiaries have also availed certain credit facilities (fund based and non-fund based) from specific banks. For more details, see the section "Our Indebtedness" beginning on page 404 of this Red Herring Prospectus.

Monitoring Agency

SICOM Limited
Nirmal, 1st Floor
Nariman Point
Mumbai- 400 021
Maharashtra
India
Tel: +91 22 6657 2795
Fax: +91 22 2288 2895
Email: amahajan@sicomindia.com
Contact Person: Mr. A. D. Mahajan
Website: www.sicomindia.com

IPO Grading Agency

Fitch Ratings India Private Limited
6th Floor, Apeejay House
3, Dinshaw Vacha Road
Churchgate
Mumbai - 400 020
Maharashtra
India
Tel: +91 22 4000 1700
Fax: +91 22 4000 1701
Email: r.jayakumar@fitchratings.com

Contact Person: R. Jayakumar
Website: www.fitchindia.com
SEBI Registration no: IN/CRA/002/1999

Statement of Responsibility

S. No.	Activities	Responsibility	Coordinator
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, etc.	DEIPL and KMCC	DEIPL
2.	Due diligence of the Company's operations/ management/ business plans/ legal etc. Drafting and design of the Red Herring Prospectus and of statutory advertisements, including memorandum containing salient features of the Prospectus. The BRLM shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, the RoC and SEBI, including finalization of the Prospectus and RoC filing of the same.	DEIPL and KMCC	DEIPL
3.	Drafting and approval of all publicity material other than statutory advertisements as mentioned in sr. no. 2 above including corporate advertisements, brochure, corporate films etc.	DEIPL and KMCC	DEIPL
4.	Appointment of intermediaries, viz., legal counsel, the Registrar, printers, advertising agencies and Bankers to the Issue.	DEIPL and KMCC	DEIPL
5.	International institutional marketing of the Issue, which will cover, *inter alia*: • Preparing the roadshow presentation and frequently asked questions; • Finalizing the list and division of investors for one to one meetings; and • Finalizing the road show schedule and investor meeting schedules.	DEIPL and KMCC	DEIPL
6.	Domestic institutional marketing of the Issue, which will cover, *inter alia*: • Finalizing the list and division of investors for one to one meetings; and • Finalizing the road show schedule and investor meeting schedules.	DEIPL and KMCC	DEIPL
7.	Non-Institutional and Retail Marketing of the Offer, which will cover, *inter alia,* • Formulating marketing strategies, preparation of a publicity budget; • Finalizing the media and PR strategy; • Finalizing centres for holding conferences for brokers etc.; • Finalizing collection centres; and • Follow-up on distribution of publicity and Issue related material, including form, prospectus and deciding on the quantum of the Issue related material.	DEIPL and KMCC	KMCC

S. No.	Activities	Responsibility	Coordinator
8.	Managing the book, co-ordination with the Stock Exchanges for book building software, bidding terminals and mock trading and finalization of pricing and institutional allocation, in consultation with the Company.	DEIPL and KMCC	DEIPL
9.	Post bidding activities, including management of escrow accounts, follow-up with Bankers to the Issue, coordination of non-institutional allocation, intimation of allocation and dispatch of refunds to Bidders etc. The post Issue activities will involve essential follow up steps, which include the finalization of listing of instruments and dispatch of certificates and demat delivery of shares, with the various agencies connected with the work such as the Registrar to the Issue and Bankers to the Issue and the bank handling refund business. The BRLM shall be responsible for ensuring that these agencies fulfill their functions. To discharge this responsibility it may enter into suitable agreements with the Company.	DEIPL and KMCC	KMCC

Credit Rating

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

IPO Grading

Pursuant to the clauses 2.5A, 5.6B and 6.17.3A of the SEBI Guidelines, this Issue has been graded by Fitch through its letter dated December 17, 2007 and has been assigned a grade of 4 (ind) out of a maximum of 5 (ind) indicating that the fundamentals of the Issue are above average, relative to other listed equity securities in India. For more information on IPO Grading, please refer to the section "Other Regulatory and Statutory Disclosures" beginning on page 463 of this Red Herring Prospectus. A copy of the report provided by Fitch, furnishing the rationale for its grading is available for inspection at our Registered Office from 10.00 am to 4.00 pm on working days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

A summary of the grading rationale is as disclosed below:

The grading assigned to the Company underpins the Company's focus and established track record in the road sector. The Company is one of the largest private developers in western India and the largest toll road operating company in India. With a growing economy together with the continued thrust being given to the development of infrastructure, IRB is well positioned to take advantage of the opportunities in the road sector.

The build up of a mature portfolio of toll road assets generating stable and steady cash flows over the years gives the Company an edge over its peers and poses as a high barrier to entry for new entrants. The use of SPV's (special purpose vehicles) for executing projects ensures the efficient use of the cash flow generated.

Being a fully integrated Company, carrying out operations of construction as well as O&M (operations and management), gives it better control on the costs and project time lines. Till today IRB has an impeccable track record in terms of project delivery and in some cases has even enjoyed the benefits of early tolling due to early completion of projects. The presence of a large equipment bank strengthens its ability to execute toll road projects. However, going forward with the increase in the scale of projects the Company will require more managerial depth so as to handle future growth and ensure sustainability of the same.

The Company also has to its advantage the support and experience of its Promoter and skilled engineering staff. The joint venture with Deutsche Bank, Singapore has helped the Company fulfil the financial criteria required to pre-qualify and bid for all the 8 packages being offered under NHDP V (National Highway Development Program). NHDP V has a total available opportunity size of INR 77,000 million. Entry into the real estate sector requiring a different skill set could pose as a challenge for the Company.

The proposed issue of IRB is expected to be deployed towards repayment/prepayment of debt and a further investment into the Bharuch-Surat project. The reduction in debt will enable the efficient deployment of cash accruals for other projects and is likely to ensure higher profit margins.

Key Grading Issues:

The key grading issues are as follows:

Areas of strength:

- Industry expected to grow significantly due to thrust given by government.
- Established track record and sound in-house execution capabilities in the road construction sector.
- Mature and well borne network of toll road assets generating strong internal cash accruals.
- Healthy operating margins.

Areas of Concern

- More managerial depth required for managing future growth.
- Lack of marketing experience in real estate sector.
- Dependency on government entities.

Trustees

As the Issue is of Equity Shares, the appointment of trustees is not required.

Book Building Process

Book building refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus. The Issue Price is determined by the Company, in consultation with the BRLM and the CBRLM, after the Bid/ Issue Closing Date. The principal parties involved in the Book Building Process are:

(1) the Company;
(2) the BRLM, in this Issue being DEIPL and the CBRLM, in this Issue being KMCC;
(3) the Syndicate Members in this Issue, being DEIPL and Kotak Securities Limited; and
(4) the Registrar to the Issue, in this Issue being Karvy Computershare Private Limited.

The Equity Shares are being offered to the public through the 100% Book Building Process in accordance with Rule 19(2)(b) of the SCRR and the SEBI Guidelines, wherein at least 60% of the Net Issue shall be allotted on a proportionate basis to QIBs, of which 5% shall be reserved for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds. If at least 60% of the Net Issue cannot be allotted to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Further, 125,000 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.

QIBs are not allowed to withdraw their Bids after 1.00 p.m. on the Bid/Issue Closing Date. In addition, QIBs are required to pay the QIB Margin Amount, representing at least 10% of the Bid Amount, upon submission of their Bids. Allocation to QIBs will be on a proportionate basis. For details, see the section "Issue Structure" beginning on page 475 of this Red Herring Prospectus.

The Company will comply with the SEBI Guidelines in connection with the issue of securities by an Indian company to the public in India. In this regard, the Company has appointed DEIPL as the BRLM and KMCC as the CBRLM to manage the Issue and to procure subscriptions to the Issue.

The process of book building under the SEBI Guidelines is subject to change. Investors are advised to make their own judgment about an investment through this process prior to submitting a Bid in the Issue.

Steps to be taken by the Bidders for bidding:

- Check eligibility for making a Bid. See the section "Issue Procedure" beginning on page 480 of this Red Herring Prospectus;

- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid-cum-Application Form;
- Ensure that the Bid-cum-Application Form is duly completed as per the instructions given in the Red Herring Prospectus and in the Bid-cum-Application Form; and
- Ensure that in all cases where Bids are received, the PAN of the Bidder is quoted in the Bid-cum-Application Form and necessary evidence for verifying the PAN is attached along with such form. For details, see the section "Issue Procedure" begining on page 480 of this Red Herring Prospectus.

Illustration of Book Building and the Price Discovery Process

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

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

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

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

Withdrawal of the Issue

The Company, in consultation with the BRLM and the CBRLM reserves the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before the Board meeting for Allotment, without assigning any reason therefor. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which the Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. Under the SEBI Guidelines, QIBs are not allowed to withdraw their Bids after the Bid/Issue Closing Date.

Bid/Issue Program

BID/ISSUE OPENS ON	**January 31, 2008**
BID/ISSUE CLOSES ON	**February 05, 2008**

Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 3.00 p.m**. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centres mentioned on the Bid-cum-Application Form **except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10.00 a.m. and 1.00 p.m. (Indian Standard Time)** and uploaded until such time as permitted by the NSE and the BSE on the Bid/Issue Closing Date. 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 that 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 only be accepted on working days, i.e., Monday to Friday (excluding any public holiday).

The Company, in consultation with the BRLM and the CBRLM reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI Guidelines. The cap should not be more than 20% of the floor of the Price

Band. The floor of the Price Band can be revised up or down up to the extent of 20% of the floor of the Price Band disclosed in the Red Herring Prospectus.

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 the Stock Exchanges, by issuing a press release and also by indicating the change on the websites of the BRLM and the CBRLM and the terminals of the other members of the Syndicate.

Underwriting Agreement

After the determination of the Issue Price but prior to filing of the Prospectus with the RoC, the Company intends to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued and sold in the Issue. Pursuant to the terms of the Underwriting Agreement, if entered into, the BRLM and the CBRLM shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions to closing, as specified therein.

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

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

Name and Address of the Underwriter	Indicated Number of Equity Shares to be Underwritten	Amount underwritten (Rs. in)
DEIPL DB House Hazarimal Somani Marg Fort Mumbai – 400 001 Maharashtra India	**[●]**	**[●]**
KMCC 3rd Floor, Bakhtawar 229, Nariman Point Mumbai – 400 021 Maharashtra India	**[●]**	**[●]**
Kotak Securities Limited 1st Floor, Bakhtawar 229 Nariman Point, Mumbai – 400 021 Maharashtra India	**[●]**	**[●]**
Total	**[●]**	**[●]**

The above-mentioned amount is an indicative underwriting and will be finalised after determination of the Issue Price and actual allocation of the Equity Shares. The Underwriting Agreement is dated [●], 2008 and has been approved by the Board of Directors.

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

In the opinion of the Board of Directors (based on certificates given by the Underwriters), the resources of the above-mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges.

CAPITAL STRUCTURE

The Company's share capital before and after the proposed Issue, as at the date of filing this Red Herring Prospectus, is set forth below:

		Aggregate Nominal Value (Rs.)	Aggregate Value at Issue Price (Rs.)
A)	**AUTHORISED SHARE CAPITAL**(1)		
	615,000,000 Equity Shares of Rs. 10(2) each	6,150,000,000	
B)	**ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL BEFORE THE ISSUE**		
	281,306,444 Equity Shares of Rs. 10 each	2,813,064,440	
C)	**PRESENT ISSUE IN TERMS OF THIS RED HERRING PROSPECTUS**		
	51,057,666 Equity Shares of Rs.10 each	510,576,660	[●]
D)	**EMPLOYEE RESERVATION PORTION**(3) 125,000 Equity Shares of Rs. 10 each	1,250,000	[●]
			[●]
E)	**NET ISSUE TO PUBLIC** 50,932,666 Equity Shares of Rs. 10 each *Of which*: QIB Portion(4): At least 30,559,600 Equity Shares of Rs. 10 each Non-Institutional Portion(5): Not less than 5,093,266 Equity Shares of Rs. 10 each Retail Portion(5): Not less than 15,279,800 Equity Shares of Rs. 10 each	509,326,660	[●]
			[●]
F)	**PAID-UP EQUITY CAPITAL AFTER THE ISSUE** 332,364,110 Equity Shares of Rs. 10 each	3,323,641,100	[●]
G)	**SHARE PREMIUM ACCOUNT**		
	Before the Issue	2,299,296,892	
	After the Issue	[●]	

(1) The history of changes in the authorised share capital is as follows:

a. Pursuant to a resolution of the shareholders of the Company at an EGM held on November 14, 2003, the authorized share capital of the Company was increased from Rs. 2,500,000 to Rs. 500,000,000 divided into 5,000,000 equity shares of Rs.100 each.
b. Pursuant to a resolution of the shareholders of the Company at an EGM held on April 29, 2004, the authorized share capital of the Company was increased from Rs. 500,000,000 to Rs. 750,000,000 divided into 7,500,000 equity shares of Rs.100 each.
c. Pursuant to a resolution of the shareholders of the Company at an EGM held on November 4, 2004, the authorized share capital of the Company was increased from Rs. 750,000,000 to Rs. 810,000,000 divided into 8,100,000 equity shares of Rs.100 each.
d. Pursuant to a resolution of the shareholders of the Company at an EGM held on March 17, 2005, the authorized share capital of the Company was increased from Rs. 810,000,000 to Rs. 1,150,000,000 divided into 11,500,000 equity shares of Rs.100 each.
e. Pursuant to a resolution of the shareholders of the Company at an EGM held on November 25, 2005, the authorized share capital of the Company was increased from Rs. 1,150,000,000 to Rs. 1,300,000,000 divided into 13,000,000 equity shares of Rs. 100 each.
f. Pursuant to a resolution of the shareholders of the Company at an EGM held on January 5, 2006, the authorized share capital of the Company was increased from Rs. 1,300,000,000 to Rs. 1,350,000,000 divided into 13,500,000 equity shares of Rs. 100 each.
g. Pursuant to a resolution of the shareholders of the Company at an EGM held on April 12, 2006, the authorized share capital of the Company was increased from Rs. 1,350,000,000 to Rs. 1,400,000,000 divided into 14,000,000 equity shares of Rs. 100 each.
h. Pursuant to a resolution of the shareholders of the Company at an EGM held on May 22, 2006, the authorized share capital of the Company was increased from Rs. 1,400,000,000 to Rs. 1,410,000,000 divided into 14,100,000 equity shares of Rs. 100 each.
i. Pursuant to a resolution of the shareholders of the Company at an EGM held on August 9, 2006, the authorized share capital of the Company was increased from Rs. 1,410,000,000 to Rs. 2,500,000,000 divided into 25,000,000 equity shares of Rs. 100 each.
j. Pursuant to a resolution of the shareholders of the Company at an EGM held on March 17, 2007, the authorized share capital of the Company was increased from Rs. 2,500,000,000 to Rs. 6,150,000,000 divided into 25,000,000 equity shares of Rs. 100 each and 36,500,000 unclassified shares of Rs. 100 each.

(2) Pursuant to a resolution of the shareholders of the Company at an EGM held on August 9, 2007, 36,500,000 unclassified shares of Rs.100 each were classified as equity shares of Rs.100 each and each equity share of face value Rs. 100 was sub-divided into 10 equity shares of face value Rs. 10 each and.

(3) For Eligible Employee, see the section "Definitions and Abbreviations – Issue Related Terms" beginning on page i of this Red Herring Prospectus. Under-subscription, if any, in the Employee Reservation Portion would be allowed to be met with spill-over from other categories or a combination of categories, at the discretion of the Company, in consultation with the BRLM and the CBRLM.

(4) Allocation to QIBs is proportionate as per the terms of this Red Herring Prospectus. 5% of the QIB Portion shall be available for allocation to Mutual Funds. Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. Further attention of all QIBs is specifically drawn to the following: (a) QIBs will not be allowed to withdraw their Bid-cum-Application Forms after 1 p.m. on the Bid/Issue Closing Date; and (b) each QIB, including a Mutual Fund, is required to deposit a Margin Amount of at least 10% with its Bid-cum-Application Form.

(5) Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion and the Retail Portion, would be allowed to be met with spill-over from other categories or a combination of categories, at the discretion of the Company, in consultation with the BRLM and the CBRLM.

Notes to the Capital Structure

1. Share Capital History of the Company

Equity Shares

The following is the history of the equity share capital of the Company as at the date of filing of this Red Herring Prospectus:

Date of allotment	Number of Equity Shares	Face Value per Equity Share (Rs.)	Issue Price per Equity Share (Rs.)	Nature of consideration (cash, bonus, other than cash)	Reasons for Allotment	Cumulative Number of Equity Shares Outstanding	Cumulative Share Premium (Rs.)	Cumulative Share Capital (Rs.)	Individuals/entities to whom Equity Shares Allotted
August 24, 1998	10	100	100	Cash	Initial subscription on signing of Memorandum of Association	10	Nil	1,000	Mr. Virendra D. Mhaiskar
August 24, 1998	10	100	100	Cash	Initial subscription on signing of Memorandum of Association	20	Nil	2,000	Mrs. Deepali V. Mhaiskar
August 23, 2000	10,000	100	100	Cash	Preferential allotment	10,020	Nil	1,002,000	Mr. Virendra D. Mhaiskar jointly with Mrs. Deepali V. Mhaiskar
August 23, 2000	10,000	100	100	Cash	Preferential allotment	20,020	Nil	2,002,000	Mrs. Deepali V. Mhaiskar and jointly with Mr. Virendra D. Mhaiskar
August 23, 2000	4,980	100	100	Cash	Preferential allotment	25,000	Nil	2,500,000	Modern Road Makers Private Limited
July 17, 2004	3,001,270	100	100	Cash	Preferential allotment	3,026,270	Nil	302,627,000	Modern Road Makers Private Limited
July 17, 2004	3,968,750	100	100	Cash	Preferential allotment	6,995,020	Nil	699,502,000	Virendra D. Mhaiskar (HUF)
July 17, 2004	130,000	100	100	Cash	Preferential allotment	7,125,020	Nil	712,502,000	Mr. Virendra D. Mhaiskar

Date of allotment	Number of Equity Shares	Face Value per Equity Share (Rs.)	Issue Price per Equity Share (Rs.)	Nature of consideration (cash, bonus, other than cash)	Reasons for Allotment	Cumulative Number of Equity Shares Outstanding	Cumulative Share Premium (Rs.)	Cumulative Share Capital (Rs.)	Individuals/entities to whom Equity Shares Allotted
July 17, 2004	75,000	100	100	Cash	Preferential allotment	7,200,020	Nil	720,002,000	Mrs. Deepali V. Mhaiskar
December 16, 2004	793,730	100	100	Cash	Preferential allotment	7,993,750	Nil	799,375,000	Modern Road Makers Private Limited
December 16, 2004	41,250	100	100	Cash	Preferential allotment	8,035,000	Nil	803,500,000	Virendra D. Mhaiskar (HUF)
March 24, 2005	1,795,000	100	100	Cash	Preferential allotment	9,830,000	Nil	983,000,000	Modern Road Makers Private Limited
March 24, 2005	1,600,000	100	100	Cash	Preferential allotment	11,430,000	Nil	1,143,000,000	Virendra D. Mhaiskar (HUF)
November 30, 2005	875,000	100	100	Cash	Preferential allotment	12,305,000	Nil	1,230,500,000	Modern Road Makers Private Limited
November 30, 2005	245,000	100	100	Cash	Preferential allotment	12,550,000	Nil	1,255,000,000	Virendra D. Mhaiskar (HUF)
January 10, 2006	500,000	100	100	Cash	Preferential allotment	13,050,000	Nil	1,305,000,000	Modern Road Makers Private Limited
January 18, 2006	40,000	100	100	Cash	Preferential allotment	13,090,000	Nil	1,309,000,000	Modern Road Makers Private Limited
February 23, 2006	240,000	100	100	Cash	Preferential allotment	13,330,000	Nil	1,333,000,000	Virendra D. Mhaiskar (HUF)
June 22, 2006	710,000	100	100	Cash	Preferential allotment	14,040,000	Nil	1,404,000,000	Virendra D. Mhaiskar (HUF)
August 31, 2006	500,000	100	100	Cash	Preferential allotment	14,540,000	Nil	1,454,000,000	Virendra D. Mhaiskar (HUF)
August 31, 2006	20,000	100	100	Cash	Preferential allotment	14,560,000	Nil	1,456,000,000	Mrs. Deepali V. Mhaiskar jointly with Mr. Virendra D. Mhaiskar
August 31, 2006	10,166,500	100	100	Cash	Preferential allotment	24,726,500	Nil	2,472,650,000	Mr. Virendra D. Mhaiskar jointly with Mrs. Deepali V. Mhaiskar
November 17, 2006	100	100	100	Cash	Preferential allotment	24,726,600	Nil	2,472,660,000	Mr. Suresh Kelkar
November 17, 2006	100	100	100	Cash	Void allotment	24,726,600	Nil	2,472,660,000	ATR Infrastructure Private Limited*
November 17, 2006	100	100	100	Cash	Void allotment	24,726,600	Nil	2,472,660,000	Aryan Toll Road Private Limited*

Date of allotment	Number of Equity Shares	Face Value per Equity Share (Rs.)	Issue Price per Equity Share (Rs.)	Nature of consideration (cash, bonus, other than cash)	Reasons for Allotment	Cumulative Number of Equity Shares Outstanding	Cumulative Share Premium (Rs.)	Cumulative Share Capital (Rs.)	Individuals/entities to whom Equity Shares Allotted
November 17, 2006	100	100	100	Cash	Void allotment	24,726,600	Nil	2,472,660,000	Modern Road Makers Private Limited *
November 17, 2006	100	100	100	Cash	Preferential allotment	24,726,700	Nil	2,472,670,000	Aryan Infrastructure Investments Private Limited
November 17, 2006	100	100	100	Cash	Preferential allotment	24,726,800	Nil	2,472,680,000	Ideal Soft Tech Park Private Limited
August 9, 2007	247,268,000	10				247,268,000		2,472,680,000	Sub-division of face value of Equity Shares from Rs. 100 to Rs. 10
September 10, 2007	11,346,148	10	77.55	Cash	Conversion of Fully Convertible Debentures	258,614,148	766,432,297	2,586,141,480	Deutsche Bank Hong Kong Branch
September 10, 2007	11,346,148	10	77.55	Cash	Conversion of Fully Convertible Debentures	269,960,296	1,532,864,594	2,699,602,960	Jade Dragon (Mauritius) Ltd.
September 10, 2007	11,346,148	10	77.55	Cash	Conversion of Fully Convertible Debentures	281,306,444	2,299,296,892	2,813,064,440	CPI Ballpark Investments Ltd.
Total	**281,306,444**					**281,306,444**	**2,299,296,892**	**2,813,064,440**	

* The Board has by its resolution dated September 7, 2007 recorded that the allotments to ATR Infrastructure Private Limited, Aryan Toll Road Private Limited and Modern Road Makers Private Limited are void under Section 42 of the Companies Act. The Company has informed the RoC of the cancellation of the equity shares pursuant to a letter dated September 25, 2007 and filed a revised return of allotment in Form 2 on September 27, 2007.

Fully Convertible Debentures

The following is the history of the Fully Convertible Debentures ("FCDs") issued by the Company*:

Date of Allotment	Date of Conversion	No. of Debentures	Issue Price per Debenture (Rs.)	Face value per debenture (Rs).	Consideration	Mode of Allotment
March 23, 2007	September 10, 2007	1, 313, 361	670	**670	879, 951, 870	Fresh Issue
March 23, 2007	September 10, 2007	1, 313, 361	670	**670	879, 951, 870	Fresh Issue
March 23, 2007	September 10, 2007	1, 313, 361	670	**670	879, 951, 870	Fresh Issue
Total		**3,940,083**			**2,639,855,610**	

* See note 20 below.

** Pursuant to a resolution of the shareholders of the Company at an EGM held on August 9, 2007, the FCDs of Rs. 670 were sub-divided into 10 FCDs of face value of Rs. 67 each.

Other than as specified above, the Company has not issued any shares during the preceding one year from the date of this Red Herring Prospectus.

2. **Promoters' Contribution and Lock-in**

The Equity Shares that are being locked-in are not ineligible for computation of Promoter's contribution under Clause 4.6 of the SEBI Guidelines. The Promoter's contribution is as per the SEBI Guidelines.

(a) *Details of Promoter's contribution locked-in for three years*

Pursuant to the SEBI Guidelines, an aggregate of 20% of the post-Issue shareholding of the Promoters shall be locked-in for a period of three years from the date of Allotment in the Issue. The details of such lock-in are given below:

Name of the Promoter	Date on which the Equity Shares were Allotted/acquired and made fully paid-up	Nature of Allotment	Nature of payment of consideration	Face value (Rs.) *	Issue Price (Rs.)	Number of Equity Shares	Percentage of pre-Issue shareholding	Percentage of post-Issue shareholding
Virendra D. Mhaiskar (HUF)	March 24, 2005	Further allotment	Cash	100	160,000,000	1,600,000	5.69%	4.81%
Virendra D. Mhaiskar (HUF)	November 30, 2005	Further allotment	Cash	100	245,000,000	245,000	0.87%	0.74%
Virendra D. Mhaiskar (HUF)	June 22, 2006	Further allotment	Cash	100	71,000,000	710,000	2.52%	2.14%
Virendra D. Mhaiskar (HUF)	August 19, 2006	Transfer of shares from Modern Road Makers Private Limited	Cash	100	471,000,000	4,710,000	16.74%	14.17%
Virendra D. Mhaiskar (HUF)	August 31, 2006	Further allotment	Cash	100	37,708,000	377,080	1.34%	1.13%
TOTAL				**100**	**764,208,000**	**7,642,080**	**27.17%**	**22.99%**

* Pursuant to a resolution of the shareholders of the Company at an EGM held on August 9, 2007, each equity share of face value Rs. 100 was sub-divided into 10 equity shares of face value Rs. 10 each.

(b) Indicated below is the capital build up of the Promoter's shareholding in the Company:

Name of the Promoter	Date on which the equity shares were allotted / acquired and made fully paid up or transferred	Nature of allotment	Nature of payment of consideration	Face value Rs. *	Issue Price Rs.	Number of Equity shares**

Name of the Promoter	Date on which the equity shares were allotted / acquired and made fully paid up or transferred	Nature of allotment	Nature of payment of consideration	Face value Rs. *	Issue Price Rs.	Number of Equity shares**
Mr. Virendra Mhaiskar	August 24, 1998	Subscriber to the Memorandum of Association	Cash	100	100	100
	July 17, 2004	Preferential allotment	Cash	100	100	1,300,000
	September 7, 2007	Acquisition of shares from the existing shareholders	Cash	10	N.A.	1,000
Sub total						**1,301,100**
Mrs. Deepali Mhaiskar	August 24, 1998	Subscriber to the Memorandum of Association	Cash	100	100	100
	July 17, 2004	Preferential allotment	Cash	100	100	750,000
Sub total						**750,100**
Mr. Virendra Mhaiskar jointly with Mrs. Deepali Mhaiskar	August 23, 2000	Preferential allotment	Cash	100	100	100,000
	August 31, 2006	Preferential allotment	Cash	100	100	101,665,000
Sub total						**101,765,000**
Mrs. Deepali Mhaiskar jointly with Mr. Virendra Mhaiskar	August 23, 2000	Preferential allotment	Cash	100	100	100,000
	August 31, 2006	Preferential allotment	Cash	100	100	200,000
Sub total						**300,000**
Mr. Virendra Mhaiskar (Karta of Virendra Mhaiskar HUF)	July 17, 2004	Preferential allotment	Cash	100	100	39,687,500
	December 16, 2004	Preferential allotment	Cash	100	100	412,500
	March 24, 2005	Preferential allotment	Cash	100	100	16,000,000
	November 30, 2005	Preferential allotment	Cash	100	100	2,450,000
	February 23, 2006	Preferential allotment	Cash	100	100	2,400,000
	June 22, 2006	Preferential allotment	Cash	100	100	7,100,000

Name of the Promoter	Date on which the equity shares were allotted / acquired and made fully paid up or transferred	Nature of allotment	Nature of payment of consideration	Face value Rs. *	Issue Price Rs.	Number of Equity shares**
	August 19, 2006	Acquisition of shares from existing shareholders i.e transfer from Modern Road Makers Private Limited	Cash	100	100	70,099,800
	August 31, 2006	Preferential allotment	Cash	100	100	5,000,000
	December 22, 2006	Transfer of equity shares to Mr. Dattatraya P. Mhaiskar	Cash	100	N.A.	22,920,000
	February 24, 2007	Transfer of equity shares to Ideal Soft Tech Park Private Limited	Cash	100	N.A.	2,479,800
	September 7, 2007	Transfer of equity shares to Mr. Dattatraya P. Mhaiskar	Cash	10	N.A.	8,724,044
	September 7, 2007	Transfer of equity shares to Ideal Toll & Infrastructure Private Limited	Cash	10	N.A.	26,146,505
	September 7, 2007	Transfer of equity shares to Ideal Softech Park Private Limited	Cash	10	N.A.	1,229,200
Sub total						**81,650,251**
Total						**185,766,451**

*Pursuant to a resolution of the shareholders of the Company at an EGM held on August 9, 2007, each equity share of face value Rs. 100 was sub-divided into 10 equity shares of face value Rs. 10 each.
**On a post-split basis, i.e. the number of equity shares specified assumes completion of the share split, pursuant to which the face value of each equity share is Rs. 10.

The Promoter's contribution has been brought in to the extent of not less than the specified minimum amount and from the persons defined as Promoters under the SEBI Guidelines.

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

(c) Indicated below is the capital build up of the of the entities that are part of the Promoter Group in the Company:

Sr. No.	Name of the Promoter Group	Date on which the Equity Shares were Allotted/acquired and made fully paid-up	Nature of Allotment	Nature of payment of consideration	Face value (Rs.) *	Issue Price (Rs.)	Number of Equity Shares	% of post-Issue share capital	% of pre-Issue share capital

Sr. No.	Name of the Promoter Group	Date on which the Equity Shares were Allotted/acquired and made fully paid-up	Nature of Allotment	Nature of payment of consideration	Face value (Rs.) *	Issue Price (Rs.)	Number of Equity Shares	% of post-Issue share capital	% of pre-Issue share capital
1.	Mr. Dattatraya P. Mhaiskar	December 22, 2006	Acquisition of shares from the existing shareholders	Cash	100	N.A.	22,920,000	6.90	8.15
		September 7, 2007	Acquisition of shares from the existing shareholders	Cash	10	N.A.	8,724,044	2.62	3.10
	Sub total						**31,644,044**	**9.52**	**11.25**
2.	Mr. Suresh G. Kelkar	November 17, 2006	Preferential allotment	Cash	100	100	1,000	0	0
	Sub total						**1,000**	**0**	**0**
3.	Ideal Soft Tech Park Private Limited	November 17, 2006	Preferential allotment	Cash	100	100	1,000	0.00	0.00
		February 24-2007	Acquisition of shares from the existing shareholders	Cash	100	N.A.	2,479,800	0.75	0.88
		September 7, 2007	Acquisition of shares from the existing shareholders	Cash	10	N.A.	1,229,200	0.37	0.44
	Sub total						**3,710,000**	**1.12**	**1.32**

Sr. No.	Name of the Promoter Group	Date on which the Equity Shares were Allotted/acquired and made fully paid-up	Nature of Allotment	Nature of payment of consideration	Face value (Rs.) *	Issue Price (Rs.)	Number of Equity Shares	% of post-Issue share capital	% of pre-Issue share capital
4. .	Ideal Toll & Infrastructure Company Private Limited	September 7,-2007	Acquisition of shares from the existing shareholders	Cash	10	N.A.	26,146,505		
	Sub total						**26,146,505**	7.87	9.29
	Total Holding of Promoter Group (other than Promoters)						**61,501,549**	**18.51**	**21.86**

(d) Details of share capital locked-in for one year

In addition to the Equity Shares proposed to be locked-in as part of the Promoters' contribution as stated above, the entire pre-Issue Equity Share capital of the Company constituting 204,885,644 Equity Shares will be locked-in for a period of one year from the date of Allotment in the Issue.

(e) Other requirements in respect of lock-in*:*

Pursuant to Clause 4.15 of the SEBI Guidelines, locked-in Equity Shares held by the Promoters can be pledged with banks or financial institutions as collateral security for loans granted by such banks or financial institutions, provided that (i) the pledge of shares is one of the terms of sanction of the loan; and (ii) if the shares are locked in as Promoters' contribution for three years under Clause 4.11.1 of the SEBI Guidelines, such shares may be pledged, only if, in addition to fulfilling the requirements of sub-clause (i), the loan has been granted by the banks or financial institutions for the purpose of financing one or more of the objects of the Issue.

Further, pursuant to Clause 4.16.1(a) of the SEBI Guidelines, the Equity Shares held by shareholders, other than the Promoters, which are locked in as per Clause 4.14 of the SEBI Guidelines, may be transferred to any other person holding shares which are locked-in as per Clause 4.14 of the SEBI Guidelines, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code, as applicable.

Pursuant to Clause 4.16.1(b) of the SEBI Guidelines, Equity Shares held by the Promoters may be transferred to and among the Promoters or the Promoter Group or to a new promoter or persons in control of the Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code, as applicable.

In addition, the Equity Shares held by the Promoters and subject to lock in may be transferred as permitted under the SEBI Guidelines.

3. **Shareholding Pattern of the Company**

The table below presents the Company's shareholding before the Issue and as adjusted for the Issue:

	Pre-Issue		Post-Issue	
Name of Shareholder	**Number of Equity Shares**	**Percentage of equity share capital (%)**	**Number of Equity Shares**	**Percentage of equity share capital (%)**
Promoters				
Mr. Virendra D. Mhaiskar	1,301,100	0.46	1,301,100	0.39
Mrs. Deepali V. Mhaiskar	750,100	0.27	750,100	0.22
Virendra D. Mhaiskar (HUF)	81,650,251	29.03	81,650,251	24.57
Joint holding of Mr. Virendra D. Mhaiskar and Mrs. Deepali V. Mhaiskar	101,765,000	36.18	101,765,000	30.62
Joint holding of Mrs. Deepali V. Mhaiskar and Mr. Virendra D. Mhaiskar	300,000	0.10	300,000	0.09
Total Holding of the Promoters	**185,766,451**	**66.04**	**185,766,451**	**55.89**
Promoter Group (other than Promoters)				
Mr. Dattatraya P. Mhaiskar	31,644,044	11.25	31,644,044	9.52
Mr. Suresh G. Kelkar	1,000	0.0	1,000	0.0
Ideal Soft Tech Park Private Limited	3,710,000	1.32	3,710,000	1.12
Ideal Toll & Infrastructure Company Private Limited	26,146,505	9.29	26,146,505	7.87
Total Holding of Promoter Group (other than Promoters)	**61,501,549**	**21.86**	**61,501,549**	**18.51**
Others (other than Promoters and Promoter Group)				
Deutsche Bank Hong Kong Branch	10,838,804	3.85	10,838,804	3.26
Jade Dragon (Mauritius) Limited*	10,838,804	3.85	10,838,804	3.26
CPI Ballpark Investments Limited**	10,838,804	3.85	10,838,804	3.26
Somerset Emerging Opportunities Fund	1,522,032	0.55	1,522,032	0.46
Total Holding of Others (other than Promoters and Promoter Group)	**34,038,444**	**12.10**	**34,038,444**	**10.24**
Total Holding of Public and Employees in the Issue	**-**	**-**	**51,057,666**	**15.36**
Total	**281,306,444**	**100.00**	**332,364,110**	**100.00**

* A subsidiary of Goldman Sachs
** A subsidiary of Merrill Lynch

4. The Company, the Directors, the Promoters, the Promoter Group, their respective directors, the BRLM and the CBRLM have not entered into any buy-back and/or standby arrangements for the purchase of Equity Shares from any person.

5. The list of the top 10 shareholders of the Company and the number of Equity Shares held by them is set forth below:

   (a) The top 10 shareholders of the Company as of the date of the filing of this Red Herring Prospectus with SEBI are as follows.

Sr. No.	Name of Shareholder	Number of Equity Shares (Face value of Rs. 10 each)	Percentage of the Pre Issue share capital (%)
1.	Mr. Virendra D. Mhaiskar jointly with Mrs. Deepali V. Mhaiskar	101,765,000	36.18
2.	Virendra D. Mhaiskar (HUF)	81,650,251	29.03
3.	Mr. Dattatraya P. Mhaiskar	31,644,044	11.25
4.	Ideal Toll and Infrastructure Company Private Limited	26,146,505	9.29

Sr. No.	Name of Shareholder	Number of Equity Shares (Face value of Rs. 10 each)	Percentage of the Pre Issue share capital (%)
1.	Mr. Virendra D. Mhaiskar jointly with Mrs. Deepali V. Mhaiskar	101,765,000	36.18
5.	Deutsche Bank Hong Kong Branch	10,838,804	3.85
6.	Jade Dragon (Mauritius) Limited*	10,838,804	3.85
7.	CPI Ballpark Investments Limited**	10,838,804	3.85
8.	Ideal Soft Tech Park Private Limited	3,710,000	1.32
9.	Somerset Emerging Opportunities Fund	1,522,032	0.54
10.	Mr. Virendra D. Mhaiskar	1,301,100	0.46

* A subsidiary of Goldman Sachs
** A subsidiary of Merrill Lynch

(b) The top 10 shareholders of the Company as of ten days prior to the filing of the Red Herring Prospectus with SEBI are as follows:

Sr. No.	Name of Shareholder	Number of Equity Shares (Face value of Rs. 10 each)	Percentage of the Pre-Issue share capital (%)
1.	Mr. Virendra D. Mhaiskar jointly with Mrs. Deepali V. Mhaiskar	101,765,000	36.18
2.	Virendra D. Mhaiskar (HUF)	81,650,251	29.03
3.	Mr. Dattatraya P. Mhaiskar	31,644,044	11.25
4.	Ideal Toll and Infrastructure Company Private Limited	26,146,505	9.29
5.	Deutsche Bank Hong Kong Branch	11,346,148	4.03
6.	Jade Dragon (Mauritius) Limited*	11,346,148	4.03
7.	CPI Ballpark Investments Limited**	11,346,148	4.03
8.	Ideal Soft Tech Park Private Limited	3,710,000	1.32
9.	Mr. Virendra D. Mhaiskar	1,301,100	0.46
10.	Mrs. Deepali V. Mhaiskar	750,100	0.27

* A subsidiary of Goldman Sachs
** A subsidiary of Merrill Lynch

(c) The top 10 shareholders of the Company as of two years prior to the filing of the Red Herring Prospectus with SEBI were as follows:

Sr. No.	Name of Shareholder	Number of Equity Shares (Face value of Rs. 100 each)*	Percentage Shareholding (%)
1.	Mr. Virendra D. Mhaiskar jointly with Mrs. Deepali V. Mhaiskar	10,000	0.09
2.	Virendra D. Mhaiskar (HUF)	5,610,000	49.08
3.	Mr. Virendra D. Mhaiskar	130,010	1.14
4.	Mrs. Deepali V. Mhaiskar	75,010	0.66
5.	Modern Road Makers Private Limited	5,594,980	48.95
6.	Mrs. Deepali V. Mhaiskar jointly with Mr. Virendra D. Mhaiskar	10,000	0.09

*Pursuant to a resolution of the shareholders of the Company at an EGM held on August 9, 2007, each equity share of face value Rs.100 was sub-divided into 10 equity shares of face value Rs.10 each.

6. Except as set forth below, none of the Directors or key managerial personnel holds Equity Shares in the Company:

Sr. No.	Name of the Shareholder	Number of Equity Shares (Face value of Rs. 10 each)	Pre-Issue Percentage Shareholding (%)	Post-Issue Percentage Shareholding (%)
1.	Mr. Virendra D. Mhaiskar	1,301,100	0.46	0.39
2.	Mrs. Deepali V. Mhaiskar	750,100	0.27	0.23
3.	Mr. Dattatraya P. Mhaiskar	31,644,044	11.25	9.52
4.	Mr. Virendra D. Mhaiskar jointly	101,765,000	36.18	30.62

Sr. No.	Name of the Shareholder	Number of Equity Shares (Face value of Rs. 10 each)	Pre-Issue Percentage Shareholding (%)	Post-Issue Percentage Shareholding (%)
	with Mrs. Deepali V. Mhaiskar			
5.	Mrs. Deepali V. Mhaiskar jointly with Mr. Virendra D. Mhaiskar	300,000	0.11	0.09
6.	Mr. Suresh G. Kelkar	1,000	0.00	0.00

7. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into Equity Shares.

8. The Company does not have any ESOP as of the date of the filing of this Red Herring Prospectus.

9. The Company has not granted any optional shares to the Directors and key managerial personnel.

10. The Company has not issued Equity Shares out of revaluation reserves or for consideration other than cash.

11. Except as set forth below, there have been no transfers of Equity Shares by the Directors, the Promoters and the Promoter Group entities within the last six months preceding the date on which this Red Herring Prospectus is filed with SEBI :

Transferor	Transferee	Number of Equity Shares	Price per Equity Share (Rs.)	Date of Transfer
Virendra D. Mhaiskar Karta of Virendra D. Mhaiskar (HUF)	Mr. Dattatraya P. Mhaiskar	8,724,044	10	September 7, 2007
Virendra D. Mhaiskar Karta of Virendra D. Mhaiskar (HUF)	Ideal Toll & Infrastructure Company	26,146,505	10	September 7, 2007
Virendra D. Mhaiskar Karta of Virendra D. Mhaiskar (HUF)	Ideal Soft Tech Park Private Limited	1,229,200	10	September 7, 2007

12. The Company has issued Equity Shares to the following persons in the year preceding the date on which this Red Herring Prospectus filed with SEBI, which may be at a price lower than the Issue price:

Name of the Shareholder	Date of Issue	Whether Belongs to Promoter Group	Number of Equity Shares	Issue Price (Rs.)	Reasons for Issue
Ideal SoftTech Park Private Limited	November 17, 2006	Yes	100	100*	Further Allotment
Aryan Infrastructure Investments Private Limited	November 17, 2006	No	100	100*	Further Allotment
Mr. Suresh G. Kelkar	November 17, 2006	Yes	100	100*	Further Allotment
Deutsche Bank Hong Kong Branch	September 10, 2007	No	11,346,148	77.55	Further Allotment
Jade Dragon (Mauritius) Limited**	September 10, 2007	No	11,346,148	77.55	Further Allotment
CPI Ballpark Investments Limited***	September 10, 2007	No	11,346,148	77.55	Further Allotment

*Pursuant to a resolution of the shareholders of the Company at an EGM held on August 9, 2007, each equity share of face value Rs.100 was sub-divided into 10 equity shares of face value Rs.10 each.
** A subsidiary of Goldman Sachs
** *A subsidiary of Merrill Lynch

13. There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, or rights issue or in any other manner during the period commencing from the date of filing of this Red Herring Prospectus with SEBI until the Equity Shares offered through the Red Herring Prospectus have been listed.

14. 125,000 Equity Shares have been reserved for allocation to Eligible Employees on a proportionate basis,

subject to valid Bids being received at or above the Issue Price. Only Eligible Employees, as defined in the section “Definitions and Abbreviations – Issue Related Terms” beginning on page i of this Red Herring Prospectus would be eligible to apply in this Issue under the Employee Reservation Portion. Employees, other than as defined, are not eligible to participate in the Employee Reservation Portion. If the aggregate demand in the Employee Reservation Portion is greater than 125,000 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis. Eligible Employees may also Bid for Equity Shares in the Net Issue portion and such Bids shall not be treated as multiple Bids. Any under-subscription in the Employee Reservation Portion would be allowed to be met with spill-over from any other category or combination of categories at the discretion of the Company, in consultation with the BRLM and the CBRLM.

15. During the period beginning from the date of the memorandum of understanding with the BRLM and the CBRLM and continuing to and including the date 180 days after the date of the Prospectus, the Company agrees not to without the prior written consent of the BRLM and the CBRLM, directly or indirectly alter its share capital structure including issue, offer, sell, contract to issue or offer or sell, split/consolidate the denomination of Equity Shares, pledge or otherwise encumber, grant any option to purchase, make any short sale or otherwise dispose of, or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition including entering into any swap or other agreement that transfers, in whole or in part, the economic ownership of the Equity Shares or any securities convertible into Equity Shares (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by the Company, or publicly announce any intention to enter into any such transaction, including but not limited to any options or warrants to purchase any Equity Shares of the Company, or any securities convertible into or exchangeable for, or that represent the right to receive Equity Shares, other than the issue of Equity Shares under an ESOP or employee share purchase scheme of the Company.

16. A Bidder cannot submit a Bid for more than the number of Equity Shares offered in the Issue subject to the maximum limit of investment prescribed under laws and regulations applicable to each category of investor.

17. The Company has not made any public issue since its incorporation.

18. There shall be only one denomination for the Equity Shares of the Company, unless otherwise permitted by law or regulation. The Company shall comply with such disclosure and accounting norms as specified by SEBI from time to time.

19. As of the date of filing this Red Herring Prospectus, the total number of holders of Equity Shares is 13.

20. In fiscal 2006, the Company issued FCDs to three investors, namely, Deutsche Bank Hong Kong Branch, Jade Dragon (Mauritius) Limited and CPI Ballpark Investments Limited pursuant to a Debenture Subscription Agreement dated March 19, 2007. The FCDs were issued pursuant to a board resolution dated March 23, 2007. Pursuant to a circular resolution dated September 10, 2007, the FCDs were converted into 34,038,444 fully paid up Equity Shares of the Company.

21. The Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Issue Opening Date by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly, for Equity Shares) whether preferential or otherwise. However, during such period or at a later date, subject to necessary approvals the Company may issue Equity Shares or securities linked to Equity Shares to finance an acquisition, merger or joint venture or as consideration for such acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by the Board to be in the best interests of the Company.

22. The Company has not raised any bridge loan against the proceeds of this Issue.

23. An oversubscription to the extent of 10% of the Issue can be retained for purposes of rounding off while finalising the basis of allotment.

24. The Promoters and members of Promoter Group will not participate in this Issue.

OBJECTS OF THE ISSUE

The net proceeds of the Issue, after deducting underwriting and management fees, legal fees, selling commissions and other Issue expenses, are estimated to be approximately Rs. [●] crores ("Net Proceeds").

The intended objects of the issue are (a) investment in a Subsidiary; (b) prepayment and repayment of existing loans of the Company and the Subsidiaries; (c) general corporate purposes; and (d) Issue related expenses.

The main objects clause of the Memorandum of Association enable the Company to undertake its existing activities and the activities for which funds are being raised by the Company in this Issue.

The following table summarizes the intended use of proceeds:

Sr. No.	Particulars	Estimated amount of Company's contribution to be raised from the Issue (Rs. in crore)
A.	Investment in IDAA	90.00
B.	Prepayment and repayment of existing loans of the Company and the Subsidiaries	
	(i) the Company	236.00
	(ii) Aryan Toll Road Private Limited	40.00
	(iii) Modern Road Makers Private Limited	75.00
	(iv) Thane Ghodbunder Toll Road Private Limited	207.00
	(v) NKT Road & Toll Private Limited	25.00
	(vi) Ideal Road Builders Private Limited	40.00
	(vii) Mhaiskar Infrastructure Private Limited	100.00
C.	General corporate purposes	[●]
D.	Issue related expenses	[●]

The fund requirements and the intended use of the Net Proceeds as described herein are based on management estimates and our current business plan. The fund requirements and intended use of the Net Proceeds have not been appraised by any bank or financial institution. In view of the competitive and dynamic nature of the industry in which we operate, we may have to revise our expenditure and fund requirements as a result of variations in the cost structure, changes in estimates and external factors, which may not be within the control of our management. This may entail rescheduling, revising or cancelling the planned expenditure and fund requirements and increasing or decreasing the planned expenditure for a particular purpose at the discretion of our management. In addition, the estimated dates of completion of various projects as described herein are based on the management's current expectations and are subject to change due to various factors, some of which may not be in our control.

Details of the Objects:

A. Investment in IDAA:

As part of our business strategy, we bid for various infrastructure projects. When bids are successful, as part of the contractual terms, we may be required to form special purpose vehicles ("SPVs") to facilitate execution of such projects. The Company currently has a substantial ownership in a number of SPVs, which are its Subsidiaries.

The Company intends to use part of the Net Proceeds for equity investment in IDAA directly and through its subsidiaries.

IDAA is one of the Subsidiaries of the Company for the expansion and improvement of 65 Kms from Km 198/000 to Km 263/00 of the Bharuch to Surat Section of NH 8 in Gujarat on BOT basis. We were awarded the project upon a payment of negative grant of Rs. 504 crore to the NHAI. The concession agreement was signed with the NHAI on July 7, 2006. The total project cost as appraised by Union Bank of India is Rs. 1409.07 crore which is being funded by way of rupee term loans of Rs. 1,210.95 crore and equity of Rs. 198.12 crore. The estimated date of completion of the project is June 2009. The estimated project cost as appraised by Union Bank of India is as under:

Activity	Estimated Cost (Rs. in crore)
Construction cost	609.29
O&M during the construction period	10.50
Preliminary and pre-operative expenses	29.00
Cost escalation	26.20
Interest during construction	186.66
Debt service reserve account	43.42
Total	**1409.07**

*This includes the negative grant of Rs. 504 crores.

The actual cost of this project may vary from the estimated cost.

The financial closure for the project was achieved in December 2006 and construction work has commenced in January 2007. The Union Bank of India as lead bank has appraised the project and along with a consortium of banks comprising Indian Overseas Bank, Canara Bank, Bank of India, Indian Bank and Corporation Bank has sanctioned a term loan aggregating to Rs. 1,211 crores. The concession period is for 15 years including a construction period of two and a half years.

As on November 30, 2007, as certified by Parikh Joshi & Kothare, Chartered Accounts, pursuant to their certificate dated December 18, 2007, we had incurred a project cost of Rs. 765.04 (including the negative grant of Rs. 504 crores) which has been financed by way of term loan of Rs. 643.63 crores from banks, total equity of Rs. 89.30 crores and the EPC creditors of Rs. 32.11 crores.

No dividends are assured to the Company on its equity investments in IDAA.

B. Prepayment and repayment of existing loans of the Company and the Subsidiaries

For the prepayment and repayment of certain loans of the Company and the Subsidiaries, the Company and the Subsidiaries may be required to pay prepayment penalties under the financing documents executed by the Company and Subsidiaries. Further, in some cases, the prepayment is subject to prior approval of the lenders.

1. The Company

The Company has availed a cash credit limit for an amount of Rs. 237 crores from Canara Bank against the deposit of the original fixed deposit receipts (tenure – 13 months, interest rate – 11.34% per annum) for an amount of Rs. 263.70 crores received by the Company pursuant to the issue of the fully convertible debentures to Deutsche Bank Hong Kong Branch, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited. As per the certificate dated December 7, 2007 issued by A.J. Kotwal & Co, Chartered Accountants, the financing raised by way of secured debt has been utilized for its business requirements as detailed under.

Utilisation	Amounts as on September 30, 2007 in (Rs. in crore)
Acquiring further shares in the following Subsidiaries: (a) IDAA Infrastructure Private Limited : Rs. 4.36 crore (b) Thane Ghodbunder Toll Road Private Limited : Rs. 12.21 crore (c) NKT Road & Toll Private Limited : Rs. 2.50 crore (d) Mhaiskar Infrastructure Private Limited : Rs. 41.63 crore (e) IRB Infrastructure Private Limited : Rs. 2.33 crore (f) Ideal Road Builders Private Limited : Rs. 23.32 crore	86.35
Investment in share capital of one of its Subsidiary - Aryan Investment Infrastructure Private Limited	54.57
Loans to the following subsidiaries: (a) Aryan Toll Road Private Limited : Rs. 3.74 crore (b) ATR Infrastructure Private Limited : Rs. 72.04 crore	75.78
Operating and business requirements of the Company	19.21
Total	**235.90**

We propose to utilize a part of the Net Proceeds towards repayment of the cash credit facility taken from Canara Bank in the month of March, 2007 for a period of 13 months and due for repayment in the month of April, 2008. The cash credit facility will be repaid out of the Net Proceeds in an amount of Rs. 236 crore. This will also improve the overall debt equity ratio of the Company.

In addition to the above, the Company may, from time to time, enter into further financing arrangements and drawdown funds thereunder.

2. Aryan Toll Road Private Limited ("ATRPL")

ATRPL is engaged in the Pune-Sholapur road project. For the details of this project, see the section "Business" beginning on page 67 of this Red Herring Prospectus.

The project was financed by a combination of equity and debt. Approximately Rs. 61 crore was raised by way of a term loan from United Western bank to finance the project. For details of the terms of the loan, see the section "Our Indebtedness" beginning on page 404 of this Red Herring Prospectus.

As on March 31, 2007, the debt outstanding for the project was Rs. 27.97 crore. As per the certificate dated December 7, 2007 issued by the statutory auditor of ATPRL, the financing raised by way of debt is Rs. 55.11 crore as on August 31, 2007 and has been utilized for funding its operating requirements. The Company proposes to utilize a part of the Net Proceeds to the extent of Rs. 40.00 crore to invest, either by way of equity or loan, in ATRPL. ATRPL in turn will utilize the same towards prepayment of the high cost debt contracted.

Break up of the debt outstanding as on August 31, 2007 is stated below:

Particulars	**Amounts outstanding as on August 31, 2007 (Rs. in crore)**
Secured Loans	38.15
Interest accrued on secured loans	0.33
Unsecured loans (used for the purpose of working capital)	16.64
Total	55.11

The secured loans were utilized for financing the project cost incurred by ATRPL. The total project cost of ATRPL was Rs. 63 crore was funded by was of equity of Rs. 18 crore and by way of secured debt of Rs. 45 crore.

The break up of the total project cost incurred is stated below:

Utilization details	**Amounts (Rs. in crore)**
EPC cost	57.94
Preliminary and pre-operative expenditure	0.06
Interest during construction	5.00
Total project cost	63.00

3. Modern Road Makers Private Limited ("MRM")

MRM is engaged in the execution of EPC and O&M contracts. For the details of this project, see the section "Business" beginning on page 67 of this Red Herring Prospectus.

MRM has availed of equipment finance from various banks and agencies to fund the existing equipment bank. As of March 31, 2007, the aggregate outstanding amount of debt in MRM was Rs. 92.52 crore. As per the certificate dated December 7, 2007 issued by the statutory auditor of MRM, the financing raised by way of debt is Rs. 174.41 crore as on August 31, 2007 and has been utilized for purchase of machinery, equipments and vehicles and working capital requirements. The Company proposes to invest, either by way of equity or loan, in MRM from a part of the Net Proceeds to the extent of Rs. 75.00 crore. MRM will utilize the same for repayment of the existing debt.

Break up of the debt outstanding as on August 31, 2007 is stated below:

Particulars	Amounts outstanding as on August 31, 2007 (Rs. in crore)
Secured loans	50.68
Unsecured loans	123.73
Total loans	174.41

MRM has utilized the debt for the following business purposes:

Utilization details	Amounts outstanding as on August 31, 2007 (Rs. in crore)
Purchase of machinery and equipments	31.04
Purchase of vehicles	1.00
Working capital requirements	142.37
Total	174.41

4. Thane Ghodbunder Toll Road Private Limited ("TGTRPL")

TGTRPL is engaged in the Thane Ghodbunder Road Project. For the details of this project, see the section titled "Business" beginning on page 67 of this Red Herring Prospectus.

The project was financed by a combination of equity and debt. Approximately Rs. 216.60 crore was raised by way of a term loan to finance this project. The loan was sanctioned by a consortium of banks comprising Canara Bank, Indian Overseas Bank and IDBI. For details, see the section titled "Our Indebtedness" beginning on page 404 of this Red Herring Prospectus.

As on March 31, 2007, the debt outstanding for the project was Rs. 207.38 crore. As per the certificate dated December 7, 2007 issued by the statutory auditor of TGTRPL, the financing raised by way of total debt is Rs. 212.83 crore as on August 31, 2007 and has been utilized for funding the project on the Thane Ghodbunder Road. The Company proposes to utilize a part of the Net Proceeds to the extent of Rs. 207 crore to invest, either by way of equity or loan in TGTRPL. TGTRPL in turn will utilize the same towards prepayment of the high cost debt contracted.

TGTRPL has utilized the secured debt raised for the following purposes:

Particulars	Outstanding as on August 31, 2007 (Rs. in crore)
Secured loans	210.79
Interest accrued on secured loans	2.04
Total	**212.83**

The total project cost incurred is detailed below

Particulars	Amounts (Rs. in crore)
Lumpsum upfront payment to MSRDC	140.40
EPC cost	86.64
Preliminary and pre-operative	4.52
Cost escalation	2.75
Interest during construction	4.97
Debt service reserve account	7.00
Total Project cost	**246.28**

The total project cost was financed from the following sources:

Source	Amounts (Rs. in crore)
Equity capital	30.00
Secured loans	210.87
From toll collection	5.41
Total	**246.28**

5. NKT Road & Toll Private Limited ("NKT")

NKT is engaged in the Ahmedanagar-Karmala-Tembuni road project. For the details of this project, see the section "Business" beginning on page 67 of this Red Herring Prospectus.

The project was financed by a combination of equity, internal accruals and debt. Approximately Rs. 22.40 crore was raised by way of a term loan from the State Bank of India to finance this project. For details see the section "Our Indebtedness" beginning on page 404 of this Red Herring Prospectus.

As on March 31, 2007, the debt outstanding for the project was Rs. 27.88 crore. As per the certificate dated December 7, 2007 issued by the statutory auditor of NKT, the financing has been raised by way of secured debt is Rs. 26.89 crore as on August 31, 2007 and has been utilized for funding the project cost, tolling equipments and working capital. The Company proposes to utilize a part of the Net Proceeds to the extent of Rs. 25.00 crore to invest, either by way of equity or loan, in NKT. NKT will utilize the same towards prepayment of high cost debt contracted.

Break up of the secured debt outstanding as on August 31, 2007 is stated below:

Particulars	**Amount outstanding as on August 31,2007 (Rs. in crore)**
Secured loans	26.64
Interest accrued on secured loans	0.25
Total	**26.89**

NKT has utilized the secured loans for the purpose of EPC cost, tolling equipments and working capital requirements as detailed follows:

Particulars	**Amounts (Rs. in crore)**
EPC cost and tolling equipments	16.90
Working capital and operating requirements	9.74
Total	**26.64**

The total project cost incurred by NKT was Rs. 36.81 crore (equity of Rs. 15.00 crore and debt of Rs. 21.81 crore) is as detailed follows:

Particulars	**Amounts (Rs. in crore)**
Project Construction Cost	36.58
Machinery–Toll equipments and other assets	0.23
Total project cost	**36.81**

6. Ideal Road Builders Private Limited ("IRBPL")

IRBPL is engaged in the Thane Bhiwandi Bypass, Bhiwandi Wada Road, Khambatki Ghat and Kaman Paygaon road projects. For the details of these projects, see the section "Business" beginning on page 67 of this Red Herring Prospectus.

These projects were financed by a combination of equity, internal accruals and debt. Approximately Rs. 147 crore was raised by way of term loans to finance these projects from the State Bank of India and HDFC Bank. In addition, Rs. 25 crore has also been raised by way of a short term working capital loan from IDBI Bank Limited. For details, see the section "Our Indebtedness" beginning on page 404 of this Red Herring Prospectus.

As on March 31, 2007 the debt outstanding for IRBPL was Rs. 145.79 crore. As per the certificate dated December 7, 2007 issued by Parikh Joshi & Kothare, Chartered Accountants, the financing raised by way of secured debt is Rs. 68.43 crore as on August 31, 2007 and has been utilized towards construction cost of four BOT projects as mentioned above and working capital requirements. The Company proposes to utilize a part of the Net Proceeds to the extent of Rs. 40.00 crore to invest, either by way of equity or loan, in IRBPL. IRBPL in turn will utilize the same towards prepayment of high cost debt contracted.

IRBPL has utilized the secured debt raised for the following purposes:

Utilization details	Outstanding as on August 31, 2007 (Rs. in crore)
Construction cost of Thane –Bhiwandi road; Bhiwandi-Wada road; Kaman-Paygaon road and Khambatki project	33.42
Working capital	35.01
Total	**68.43**

7. Mhaiskar Infrastructure Private Limited ("MIPL")

MIPL is engaged in the Mumbai-Pune Expressway and Mumbai Pune section of NH 4. For the details of this project, see the section "Business" beginning on page 67 of this Red Herring Prospectus.

This project was financed by a combination of equity and debt. Approximately Rs. 1,181.44 crore was raised by way of term loans to finance this project from Canara Bank, Union Bank of India, IDBI, Bank of India, Indian Overseas Bank, UCO Bank, Andhra Bank, Corporation Bank, Bank of Baroda and the Bank of Maharashtra. For details, see the section "Our Indebtedness" beginning on page 404 of this Red Herring Prospectus.

As on March 31, 2007, the debt outstanding for the project was Rs. 1,187.04 crore. As per the certificate dated December 7, 2007 issued by Parikh Joshi & Kothare, Chartered Accountants, the financing raised by way of secured debt is Rs. 1,185.28 crore as on August 31, 2007 and has been utilized for its project of improvement/ 4 laning of Mumbai-Pune section of NH4. The Company proposes to utilize a part of the Net Proceeds to the extent of Rs. 100 crore to invest, either by way of equity or loan, in MIPL. MIPL in turn will utilize the same towards prepayment of high cost debt contracted.

Break up of the secured debt outstanding as on August 31, 2007 is stated below:

Particulars	Outstanding as on August 31, 2007 (Rs. in crore)
Secured loans	1,182.81
Interest accrued on secured loans	2.47
Total	**1,185.28**

The total project cost incurred is detailed below:

Particulars	Amounts (Rs. in crore)
Lumpsum upfront payment to MSRDC	918.00
EPC Cost	305.21
Preliminary and Pre-operative	14.50
Cost Escalation	17.35
Interest During Construction	31.09
Debt Service Reserve Account	15.50
Total Project cost	**1,301.64**

The total project cost was funded in the following manner:

Source	Amounts (Rs. in crore)
Infusion of equity capital	105.00
Secured loans	1,186.81
From toll collection	9.83
Total	**1,301.64**

We have raised term loans from time to time for the purpose of funding the project cost requirements of our various BOT projects. Many of these term loans have been with variable interest rates linked to the benchmark prime lending rates of banks. Due to upward revision in the said prime lending rates of the banks, the interest rates on our term loans have increased, and may increase further if there is an increase in the prime lending rates of the banks. We therefore seek to prepay certain of our borrowings from the Net Proceeds of the Issue.

Further prepaying the loans will bring down our overall gearing and increase our ability to borrow for new projects.

C. General Corporate Purposes

In accordance with the policies set up by the Board, the management will have flexibility in applying a part of the Net Proceeds for general corporate purposes.

The management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently, our funding requirement and deployment of funds may also change. This may also include rescheduling the proposed utilisation of the Net Proceeds and increasing or decreasing expenditure for a particular object. In case of any short fall in the Net Proceeds, our management may explore a range of options including utilizing our internal accruals or seeking debt from future lenders. Our management expects that such alternate arrangements will be available to fund such shortfall.

Issue Related Expenses

The Issue related expenses include, among others, underwriting and selling commissions, printing and distribution expenses, legal fees, advertisement expenses and registrar and depository fees. The estimated Issue expenses are as follows:

Activity	Expense (Rs. In)
Listing fees and expenses of SEBI registered agencies	[●] (1)
Lead management, underwriting and selling commissions	[●] (1)
Advertising and marketing expenses	[●] (1)
Printing and stationery	[●] (1)
Other (Registrar's fees and fees payable to advisors)	[●] (1)
Total estimated Issue expenses	[●]

(1) Will be completed after finalisation of the Issue Price.

Schedule of Implementation and Utilisation of Issue Proceeds

(Rs. in crore)

Sr. No.	Object	Amount invested as of November 30, 2007 (Rs. in crore)	Schedule of Deployment of funds from the Net Proceeds (Rs. in crore) as of March 31,				Utilization of the Issue Proceeds (Rs. in crore)
			2008	2009	2010	Total	
A.	**Investment in IDAA**	89.30*	60	30	-	90	90
B.	**Prepayment and repayment of existing loans of the Company and the Subsidiaries**						
	(i) the Company	-	236	-	-	236	236
	(ii) Modern Road Makers Private Limited	-	25	25	25	75	75
	(iii) Aryan Toll Road Private Limited		40	-	-	40	40
	(iv) Thane Ghodbunder Toll Road Private Limited	-	207	-	-	207	207
	(v) NKT Road & Toll Private Limited	-	25	-	-	25	25
	(vi) Ideal Road Builders	-	40	-	-	40	40

			Schedule of Deployment of funds from the Net Proceeds (Rs. in crore) as of March 31,				Utilization of the Issue Proceeds (Rs. in crore)
	Private Limited						
	(vii) Mhaiskar Infrastructure Private Limited	-	100	-	-	100	100
C.	**General corporate purposes**	-	[●]	[●]	[●]	[●]	[●]
D.	**Issue related expenses**	-	[●]	[●]	[●]	[●]	[●]
	Total	**-**	[●]	[●]	[●]	[●]	[●]

* As certified by Parikh Joshi & Kothare, Chartered Accountants, pursuant to a certificate dated December 18, 2007.

The total fund requirement for the above-stated objectives as estimated by the Company is proposed to be funded through the Net Proceeds.

In case of a shortfall in the Net Proceeds, the Company may explore a range of options including utilising its internal accruals, seeking additional debt or equity from lenders or shareholders. The Company believes that such alternate arrangements would be available to fund any such shortfall.

Appraisal Report

Except as disclosed, none of the projects for which the Net Proceeds will be utilised have been financially appraised and the estimates of the costs of projects mentioned above are based on internal estimates of the Company.

Details of the Fund Utilization

There are no funds which have been brought in as promoters' contribution and have been deployed prior to the Issue.

Interim Use of Proceeds

Pending utilization for the purposes described above, we intend to temporarily invest the funds in high quality interest/dividend bearing liquid instruments including money market mutual funds, deposits with banks for the necessary duration and other investment grade interest bearing securities as may be approved by the Board. Such transactions would be at the prevailing commercial rates at the time of investment.

We may also apply a part of the Net Proceeds, pending utilisation for the purposes described above, towards our working capital requirements. Should we utilize the funds towards our working capital requirements, we undertake that we will ensure consistent and timely availability of the Net Proceeds so temporarily used to meet the fund requirement for the objects of the Issue contained herein.

Bridge loan

We have not entered in to any bridge loan facility that will be repaid from the Net Proceeds.

Monitoring of Utilisation of Funds

The Board and the Monitoring Agency will monitor the utilisation of the Net Proceeds. The Company will disclose the utilisation of the Net Proceeds under a separate head in its balance sheet for such fiscal periods as required under the SEBI Guidelines, the listing agreements with the Stock Exchanges and any other applicable law or regulation, specifying the purposes for which the Net Proceeds have been utilised. The Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilised, thereby also indicating investments, if any, of such currently unutilised Net Proceeds.

No part of the Net Proceeds will be paid by the Company as consideration to the Promoters, members of the Promoter Group, Directors or key management personnel of the Company.

BASIS FOR THE ISSUE PRICE

The Issue Price will be determined by the Company in consultation with the BRLM and the *CBRLM on the basis of assessment of market demand for the Equity Shares by way of the Book Building Process. The face value of the Equity Shares is Rs. 10 per Equity Share and the Issue Price is 18.5 times the face value at the lower end of the Price Band and 22 times the face value at the higher end of the Price Band. The information presented below relating to the Company is based on the restated audited consolidated financial statements of the Company for fiscal 2005, 2006 and 2007 and the restated audited consolidated financial statements of the Company for fiscal 2007. Investors should also refer to the sections "Risk Factors", "Industry Overview", "Business" and "Financial Information" beginning on pages xi, 56, 67 and 171 respectively, of this Red Herring Prospectus to get a more informed view before making the investment decision.*

Qualitative factors

The information presented in this section for the years ended March 31, 2005, 2006 and 2007 and for five months ended August 31, 2007 is derived from our unconsolidated audited restated financial statements and consolidated audited restated financial statements for March 31, 2007 and for the five months ended August 31, 2007. Investors should evaluate the Company taking into consideration its earnings and based on its consolidated growth strategy. Some of the qualitative factors which may form the basis for computing the Issue Price are as follows:

- Diversified portfolio across the road infrastructure sector at various geographic locations.
- Ability to meet pre-qualification credentials.
- Extensive experience and strong track record.
- Professionally managed company.
- Integrated execution capabilities with in-house construction and management capabilities.

For a detailed discussion on the above mentioned factors, see the section "Business" beginning on page 67 of this Red Herring Prospectus.

Quantitative Factors

1. Weighted Average Earnings Per Share ("**EPS**")

Year	Basic EPS (Rs. Per share)	Weight
Fiscal 2005 (unconsolidated)*	0.01	1
Fiscal 2006 (unconsolidated)*	0.73	2
Fiscal 2007(unconsolidated)*	0.34	3
Five months period ended August 31, 2007 (unconsolidated)*	(0.09)	4
Weighted Average	**0.21**	

Basic EPS as per the restated consolidated financial statements for the year ended March 31, 2007 is on the face value of Rs. 100 per share is Rs. 11.30 and for five months upto August 31, 2007 on the face value of Rs. 10 per share is Rs. 0.97.

Notes:

i. The earning per share has been computed by dividing net profit as restated, attributable to equity shareholders by weighted average number of equity shares outstanding during the year.

ii. Earnings/(loss) per share for the five months period ended August 31, 2007 is not annualised.

iii. * The Weighted average number of shares are considering face value of Rs. 10 per share.

EPS = Net profit after tax and minority interest, as restated, attributable to equity shareholders divided by weighted average number of Equity Shares outstanding as on the date.

2. Price/Earnings Ratio ("**P/E**") in relation to the issue price of Rs. [●].

a) Basic EPS as per the restated unconsolidated financial statements for year ended March 31, 2007 is Rs. 3.35 and for five months ended August 31, 2007 is Rs (0.09) and the basic EPS as per the restated consolidated financial statements for year ended March 31, 2007 on the face value of Rs. 100 per share is Rs. 11.30 and for five months ended August 31, 2007 on the face value of Rs. 10 per share is Rs. 0.97.

Particulars	P/E at the lower end of Price Band (no. of times)	P/E at the higher end of Price Band (no. of times)
Based on fiscal 2007 restated EPS of Rs. 0.34 (unconsolidated)	544	647
Based on fiscal 2007 restated EPS of Rs. 1.13 (consolidated)	164	195
Based on weighted average EPS of Rs. 0.21 (unconsolidated)	881	1048

b) Peer Group P/E

Industry P/E		
a)	Highest	180.8 times
b)	Lowest	5.3 times
c)	Industry Average	48.0 times

Source: Capital Market, Volume XXII/22 December 31, 2007 – January 13, 2008

3. Return on Net Worth ("RoNW") as per restated unconsolidated financial statements:

Year	RoNW (%)	Weight
Fiscal 2005	0.04	1
Fiscal 2006	5.83	2
Fiscal 2007	2.76	3
Five months period ended August 31, 2007	(0.96)	4
Weighted Average	1.61	

RoNW on a restated consolidated basis as of March 31, 2007 was 6.34% and as of August 31, 2007 was 6.28%.

RoNW = Net profit after tax and minority interest, as restated, divided by net worth as restated at the end of year/ period.

4. Minimum Return on Increased Net Worth Required to Maintain Pre-Issue EPS

The minimum return on increased net worth required to maintain pre-Issue EPS is [●]%.

5. Net Asset Value ("**NAV**")

	NAV (Rs. per share)
As at March 31, 2007 (Restated Standalone)	9.90
As at August 31, 2007 (Restated Standalone)	9.80
As at March 31, 2007 (Restated Consolidated)	14.50
As at August 31, 2007 (Restated Consolidated)	15.44
After the Issue	[●]

NAV = Net worth as restated divided by equity shares at the end of a financial year including share application money pending, if any.

6. Peer Group Comparisons (Industry Peers)

Fiscal 2007	EPS (Rs. per share)	BV (Rs. per share)	P/E as on December 20, 2007	RoNW (%)
IRB Infrastructure Developers Limited	3.35	9.90*	[●]	2.76

Peer Group				
Gammon India Limited	4.7	102.60	96.2	5.1
GMR Infrastructure	-	30.8	-	0.3
Hindustan Construction Company	1.3	35.3	76.5	4.1
IVRCL Infrastructures & Projects Limited	10.6	104.5	34.9	15.8
Madhucon Project	11.2	121.4	36.6	9.7
Jaiprakash Associates	3.6	117.6	94.2	17.6

** Face value of Rs.10 per share*
Source: Capital Market, Volume XXII/22 December 31, 2007 – January 13, 2008

All data for peer group companies are for full fiscal 2007; the P/E is based on trailing 12 month earnings; EPS is based on net profit reduced by preference dividend and dividend tax, divided by number of equity shares. All figures for the Company are based on consolidated financials for the year ended March 31, 2007.

The Companies specified in the peer group operate in the same industry and carry out similar lines of business.

Since the Issue is being made through the 100% Book Building Process, the Issue Price will be determined on the basis of the demand from the investors.

STATEMENT OF GENERAL TAX BENEFITS

There are no special tax benefits available to the Company. Further, there are certain general tax benefits, which are available to usually all the companies and to the shareholders of any company, after fulfilling certain conditions as required in the respective acts. The statement of general tax benefits, as are given by S. R. Batliboi & Co., Chartered Accountants, which are available to us and our shareholders are mentioned hereunder.

To,
Board of Directors,
IRB Infrastructure Developers Limited
IRB Complex, Chandivli Farm
Chandivli Village, Andheri (E)
Mumbai - 400 072

Dear Sirs,

Statement of Possible Tax Benefits available to the Company and its shareholders

We hereby report that the enclosed statement states the possible tax benefits available to the Company under the Income-tax Act, 1961 presently in force in India and to the shareholders of the Company under the Income tax Act, 1961 and Wealth Tax Act, 1957 presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

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

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

i. the Company or its shareholders will continue to obtain these benefits in future; or

ii. the conditions prescribed for availing the benefits have been / would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

For S. R. BATLIBOI & Co.
Chartered Accountants

per Vijay Bhatt
Partner
Membership No.: 36647

Place: Mumbai
Date: December 27, 2007

ANNEXURE TO STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO IRB INFRASTRUCTURE DEVELOPERS LIMITED AND ITS SHAREHOLDERS

Benefits to IRB Infrastructure Developers Limited ('the Company') under the Income-tax Act, 1961 ('the IT Act')

1. **Dividends**

Income earned by way of dividend income (interim or final) from a domestic company referred to, in section 115O of the IT Act and dividend income earned on units of a mutual fund specified under section 10(23D) of the IT Act, are exempt from tax under section 10(34) and section 10(35) of the IT Act respectively, in the hands of the Company on its investments.

2. **Capital Gains**

Capital assets are to be categorized into short-term capital assets and long-term capital assets based on the period of holding. All capital assets except shares held in a company or any other security listed in a recognised stock exchange in India or units of Unit Trust of India ('UTI') or Mutual Fund units specified under section 10(23D) of the IT Act and zero coupon bonds] are considered to be long-term capital assets, if they are held for a period exceeding thirty-six months. Shares held in a company or any other security listed in a recognised stock exchange in India or UTI or Mutual Fund units specified under section 10(23D) of the IT Act and zero coupon bonds are considered as long-term capital assets, if these are held for a period exceeding twelve months.

As per the provisions of section 48 of the IT Act, the amount of capital gain shall be computed by deducting from the sale consideration, the cost of acquisition and expenses incurred in connection with the transfer of a capital asset. However, in respect of long-term capital gains arising to the company, a benefit is permitted to substitute the cost of acquisition / improvement with the indexed cost of acquisition / improvement. The indexed cost of acquisition / improvement, adjusts the cost of acquisition / improvement by a cost inflation index, as prescribed from time to time.

As per the provisions of section 10(38) of the IT Act, long term capital gain arising to the Company from transfer of a long term capital asset being an equity share in a company listed on a recognized stock exchange in India, shall be exempt from tax, if such sale is entered into on or after October 1, 2004 through recognized stock exchange and the transaction is chargeable to Securities Transaction Tax ('STT'). However, in case of shareholder being a company, such exempted long term capital gain shall not be allowed to be reduced for determining the book profit for the purpose of calculating Minimum Alternative Tax (MAT) liability.

As per the provisions of section 112 of the IT Act, long-term capital gains [other than those covered under section 10(38) of the IT Act] are subject to tax at a rate of 20% (plus applicable surcharge and cess). However, proviso to section 112(1) specifies that if the long-term capital gains [other than those covered under section 10(38) of the IT Act] arising on transfer of listed securities or units or zero coupon bond, calculated at the rate of 20% with indexation benefit exceeds the capital gains computed at the rate of 10% without indexation benefit, then such capital gains are chargeable to tax at the rate of 10% without indexation benefit (plus applicable surcharge and education cess).

As per the provisions of section 111A of the IT Act, short term capital gains arising from transfer of short term capital asset, being an equity share in a company or a unit of an equity oriented mutual fund shall be taxable at the rate of 10% (plus applicable surcharge and education cess), if such sale is entered into on or after October 1, 2004 through recognized stock exchange and the transaction is chargeable to STT. However, section 94(7) of the Act provides that loses arising from the sale/ transfer of shares or units purchased within a period of three months prior to the record date and sold/ transferred within three months or nine months respectively after such date, will be disallowed to the extent dividend income on such shares or units are claimed as tax exempt.

However, where the income includes any such capital gain chargeable to tax, deduction under chapter VIA shall be allowed from the Gross total income as reduced by such capital gains.

3. **Exemption of Capital Gains from income-tax**

As per the provisions of section 54EC of the IT Act and subject to the conditions specified therein, capital gains arising to the company on transfer of a long-term capital asset [other than those covered under section 10(38) of the IT Act] shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds (not exceeding Rs. 50 lacs) within six months from the date of transfer. In such a case, the cost of such bonds will not qualify for Deduction under section 80C of the IT Act.

The bonds specified for this section are bonds issued by:

(a) National Highways Authority of India ('NHAI') constituted under section 3 of The National Highways Authority of India Act, 1988.

(b) Rural Electrification Corporation Ltd. ('REC'), the company formed and registered under the Companies Act, 1956.

However, if the company transfers or converts the notified bonds into money (as stipulated therein) within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable in such year

Benefits to the Resident Shareholders

1. **Clubbing of income**

Under section 10(32) of the Act, any income of minor children clubbed in the total income of the parent under section 64(1A) of the Act, will be exempt from tax to the extent of Rs 1,500 per minor child, whose income is so clubbed.

2. **Dividends**

By virtue of section 10(34) of the IT Act, income earned by way of dividend income (interim or final) from a domestic company referred to, in section 115O of the IT Act (i.e. dividends declared, distributed and paid on or after 1st April, 2003), are exempt from tax in the hands of the shareholders. However, the Company has to pay Dividend Distribution Tax on the amount of dividend declared, distributed or paid.

3. **Characterization of income**

The characterization of gains/ losses, arising from sale of shares, as capital gains or business income would depend on the nature of holding in the hands of the member and various other factors.

4. **Capital Gains**

Capital assets are to be categorized into short-term capital assets and long-term capital assets based on the period of holding. All capital assets [except shares held in a company or any other security listed in a recognised stock exchange in India or units of UTI or Mutual Fund units specified under section 10(23D) of the IT Act and zero coupon bonds] are considered to be long-term capital assets, if they are held for a period exceeding thirty-six months. Shares held in a company or any other security listed in a recognised stock exchange in India or units of UTI or Mutual Fund units specified under section 10(23D) of the IT Act and zero coupon bonds are considered as long-term capital assets, if these are held for a period exceeding twelve months.

As per the provisions of section 48 of the IT Act, the amount of capital gain shall be computed by deducting from the sale consideration, the cost of acquisition and expenses incurred in connection with the transfer of a capital asset. However, in respect of long-term capital gains arising to a resident shareholder, a benefit is permitted to substitute the cost of acquisition / improvement with the indexed cost of acquisition / improvement. The indexed cost of acquisition / improvement, adjusts the cost of acquisition / improvement by a cost inflation index, as prescribed from time to time.

As per the provisions of section 10(38) of the IT Act, long term capital gain arising to a resident shareholder from transfer of a long term capital asset being an equity share in a company listed on a recognized stock exchange in India, shall be exempt from tax, if such sale is entered into on or after October 1, 2004 through recognized stock exchange and the transaction is chargeable to STT.

As per the provisions of section 112 of the IT Act, long-term capital gains [other than those covered under section 10(38) of the IT Act] are subject to tax at a rate of 20% (plus applicable surcharge and cess). However, proviso to section 112(1) specifies that if the long-term capital gains [other than those covered under section 10(38) of the IT Act] arising on transfer of listed securities or units or zero coupon bond, calculated at the rate of 20% with indexation benefit exceeds the capital gains computed at the rate of 10% without indexation benefit, then such capital gains are chargeable to tax at the rate of 10% without indexation benefit (plus applicable surcharge and education cess).

As per provisions of section 111A of the IT Act, short term capital gains arising from transfer of short term capital asset, being an equity share in a company or a unit of an equity oriented mutual fund shall be taxable @10% (plus applicable surcharge and education cess), if such sale is entered into on or after October 1, 2004 through recognized stock exchange and the transaction is chargeable to STT. However, section 94(7) of the Act provides that loses arising from the sale/ transfer of shares or units purchased within a period of three months prior to the record date and sold/ transferred within three months or nine months respectively after such date, will be disallowed to the extent dividend income on such shares or units are claimed as tax exempt.

However, where the income includes any such capital gain chargeable to tax, the deduction under chapter VIA shall be allowed from the Gross total income as reduced by such capital gains.

5. **Exemption of Capital Gains arising from income tax**

As per the provisions of section 54EC of the IT Act and subject to the conditions specified therein, capital gains arising to a resident shareholder on transfer of a long-term capital asset [other than those covered under section 10(38) of the IT Act] shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds (not exceeding Rs. 50 lacs) within six months from the date of transfer. In such a case, the cost of such bonds will not qualify for Deduction under section 80C of the IT Act.

The bonds specified for this section are bonds issued by:

(a) National Highways Authority of India ('NHAI') constituted under section 3 of The National Highways Authority of India Act, 1988.

(b) Rural Electrification Corporation Ltd. ('REC'), the company formed and registered under the Companies Act, 1956.

However, if the company transfers or converts the notified bonds into money (as stipulated therein) within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable in such year.

Further, as per the provisions of section 54F of the IT Act and subject to conditions specified therein, long-term capital gains [other than covered under section 10(38) of the IT Act] arising to an individual or Hindu Undivided Family ('HUF') on transfer of shares of the company will be exempted from capital gains tax, if the net consideration from such shares are used for either purchase of residential house property within a period of one year before or two years after the date on which the transfer took place, or for construction of residential house property within a period of three years after the date of transfer. If only part of such net consideration is invested within the prescribed period in a residential hose property, the exemption shall be allowed proportionately.

6. **Rebate under section 88E**

As per the provisions of section 88E, where the business income of a resident shareholder includes profits and gains from sale of taxable securities, a rebate shall be allowed from the amount of income tax, equal to the STT 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.

Benefits to the Non-resident Shareholders

Dividends

By virtue of section 10(34) of the IT Act, income earned by way of dividend income (interim or final) from a domestic company referred to, in section 115O of the IT Act (i.e. dividends declared, distributed and paid on or after 1st April, 2003), are exempt from tax in the hands of the shareholders. However, the Company has to pay

Dividend Distribution Tax on the amount of dividend declared, distributed or paid.

Characterization of income

The characterization of gains/ losses, arising from sale of shares, as capital gains or business income would depend on the nature of holding in the hands of the member and various other factors.

Capital Gains

Capital assets are to be categorized into short-term capital assets and long-term capital assets based on the period of holding. All capital assets [except shares held in a company or any other security listed in a recognised stock exchange in India or units of UTI or Mutual Fund units specified under section 10(23D) of the IT Act and zero coupon bonds] are considered to be long-term capital assets, if they are held for a period exceeding thirty-six months. Shares held in a company or any other security listed in a recognised stock exchange in India or units of UTI or Mutual Fund units specified under section 10(23D) of the IT Act and zero coupon bonds are considered as long-term capital assets, if these are held for a period exceeding twelve months.

As per the provisions of section 48 of the IT Act, the amount of capital gain shall be computed by deducting from the sale the consideration, the cost of acquisition and expenses incurred in connection with the transfer of a capital asset. However in respect of long-term capital gains (other than those covered under second proviso to 48) arising to the non-resident shareholder, a benefit is permitted to substitute the cost of acquisition / improvement with the indexed cost of acquisition / improvement. The indexed cost of acquisition / improvement, adjusts the cost of acquisition / improvement by a cost inflation index, as prescribed from time to time.

As per the second proviso of section 48 of the IT Act, the capital gains arising on transfer of capital asset being shares or debentures of an Indian company, (purchased in foreign currency) needs to be computed by converting the cost of acquisition, expenditure in connection with such transfer and full value of consideration received or accruing as a result of the transfer into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be done at the prescribed rates prevailing on dates stipulated. In computing such gains, the benefit of indexation is not available to non-resident shareholders.

As per the provisions of section 10(38) of the IT Act, long term capital gain arising to a non-resident shareholder from transfer of a long term capital asset being an equity share in a company listed on a recognized stock exchange in India, shall be exempt from tax, if such sale is entered into on or after October 1, 2004 through recognized stock exchange and the transaction is chargeable to STT.

As per the provisions of section 112 of the IT Act, long-term capital gains (other than those covered under section 10(38) of the IT Act) are subject to tax at a rate of 20% (plus applicable surcharge and cess). However, proviso to section 112(1) specifies that if the long-term capital gains other than those covered second proviso to section 48 and under section 10(38) of the IT Act arising on transfer of listed securities or units or zero coupon bond, calculated at the rate of 20% with indexation benefit exceeds the capital gains computed at the rate of 10% without indexation benefit, then such capital gains are chargeable to tax at the rate of 10% without indexation benefit (plus applicable surcharge and education cess).

As per provisions of section 111A of the IT Act, short term capital gains arising from transfer of short term capital asset, being an equity share in a company or a unit of an equity oriented mutual fund shall be taxable @10% (plus applicable surcharge and education cess), if such sale is entered into on or after October 1, 2004 through recognized stock exchange and the transaction is chargeable to STT. However, section 94(7) of the Act provides that loses arising from the sale/ transfer of shares or units purchased within a period of three months prior to the record date and sold/ transferred within three months or nine months respectively after such date, will be disallowed to the extent dividend income on such shares or units are claimed as tax exempt.

Exemption of Capital Gain from income-tax

As per the provisions of section 54EC of the IT Act and subject to the conditions specified therein, capital gains arising to a non-resident shareholder on transfer of a long-term capital asset other than those covered under section 10(38) of the IT Act shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds (not exceeding Rs. 50 lacs) within six months from the date of transfer. In such a case, the cost of such bonds will not qualify for Deduction under section 80C of the IT Act.

The bonds specified for this section are bonds issued by:

(a) National Highways Authority of India ('NHAI') constituted under section 3 of The National Highways Authority of India Act, 1988.

(b) Rural Electrification Corporation Ltd. ('REC'), the company formed and registered under the Companies Act, 1956.

However, if the company transfers or converts the notified bonds into money (as stipulated therein) within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable in such year.

Further, as per the provisions of section 54F of the IT Act and subject to conditions specified therein, long-term capital gains other than covered under section 10(38) of the IT Act arising to an individual or HUF on transfer of shares of the company will be exempted from capital gains tax, if the net consideration from such shares are used for either purchase of residential house property (subject to prior approval from Reserve Bank of India) within a period of one year before or two years after the date on which the transfer took place, or for construction of residential house property within a period of three years after the date of transfer. If only part of such net consideration is invested within the prescribed period in a residential hose property, the exemption shall be allowed proportionately.

Rebate under section 88E

As per the provisions of section 88E, where the business income of a non-resident shareholder includes profits and gains from sale of taxable securities, a rebate shall be allowed from the amount of income tax, equal to the STT 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.

Tax Treaty Benefits

As per 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 shareholder. Thus, a non-resident shareholder can opt to be governed by the beneficial provisions of an applicable tax treaty.

Benefits to the Non-resident Indian shareholders

Dividends

By virtue of section 10(34) of the IT Act, income earned by way of dividend income (interim or final) from a domestic company referred to, in section 115O of the IT Act (i.e. dividends declared, distributed and paid on or after 1st April, 2003), are exempt from tax in the hands of the shareholders. However, the Company has to pay Dividend Distribution Tax on the amount of dividend declared, distributed or paid.

Characterization of income

The characterization of gains/ losses, arising from sale of shares, as capital gains or business income would depend on the nature of holding in the hands of the member and various other factors.

Capital Gains

Capital assets are to be categorized into short-term capital assets and long-term capital assets based on the period of holding. All capital assets except shares held in a company or any other security listed in a recognised stock exchange in India or units of UTI or Mutual Fund units specified under section 10(23D) of the IT Act and zero coupon bonds are considered to be long-term capital assets, if they are held for a period exceeding thirty-six months. Shares held in a company or any other security listed in a recognised stock exchange in India or units of UTI or Mutual Fund units specified under section 10(23D) of the IT Act and zero coupon bonds are considered as long-term capital assets, if these are held for a period exceeding twelve months.

As per the provisions of section 48 of the IT Act, the amount of capital gain shall be computed by deducting from the sale the consideration, the cost of acquisition and expenses incurred in connection with the transfer of a capital asset. However, in respect of long-term capital gains other than those covered under section 10(38) of the IT Act and capital gains covered by the provisions of Chapter XII-A arising to the NRI, a benefit is permitted to substitute the cost of acquisition / improvement with the indexed cost of acquisition / improvement. The indexed cost of acquisition / improvement, adjusts the cost of acquisition / improvement by a cost inflation index, as prescribed from time to time.

As per the second proviso of section 48 of the IT Act, the capital gains arising on transfer of capital asset being shares or debentures of an Indian company, (purchased in foreign currency) needs to be computed by converting the cost of acquisition, expenditure in connection with such transfer and full value of consideration received or accruing as a result of the transfer into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be done at the prescribed rates prevailing on dates stipulated. In computing such gains, the benefit of indexation is not available to non-resident Indian shareholders.

As per the provisions of section 10(38) of the IT Act, long term capital gain arising to a NRI from transfer of a long term capital asset being an equity share in a company listed on a recognized stock exchange in India, shall be exempt from tax, if such sale is entered into on or after October 1, 2004 through recognized stock exchange and the transaction is chargeable to STT.

As per the provisions of section 112 of the IT Act, long-term capital gains other than those covered under section 10(38) of the IT Act and capital gains covered by the provisions of Chapter XII-A] are subject to tax at a rate of 20% (plus applicable surcharge and cess). However, proviso to section 112(1) specifies that if the long-term capital gains other than those covered under section 10(38) of the IT Act and capital gains covered by the provisions of Chapter XII-A arising on transfer of listed securities or units or zero coupon bond, calculated at the rate of 20% with indexation benefit exceeds the capital gains computed at the rate of 10% without indexation benefit, then such capital gains are chargeable to tax at the rate of 10% without indexation benefit (plus applicable surcharge and education cess).

As per provisions of section 111A of the IT Act, short term capital gains arising from transfer of short term capital asset, being an equity share in a company or a unit of an equity oriented mutual fund shall be taxable at the rate of 10% (plus applicable surcharge and education cess), if such sale is entered into on or after October 1, 2004 through recognized stock exchange and the transaction is chargeable to STT. However, section 94(7) of the Act provides that loses arising from the sale/ transfer of shares or units purchased within a period of three months prior to the record date and sold/ transferred within three months or nine months respectively after such date, will be disallowed to the extent dividend income on such shares or units are claimed as tax exempt.

However, where the income includes any such capital gain chargeable to tax, deduction under chapter VIA shall be allowed from the Gross total income as reduced by such capital gains.

Under Section 115I of the IT Act, Non-Resident Indian (i.e. an individual being a citizen of India or person of Indian origin) has an option to be governed by the provisions of Chapter XII-A of the IT Act viz. “Special Provisions relating to certain incomes of Non-Residents” which are as follows:

- Under Section 115E of the IT Act, where shares in the Company are subscribed for in convertible Foreign Exchange by a Non-Resident Indian, gross long term capital gains arising to the non-resident on transfer of shares shall (in case not covered under Section 10 (38) of the IT Act) be concessionally taxed at the flat rate of 10% (plus applicable surcharge and education cess) without indexation benefit but with protection against Foreign Exchange Fluctuation.

- Under the provisions of section 115F of the IT Act, long term capital gains (not covered under section 10 (38) of the IT Act) arising to a non resident Indian from the transfer of shares of the Company subscribed to in convertible Foreign Exchange shall be exempt from Income Tax if the net consideration is reinvested in specified assets within six months of the date of transfer. If only a part of the net consideration is so reinvested the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted within three years from the date of their acquisition.

- Under the provisions of section 115G of the IT Act, it shall not be necessary for a Non Resident Indian to furnish his return of income if his only source of income is investment income or long term capital gains or both arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted there from.

- As per the provision of section 115H of the IT Act, when a NRI becomes assessable as a resident in India, the provisions of the Chapter XII-A can continue to apply in relation to investment made when he was a NRI. Towards this, the NRI needs to furnish a declaration in writing to the Assessing Officer along with his return of income

Exemption of Capital Gain from income-tax

As per the provisions of section 54EC of the IT Act and subject to the conditions specified therein capital gains arising to a NRI shareholder on transfer of a long-term capital asset other than those covered under section 10(38) of the IT Act and capital gains covered by the provisions of Chapter XII-A] shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds (not exceeding Rs. 50 Lacs) within six months from the date of transfer. In such a case, the cost of such bonds will not qualify for Deduction under section 80C of the IT Act.

The bonds specified for this section are bonds issued by:

(a) National Highways Authority of India ('NHAI') constituted under section 3 of The National Highways Authority of India Act, 1988.

(b) Rural Electrification Corporation Ltd. ('REC'), the company formed and registered under the Companies Act, 1956.

However, if the company transfers or converts the notified bonds into money (as stipulated therein) within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable in such year.

Further, as per the provisions of section 54F of the IT Act and subject to conditions specified therein, long-term capital gains other than covered under section 10(38) of the IT Act arising to an individual or HUF on transfer of shares of the company will be exempted from capital gains tax, if the net consideration from such shares are used for either purchase of residential house property within a period of one year before and two years after the date on which the transfer took place, or for construction of residential house property within a period of three years after the date of transfer. If only part of such net consideration is invested within the prescribed period in a residential hose property, the exemption shall be allowed proportionately

Rebate under section 88E

As per the provisions of section 88E, where the business income of a NRI shareholder includes profits and gains from sale of taxable securities, a rebate shall be allowed from the amount of income tax, equal to the STT 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.

Tax Treaty Benefits

As per 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 NRI shareholder. Thus, a NRI shareholder can opt to be governed by provisions of the IT Act or the applicable tax treaty whichever is more beneficial.

Benefits to the Foreign Institutional Investor ('FII')

Dividends

By virtue of section 10(34) of the IT Act, income earned by way of dividend income (interim or final) from a domestic company referred to, in section 115O of the IT Act (i.e. dividends declared, distributed and paid on or after 1st April, 2003), are exempt from tax in the hands of the shareholders. However, the Company has to pay Dividend Distribution Tax on the amount of dividend declared, distributed or paid.

Characterization of income

The characterization of gains/ losses, arising from sale of shares, as capital gains or business income would depend on the nature of holding in the hands of the member and various other factors.

Long term capital gains exempt under section 10(38) of the IT Act.

As per the provisions of section 10(38) of the IT Act, long term capital gain arising to the FII from transfer of a long term capital asset being an equity share in a company listed on a recognized stock exchange in India, shall be exempt from tax, if such sale is entered into on or after October 1, 2004, on a recognised Stock Exchange and the transaction is chargeable to STT.

Capital gains

As per the provisions of section 115AD of the IT Act, FII's are taxed on the capital gains income at the following rates:

Nature of Income	Rate of tax (%) *
Long-term capital gains (not covered under section 10(38))	10
Short-term capital gains (As per section 111A of the IT Act)	10
Short-term capital gains	30

* Plus applicable surcharge and cess

The benefits of foreign currency fluctuation protection and indexation as provided by section 48 of the IT Act are not available to a FII.

As per provisions of section 111A of the IT Act, short term capital gains arising from transfer of short term capital asset, being an equity share in a company or a unit of an equity oriented mutual fund shall be taxable at the rate of 10% (plus applicable surcharge and education cess), if such sale is entered into on or after October 1, 2004 through recognized stock exchange and is chargeable to STT. However, section 94(7) of the Act provides that loses arising from the sale/ transfer of shares or units purchased within a period of three months prior to the record date and sold/ transferred within three months or nine months respectively after such date, will be disallowed to the extent dividend income on such shares or units are claimed as tax exempt.

If the income realized from the disposition of equity shares is chargeable to tax in India as 'business income', FII could claim rebate from tax payable on such income with respect to STT paid on purchase or sale of such equity shares of the Company under section 88E of the IT Act. Business profits n the hands of FII may be subject to tax @ 30% (other than foreign company)/ 40% (in case of foreign company) plus surcharge and education cess. However, the benefit of DTAA can be examined in such case.

Rebate under section 88E

If the income derived from the transfer of equity shares is chargeable to tax in India as 'business income', FII could claim rebate from tax payable on such income with respect to STT paid on purchase or sale of such equity shares of the Company under section 88E of the IT Act. 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.

Tax Treaty Benefits

As per 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 FII. Thus, an FII can opt to be governed by provisions of the IT Act or the applicable tax treaty whichever is more beneficial.

Benefits to the Mutual Funds

Dividends

By virtue of section 10(34) of the IT Act, income earned by way of dividend income (interim or final) from a domestic company referred to, in section 115O of the IT Act (i.e. dividends declared, distributed and paid on or after 1st April, 2003), are exempt from tax in the hands of the shareholders. However, the Company has to pay Dividend Distribution Tax on the amount of dividend declared, distributed or paid.

Income exempt under section 10(23D) of the IT Act

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 ('SEBI') or regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions or Mutual Funds authorised by the Reserve Bank of India, would be exempt from income tax, subject to the prescribed conditions. However, the Mutual Fund shall be liable to pay tax while distributing income to unit holders under section 115R of the IT Act.

Benefits to the Venture Capital Companies / Funds

Dividends

Dividend (whether interim or final) received by a non-resident shareholder from its investment in shares of a domestic company would be exempt in the hands of the Mutual Funds as per the provisions of section 10(34) read with section 115-O of the IT Act. However, the Company has to pay Dividend Distribution Tax on the amount of dividend declared, distributed or paid

Income exempt under section 10(23FB) of the IT Act

As per the provisions of section 10(23FB) of the IT Act, any income of VCC/VCF registered with the SEBI, set up to raise funds for investment in a venture capital undertaking ('VCU'), which is engaged in certain specified business, would be exempt from income tax.

Benefits to the Shareholders of the Company under the Provisions of the Wealth Tax Act, 1957

Shares of the company held by a shareholder are not treated as assets within the meaning of section 2 (ea) of Wealth Tax Act, 1957; hence the value thereof is not includible in the net wealth chargeable to Wealth Tax.

SECTION IV: ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information presented in this section has been obtained from publicly available documents from various sources including industry websites and publications and from government estimates. Industry websites and publications generally state that the information contained therein has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe industry, market and government data used in this Draft Red Herring Prospectus is reliable and that website data is as current as practicable, these have not been independently verified.

With respect to certain portions of this section that have been referenced from reports prepared by CRISIL, please note that: CRISIL Limited has used due care and caution in preparing these reports. Information has been obtained by CRISIL from sources which it considers reliable. However, CRISIL does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. No part of these reports may be published or reproduced in any form without CRISIL's prior written approval. CRISIL is not liable for investment decisions which may be based on the views expressed in this report. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Rating Division, which may, in its regular operations, obtain information of a confidential nature that is not available to CRISIL Research.

OVERVIEW OF THE INDIAN INFRASTRUCTURE AND CONSTRUCTION INDUSTRY

The development of the infrastructure and construction industries is vital towards a nation's economic growth, as these industries provide for substantial employment opportunities and also for broader socio-economic development.

Construction

According to the Pre-Budget Memo 2006-07 (the "Memo") prepared by the Construction Federation of India ("CFI"), the construction sector is the second largest employer in India. Currently, the construction industry in India, directly or indirectly, employs approximately 32.0 million workers and also accounts for 40.0% of gross investment and 60.0% of infrastructure costs. The construction sector accounts for a gross annual business volume of Rs. 2,300 billion. According to the Memo, the construction industry in India currently accounts for 5.0% of India's GDP.

CRIS INFAC, a brand of Credit Rating Information Services of India Limited ("CRISIL"), which itself is a ratings, research, risk and policy advisory company, predicts that investments in construction over the next five years (fiscal years 2007-2011) are expected to be nearly double those that were made in the preceding five years (fiscal years 2002-2006).

Investment in the construction sector may be broadly classified into the following categories:

- Real estate construction investments (i.e. residential and commercial construction)
- Infrastructure construction investments (i.e. roads, urban infrastructure, power, irrigation and railways)
- Industrial construction investments (i.e. steel plants, textiles plants, oil pipelines and refineries)

Growth in the construction industry is expected to be led by growth in infrastructure and industrial construction investments, which are expected to grow at a faster rate than real estate construction investments. Consequently, the share of real estate construction investments in the total construction investments is expected to fall over the next five years (fiscal years 2007-2011) in comparison with the preceding five years (fiscal years 2002-2006). Nevertheless, real estate construction investments will continue to be the biggest component of the total construction investments.

Total construction investments	*(Rs. billion)*		%
	Fiscal years 2002-2006	**Fiscal years 2007-2011**	**TAGR***
Real estate	10,218	18,517	12.63
- Residential	9,810	17,338	12.06
- Commercial	408	1,179	23.64
Infrastructure	3,213	6,129	13.79
Industrial	612	1,826	24.44
Total	**14,043**	**26,472**	**13.52**

***TAGR:** Trend Annual Growth Rate

Source: *CRISIL Research Construction Annual Review (May 2007)*

The table below provides a brief overview of the construction industry in India:

	Roads	**Railways**	**Airports**	**Power**
Basic Facts	Road and highway network covers 3.3 million km and 0.2 million km, respectively.	Rail network spans 63,000 km. Carries 14 million passengers and 1.5 million tones of freight daily.	126 major airports, including 11 international airports.	131,400 MW of electricity generation with 76.0% (100,000 MW) controlled by the public sector.
Efficiency Metric	Only 9.0% of India's national highways are four-laned. Average speed is less than 50 km/h.	The Chinese railways output in traffic units is 2.5 times that of the Indian railways.	India's top 6 airports which account for 65.0-75.0% of passenger traffic are over-stretched and need expansion.	Industrial users pay 2.5 times that of China for electricity. Cross subsidisation for electricity supplied to farmers/residential users is very high.
Current Spending	Rs. 135 billion	Rs. 139.5 billion	Rs. 9 billion	Rs. 292.5 billion
Major Policy Indicative	Seven Phase National Highway Development Program ("NHDP").	Greenfield railway network dedicated for freight traffic (Freight Corridor). Metro projects at Hyderabad, Bangalore, Mumbai and expansion at Kolkata.	Restructuring and privatisation of Delhi and Mumbai airports. Greenfield airports at Bangalore/ Hyderabad and three other cities.	Accelerated Power Development Program. Enactment and implementation of Electricity Act.
Estimated Spending by Fiscal Year 2009	Rs. 873 billion	Rs. 1,017 billion	Rs. 180 billion	Rs. 1,485 billion

Source: *CRISIL Research Construction Annual Review (May 2007)*

Infrastructure

The Indian infrastructure industry is experiencing phenomenal growth which is visible throughout the country in the form of new highways, roads, ports, railways, airports, power systems, townships, offices, houses and urban/rural infrastructure, including water supply, sewerage, drainage, irrigation and agriculture systems.

In order for the Indian economy to preserve its growth momentum, the provision of adequate infrastructure facilities is critical. Unreliable services or a disruption in infrastructure facilities may restrict output or hinder investments in productive capital. The revised draft of the Eleventh Plan Approach Paper states that investment in infrastructure (defined as road, rail, air and water transport; power generation, transmission and distribution; telecommunications; and water supply, irrigation and storage), would have to rise from the current 4.6% of India's GDP to an estimated 8.0% during the Eleventh Plan period to meet India's target GDP growth rate of 9.0%.

According to the *CRISIL Research Construction Annual Review (May 2007)*, an assessment of current infrastructure projects (underway and proposed) indicates that there are prospective investments of Rs. 11,886 billion being made into the sector and this figure is expected to grow at a trend annual growth rate ("TAGR") of 14.0% over the next five years (fiscal years 2007-2011).

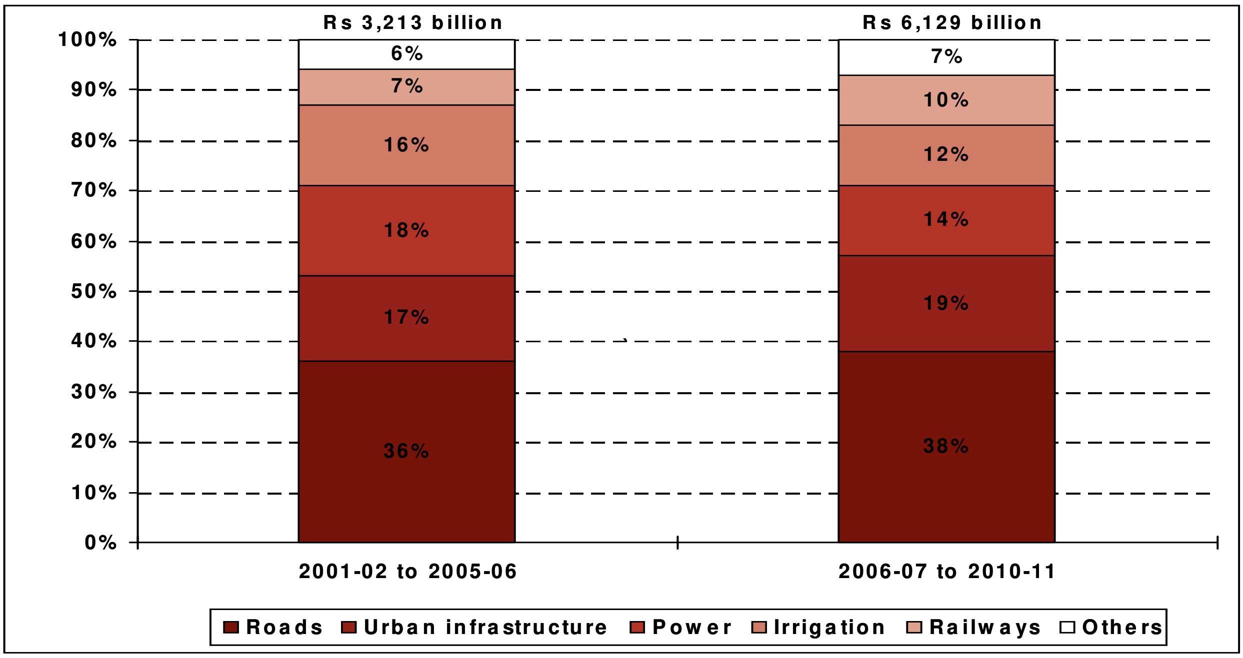
The growth in the infrastructure sector is also being driven by factors such as:

- Political will: The Government of India ("GoI") has initiated an ambitious reform programme, involving a shift from a controlled economy to an open market economy. Building further on the initiatives taken by previous governments, the current GoI is undertaking several measures to enhance the quantum of investments in the infrastructure segment.

- Funding from multilateral agencies: Multilateral agencies such as the World Bank and the Asian Development Bank ("ADB") are funding various infrastructure projects on a large scale in India. Agencies such as the Japan International Bank for Cooperation ("JIBC"), which funded the Delhi Metro (Underground Railway) Project, are also providing funding to the sector. Various state governments are mobilising funds from these agencies to support rural roads and sanitation projects.

The GoI has made a significant commitment to infrastructure development and has been mandated by the World Bank to invest the bulk of the proposed aid of US$3 billion in the infrastructure sector. Consequently, apart from augmenting public sector investment into infrastructure, the GoI has introduced a series of reforms to attract private sector participation and foreign direct investment.

Historical and projected allocation of infrastructure investments across sectors in India are illustrated in the chart set forth below:



Source: *CRISIL Research Construction Annual Review (May 2007)*

TYPES OF CONTRACTS IN THE CONSTRUCTION AND INFRASTRUCTURE SECTORS

There are different contract models currently being adopted for Public Private Partnerships ("PPP") in India's construction and infrastructure sector which vary in the distribution of risks and responsibility between the public and the private sectors.

Build-Operate-Transfer ("BOT")

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

- *BOT annuity-based projects.* Under this form, the concessionaire is responsible for constructing and maintaining the project facility. The GoI, usually through the National Highways Authority of India ("NHAI") in the case of highway projects, pays the concessionaire a semi-annual payment, or annuity. The concession contract is awarded to the bidder which, among other criteria, quotes the lowest annuity amount. Under this approach, the amount of income collected by the concessionaire is not directly related to the usage level of the project. In the context of highway projects, the amount of income is not by direct reference to the number of vehicles using the highway. Instead, the risk that traffic, and consequently user fees, may be lower than expected is borne by the NHAI alone. However, the NHAI retains the right to charge users a toll at any stage of the project and it also retains all rights to property development, advertising at the project site and other revenue-generating activities.

- *BOT toll-based projects.* In order to reduce the dependence on its own funds and to promote private sector involvement in developing projects, the NHAI has awarded some highway projects on a toll basis. In this case, the concessionaire is responsible for constructing and maintaining the project as well as being allowed to collect revenues through tolls during the concession period. After the expiry of the concession period, the project is transferred back to the NHAI.

Build-Own-Operate-Transfer ("***BOOT***")

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

Design-Build-Finance-Operate ("***DBFO***")

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

Item Rate Contracts

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

Engineering Procurement Construction/Lump-Sum Turnkey ("***EPC/Turnkey***") **Contracts**

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

Operations and Maintenance ("***O&M***") ***Contracts***

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

Front End Engineering and Design* ("*FEED*") *Contracts

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

ROAD INFRASTRUCTURE

Roads investments to double over the next five years

According to the *CRISIL Research Construction Annual Review (May 2007)*, investments in the roads sector are expected to grow at a TAGR of 15.0% over the next five years, with an estimated increase from Rs. 1,167 billion in the past five years (fiscal years 2002-2006) to about Rs. 2,306 billion in the next five years (fiscal years 2007-2011).

Roads: The largest among all infrastructure sectors

According to the *CRISIL Research Construction Annual Review (May 2007)*, the roads sector is expected to be the largest contributor to infrastructure investments projected over the next five years (fiscal year 2007-2011), with an estimated contribution of approximately 38.0% of the total infrastructure investments as against 36.0% in the previous five years (fiscal years 2002-2006). The order books of construction companies are therefore likely to be more influenced by this sector, especially in the case of larger construction companies that are expected to gain a greater share of BOT road projects planned over the next five years.

BOT/DBFO formats to take off at a higher scale

As noted in the *CRISIL Research Construction Annual Review (May 2007)*, the NHDP now involves a total of seven phases, entailing the development and upgrading of more than 50,000 km of roads. Thus far, Cabinet approval has been received only for Phase I, Phase II and Phase IIIA; these phases involve the development and upgrading of around 18,287 km of roads. Phases III-VII are expected to be completed on a BOT basis or on a DBFO basis.

Over the next five years (fiscal years 2007-2011), CRISIL Research estimates that an amount between Rs. 475 billion and Rs. 542 billion is likely to be invested under the North South East West ("NSEW") project – Phase IIIA, Phase IIIB and Phase V – by private industry participants.

Rural roads: Time to bridge the funding gap

As noted in the *CRISIL Research Construction Annual Review (May 2007)*, Bharat Nirman, a new programme to rebuild rural India, was unveiled in 2005. The GoI identified rural roads as one of the six components of Bharat Nirman and set a goal to provide connectivity to all villages with a population of 1,000 or greater (500 in the case of hilly or tribal areas) with an all-weather road. The number of populated areas qualifying for the programme has been increased from 142,000 to 172,000, envisaging a total investment of Rs. 1,320 billion. There exists a considerable gap of Rs. 335 billion between the funds available (Rs. 265 billion) and the amount required for the programme (Rs. 600 billion).

Key NHAI responsibilities include:

1. Implementation of the NHDP by providing for funding through a host of funding options including those from external multilateral agencies like the World Bank, the ADB and JBIC. Work mainly comprises the strengthening and four-laning of high-density corridors of around 13,146 km.

   The components are:
   - Golden Quadrilateral - 5,846 km connecting Delhi-Kolkata-Chennai-Mumbai.
   - NSEW Corridor - 7,300 km connecting Kashmir to Kanyakumari and Silchar to Porbandhar.

2. Providing road connectivity to major ports.

3. Involving the private sector in financing the construction, maintenance and operation of National Highways and wayside amenities.

4. Improvement, maintenance and augmentation of the existing National Highways network.

5. Implementation of road safety measures and environmental management.

6. Introducing information technology in the construction, maintenance and all operation of the NHAI.

India continues to need significant investment in the road sector as the population and economy continues to grow. The Indian road network consists of:

Indian Road Network	Approximate Length (in km)	Percentage of Total
Expressways	200	0.01%
National highways	66,590	2.01%
State highways	131,899	3.98%
Major district roads	467,763	14.10%
Village and other roads	2,650,000	79.90%
Total	**3,316,452**	**100.00%**

Source: *http://www.nhai.org/roadnetwork.htm, National Highways Authority of India (NHAI); as of August 31, 2007.*

According to the NHAI, roads form the most common type of transportation in India and accounted for approximately 80.0% of passenger traffic and 65.0% of freight traffic in fiscal year 2007. National highways, which account for 66,590 km of the road network (approximately 2.0% of the total road network), account for nearly 40.0% of the total road traffic in India.

The following table sets forth information relating to the status of National Highways:

Indian Road Network	Percentage Completed
Single Lane/Intermediate Lane	32.0%
Double Lane	56.0%
Four or more Lanes	12.0%
Total	**100.0%**

Source: *http://www.nhai.org/roadnetwork.htm, National Highways Authority of India (NHAI); as of August 31, 2007.*

Considering the increase in the road traffic as compared to the length of the roads in India, and according to *CRISIL, Roads and Highways Annual Review, September 2006,* investment in this area will be significant in the near future. This CRISIL review report estimates that, between 1951 and 2006, freight traffic on Indian roads increased by 154 times, from 6 billion tonne kilometre ("btkm") to 921.5 btkm. In addition to the increase in freight traffic, passenger traffic increased by 178 times, from 23 billion person kilometre ("bpkm") to 4,089 bpkm. The CRISIL report also notes that the number of registered vehicles (including two-wheelers) in India has increased at a CAGR of approximately 11.00%, from 1.39 million in 1951 to 54.5 million in 2006.

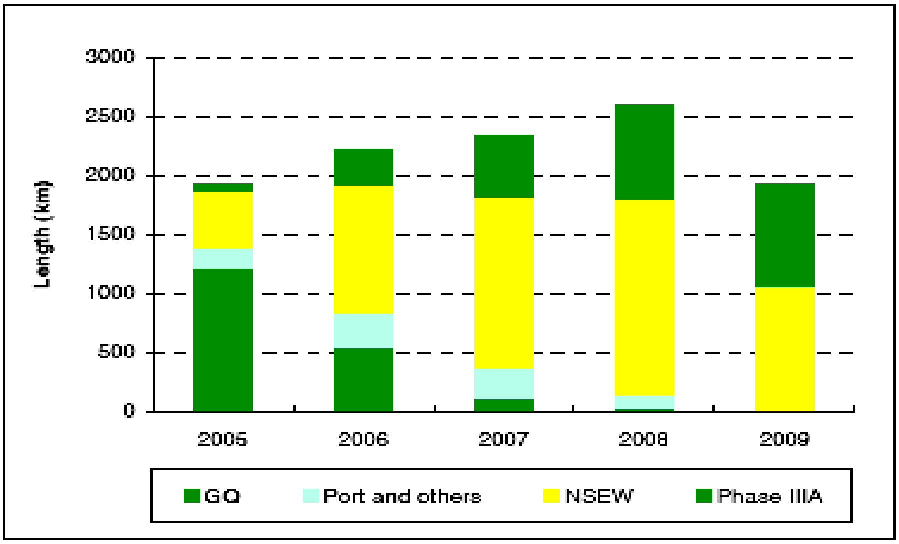
Conversely, according to *CRISIL, Roads and Highways Annual Review, September 2006*, from 1951 to 2006, the road network only increased by about 8.3 times, from 0.4 million km to 3.3 million km. Worse, the national highway network (which accounts for nearly 40.0% of the total freight traffic) increased by only 3.3 times, from 19,811 km to 65,569 km. CRIS INFAC has estimated that between 80.0% and 90.0% of current roads (national highways and state highways) are not suitable for permissible axle loads of 10.2 tonnes or greater and this situation is further exacerbated by the fact that most vehicles are overloaded.

According to CRIS INFAC, over the next five years, investment in the roads sector is expected to grow by a CAGR of 24.0%. During this period, it is expected that a total estimated investment of Rs. 1,847 billion will be invested in the roads sector. Approximately Rs. 957 billion, which is about 52.0% of the total investments, is expected to be made under GoI sponsored schemes.

The focus of the road modernisation programme in India is the Golden Quadrilateral project. The flagship programme to develop and upgrade Indian national highways is the National Highways Development Programme ("NHDP"). Besides the NHDP, the road sector in India is expected to see a greater level of development activity through road programmes such as the Pradhan Mantri Grameen Sadak Yojana ("PMGSY") and the Special Accelerated Road

Development Programme – North East ("SARDP-NE") as well as road projects at the state level.

Historical, current and expected levels of road activity in the NHDP are indicated in the chart below:



Source: *CRIS INFAC Annual Review, February 2006.*

According to the *Roads and Highways Annual Review* (September 2006) published by CRISIL, approximately 70.0% of the total roads sector investments are expected to be made under the NHDP and the PMGSY. In respect of the NHAI BOT projects that are expected to be awarded between September 2006 and September 2011, private equity investments are expected to amount to Rs. 180 billion.

The scope of the NHDP project is illustrated by the multi-phase approach set forth below:

- *Phase I (Golden Quadrilateral Project)* involves four-laning of approximately 5,846 km of national highways between Delhi, Mumbai, Chennai and Kolkata. Phase I is expected to be completed by 2007/2008.

- *Phase II* (*North-South and East-West corridors*) involves upgrading of the existing two-lane highways and the four-laning of approximately 7,274 km of national highways connecting four extreme points of the country. Phase II is expected to be completed by 2009/2010.

- *Phase III* involves the development of roads, connecting state capitals and places of economic and tourist importance to Phase I and Phase II. Phase III involves two development sections – Phase IIIA and Phase IIIB. While approval has been received for the widening and the strengthening of 4,015 km in Phase IIIA, only in-principle approval has been granted for the development of 6,000 km in Phase IIIB.

- *Phase IV* involves the two-laning of a single lane network of approximately 20,000 km. Phase IV has only received an in-principle approval and has been planned completely on a BOT-annuity basis.

- *Phase V* involves the six-laning of 6,500 km of high-density four-laned roads. Phase V has only received in-principle approval.

- *Phase VI* involves the construction of expressways covering approximately 1,000 km of national highways. Phase VI has only received an in-principle approval.

- *Phase VII* involves the development of ring roads, by-passes, over-bridges, flyovers, etc. Phase VII is still in a conceptual stage.

Summary of the National Highways Development Project

Project	Length (km)	Cost(1) (Rs.bn)	Funding pattern	Scheduled completion(2)	Substantial completion(3)	Length completed/under implementation	
						(km)	%
Phase I							
Golden Quadrilateral (4)/(5)	5,846	303	Multilateral agencies, cess, market borrowings, SPVs, BOT (toll and annuity)	December 2003	2006	5,846	100.00
Port Connectivity	380	-		December 2004	2007	359	94.47
Other road projects	945	-		December 2004	2008	925	97.88
Phase II							
North-South & East-West Corridor	7,274	474	Multilateral agencies, cess, market borrowings, BOT (toll-based)	December 2007	2010	5,841	80.30
Phase IIIA	4,015	262	Cess & private participation	December 2009	2011	1,120	27.90
Phase V	6,500	412	Cess & private participation	December 2009	2014	160	2.46
Total (for national highways)	**24,960**	**1,451**				**14,251**	**57.10**
PMGSY	N.A.	600	Multilateral agencies, cess and market borrowings	Fiscal 2010			24.00

1 At 2001 rates and excluding interest during construction.

2 Investments planned only to financial year 2010 have been considered.

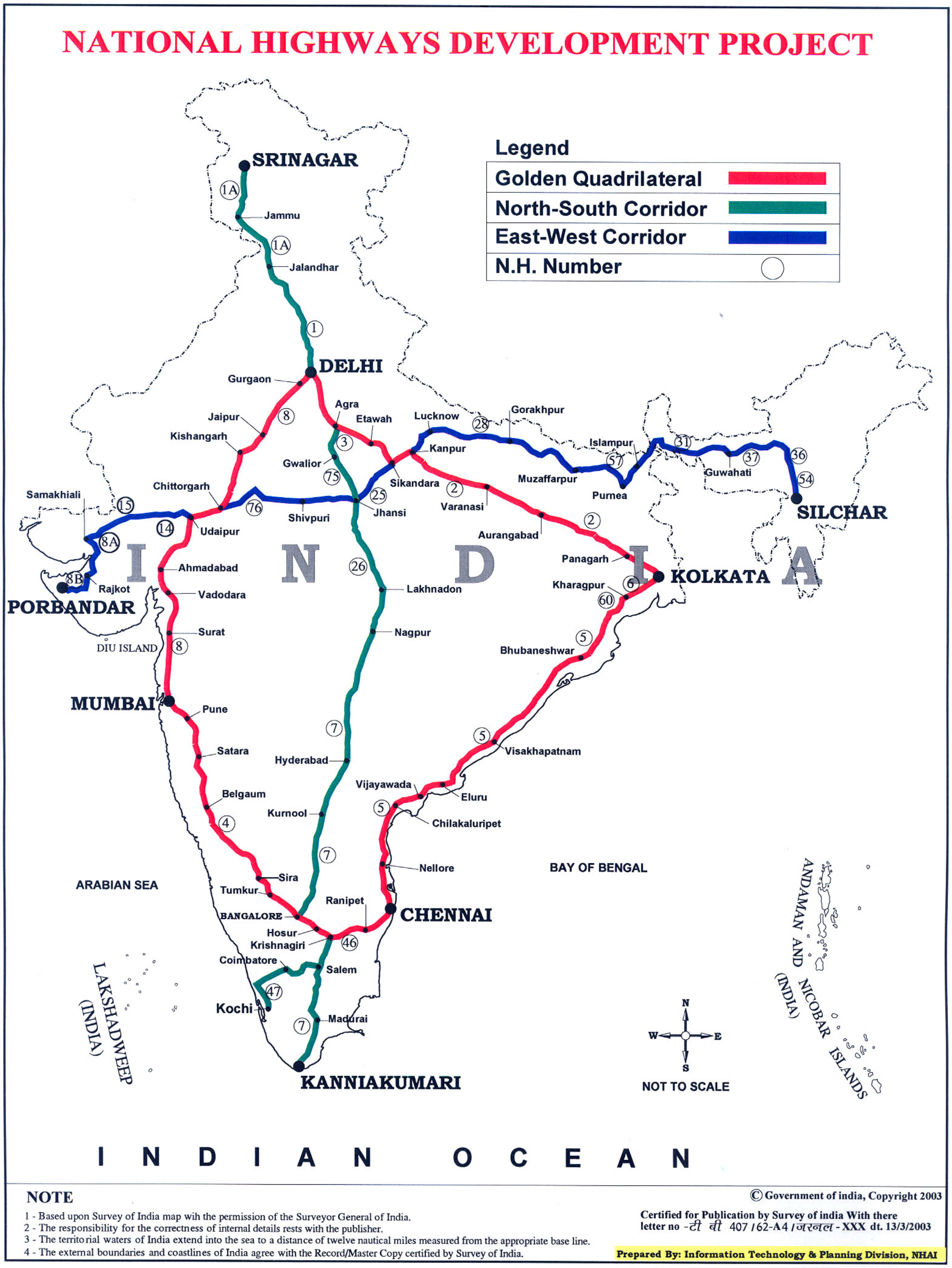
3 CRIS INFAC view.

4 Substantial completion was expected by 2006, however completion of 3.0% of the Golden Quadrilateral will occur in 2007 and 2008.

5 Current actual length is 7,274 km (excluding 442 km of common length with the Golden Quadrilateral). The original approved length of the NSEW corridor is 7,300 km.

Source: *CRISIL, Roads and Highways Annual Review, September 2006.*

The following diagram provides geographical insight into the NHDP:



Source: *NHDP – http://www.nhai.org/nhdpmain_english.htm*

Initial Project Cost and Likely Funding Sources of Phase 1 and Phase 2		
	(Rs. billion at 1999 prices)	*(in US$ billion at 1999 prices)*
Total Cost	**540**	**13.2**
Cess on Petrol and Diesel	200	4.9
External Assistance	200	4.9
Market Borrowings	100	2.4
Private Sector Participation	40	1.0
Total Funding	**540**	**13.2**

Source: *NHAI and CRISIL Research*

THE REAL ESTATE SECTOR IN INDIA

Historically, the real estate sector in India has been unorganised and characterised by various factors that impeded organised dealing, such as the absence of a centralised title registry providing title guarantees, a lack of uniformity in local laws and their application, non-availability of bank financing, high interest rates and transfer taxes and the lack of transparency in transaction values. In recent years, however, the real estate sector in India has exhibited a trend towards greater organisation and transparency, accompanied by various regulatory reforms. These reforms include:

- GoI support for the repeal of the Urban Land Ceiling Act, with nine state governments having already repealed the Act;
- modifications in the Rent Control Act to provide greater protection to homeowners wishing to rent out their properties;
- rationalisation of property taxes in a number of states; and
- the computerisation of land records.

The trend towards greater organisation and transparency has contributed to the development of reliable indicators of value and organised investment in the real estate sector by domestic and international financial institutions. It has also resulted in greater availability of financing for real estate developers. Regulatory changes permitting foreign investment are expected to further increase investment in the Indian real estate sector. The nature of demand is also changing, with heightened consumer expectations that are influenced by higher disposable incomes, increased globalisation and the introduction of new real estate products and services.

These trends have been reinforced by the recent substantial growth in the Indian economy, which has stimulated demand for land and developed real estate across our business lines. Demand for residential, commercial and retail real estate is rising throughout India, accompanied by increased demand for hotel accommodation and improved infrastructure. Additionally, the tax and other benefits applicable to Special Economic Zones are expected to result in a new source of demand.

As noted in the table below, real estate investments are expected to grow from Rs.10,218 billion invested over the last five years (fiscal years 2002-2006) to Rs.18,517 billion over the next five years (fiscal years 2007-2011).

Total construction investments	*(Rs.billion)*		*(%)*
	Fiscal years 2002-2006	**Fiscal years 2007-2011**	**TAGR***
Real estate	10,218	18,517	12.63
• Housing	9,810	17,338	12.06
• Commercial real estate	408	1,179	23.64

***TAGR:** Trend Annual Growth Rate
Source: *CRISIL Research Construction Annual Review (May 2007)*

Key Growth Drivers

An analysis of each of the above real estate sub-sectors depicts that the Indian real estate market is currently in a dynamic phase of its growth. The reasons underlying the robust growth of the Indian real estate sector are of course manifold. Of the many reasons for the growth of the real estate sector, the following are perhaps the key reasons:

- Growth of India’s middle class creating demand for housing.
- Strong demographic impetus: India has the second largest population in the world and the growth rate of population is still rapid.
- Rising foreign direct investment levels have increased commercial space requirements by foreign firms.
- Expansion of organised retail sector.
- Easy availability of finance.

BUSINESS

In this section, a reference to the "Company" means IRB Infrastructure Developers Limited. Unless the context otherwise requires, references to the "IRB Group", "we", "us", or "our" refers to IRB Infrastructure Developers Limited and its Subsidiaries. In this section, descriptions of contracts and agreements are not, nor do they purport to be, complete summaries of all terms or terms customarily found in such contracts and agreements.

Overview of the IRB Group

We are an infrastructure development and construction company in India with extensive experience in the roads and highways sector and are currently involved in 12 BOT projects in the roads and highways sector. Recently, we have also diversified our business into the real estate development sector.

The Company is primarily a holding company and the assets of the IRB Group are held by, and our business operations are conducted through, the various Subsidiaries of the Company. For further information on the structure of the IRB Group, see "Business – The IRB Group" below.

Our infrastructure development business involves the construction, development and operation of infrastructure development projects. We are an established infrastructure company in the roads sector in India and have a large portfolio of completed and operational BOT projects in the Indian road infrastructure sector. Our construction business complements our infrastructure development business and involves engineering, procurement and construction work for construction projects on a contractual basis, including in the roads sector.

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

We have recently diversified our business into the real estate development sector. We are in the process of acquiring land in the Pune district in the State of Maharashtra on which we propose to develop an integrated township. Our proposed township project is in its preliminary stages of planning and development and will be the first real estate development project undertaken by us. We intend to develop residential and commercial projects within the proposed township project. Currently, our Land Reserves consist of approximately 925 acres of land in the Mauje Taje and Mauje Pimploli Taluka in Pune district, and we intend to acquire an additional approximately 475 acres of land for our proposed township project.

As of October 31, 2007, our work force consisted of 2,052 permanent employees, including 68 employees in our head office, 1,197 employees in our construction division and 787 employees in our toll collection division. In addition, we engage sub-contractors, who provide us with casual and temporary contract labour from time to time. Having a large work force enables us to mobilize our skilled employee resources depending on the location and the necessary expertise for projects undertaken by us. We own a large fleet of sophisticated construction equipment including, crushers, graders, batching plants, and sensor pavers. Our sophisticated equipment and skilled employee resources enable us to successfully implement modern infrastructure and construction methodologies effectively and efficiently.

In fiscal 2007, our consolidated total income was Rs. 325.08 crores, including consolidated turnover of Rs. 305.72 crores, and we earned consolidated net profit, as restated, of Rs. 29.96 crores. Income from BOT projects, i.e., toll revenue from various infrastructure development BOT projects undertaken by the IRB Group, of Rs. 177.87 crores represented 54.71% of our consolidated total income in fiscal 2007, while income from contract revenue of Rs. 122.12 crores, relating to construction work on funded construction projects as well as construction work on the various BOT projects undertaken by the IRB Group, represented 37.57% of our consolidated total income in fiscal 2007. Operation and maintenance income of Rs. 3.71 crores pursuant to operation and maintenance agreements relating to our BOT projects represented 1.14% of our consolidated total income in fiscal 2007.

In the five months ended August 31, 2007, our consolidated total income was Rs. 285.26 crores, including consolidated turnover of Rs. 261.88 crores, and we earned consolidated net profit, as restated, of Rs. 36.38 crores in this period. Income from BOT projects, i.e., toll revenue from various infrastructure development BOT projects undertaken by the IRB Group, of Rs. 150.53 crores represented 52.77% of our consolidated total income in the five months ended August 31, 2007, while income from contract revenue of Rs. 108.25 crores, relating to construction work on funded construction projects as well as construction work on the various BOT projects undertaken by the IRB Group, represented 37.95% of our consolidated total income in the five months ended August 31, 2007. Operation and maintenance income of Rs. 2.85 crores pursuant to operation and maintenance agreements relating to our BOT projects represented 1.00% of our consolidated total income in the five months ended August 31, 2007.

The IRB Group

IRB Infrastructure Developers Limited is the holding company of the IRB Group. The Company was formed to fund the capital requirements of the IRB Group's initiatives in the infrastructure and construction sectors. The Company, either directly or indirectly, exercises control and direction over all of the IRB Group's corporate entities.

The following is our existing group structure as at December 31, 2007

IRB INFRASTRUCTURE DEVELOPERS LIMITED
(As at December 31, 2007)

Roads

100% → **Ideal Road Builders Pvt. Ltd. (IRBPL)**
(BOT projects and Engineering, Procurement & Construction)

→ Thane Bhiwandi Bypass BOT – 25 kms
Kaman Paygaon BOT – 22 kms – SH 4
Bhiwandi Wada BOT – 18 kms – SH 35
Khambhatki Ghat BOT – 8 kms – NH 4

→ Investments in SPVs

MIPL -	26.00%
TGTRPL	26.00%
IDAA -	12.05%
NKT -	46.67%
IRB Infra -	19.85%
MMK -	100%

100% → **Modern Road Makers Pvt. Ltd. (MRM)**
(Engineering & Construction Arm)

100% → **Aryan Toll Road Pvt. Ltd. (ATRPL)**
(Pune – Solapur BOT) – 29.81 kms-NH 9)

100% → **ATR Infrastructure Pvt. Ltd. (ATR Infra)**
(Pune – Nashik BOT) – 29.81 km-NH 50

100%[1] → **Mhaiskar Infrastructure Pvt. Ltd. (MIPL)**
(Mumbai – Pune BOT) – 206 kms – MPEW & NH4

100%[2] → **Thane Ghodbunder Toll Road Pvt. Ltd. (TGTRPL)**
(Thane Ghodbunder Toll Road BOT) – 14.90 kms

100%[3] → **IDAA Infrastructure Pvt. Ltd. (IDAA)***
(Bharuch – Surat BOT) 65 kms – NH 8

100%[4] → **NKT Road & Toll Pvt. Ltd. (NKT)**
(Ahmednagar – Karmala – Tembhurni Road) – 60 kms –

100%[5] → **IRB Infrastructure Pvt. Ltd. (IRB Infra)**
(Bridge over Patalganga River-Kharpada BOT) 1.4 kms

100%[6] → **MMK Toll Road Pvt. Ltd. (MMK)**
(Mohol-Kurul-Kamati-Mandrup Road) –
33 kms SH 149

Real Estate

66% → **Aryan Infrastructure Investments Pvt. Ltd. (Aryan)**
(Land Bank adjoining the MPEW)

Notes:

1. The Company's 100% shareholding in MIPL consists of the following:
   a) 74% held by the Company
   b) 26% held by IRBPL

2. The Company's 100% shareholding in TGTRPL consists of the following:
   a) 74% held by the Company
   b) 26% held by IRBPL

3. The Company's 100% shareholding in IDAA consists of the following:
   a) 53.39% held by the Company
   b) 10.81% held by ATRPL
   c) 23.75% held by ATR Infra
   d) 12.05% held by IRBPL

4. The Company's 100% shareholding in NKT consists of the following:
   a) 53.33% held by the Company
   b) 46.67% held by IRBPL

5. The Company's 100% shareholding in IRB Infra consists of the following:
   a) 80.15% held by the Company
   b) 19.85% held by IRBPL

6. The Company's 100% shareholding in MMK consists of the following:
   a) 100% held by IRBPL

*The project operated by IDAA is under construction

The Company is primarily a holding company. In the past, the Company carried on certain maintenance operations for road projects constructed by other entities in the IRB Group. For further information about the Company and its operations, see the Section "Management's Discussion and Analysis of Financial Condition and Results of Operations as per Restated Consolidated Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations as per Restated Unconsolidated Financial Statements of the Company and Certain Subsidiaries" on pages 346 and 369 of this Red Herring Prospectus.

Ideal Road Builders Private Limited (IRBPL) and Mhaiskar Infrastructure Private Limited (MIPL) are our two largest subsidiaries in the infrastructure development and construction business, and collectively contributed 88.10% and 92.59% of the consolidated turnover of the IRB Group in fiscal 2007 and in the five months ended August 31, 2007, respectively (calculated on the basis of unconsolidated turnover of IRBPL and MIPL for the relevant periods expressed as a percentage of consolidated turnover of the IRB Group in such periods). MIPL is involved in the Mumbai – Pune Expressway and NH 4 BOT project, which is the largest BOT project undertaken by the IRB Group, and contributed 37.17% of the consolidated turnover of the IRB Group in the five months ended August 31, 2007 (calculated on the basis of unconsolidated turnover of MIPL for the relevant period expressed as a percentage of consolidated turnover of the IRB Group in such period). IRBPL is involved in various BOT projects as well as funded construction projects from government entities and contributed 55.41% of the consolidated turnover of the IRB Group in the five months ended August 31, 2007 (calculated on the basis of unconsolidated turnover of IRBPL for the relevant period expressed as a percentage of consolidated turnover of the IRB Group in such period). For further information about the operations of IRBPL and MIPL, see the section "Management's Discussion and Analysis of Financial Condition and Results of Operations as per Restated Unconsolidated Financial Statements of the Company and Certain Subsidiaries" beginning on page 369 of this Red Herring Prospectus.

Of our current 12 BOT infrastructure projects, 11 projects are in the "operational" phase, i.e., engineering, procurement and construction phases have been completed on these projects, a completion certificate has been issued, and the project SPV is currently earning revenues from toll collection under the relevant concession agreements. For further information relating to the manner in which we classify our projects, see the section "Business – Phases of Development in our BOT Infrastructure Development Projects" on page 73 of this Red Herring Prospectus. For further information on our BOT projects and the relevant SPVs, please refer to the IRB Group structure chart above, the section "Business – Our BOT Infrastructure Development Projects" and the section "History and Certain Corporate Matters – Subsidiaries" on pages 75 and 118, respectively, of this Red Herring Prospectus.

One of our BOT projects is in the "under – construction" phase – the Bharuch to Surat section of NH 8 project granted by NHAI in July 2006 to IDAA, one of our SPVs. Our projects are classified as "under-construction" when financial closure has been achieved or when services in connection with engineering and construction, commissioning, and operation and maintenance of such projects are in progress. For further information on this project and IDAA, see the section "Business – Our BOT Infrastructure Development Projects – Bharuch to Surat section of NH 8" and the section "History and Certain Corporate Matters – Subsidiaries" on pages 75 and 118, respectively, of this Red Herring Prospectus.

Almost all construction work undertaken by the IRB Group in the roads and highways sector, for BOT projects or funded construction contracts, is currently executed through Modern Road Makers Limited (MRM); other entities in the IRB Group, including Project SPVs, typically sub-contract almost all of the construction work undertaken by them, for both funded construction projects as well as for construction work on BOT projects, to MRM, either through IRBPL, or directly. For further information about the operations of MRM, see the "Management's Discussion and Analysis of Financial Condition and Results of Operations as per Restated Unconsolidated Financial Statements of the Company and Certain Subsidiaries" beginning on page 369 of this Red Herring Prospectus.

Our real estate business is carried on through Aryan Investments and Infrastructure Private Limited (Aryan), in which the Company acquired a 66% shareholding on June 20, 2007 and July 18, 2007.

For further information on the IRB group, see the Section "Management's Discussion and Analysis of Financial Condition and Results of Operations as per Consolidated Financial Statements - Restructuring of the IRB Group and presentation of Financial Information" beginning on page 346 of this Red Herring Prospectus and the section "History and Certain Corporate Matters" beginning on page 104 of this Red Herring Prospectus.

Our Strengths

We believe our principal competitive strengths are as follows:

Extensive experience and strong track record in infrastructure development and construction projects in the roads and highways sector

With extensive experience in the infrastructure development and construction business, we have been involved in the construction or operation and maintenance of approximately 1,200 kilometres of highways and roads in India, as of October 31, 2007. We believe our focus on road infrastructure and our experience gives us an advantage over our competitors when bidding for new large BOT projects and enables us to capitalize on the opportunities available in this growing sector of the Indian economy. Our experience in roads and highway development projects enables us to effectively evaluate new projects. Many of our infrastructure development and construction projects have been completed ahead of their respective scheduled completion dates. Our infrastructure development portfolio includes several large BOT projects in the roads sector, including the Mumbai—Pune Expressway and NH 4 BOT project which was awarded to us in March 2004 and the BOT project for the Bharuch to Surat section of NH 8 which was awarded to us in July 2006. Our long term commitment to infrastructure development projects in India has enabled us to develop a reputation in the road infrastructure sector in India.

Integrated execution capabilities with in-house construction, toll collection and management capabilities

We are an integrated infrastructure development and construction company. The engineering, procurement and construction activities for our funded construction projects as well as for our BOT projects are all completed within the IRB Group. Similarly, operation and maintenance activities related to our BOT projects, including toll collection, are also executed within the IRB Group. This enables us to not only reduce our dependence on third party sub-contractors and exercise greater control over the quality and timely execution of our construction and operation and maintenance works but also enables us to capture the entire economic value chain in such projects. Equipment asset management is a critical element of timely delivery and quality on infrastructure development and construction projects. We own a large fleet of sophisticated construction equipment and this enables us to be less dependent on third parties when implementing our various projects and efficiently manage our equipment assets. We believe that this also provides us with a competitive advantage over other infrastructure development and construction companies that outsource portions of their operations to external contractors.

Our integrated execution capabilities enable us to better evaluate potential funded construction or BOT projects. We have successfully completed various challenging engineering construction projects, such as the four laning of the Mumbai - Pune stretch of NH 4, the construction of an 890 metre tunnel on the Khambatki Ghat near Satara, and the construction of a bridge over Kasheli Creek on the Thane Bhiwandi bypass road.

With respect to certain of our BOT projects we enjoy certain economically beneficial arrangements

Under the concession agreements relating to the Pune - Sholapur road BOT project and the Pune - Nashik road BOT project, the MoSRTH has undertaken that the Government of India will not construct and operate either on a BOT basis or otherwise a competing project facility, either toll free or otherwise, during the concession period; except where the fee charged for vehicles using such facility is in excess of 133% of the fee being charged for the vehicles using the roads under our concession agreements with the MoSRTH. In addition, under the concession agreement for the BOT project relating to the Bharuch to Surat section of NH 8, the NHAI has undertaken that no expressway or toll road (other than a bypass) between the Bharuch to Surat section of NH 8 shall be opened to traffic before the expiry of eight years from the date of the commencement of our concession period. In addition, in the event that an additional tollway is constructed following such eight year period, then NHAI shall ensure that the per kilometre fee to be levied on any vehicle or class of vehicles using such additional tollway shall not be less than an amount which is 133% of the per kilometre fee levied and collected from similar vehicles or class of vehicles using the NH 8 section covered under our BOT project. Pursuant to the arrangements described above, we enjoy economically beneficial rights to certain important sections of these National Highways and other important roads and highways in Western India.

In addition to the above arrangements, with respect to the Mumbai - Pune Expressway and NH 4 project, since the project covers both the Mumbai - Pune Expressway and the NH 4 corridors, we do not expect to face competition from other competing road or highway in this route.

We have a large Order Book of Rs. 2,324.90 crores as of October 31, 2007

Our Order Book as of any particular date consists of unbilled revenue from the uncompleted portions of our "existing contracts", i.e., the total contract value of the "existing contracts" secured by the IRB Group as reduced by the value of construction work billed until the date of such Order Book. For purposes of our Order Book, we define "existing contracts" as (i) construction contracts, including EPC contracts and (ii) operation and maintenance contracts, whether relating to funded construction projects or part of a BOT project, that have been awarded to us and for which all pre-conditions to entry into force have been met. Our consolidated Order Book was Rs. 2,324. 90 crores as of October 31, 2007. However, our Order Book is not audited and does not necessarily indicate future earnings related to the performance of that work and if we were to not achieve our expected margins or suffered losses on one or more of these contracts, this could reduce our net income or cause us to incur a loss. In addition, future earnings related to the performance of the work in our Order Book may not necessarily be realised. For further information relating to our Order Book as of October 31, 2007, please see "Business – Order Book" on page 91 of this Red Herring Prospectus.

Professionally managed company with a qualified and skilled employee base

We are a professionally managed company with a qualified, skilled and trained workforce. As of October 31, 2007, we had 2,052 permanent employees, including 68 employees in our head office, 1,197 employees in our construction division and 787 employees in our toll collection division. Our management team has contributed to our growth. We believe that a motivated and empowered employee base is essential to maintaining our competitive advantage. We are dedicated to the professional development of our employees and will continue to invest in their professional growth.

Our investors comprise established and reputable financial institutions

Currently, the Company's shareholders include Deutsche Bank AG, Hong Kong Branch, Jade Dragon (Mauritius) Limited, and CPI Ballpark Investments Limited. Jade Dragon (Mauritius) Limited and CPI Ballpark Investments Limited are subsidiaries of Goldman Sachs and Merrill Lynch, respectively. We believe that our reputable investor base, including investors such as Deutsche Bank, Goldman Sachs and Merrill Lynch, indicates the support of reputable financial institutions for our corporate vision and business strategy and operations.

Our infrastructure projects have been financed by various leading banks and financial institutions

We believe that we enjoy goodwill with various leading banks and financial institutions in India. Our infrastructure projects have been financed by various leading banks and financial institutions including the State Bank of India, Canara Bank, Union Bank of India, IDBI, Bank of India, Indian Overseas Bank, UCO Bank, Andhra Bank, Corporation Bank, Bank of Baroda and the Bank of Maharashtra. We believe that our ability to raise significant project finance has enabled us to fund our various projects at competitive rates.

Our Strategy

Continue to pursue growth in what we believe to be our core competency, the road infrastructure sector

We intend to target specific project segments where we believe there is high potential for growth and where we enjoy competitive advantages. Currently, our strategy is to build upon our competitive strengths in the road infrastructure sector to become a market leader in India. We intend to continue to be active in the Western Indian states of Maharashtra and Gujarat. It is also our intention to pursue suitable opportunities in other parts of India.

We believe that government spending on the road infrastructure sector will be a key component of India's goal of sustained annual GDP growth. We believe that our expertise and experience in the development, operation and management of road infrastructure projects, as well as our established reputation, will provide us with an advantage in pursuing growth opportunities in this fast-growing sector.

Continue to grow our construction business with a focused business strategy

We intend to continue to focus on pursuing funded construction contracts, particularly EPC contracts, as such contracts enable us to move up the value chain to become the principal contractor on our funded construction projects, provide us with the opportunity to bid on larger projects, including international projects and deploy our resources more efficiently and improve operating margins. While working on higher value projects may have associated risks, such projects also enable us to reduce operating costs and expenses and benefit from potentially higher margins. For large value projects we also plan to form strategic alliances with other relevant experienced and qualified financiers and joint venture partners. We intend to continue to focus on businesses that are located in, or are designed to serve, growth regions and on maintaining a balance between the generation of stable cash flows from our operations and the pursuit of growth opportunities to maximize long-term profitability.

Continue to enhance our project execution capabilities

We believe that we have developed a reputation for undertaking challenging infrastructure and construction projects and completing such projects ahead of schedule. We intend to continue to focus on performance and project execution in order to maximize client satisfaction and margins. We leverage technologies, designs and project management tools to increase productivity and maximize asset utilization in capital intensive activities. We continue to optimize operating and overhead costs to maximize our operating margins.

Our ability to effectively manage projects will be crucial to our continued success as a recognised infrastructure company. We believe that we are able to distinguish ourselves from our competitors because of our management strength and in-house development, construction, operation and maintenance capabilities. We intend to continuously strengthen our execution capabilities by adding to our existing pool of talented managers, attracting new graduates from engineering colleges in India, and facilitating continuous learning with in-house and external training opportunities. We also continue to focus on our health, safety and environmental management and quality management standards as we believe that these elements of performance measurement have become important competition differentiators and key criteria for prequalification of contractors by potential clients.

Pursue strategic investment opportunities within the Indian real estate sector

We intend to diversify our current business by pursuing certain strategic investment opportunities in the Indian real estate sector. We believe that the real estate sector in India has exhibited a trend towards greater organisation and transparency, accompanied by various regulatory reforms. The trend toward greater organisation and transparency has contributed to the development of reliable indicators of value and organized investment in the real estate sector by domestic and international financial institutions and has also resulted in the greater availability of financing for real estate developers. The nature of demand is also changing, with heightened consumer expectations that are influenced by higher disposable incomes, increased globalisation and the introduction of new real estate products and services. These trends have been reinforced by the substantial recent growth in the Indian economy, which has stimulated demand for land and developed real estate across our business lines. We believe that demand for residential, commercial and retail real estate is rising throughout India, accompanied by increased demand for hotel accommodation and improved infrastructure. We believe that our experience and project execution capabilities in the infrastructure and construction sectors will enable us to capitalize on new opportunities in the real estate sector that complement our existing business.

Pursue new investment opportunities that permit us to take advantage of our current strengths

We will attempt to identify and participate in new investment opportunities as they arise. Should we determine that any new investment opportunities possess value, we will leverage our current strengths in the infrastructure and construction business to take advantage of such new opportunities.

Our BOT Infrastructure Development Business

Overview of BOT Infrastructure Development Projects

Infrastructure development projects in India are typically “build, operate and transfer (“BOT”)” projects.

Our infrastructure development business, principally focused on the roads and highways sector, typically involves “BOT” projects which are characterised by three distinct phases:

- Build – we contract with a government entity for the construction of an infrastructure project and secure financing to construct the project.

- Operate – we are the operators of the infrastructure asset during an agreed concession period and we maintain and manage the asset for the agreed concession period and earn revenues through charges, fees, tolls or annuities generated from the asset.

- Transfer – after the expiration of the agreed concession period, we transfer ownership of the infrastructure asset to a government entity.

Phases of Development in our BOT Infrastructure Development Projects

Our BOT infrastructure development projects may be broadly classified under the following four development phases:

(a) operational, (b) under construction, (c) under development and (d) under award.

Operational

Our projects are classified as operational when the engineering, procurement and construction phases have been completed or substantially completed, a completion certificate has been issued, and the project company is earning revenues from operations, or when concession agreements have been executed to earn revenues. We currently have 11 projects in the operational phase.

Under Construction

Our projects are classified as being under construction when financial closure has been achieved or when services in connection with engineering and construction, commissioning, and operation and maintenance of the infrastructure projects are in progress. We typically execute the construction phase under EPC contracts with one of our Subsidiaries having an engineering and construction arm. Financial closure refers to the date on which the financing documents providing for funding by the banks have become effective, all conditions precedent to the initial availability of funds under the financing documents are satisfied to the extent they have not been waived, and funds can be drawn down under the financing documents. We currently have one project, the Bharuch – Surat BOT project, in the "under construction" phase.

Under Development

Our projects under development include the projects where the principal project agreements (such as a concession agreement) have been entered into but where financial closure has not been achieved but is expected to be achieved in the near future. Our efforts also include appointing independent consultants, and, if applicable, signing joint venture agreements with a consortium, joint venture partners or co-sponsors. We currently have no projects in the "development" stage.

Under Award

We classify our projects as being under award where we have received letters of intent from clients awarding the projects to us, or, where we have signed memorandums of understanding. Our projects under award are in the preliminary stage and are classified as such prior to achieving financial closure and executing concession agreements or receiving permits, licences, clearances or approvals from the relevant government authorities. Our efforts during this phase are primarily focused on preliminary matters, including identifying and entering into agreements with joint venture partners or co-sponsors. We currently have no projects in the award phase.

Toll Collection Arrangements

Following a successful project bid and the completion of the construction phase of our BOT projects, we assume the role of the operator of the relevant infrastructure asset during a predetermined concession period. During the concession period, we maintain and manage the asset and earn revenues through charges, fees, tolls or annuities generated from the asset. The levels of charges, fees, tolls, or annuities that may be generated from any particular project are usually enumerated in the relevant project agreements that we enter into with government entities or in certain notifications provided to us by government entities. The terms on which we may collect toll revenues is decided by the government entity that has granted the relevant BOT concession to us at the bidding stage itself, and we are not permitted to amend such tolling rates without the prior written consent of such government entity. Further, with respect to certain of our BOT projects, the relevant government entity is entitled to at any one time during our concession period, effect a reduction in the prevailing tolling rates by up to 10%. The tolling rates set by government entities in consultation with us, depend on the nature of vehicles that use the roads that comprise our BOT projects. In setting toll rates that apply to such vehicles, government entities may give greater consideration to various socio-economic goals of the government, rather than to the efficiencies of our business. Although business circumstances may materially change over the life of one or more of our infrastructure projects, we may not have the ability to modify our agreements with government entities to reflect these changes or negotiate satisfactory alternate arrangements. As a result, the relevant Project SPVs are prevented from increasing or discounting the toll as the prevailing circumstances may necessitate or require.

Operation and Maintenance Agreements

After construction has been completed on our BOT infrastructure development projects, and during the concession period that has been granted to us, we are generally responsible for carrying our operations and maintenance activities at our BOT project sites. The scope of our operations and maintenance activities is usually defined in the relevant BOT project agreements. Within the scope of our operations and maintenance obligations, we may be required to undertake routine maintenance of project roads, maintain and comply with safety standards to ensure smooth and safe traffic movement, deploy adequate human resources for incident management, maintain proper medical and sanitary arrangements for personnel deployed at the site, prevent any unauthorized entry to and exit from the project.

Our BOT Infrastructure Development Projects

As of the date of this Red Herring Prospectus, we have been involved in 12 BOT infrastructure development projects in India, all in the roads sector. These projects are briefly discussed below.

Mumbai – Pune Expressway and NH 4

For this project we were engaged to expand a stretch of the existing NH 4 into four lanes and to make value additions to the Mumbai - Pune Expressway. The project covered a cumulative 206 kilometres of road: 111 kilometres on NH 4 and 95 kilometres on the Mumbai - Pune Expressway.

The project agreements relating to this project were entered into between MIPL, IRBPL and the MSRDC. The scope of work on this project involved extending the existing NH 4 into a four-lane highway, widening major and minor bridges relating to the project, constructing bus and truck bays, constructing foot-paths, implementing lane markings, constructing toll plazas, and providing road furniture items. With respect to the Mumbai - Pune Expressway, we primarily undertook value additions, such as providing cattle traps, constructing crash barriers, providing landscaping and beautification services, and redoing paved shoulders. The construction completion time for this project stipulated under the relevant project agreements was 24 months, and we completed construction of this project on time. We received a completion certificate relating to our work under the project agreements on September 7, 2006.

Under the terms of the project agreements we have been granted a concession period of 15 years for each of the Mumbai - Pune Expressway and the NH 4. Tolling with respect to the Mumbai - Pune Expressway began on August 9, 2004. Pursuant to the terms of the project agreements and certain notifications received by us from the Government of Maharashtra and the Government of India, we have been authorised to collect and retain the notified toll rates upon the users of the project facilities until August 10, 2019. With respect to the Mumbai-Pune Expressway, we are permitted to collect tolls from vehicles crossing toll plazas at Shedung, Khalapur, Kusgaon and Talegaon. With respect to NH 4, we are permitted to collect tolls from vehicles crossing toll plazas at Shilpata, Shedung, Kusgaon and Dehu Road. On the expiry of the concession period, we are required to hand over possession of the project assets to the Government of Maharashtra, at no cost.

The project agreements include standard provisions relating to events of default, indemnification and assignment. Under the project agreements, we would be deemed to be in default of our obligations upon the non-payment of any amounts owed by us or upon the breach of representations and warranties that we have provided. The MSRDC may terminate the project agreements upon the occurrence of an event of default under the agreements, should such default remain uncured for the specified period of time. Under the terms of the project agreements, we have agreed to indemnify, defend and hold the MSRDC harmless against any and all proceedings, actions and third party claims arising out of a breach by us of any of our obligations under the project agreements, except to the extent that any such claim has arisen due to the MSRDC being in default of its obligations under the project agreements. We are generally not permitted to assign the project agreements without the prior written consent of the MSRDC.

During the concession period, we have also agreed to operate and maintain the facilities relating to this project. With respect to the Mumbai-Pune Expressway, the scope of our operations and maintenance obligations include road maintenance, performing safety and security functions, asset management, and road property management. With respect to NH 4, we are primarily responsible for ensuring smooth and uninterrupted flow of traffic, charging, collecting and appropriating tolls in accordance with the project agreements, repairing potholes, cracks, joints, drains, lane marking, lighting, maintenance of illuminations and signage, safety maintenance, operations, and traffic management.

The total cost of this project is Rs. 1,301.64 crores. This total project cost comprises an upfront fee payable to the MSRDC of Rs. 918 crores and construction costs of Rs. 383.64 crores. The aggregate value of the operation and maintenance contract for this project is approximately Rs. 754.79 crores. The project was financed by a combination of equity and debt. Approximately Rs. 105 crores of the project cost was attributable to equity and approximately Rs. 15.22 crores from internal accruals, with the remaining approximately Rs. 1,181.44 crores attributable to term loans. The term loans for the project have been provided by various banks and financial institutions.

Bharuch to Surat Section of NH 8

For the purposes of this project we are engaged to expand and improve kilometres 198/000 to 263/00 of the Bharuch to Surat section of NH 8 in Gujarat on a BOT basis. This corridor of road has significant vehicular traffic density throughout the year.

The Concession Agreement dated July 7, 2006, relating to this project was entered into between IDAA and the NHAI. The project is the joint undertaking of a four member consortium, IRBPL, the Company, ATRPL and ATR Infra. Under the project agreements, the aggregate shareholdings of the consortium members and their associates in the issued and paid-up equity share capital of IDAA must remain at least 51% during the construction period of the project and at least 26% for the remaining period of the operation of the project. Further, during the operational phase of the concession period (i) IRBPL is required to hold a minimum equity interest of 26% of the aggregate shareholding of the consortium in the issued and paid-up equity share capital of IDAA; (ii) the Company is required to hold a minimum equity interest of 44% of the aggregate shareholding of the consortium in the issued and paid-up equity share capital of IDAA; (iii) ATRPL is required to hold a minimum equity interest of 14% of the aggregate shareholding of the consortium in the issued and paid-up equity share capital of IDAA; and, (iv) ATR Infras is required to hold a minimum equity interest of 16% of the aggregate shareholding of the consortium in the issued and paid-up equity share capital of IDAA at all times during the concession period.

In this project, we are required to expand specific sections of the NH 8 into a six-lane highway. We are also required to make improvements to the existing four-lane highway, improve and widen both major and minor bridges, construct cattle crossings, provide junction improvement services, construct bus bays and bus shelters, provide a rest area and base camp, provide highway lighting, construct toll plazas and provide road furniture items. The stipulated construction completion time of the project in the Concession Agreement is 30 months. We commenced work on this project in January 2, 2007; our work on this project has so far progressed as per schedule.

Under the terms of the Concession Agreement we have been granted a concession period of 15 years for this project. Our concession period will expire on January 1, 2022. Pursuant to the project agreements and certain notifications issued to us by the relevant state authorities, we are entitled to collect toll from the users of the project facility for the duration of the concession period. Pursuant to the terms of the Concession Agreement, we are not permitted to collect any toll fees from local personal traffic and local commercial traffic in excess of certain prescribed rates. We are also not permitted to collect any toll fees from certain exempted vehicles. Any toll fees that we collect pursuant to the relevant government notification are required to be deposited into an escrow account. Under the terms of the Concession Agreement, we are permitted to delegate our right to collect fees, provided that we remain solely liable and responsible for the deposit of the same into the escrow account. If realizable toll fees in any accounting year fall below a predefined contract amount as a result of certain political events, then the NHAI is required to provide us with shortfall assistance by way of a loan. On the expiry of the concession period, we are required to hand over vacant possession of the project assets to NHAI, at no cost.

The Concession Agreement includes standard provisions relating to events of default, indemnification and assignment. Under the Concession Agreement, the NHAI may terminate the agreement upon the occurrence of an event of default under the agreement, should such default remain uncured for the specified period of time. Under the terms of the Concession Agreement, we have agreed to hold the NHAI harmless against any liability or loss arising out of our performance of the Concession Agreement. We are generally not permitted to assign the Concession Agreement without the prior written consent of the NHAI.

Under the terms of the Concession Agreement we are also required to maintain this facility in good repair during the concession period. The scope of our operation and maintenance obligations include enabling safe, smooth and uninterrupted flow of traffic during normal operating conditions, minimize disruption to traffic in the event of accidents affecting the safety and use of the project highway, repairing of potholes, cracks, concrete joints, drains, line marking, lighting and signage, and to refurbish tolling systems, hardware and other equipment.

Financial closure with respect to this project was achieved in December 2006. The total estimated cost of this project is Rs. 1,409.07 crores. This total project cost is comprised of an upfront fee payable to the NHAI of Rs. 504 crores and construction costs of Rs. 905.07 crores. The aggregate value of the EPC contract for the construction of this project is Rs. 646 crores and the aggregate value of the operation and maintenance contract relating to this project is Rs. 525.37 crores. The project will be financed by a combination of equity and debt. Rs. 198.12 crores of the project cost is likely to be attributable to equity, with the remaining Rs. 1,210.95 crores attributable to term loans. The term loans for this project are being provided by various banks and financial institutions. Until November 30, 2007, the Company had incurred total expenditure of Rs. 765.05 crores as against the appraised project cost of Rs. 1,409.07 crores. The implementation of the project is as per schedule.

The NHAI has recently enlarged the scope of our work in this project to include the balance of the construction work on an additional three lane bridge and the improvement of an existing bridge and its approaches across the River Tapi. The construction cost for this additional work is estimated to be Rs.44.15 crores, which includes the construction of new, and improvements to existing, approaches and pavements. This amount will be disbursed to us by the NHAI on the basis of our monthly billings, on the basis of which we believe that we will not need to raise additional equity or debt financing to execute this additional portion of the project. The additional work on the Bharuch Surat section of NH 8 will involve the construction of a 1,950 metre long post-tensioned pre-stressed bridge (including approaches) on a well foundation, having 11 spans, 12 piers and one underpass. The enlarged scope of work will not involve the execution of a separate contract or any variances to the completion schedule or concession period of the overall project.

Pune – Nashik Road

For the purposes of this project we were engaged to expand an existing road into four lanes and strengthen a 29.81 kilometre stretch (from km 12/190 to 42/000) of the Pune – Nashik road (NH 50) on a BOT basis. The Pune – Nashik project was awarded to a consortium comprising IRBPL and Mudajaya Corporation Berhad. However, the entire equity for this project was funded by us.

The Concession Agreement dated August 25, 2003 was entered into between ATR Infra and the Government of India. Within the scope of this project we have extended the existing highway into a four lane highway, have constructed major bridges, widened minor bridges relating to the project, built-up gutters, constructed foot-paths, implemented lane markings, constructed toll plazas, and provided road furniture items. The stipulated construction completion time of the project in the Concession Agreement relating thereto was 24 months. We have completed construction work on December 20, 2005 and a completion certificate to this effect has been received.

Under the terms of the Concession Agreement we have been granted a concession period of 18 years for this project. Our concession period with respect to this project will end on September 24, 2021. Pursuant to the Concession Agreement and certain notifications issued to us by state authorities, during the specified concession period, and since construction was completed with respect to this project, we have been entitled to collect and retain any toll amounts relating to this project. Subject to the toll rates published in the relevant notification by the Government of India, under the Concession Agreement, we are also permitted to formulate, publish and implement certain toll collection schemes for frequent users of the Pune—Nashik road, as may reasonably be required by local circumstances from time to time. We are not permitted to collect any tolls from certain exempted vehicles. After the expiration of the concession period, we are required to hand-back vacant possession of the project assets (including the project site/project facilities) to the Government of India, free of cost.

The Concession Agreement includes standard provisions relating to events of default, indemnification and assignment. Under the Concession Agreement, we would be deemed to be in default of our obligations upon, amongst other things, the non-payment of any amounts owed by us or upon the breach of representations and warranties that we have provided. The Government of India may terminate the Concession Agreement upon the occurrence of an event of default under the agreement, should such default remain uncured for the specified period of time. Under the terms of the Concession Agreement, we have agreed to indemnify the Government of India for losses due to breaches of our obligations under the Concession Agreement, except if such losses are due to breach of the Government of India's obligations or a force majeure event which is a political event. We have also agreed to indemnify the Government of India for, amongst other things, our failure to comply with certain laws or permits or our failure to pay any relevant taxes due. We are generally not permitted to assign the project agreements without the prior written consent of the Government of India.

During the concession period, we have also agreed to operate and maintain the facilities relating to this project. Within the scope of our operation and maintenance obligations, we are required to maintain the standards of operation and maintenance that generally conform to the latest version of the manual of maintenance of roads published by the Indian Road Congress.

The total cost of this project was Rs. 73.70 crores, which was financed by a combination of internal accruals, equity, and debt. Rs. 1 crore of the project cost was attributable to equity and internal accruals, with the remaining Rs. 72.70 crores attributable to term loans. The term loans for the project were provided by the ICICI Bank Limited; on August 31, 2007, the entire outstanding amount has been prepaid to ICICI Bank Limited.

Pune – Sholapur Road

For the purposes of this project we were engaged to expand an existing road into four lanes and strengthen a cumulative 26 kilometre stretch (from km 14/000 to 40/000) of the Pune – Solapur road (NH 9) on a BOT basis. The Pune – Solapur project was awarded to a consortium comprising IRBPL and Mudajaya Corporation Berhad. However, the entire equity for this project was funded by us.

The Concession Agreement dated February 20, 2003, relating to this project was entered into between ATRPL and the Government of India. Within the scope of this project we expanded the existing highway into four lanes, widened certain bridges, constructed foot paths, built-up gutters, implemented lane markings, constructed toll plazas, and provided adequate road furniture. The stipulated construction completion time of this project in the Concession Agreement relating thereto was 24 months; we completed the construction of the project in 21 months. The completion certificate for this project provides the completion date as December 10, 2004.

Under the terms of the Concession Agreement we have been granted a concession period of 16 years for this project, which includes a construction period of two years. Our concession period with respect to this project will end on March 19, 2019. Pursuant to the Concession Agreement and certain notifications issued to us by government authorities, during the specified concession period, and since construction was completed with respect to this project, we have been entitled to collect and retain any toll amounts relating to this project. Subject to the toll rates published in the relevant notification by the Government of India, under the Concession Agreement, we are also permitted to formulate, publish and implement certain toll collection schemes for frequent users of the Pune—Sholapur road, as may reasonably be required by local circumstances from time to time. We are not permitted to collect any tolls from certain exempted vehicles. After the expiration of the concession period, we are required to hand-back vacant possession of the project assets (including the project site and project facilities) to the Government of India, free of cost. This "hand-back" process must commence 12 months before the end of the concession period.

The Concession Agreement includes standard provisions relating to events of default, indemnification and assignment. Under the Concession Agreement, we would be deemed to be in default of our obligations upon, amongst other things, the non-payment of any amounts owed by us or upon the breach of representations and warranties that we have provided. The Government of India may terminate the Concession Agreement upon the occurrence of an event of default under the agreement, should such default remain uncured for the specified period of time. Under the terms of the Concession Agreement, we have agreed to indemnify and hold the Government of India harmless against any liability or loss arising out of our performance of the Concession Agreement. We are generally not permitted to assign the project agreements without the prior written consent of the Government of India.

During the concession period, we have also agreed to operate and maintain the facilities relating to this project. Within the scope of our operation and maintenance obligations, we are required to undertake routine maintenance of the project road, maintain and comply with safety standards to ensure smooth and safe traffic movement, deploy adequate human resources for toll collection activity and incident management, maintain proper medical and sanitary arrangements for personnel deployed at the site, prevent any unauthorized entry to and exit from the project.

The total cost of this project was Rs. 63.00 crores, which was financed by a combination of internal accruals, equity, and debt. Rs. 18.00 crores of the project cost was attributable to equity and internal accruals, with the remaining Rs. 45.00 crores attributable to term loans. The term loan for the project was provided by The United Western Bank Limited.

Thane Bhiwandi Bypass

For the purposes of this project we were engaged to widen the existing two-lane carriageway (from km 0/115 to km 23/509) and to carry out certain other construction activities.

The Tripartite Agreement dated September 21, 1998 was entered into among IRBPL, the Government of India through the Ministry of Surface Transport, and the Government of Maharashtra through the Public Works Department. Within the scope of this project we paved various lengths of road, paved side shoulders, constructed additional road lanes, widened three minor bridges, constructed a new two lane major bridge, widened an existing bridge on a railway line, constructed a toll plaza and provided road furniture items. The stipulated construction completion time of this project in the Tripartite Agreement relating thereto was 36 months. We have completed the project on December 31, 2003.

Under the terms of the Tripartite Agreement, we have been granted a concession period of 18 years and six months for this project, which includes a construction period of three years. Our concession period with respect to this project will end on May 13, 2017. Pursuant to the Tripartite Agreement and certain notifications granted to us by state authorities, during the specified concession period, and since construction was completed with respect to this project, we have been entitled to collect and retain any toll amounts relating to this project. Subject to the toll rates published in the relevant notification by the Government of Maharashtra, we are also permitted to provide toll discounts to certain carriageway users and to implement certain toll collection schemes for frequent users of the carriageway, as may reasonably be required by local circumstances from time to time. We are not permitted to amend toll levels upward, without the prior written consent of the Government of Maharashtra. On the expiry of the concession period, we are required to hand over vacant possession of the project assets to the Government of Maharashtra, at no cost.

The Tripartite Agreement includes standard provisions relating to events of default, indemnification and assignment.

Under the Tripartite Agreement, the Government of Maharashtra may terminate the Tripartite Agreement upon the occurrence of an event of default under the agreement, should such default remain uncured for the specified period of time. Under the terms of the Tripartite Agreement, we have agreed to indemnify the Government of India during the concession period from and against all claims of liabilities by any party resulting from damages to persons or vehicles using the carriageway. We are generally not permitted to assign, transfer or sublet our obligations under the Tripartite Agreement without the prior written approval of the steering group appointed under the Agreement.

During the concession period, we have an obligation to operate and maintain the project facilities until handed over to the Government of Maharashtra. We are required to maintain the facility in accordance with the engineer repair and maintenance manual and required to report regularly to the project steering group with respect to the systematic monitoring and maintenance of the facility.

The total cost of this project was Rs. 104.00 crores, which was financed by a combination of internal accruals, equity, and debt. Approximately Rs. 34.00 crores of the project cost was attributable to equity and internal accruals, with the remaining approximately Rs. 70.00 crores attributable to term loans. The term loans for the project were provided by the Industrial Development Bank of India, the State Bank of India and the Bank of India.

Thane Ghodbunder Road

For the purposes of this project we were engaged to improve 14.9 kilometres of the Thane Ghodbunder Road (from Ch. 00/000 to Ch. 14/900). The Thane Ghodbunder Road is a major link road connecting Mumbai-Ahmedabad NH 8 to Mumbai-Agra NH 3.

The project agreements relating to this project were entered into between TGTRPL, IRBPLand the MSRDC. In this project we are required to improve the existing four-lane Thane Ghodbunder Road, provide concrete pavement for the project, provide junction improvement services, construct bus bays, engage in landscaping activities, construct toll plazas and provide road furniture items. We are also responsible for the operation and maintenance of this project until the end of the concession period. The stipulated construction completion time for construction of the project in the key agreements relating thereto is 18 months; the construction work relating to this project has been completed.

Under the terms of the project agreements we have been granted a concession period of 15 years for this project. The concession period is scheduled to expire on December 23, 2020. Toll collection with respect to this project started on December 24, 2005. Pursuant to the project agreements and certain notifications issued to us by state authorities, we are entitled to collect tolls from the users of the project facility during the concession period. Under certain circumstances, the toll notifications provide for the revision of the toll amounts that we are permitted to collect. However, in some instances, we are required to pass on to the MSRDC any increase in the income that we may derive from an increase in toll rates over and above the stipulated toll rates. We are not permitted to collect any tolls in relation to certain exempted vehicles. On the expiry of the concession period, we are required to hand over vacant possession of the project assets to the Government of Maharashtra, at no cost.

The project agreements include standard provisions relating to events of default, indemnification and assignment. Under the project agreements, the MSRDC may terminate the project agreements upon the occurrence of an event of default under the agreements, should such default remain uncured for the specified period of time. Under the terms of the project agreements, we have agreed to indemnify MSRDC for losses due to breaches of our obligations under the project agreements, except if such losses are due to breach of the MSRDC's obligations or a force majeure event which is a political event. We have also agreed to indemnify the MSRDC for, amongst other things, our failure to comply with certain laws or permits or our failure to pay any relevant taxes due. We are generally not permitted to assign the project agreements without the prior written consent of the MSRDC.

We are also responsible for the operation and maintenance of the project facility for the duration of the concession period. The scope of our operation and maintenance obligations for this project include: carrying out all command and control functions, monitoring road inspection programs, making payment of all electricity, water and other charges, maintaining the safety of moving traffic, maintaining cleanliness and security on the project facility.

The total cost of this project was Rs. 246.28 crores, which comprised an upfront fee to the MSRDC of Rs. 140.40 crores and construction costs of Rs. 105.88 crores. The aggregate value of the operation and maintenance contract in relation to this project is Rs. 110.86 crores. The project is being financed by a combination of equity and debt. Approximately Rs. 30.00 crores of the project cost is attributable to equity, with the remaining approximately Rs. 216.60 crores attributable to term loans. The term loans for the project are being provided by Canara Bank, Indian Overseas Bank, and IDBI.

Bridge across River Patalganga and Rail over Bridge at Village Kharpada

For the purposes of this project we were engaged to construct a bridge over the Patalganga river and a rail over bridge near Village Kharpada on NH 17 (the Mumbai-Goa route).

The contract agreement dated November 29, 1997 relating to this project was entered into between IRB Infra, the Government of India and the Government of Maharashtra. For this project we constructed a 1,400 meter high-level bridge across the River Patalganga, constructed approach roads to the bridge, widened the footpath relating to the bridge, and constructed a six lane toll plaza for the project. The stipulated construction completion time of the project was 24 months; however, we completed construction of this project in 18 months. We were issued a completion certificate with respect to this project confirming the July 20, 1999 as the completion date.

Under the terms of such contract agreement we have been granted a concession period of 17 years and 9 months for this project. The concession period is scheduled to on August 28, 2015. Pursuant to the contract agreement and certain notifications issued to us by state authorities, during the concession period, we are entitled to collect and retain any tolls relating to the project. Since April 1, 2001, the toll amounts that we have been permitted to collect have been calculated on the basis of a base toll rate, as adjusted annually for an increase or decrease in the all India wholesale price index specified by the Reserve Bank of India for the previous year. After the concession period has expired, all of the project assets, including the fee booths and the offices, advertisement/hoarding arrangements, will be transferred to the Government of Maharashtra at no cost.

The contract agreement includes standard provisions relating to events of default, indemnification and assignment. Under the contract agreement, the Government of Maharashtra may terminate the contract agreement upon the occurrence of an event of default under the agreement, should such default remain uncured for the specified period of time. Under the terms of the contract agreement, we have agreed to indemnify the Government of Maharashtra and the Government of India during the concession period from and against all claims of liabilities by any party resulting from damages to persons or vehicles using the roadway. We are generally not permitted to assign, transfer or sublet our obligations under the contract agreement without the prior written approval of the steering group appointed under the agreement.

During the concession period, we are also responsible for maintenance work for the project. The specifications for repair and maintenance items are similar to the work specifications for construction that are provided in the project agreements.

The total cost of this project was Rs. 32.00 crores, which was financed by a combination of equity and internal accruals and debt. Approximately Rs. 10.00 crores of the project cost was attributable to equity, with the remaining approximately Rs. 22.00 crores attributable to term loans. The term loans for the project were provided by the ICICI Bank Ltd. and the United Western Bank Ltd.; however, the project was refinanced, at a lower cost, with HDFC Bank Ltd. The project is now debt free.

Ahmednagar-Karmala-Temburni

For the purposes of this project we have been engaged to improve 60 kilometres of the Ahmednagar-Karmala Temburni Road on State Highway No. 141 (from km 80/600 to 140/080).

The Tripartite Agreement dated November 28, 2001 relating to this project has been entered into between NKT, IRBPL and the Government of Maharashtra. Within the scope of this project we were responsible for widening the subject highway, widening and reconstructing minor bridges, providing junction improvement services, constructing bus bays, constructing toll plazas, and providing road furniture items. The stipulated construction completion time of this project in the Tripartite Agreement relating thereto was 30 months; we completed construction of this project 9 months ahead of schedule. We were issued a completion certificate with respect to this project on August 25, 2003.

Under the terms of the Tripartite Agreement we have been granted a concession period of 15 years for this project. Our concession period with respect to this project is scheduled to expire on December 11, 2016. Toll collections relating to the project started in July 2003. Pursuant to the Tripartite Agreement, we are entitled to collect and retain the toll amount specified in the Bombay Motor Vehicles Tax Act, 1958. We are required to submit monthly statements of daily toll collection. We are not permitted to raise tolling levels without the prior approval of the Public Works Department, Government of Maharashtra. Under the Tripartite Agreement, the Government of Maharashtra has reserved the right to reduce the toll rates up to 10% of the prevailing toll rates in consultation with us at any time once during the concession period. If we are not able to collect any toll or if the toll collection is drastically reduced below 20% of normal toll collections due to any reason beyond our control, such as transporters' strike, riots, civil commotion, closure of bridges, for more than 24 hours, the Government of Maharashtra has agreed to compensate us for such deficit in toll collection, with interest at a rate equivalent to the prime lending rate of the State Bank of India. In the event that the Government of Maharashtra takes over the project facility at any time during the concession period, we are entitled to compensation for the unrecovered amount calculated on the basis of the project cashflow assumptions submitted by us at the time of the bid. This payment is to be made in instalments to be determined by the relevant authority appointed by the government. At the end of the concession period, we are required to transfer all of our rights in the toll booths, offices, equipment, accessories, furniture and fixtures to the Government of Maharashtra, at no cost.

The project agreements include standard provisions relating to events of default, indemnification and assignment. The Government of Maharashtra may terminate the project agreements upon the occurrence of an event of default under the agreements, should such default remain uncured for the specified period of time. Under the terms of the project agreements, we have agreed to indemnify, defend and hold the Government of Maharashtra harmless against any and all proceedings, actions and third party claims arising out of a breach by us of any of our obligations under the project agreements, including non-compliance by us of any statutory requirement. We are also liable to indemnify the government against all claims and liabilities resulting from any damage or accident to persons/machinery connected directly or indirectly with the project. We are generally not permitted to assign the project agreements without the prior written consent of the Government of Maharashtra.

Pursuant to the Tripartite Agreement, we are also responsible for the operation and maintenance of this project. The scope of our operation and maintenance duties include the obligation to take suitable corrective measures for the rectification of any defects in the road surface and for the carrying out of pothole filling, patchwork repairs and other protective works promptly.

The total cost of this project was Rs. 36.80 crores, which was financed by a combination of equity and internal accruals and debt. Approximately Rs. 15.00 crores of the project cost was attributable to equity, with the remaining approximately Rs. 21.80 crores attributable to term loans. The term loans for the project were provided by the State Bank of India.

NH 4, Khambatki Ghat (between Pune and Satara)

For the purposes of this project we were engaged to expand a segment of NH 4 by an additional two lanes and a tunnel, including strengthening of the existing weak two-lane stretch, over 8 kilometres (from km 773/0 to 781/000) in Khambatki Ghat between Pune and Satara.

The Concession Agreement dated November 16, 1998 relating to this project was entered into between IRBPL, the Government of India through the Ministry of Surface Transport, and the Government of Maharashtra, through the Public Works Department. Within the scope of this project we strengthened two lanes of NH 4, constructed two additional lanes for this highway, constructed an 890 metre tunnel and constructed a toll plaza on the highway. The stipulated construction completion time of the project in the Concession Agreement relating thereto was 24 months; we completed construction of the project in about 21 months. We have been issued a completion certificate with respect to this project certifying the actual date of completion of the project to be August 15, 2000.

Under the terms of the Concession Agreement we have been granted a concession period of nine years and nine months for this project. Thus, our concession period with respect to this project will end on October 20, 2008. Pursuant to the Concession Agreement and the notifications issued to us by state authorities, we are entitled to collect and retain any toll amounts relating to this project for the duration of the concession period. We are entitled to collect and retain tolls at rates specified by the Government of Maharashtra, calculated on the basis of a base toll rate, as adjusted for an increase in the all India wholesale price index specified by the Reserve Bank of India for the previous year. If the government agrees to such toll revision, it shall within 30 days of our proposal for revision of fees provide appropriate notification specifying the increase in toll rates. In the event that the government fails to notify such revised toll rates within such specified period, we are entitled to be compensated by way of an increase in the concession period, as determined by the steering group established by the government for such purposes. On the completion of the concession period, we are bound to transfer and assign to the Government of Maharashtra or its nominee, all of our rights, title and interest in the this project, free of cost.

The Government of Maharashtra has undertaken that it shall not propose, recommend, implement or develop, establish, finance, construct, own, manage or operate any new road (or change in any way the operation of any existing road) or permit any other entity to do so, which, in the reasonable opinion of the independent auditor appointed in connection with such project, would adversely affect the traffic flow or revenue streams from toll collection from the project roadway, or otherwise adversely affect our rights under the project agreements.

The project agreements include standard provisions relating to events of default, indemnification and assignment. Under the terms of the project agreements, we have agreed to indemnify, defend and hold the Government of India and Government of Maharashtra harmless against any and all proceedings, actions and third party claims arising out of a breach by us of any of our obligations under the project agreements, except to the extent that any such claim has arisen due to the government's default in its obligations under such agreements. We are generally not permitted to assign the project agreements without the prior written consent of the Government of Maharashtra.

During the concession period we have agreed to operate and maintain the section of the road that is the subject of this project, the tunnel and approach roads, and the toll plaza until the project is finally handed over to the Government of Maharashtra . The project steering group shall be the final and technical authority under whose direction and control the repair work shall be carried out. Under the terms of the Concession Agreement, we have agreed to comply with all instructions of the project steering group for proper control of the quality and progress of the maintenance work.

The total cost of this project was Rs. 45.00 crores, which was financed by a combination of internal accruals, equity, and debt. Approximately Rs. 15.00 crores of the project cost was attributable to equity and internal accruals, with the remaining approximately Rs. 30.00 crores attributable to term loans. The term loans for the project were provided by the Industrial Development Bank of India, the United Western Bank Limited and SICOM Limited.

Kaman Paygaon (Bhiwandi Road)

For the purposes of this project we were engaged to strengthen a cumulative 22 kilometres of Chinchoti Naka—Kaman—Paygaon—Bhiwandi Road (from km 0/000 to 22/600) in Vasai and Bhiwandi Taluka, District Thane on a BOT basis.

The Concession Agreement dated December 7, 1998 relating to this project was entered into between IRBPL and the Government of Maharashtra. Within the scope of this project we carried out road and bridge widening activities, provided road alignment and strengthening services, constructed toll plazas, and provided road furniture items. The stipulated construction completion time of this project in the Concession Agreement relating thereto was 24 months. We completed construction of this project in 14 months, on March 25, 2000, and have received a completion certificate to this effect.

Under the terms of the Concession Agreement we have been granted a concession period of 15 years for this project. The concession period with respect to this project expires on December 6, 2013. During the specified concession period, we are entitled to collect and retain any toll amounts relating to this project as per the Concession Agreement and certain notifications issued to us by the state authorities. The levels of tolls are fixed for different vehicle types and distance travelled, subject to certain adjustments. We are not entitled to increase the toll rates without the permission of the Government of Maharashtra. If we are not able to collect any toll or if the toll collection is drastically reduced below 20% of normal toll collections due to any reason beyond our control such as transporters' strike, riots, civil commotion, closure of bridges for more than 24 hours for traffic on account of structural repairs, the Government of Maharashtra has agreed to compensate us for such deficit in toll collection, with interest. In the event that the Government of Maharashtra takes over the project facility at any time during the concession period, we are entitled to compensation for the unrecovered amount calculated on the basis of the project assumptions submitted by us at the time of the bidding. On the completion of the concession period, and subject to payment of all lenders' dues, we are bound to transfer and assign to the Government of Maharashtra or its nominee, all of our rights, title and interest in the this project, free of cost.

The project agreements include standard provisions relating to events of default, indemnification and assignment. The Government of Maharashtra may also terminate the project agreements upon the occurrence of an event of default under the agreements, should such default remain uncured for the specified period of time. Under the terms of the project agreements, we have agreed to indemnify, defend and hold the Government of Maharashtra harmless against any and all proceedings, actions and third party claims arising out of a breach by us of any of our obligations under the project agreements, except to the extent that any such claim has arisen due to the Government of Maharashtra being in default of its obligations under the project agreements. We are generally not permitted to assign the project agreements without the prior written consent of the Government of Maharashtra.

We are responsible for the operation and maintenance of the project facility for the duration of the concession period. The standards for operation and maintenance are those that generally conform to the latest version of the manual of maintenance of roads published by Indian Road Congress.

The total cost of this project was Rs. 14.40 crores, which was financed by a combination of internal accruals, equity, and debt. Approximately Rs. 4.40 crores of the project cost was attributable to equity and internal accruals, with the remaining approximately Rs. 10.00 crores attributable to term loans. The term loans for the project have been provided by the Kalyan Janata Sahakari Bank Limited and the Dombivili Nagri Sahakari Bank Limited.

Bhiwandi Wada Road

For the purposes of this project we were engaged to improve, strengthen, and black topping a cumulative 18 kilometres ((S.H. 35 km) (km 0/645 to 18/00)) in Taluka Bhiwandi, District Thane on a BOT basis.

The Concession Agreement dated January 23, 1998 relating to this project was entered into between IRBPL and the Government of Maharashtra. Within the scope of this project we carried out road widening activities, provided hard murum side shoulders, provided road strengthening treatments, constructed toll plazas, and provided road furniture items. The stipulated construction completion time of the project in the Concession Agreement was 24 months. We completed construction of this project in 12 months, on February 4, 1999, and have received a completion certificate to this effect.

Under the terms of the Concession Agreement we have been granted a concession period of 10 years and 8 months for this project. Our concession period with respect to this project is scheduled to end on September 22, 2008. Pursuant to the Concession Agreement and certain notifications issued to us by state authorities, we are entitled to collect and retain the toll amounts arising from this project for the duration of the concession period. The levels of tolls are fixed for different vehicle types and distance travelled, subject to certain adjustments. We are not entitled to increase the toll rates without the permission of the Government of Maharashtra. Under the terms of the concession agreement, if we are not able to collect any toll or if the toll collection is drastically reduced below 20% of the normal toll collection due to any reason beyond our control such as transport strikes, riots, civil commotion, closure of bridges for more than 24 hours for traffic on account of structural repairs, the Government of Maharashtra must compensate us for such deficit in toll collection, with interest. In the event that the Government of Maharashtra takes over the project facility at any time during the concession period, we are entitled to compensation for the unrecovered amount calculated on the basis of the project assumptions submitted by us at the time of the bidding. On the completion of the concession period, and subject to payment of all lenders' dues, we are bound to transfer and assign to the Government of Maharashtra or its nominee, all of our rights, title and interest in the this project, free of cost.

The project agreements include standard provisions relating to events of default, indemnification and assignment. The Government of Maharashtra may also terminate the project agreements upon the occurrence of an event of default under the agreements, should such default remain uncured for the specified period of time. We are generally not permitted to assign the project agreements without the prior written consent of the Government of Maharashtra.

We are responsible for the operation and maintenance of the project facility for the duration of the concession period. The standards for operation and maintenance are those that generally conform to the latest version of the manual of maintenance of roads published by Indian Road Congress.

The total cost of this project was Rs. 9.45 crores, which was financed by a combination of debt and equity. Approximately Rs. 2.45 crores of equity was raised to complete the project and approximately Rs. 7.00 crores of term loans were secured. The term loans for the project were provided by the Industrial and Development Bank of India and the Dombivili Nagri Sahakari Bank Limited.

Mohol-Kurul-Kamti-Mandrup

For the purposes of this project we were engaged for the purposes of implementing improvements and strengthening the Mohol-Kurul-Kamti-Mandrup road (from km 66/000 to 99/000) in Solapur District.

The Tripartite Agreement dated May 29, 2002 relating to this project was entered into among MMK, IRBPL and the Government of Maharashtra through the Public Works Department. Within the scope of this agreement we were required to widen the existing highway, provide black-top treatment, construct new structures (drains and minor bridges), develop junctions, construct bus bays, and provide toll plazas. The stipulated construction completion time in the project agreements for this project was 18 months; we completed construction of this project approximately six months ahead of its scheduled completion date. Under the terms of the Tripartite Agreement we have been granted a concession period of 16 years for this project. The construction phase of this project was completed on September 20, 2003.

We have been granted a concession period of 16 years and two months with respect to this project. Our concession period is scheduled to end on May 28, 2018. Pursuant to the Tripartite Agreement, during the specified concession period, and since construction was completed with respect to this project, we have been entitled to collect and retain any toll amounts relating to this project as per the Bombay Motor Vehicles Tax Act, 1958. We are required to submit monthly statements of daily toll collection. We are not entitled to increase the toll rates without the permission of the Public Works Department, State of Maharashtra. The Government of Maharashtra may reduce the toll rates in consultation with us at any time once during the concession period up to 10% of the prevailing toll rates. In such event, the remaining concession period may be adjusted based on the vehicle flow assumptions submitted by us at the time of our bid. On the expiry of the concession period, we are required to hand over vacant possession of the project assets to the Government of Maharashtra, at no cost.

The project agreements include standard provisions relating to events of default, indemnification and assignment. Under the project agreements, we would be deemed to be in default of our obligations upon the non-payment of any amounts owed by us or upon the breach of representations and warranties that we have provided. The Government of Maharashtra may terminate the project agreements upon the occurrence of an event of default under the agreements, should such default remain uncured for the specified period of time. Under the terms of the project agreements, we have agreed to indemnify, defend and hold the Government of Maharashtra harmless against any and all proceedings, actions and third party claims arising out of a breach by us of any of our obligations under the project agreements, except to the extent that any such claim has arisen due to the Government of Maharashtra being in default of its obligations under the project agreements. We are generally not permitted to assign the project agreements without the prior written consent of the Government of Maharashtra.

During the concession period, we have an obligation to operate and maintain the facility until it is handed over to the Government of Maharashtra. The scope of our maintenance and operation obligations includes, maintenance and repairs of electrical and other installations and payment of energy bills, corrective measures for rectification of road surface, camber and super elevation, filling in potholes, maintaining the embankment, shoulders, road side drains, and other such items in a manner that does not cause inconvenience to traffic.

The total cost of this project was Rs. 18.00 crores, which was financed by a combination of equity and internal accruals and debt. Approximately Rs. 7.00 crores of the project cost was attributable to equity and internal accruals, with the remaining approximately Rs. 11.00 crores attributable to term loans. The term loan for the project was provided by the State Bank of India.

General Agreement Provisions

The summaries of our BOT project agreements provided above are not meant to be exhaustive. Certain of our project agreements include provisions that could provide third parties with rights that, if exercised, would adversely affect our business operations and financial conditions. Such rights include: the right of government entities to take over our BOT project facilities after providing us with the appropriate compensation; the right of government entities to control the levels of tolls that we are authorized to charge at our projects; the rights of third parties to be indemnified by us under certain circumstances; and, "step-in" and substitution rights possessed by certain lenders with respect to our project assets.

Counterparties to most of our infrastructure development are government entities, and we have only a limited ability to negotiate the standard terms of government contracts which means that many terms in the agreement tend to favour the client. For example, it is not always clear whether design review and approval by a client releases us from design and engineering liability, in particular latent defects. There are generally no caps on our liability as a contractor, and it is not always clear whether we can be liable for consequential and/or economic loss to a client. Further, infrastructure contracts awarded by the Government of India and state governments may include provisions which enable the client to terminate the contract without cause following provision of notice. Performance guarantees are also common features of our contracts and are typically unconditional and payable on demand, and can be invoked by the client in accordance with the terms of such contracts.

Recent Developments

In January 2007 we entered into eight memoranda of understanding with Deutsche Bank AG, Singapore Branch to jointly bid for certain road expansion projects proposed by NHAI. For further information with respect to such arrangements with Deutsche Bank AG, see "History and Certain Corporate Matters – Material Agreements" beginning on page 104 of this Red Herring Prospectus. We had subsequently been granted pre-qualified status by NHAI that entitled us to submit request for proposals for certain NHDP Phase V road infrastructure projects, namely, the Chennai-Tada project on NH 5, the Gurgaon – Kotputli - Jaipur project on NH 8, the Surat - Dahisar project on NH 8, the Chilkaluripet - Vijayawada project on NH 5 and the Panipat - Jalandhar project on NH 1. Of these, we submitted our bids for the Gurgaon – Kotputli – Jaipur project and the Surat – Dahisar project on November 29, 2007. We did not bid for the other projects.

The Surat - Dahisar BOT project involves the six-laning of the existing four-lane Surat - Dahisar section of NH 8 from k.m. 263 to k.m. 502 (an aggregate length of 239 k.m.). Our bid for the Surat – Dahisar BOT project provides for an effective revenue share to NHAI of 38% of the toll revenue for the initial year of the concession period (commencing from the "appointed date" to be specified in the relevant concession agreement for such project) with an increase of an additional 1% revenue share for NHAI in each succeeding year during the course of the concession period of 12 years for such project. The Gurgaon – Kotputli – Jaipur BOT project involves the six laning of the Gurgaon – Kotputli – Jaipur section of NH 8 from k.m. 42.70 to k.m. 273.00 (an aggregate length of 225.60 k.m.). Our bid for the Gurgaon – Kotputli – Jaipur BOT project provides for an effective revenue share to NHAI of 20.49% of the toll revenue for the initial year of the concession period (commencing from the "appointed date" to be specified in the relevant concession agreement for such project) with an increase of an additional 1% revenue share for NHAI in each succeeding year during the course of the concession period of 12 years for such project.

Pursuant to NHAI's letter dated January 4, 2008, we and other bidders attended the opening of the financial bids for these projects on January 8, 2008 at NHAI headquarters in New Delhi. We understand that while our bid for the Gurgaon – Kotputli – Jaipur project was not the highest bid for such project, we emerged as the highest bidder (offering the highest revenue share to NHAI) for the Surat – Dahisar project. However, we have not yet received any official confirmation from NHAI to this effect.

Investors should note that there can be no assurance that we will be granted the Surat - Dahisar project on these terms, or at all, until receipt of official notification from NHAI confirming that such project has been awarded to us on such terms. There can also be no assurance that if we were to be awarded such project, that such award will not be subject to other conditions that may not be acceptable to us, or that we will be able to meet such conditions specified by NHAI, within time, or at all, including, without limitation, conditions relating to the arrangement of financing for such project. For risks associated with BOT projects, see "Risk Factors - Risks related to our Infrastructure Development and Construction Business" beginning on page xxvi of this Red Herring Prospectus.

In the event that we are awarded the Surat - Dahisar project, we propose to establish a special purpose vehicle (in the form of a subsidiary of the Company) for such project, in which the Company and Deutsche Bank AG shall hold a minimum equity interest of 51% and 10%, respectively, during the relevant concession period, in accordance with the terms of the memorandum of understanding entered into between the Company and Deutsche Bank AG in relation to such project. For further information with respect to such arrangements with Deutsche Bank AG, see "History and Certain Corporate Matters – Material Agreements" beginning on page 104 of this Red Herring Prospectus. In the event that we are awarded such project, the definitive project documents (including the concession agreement) will be executed only following the establishment of the relevant project SPV.

We have also recently submitted our bid for a BOT project relating to the Integrated Road Development Program in Kolhapur.

The NHAI has also recently increased the scope of our work in the Bharuch to Surat Section of NH 8 BOT project to include the balance of the construction work on an additional three lane bridge and improvements to an existing bridge and its approaches across the River Tapi. For further information, please see "Business – Our BOT Infrastructure Development Projects" on page 73 of this Red Herring Prospectus.

Financing and Security Arrangements for our BOT Infrastructure Development Projects

As noted above, with respect to many of our projects, we have entered into bank facilities with certain lenders. The security package under these loan facilities typically includes a combination of one or more of the following:

- a first priority security interest over all existing and future moveable and immovable assets as well as intangible assets, including rights, title, interest, benefits, claims and demands under the concession agreements and all other project agreements; all receivables, revenue and insurance proceeds; and cash in all accounts including the debt service reserve account;

- a share pledge of a significant proportion of (existing and future) equity shares in the project company. The pledge may also provide for a floating charge over any dividends or other distributions, in cash or otherwise, received in connection with the pledged shares which crystallises in an event of default (as defined in the respective loan facilities);

- on a joint and several basis, a deed of undertaking from the project's sponsors not to transfer or cause to be transferred any equity shares or preference shares in a project company without the prior written consent of the lenders so long as amounts are outstanding under the loan facility;

- an agreement from the project's sponsors in favour of the project company and the lenders that they are jointly and severally liable for the completion of the entire project;

- on a joint and several basis a deed of undertaking from the project's sponsors to cover any cost over runs necessary to complete the project;

- on a joint and several basis, a deed of undertaking from the project's sponsors for start-up expenses up to a specified amount and any overruns in operations and maintenance in excess of budgeted expenses and/or reduction in annuity;

- a deed of undertaking from the project's sponsors to meet any shortfalls in the debt service reserve account during the first year of commercial operation and thereafter, on demand of lenders, to meet any shortfalls in this account for interest payments;

- establishment of an escrow account;

- a limited recourse guarantee by us guaranteeing all payment obligations of a project company under the bank facilities;

- conversion of principal and unpaid interest amounts owed to lenders into equity; and

- on a joint and several basis, a deed of undertaking from the project's sponsors to meet any shortfall between the amount outstanding under the bank facilities and the termination payment paid by a government entity in case of an event of a default by the project company.

If the financing arrangements include subordinated loans, the security package is similar to the senior loans except that it ranks in priority behind the security package for the senior loans.

The bank facilities include customary affirmative and negative covenants and financial covenants. In addition, the project companies are typically not permitted to make certain restricted payments (including payment of any dividends or other distributions) unless, among other things, a completion certificate has been issued, the debt service coverage ratio has been satisfied, and the debt service reserve accounts are sufficiently funded as prescribed under the bank facilities. The bank facilities also include a restriction on the transfer of shares by the sponsors except with the consent of the lenders. As part of the financial arrangements with the lenders, and in addition to accelerating repayment of all monies due and outstanding under the bank facilities and other financing documents, the lenders may have 'step-in' rights on the occurrence of an event of default. Step-in rights entitle the lenders to enforce their security interests by (i) entering and taking possession of all of the secured assets and collateral of the project company, (ii) transferring the assets by way of lease, licence or sale, and (iii) substituting themselves or any nominee for the project company under any of the project documents (including the concession agreement) and the project company's residual interest in a collection account into which, among other things, all project revenue, insurance proceeds, equity payments, termination payments are deposited.

A default under, or an acceleration of the loans outstanding under the financing arrangements may also cause cross-defaults under our concession agreements.

Our Funded Construction Business

Although our engineering construction capabilities are integral to the success of our BOT infrastructure development business, we also undertake funded construction projects in the roads sector that are independent of our BOT infrastructure development business. Since inception, we have been involved in the construction or operation and maintenance of approximately 1,200 kilometres of highways and roads in India. We have participated in projects funded by state governments, the International Bank for Reconstruction and Development, the Asian Development Bank as well the NHAI.

The funded construction projects that we work typically fall into one or more combinations of the following categories:

- Lump sum or turnkey contracts provide for a single price for the total amount of work, subject to variations pursuant to changes in the client's project requirements. In lump sum contracts, the client supplies all the information relating to the project, such as designs and drawings. Based on such information, we are required to estimate the quantities of various items, such as raw materials, and the amount of work that would be needed to complete the project, and then prepare a bill of quantities ("BOQ") to arrive at the price to be quoted. 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 price.
- Item-rate contracts are contracts where we need to quote the price of each item presented in a BOQ furnished by the client. In item-rate contracts the client supplies all the information such as the design, drawings and a 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.
- 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 BOQ with the estimated rates for each item of the BOQ. We are responsible for the execution of the project based on the information provided and technical stipulations laid down by the client at our quoted rates, which are arrived at by adding or subtracting the percentage quoted by us above or below the estimated cost furnished by the client.

Contracts, irrespective of their type (i.e., lump sum, item-rate or percentage rate), typically contain price variation or escalation clauses that provide for either reimbursement by the client in the event of a variation in the prices of key raw materials (for example, cement) or a formula that splits the contract into pre-defined components for materials, labour and fuel and links the escalation in amounts payable by the client to pre-defined price indices published periodically by the RBI or the government. Some contracts do not include such price variation or escalation clauses. In those instances, we face the risk that the price of key raw materials and other inputs will increase during the project execution period and we may be unable to pass on the increases in such costs to the client.

Below is a brief description of funded construction projects we are currently working on:

1. *Nagpur Hyderabad (Package NS - 59)*

Pursuant to an agreement dated July 7, 2005 between the NHAI and Ideal Road Builders Private Limited, we have been engaged to effect the four-laning of km 64,000 to km 94,000 of the Nagpur—Hyderabad section of NH 7 in the State of Maharashtra. In this project, we are constructing a new two-lane road parallel to the existing highway, constructing culverts, minor and major bridges and grade separators. Under such agreement with NHAI we are required to complete the construction of this project within a period of 30 months. With respect to this project, we have submitted a performance security in the form of a bank guarantee for an amount equal to 10% of the project value; the performance security is valid up to May 17, 2009. The bank guarantee of Rs. 117,000,500 was provided by Canara Bank on May 18, 2005. The total value of this project is Rs. 117.00 crores.

2. *Nagpur Hyderabad (Package NS - 61)*

Pursuant to an agreement dated July 7, 2005, between the NHAI and Ideal Road Builders Private Limited, we have been engaged to effect the four laning of km 123.00 to km 153.00 of the Nagpur—Hyderabad section of NH 7 in the State of Maharashtra. In this project, we are constructing a new two lane road parallel to the existing highway, constructing culverts, minor and major bridges and grade separators. Under such agreement with NHAI, we are required to complete the construction of this project within 30 months. With respect to this project, we have submitted performance security in the form of a bank guarantee for an amount equal to 10% of the project value; the performance security is valid up to May 17, 2009. The bank guarantee of Rs. 115,237,000 was provided by Canara Bank on May 18, 2005. The total value of this project is Rs. 115.24 crores.

3. *Improvement to Ahmedabad Vadodara Section of NH 8*

Pursuant to an agreement dated July 7, 2005 between the NHAI and Ideal Road Builders Private Limited, we were engaged to complete certain improvement work relating to the Ahmedabad – Vadodara section of NH 8 from k.m. 6,400 to k.m. 104,000. With respect to this project, we have submitted performance security in the form of a bank guarantee for an amount equal to 5% of the project value; the performance security was valid until September 19, 2007. On June 20, 2006, the Punjab National Bank provided a bank guarantee of Rs. 47,970,000. We have recently completed construction work on this project.

4. *Ahmedabad Municipal Corporation*

Work Order 1: Janmarg (B.R.T.S. Project) to be constructed from Pirana—Danilimada – Maninagar and Danilimda – Chandola - Narol

Ideal Road Builders Private Limited's bid of Rs. 78.36 crores for this project has been accepted by the Ahmedabad Municipal Corporation on June 14, 2007. A work order relating to this project has been received and performance security (valid up to July 4, 2014) of Rs. 39,200,000 has been provided by Andhra Bank on July 5, 2007 to the Ahmedabad Municipal Corporation.

Work Order 2: Janmarg (B.R.T.S Project) to be constructed from Narol Circule to Naroda Patiya

IRBPL's bid of Rs. 132.99 crores for this project has been approved by the relevant standing committee. A work order relating to this project has been received and performance security (valid up to March 8, 2014) amounting to Rs. 6.65 crores has been provided by Andhra Bank on March 9, 2007 to the Ahmedabad Municipal Corporation.

Project Lifecycle of BOT Infrastructure Development and Funded Construction Projects

The project life cycle for our BOT infrastructure development and funded construction business is generally similar and is discussed below:

We bid for infrastructure projects primarily through a competitive bidding process. Governments and other clients typically advertise proposed projects in leading national newspapers or on their websites. We evaluate available bid opportunities and decide whether we should pursue a particular project based on various factors, including the client's reputation and financial strength, the geographic location of the project and the degree of difficulty in executing the project in such location, our current and projected workload, the likelihood of additional work, the project's cost and profitability estimates and our competitive advantage relative to other likely bidders. Once we have identified projects that meet our criteria, we submit an application to the client according to the procedures set forth in the relevant advertisement.

We have a centralised tender department that is responsible for applying for all pre-qualifications and tenders. The tender department evaluates our credentials based on the stipulated eligibility criteria. We endeavour to qualify on our own for projects in which we propose to bid. In the event that we do not qualify for a project in which we are interested due to eligibility requirements relating to the size of the project, technical know-how, financial resources or other reasons, we may seek to form strategic alliances or project-specific joint ventures with other experienced and qualified contractors. By using the combined credentials of the cooperating companies our chances of pre-qualifying and winning the bid for the project are strengthened. We believe that by centralising our tender monitoring and preparation functions, we are able to streamline our bidding processes while effectively managing our current and future resource allocations.

Prequalification

In selecting contractors for major projects, clients generally limit the tender to contractors they have pre-qualified based on several criteria including experience, technological capacity and performance, reputation for quality, safety record, financial strength and bonding capacity and size of previous contracts in similar projects, although price competitiveness of the bid is generally the most important selection criterion. Pre-qualification is key to our winning major projects and we continue to develop on our pre-qualification status through concentrated marketing efforts aimed at infrastructure development agencies and entities. We cannot predict with any degree of certainty the frequency, timing or location of new contract awards. Our marketing and contracts teams are responsible for our marketing activities. Until the final selection, negotiations continue with the client on matters such as specific engineering and performance parameters, the construction schedule and financial and other contractual terms and conditions.

Submitting a Bid

If we pre-qualify for a project, the next step is to submit a financial bid. Prior to submitting a financial bid, we carry out a detailed study of the proposed project, including performing a detailed study of the technical and commercial conditions and requirements of the tender followed by a site visit. A site visit enables us to determine the site conditions by studying the terrain and access to the site. Thereafter, a local market survey is conducted to assess the availability, rates and prices of key construction materials and the availability of labour and specialist sub-contractors in that particular region. Sources of key materials are also visited to assess the availability and quality of such material. For projects in the roads and highways sectors, traffic surveys are also conducted to assess the traffic density that exists at the project site.

We attend the pre-bid meetings convened by the clients, during which any ambiguities or inconsistencies in the document issued by the client are brought to the attention of the client for further clarification. We seek quotations from suppliers and other sub-contractors for various items or activities in respect of the tender. This data supplements the data gathered by the market survey. The information gathered is then analysed to arrive at the cost of items. We use sophisticated estimation systems to evaluate the costs and benefits of being involved in any specific project. If such benefits outweigh costs, we will submit a formal financial bid estimate to the client. The bid estimate forms the basis of a project budget against which performance is tracked through a project cost system, enabling management to monitor projects continuously.

Engineering, Procurement and Construction

Typically, subsequent to a successful bid made in accordance with the process described above, our construction division is required to prepare project specific architectural and/or structural designs that adhere to regulatory requirements, procure materials for the relevant project, and effect the actual construction of the project. Although our EPC capabilities are integral to the success of our infrastructure development business, we also undertake EPC projects in the roads sector for funded projects.

Prior to the construction of any road, detailed engineering is necessary before any actual physical work can be started. Engineering work normally includes work related to project layout, process, control systems and instrumentation, equipment needs planning, and civil works. Designing cost control measures and scheduling are some of our most important pre-construction engineering activities. Through our significant experience in the roads sector, we have developed expertise in addressing the unique engineering issues that can arise in the roads sector as a result of difficult terrain, extreme climatic conditions and where areas of environmental sensitivity are encountered.

Because material procurement plays such a critical part in the success of any project, we maintain experienced staff to carry out material procurement activities. We maintain sophisticated material procurement, tracking and control systems which enable effective monitoring for our purchasers. Immediately following engineering design work, the materials required for the particular project are ordered. We typically enter into pre-bid arrangements with suppliers of construction materials required for a project.

Unlike many of our competitors, we maintain a significant inventory of construction equipment that is owned by MRM, a wholly-owned subsidiary of the Company. Ownership of the equipment that we use in our construction operations enable us to avoid the costs involved in out-sourcing construction equipment and complete our projects in a timely manner, as we are not subject to equipment related construction delays that may be caused by third parties.

In an EPC contract, our field construction typically commences once the basic engineering and design aspects are finalized and/or other equipment and materials have been ordered. This commences with mobilizing our key work force and construction machinery to the work site. In construction contracts, the client typically specifies the date by which we are expected to mobilize our work force and machinery to the site.

The construction activity of roads generally tends to be carried out in remote rural areas as well as through urban areas and can involve difficult terrain such as mountainous areas, areas through forests or marshy terrain. The work also consists of making bridges across waterways and similar terrain. This makes road construction work extremely challenging and requires modern project management techniques and construction methods to be able to complete projects in accordance with time schedules and quality specifications. The construction of the embankment is the most crucial phase in road construction and requires mobilization of various construction equipment such as excavators, dozers and dumpers for earthworks, motor graders for grading and levelling, compacting rollers for compaction of various road layers, pavers for laying crust layers. Emphasis is given to compaction of all structural layers to avoid uneven settlement. The drainage layer over the embankment requires high volumes of sand and stone aggregate. The logistics of arranging material for these activities are vital. Both sub-base and base layers in roads comprise sand and aggregate. The economy of construction of these layers depends largely on availability of material in nearby areas to avoid transportation costs. The top layer of roads is made either of concrete or bitumen mixed with sand and aggregate. Sophisticated paving equipment such as sensor pavers and compaction rollers enable preparation of structurally sound top layer of roads and improves ride quality. The construction of cross drainage, bridge works over rivers and canals also forms part of the construction of highways. A Systemic framework is developed to construct these bridges over pile/open/well foundations and cranes are used to launch bridging slabs. Generally, the specific methodology of construction depends upon the nature of the project.

Equipment

We own a large fleet of sophisticated construction equipment including crushers, graders, batching plants, and sensor pavers. The main equipment and machinery used in road and highway projects are stone crushers, granular sub-base screening plant, hot mix plant (batch type and drum type), wet mix plant, electronic sensor paver, mechanical paver, kerb laying machine, concrete batching and mixing plant, weigh batchers, vibro compactor, tandem vibratory roller, front-end wheel loader, bitumen spreaders, rock breakers, sand piling machinery, dozers, automatic road marking machines and tunneling boomer. Most of the equipment relating to road works is owned by us. In addition, we may be required to mobilise and procure various other equipments. Equipment asset management is a critical element of timely delivery and quality. Owning a large fleet of sophisticated equipment enables us to be less dependent on third parties when implementing our various projects. Our large equipment base is managed, maintained and operated by our wholly-owned subsidiary, MRM. We believe that our strategic investment in equipment assets is an advantage as it enables rapid mobilization of high quality equipment.

Key Processes and Technology

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

Joint Venture Arrangements

From time to time, for certain larger infrastructure development or construction projects that require resources beyond those available to us, such as financial strength, equipment, manpower or local content resources, or when we wish to share the risk on a particularly large project, we seek to make alliances through the formation of special purpose vehicles or project-specific joint ventures with other firms.

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. In a joint venture arrangement, there is typically a joint and several liability on the members. In the event of a default by other members of any joint venture arrangement that we may enter into, we would remain liable for the completion of the project.

In January 2007 we entered into eight memoranda of understanding with Deutsche Bank AG, Singapore Branch to jointly bid for certain road expansion projects proposed by NHAI. For further information with respect to such arrangements with Deutsche Bank AG, see “History and Certain Corporate Matters – Material Agreements” beginning on page 104 of this Red Herring Prospectus. We had subsequently been granted pre-qualified status by NHAI that entitled us to submit request for proposals for certain NHDP Phase V road infrastructure projects, namely, the Chennai-Tada project on NH 5, the Gurgaon – Kotputli - Jaipur project on NH 8, the Surat - Dahisar project on NH 8, the Chilkaluripet - Vijayawada project on NH 5 and the Panipat - Jalandhar project on NH 1. Of these, we submitted our bids for the Gurgaon – Kotputli – Jaipur project and the Surat – Dahisar project on November 29, 2007. We did not bid for the other projects. For further information on these projects, see “Business – Our BOT Infrastructure Development Business – Recent Developments” on page 84 of this Red Herring Prospectus.

Pursuant to NHAI's letter dated January 4, 2008, we and other bidders attended the opening of the financial bids for these projects on January 8, 2008 at NHAI headquarters in New Delhi. We understand that while our bid for the Gurgaon – Kotputli – Jaipur project was not the highest bid for such project, we emerged as the highest bidder (offering the highest revenue share to NHAI) for the Surat – Dahisar project. However, we have not yet received any official confirmation from NHAI to this effect. Investors should note that there can be no assurance that we will be granted the Surat - Dahisar project on these terms, or at all, until receipt of official notification from NHAI confirming that such project has been awarded to us on such terms. There can also be no assurance that if we were to be awarded such project, that such award will not be subject to other conditions that may not be acceptable to us, or that we will be able to meet such conditions specified by NHAI, within time, or at all, including, without limitation, conditions relating to the arrangement of financing for such project. For risks associated with BOT projects, see "Risk Factors - Risks related to our Infrastructure Development and Construction Business" beginning on page xxvii of this Red Herring Prospectus.

In the event that we are awarded the Surat - Dahisar project, we propose to establish a special purpose vehicle (in the form of a subsidiary of the Company) for such project, in which the Company and Deutsche Bank AG shall hold a minimum equity interest of 51% and 10%, respectively, during the relevant concession period, in accordance with the terms of the memorandum of understanding entered into between the Company and Deutsche Bank AG in relation to such project. For further information with respect to such arrangements with Deutsche Bank AG, see "History and Certain Corporate Matters – Material Agreements" beginning on page 104 of this Red Herring Prospectus. In the event that we are awarded such project, the definitive project documents (including the concession agreement) will be executed only following the establishment of the relevant project SPV.

Order Book

Our Order Book as of any particular date consists of unbilled revenue from the uncompleted portions of our "existing contracts", i.e., the total contract value of the "existing contracts" secured by the IRB Group as reduced by the value of construction work billed until the date of such Order Book. For purposes of our Order Book, we define "existing contracts" as (i) construction contracts, including EPC contracts and (ii) operation and maintenance contracts, whether relating to funded construction projects or part of a BOT project, that have been awarded to us and for which all pre-conditions to entry into force have been met. Our consolidated Order Book was Rs. 2,324.90 crores as of October 31, 2007. However, our Order Book is not audited and does not necessarily indicate future earnings related to the performance of that work and if we were to not achieve our expected margins or suffered losses on one or more of these contracts, this could reduce our net income or cause us to incur a loss. In addition, future earnings related to the performance of the work in our Order Book may not necessarily be realised.

No.	Contract Description	Entity in IRB Group	Size of Contract (Rs. crores)	Amount billed as at October 31, 2007 (Rs. crores)	Amount receivable as at October 31, 2007 (Rs. crores)	Contract Completion Date
Funded Projects						
1	On Nagpur Hyderabad Section on NH 7 at k.m. 123/00 to 153/00. Four laning of existing road. Contract package No. NS -61 (MH)	IRBPL	115.24	28.64	86.60	April 3, 2008
2	On Nagpur Hyderabad Section on NH 7 at k.m. 64/00 to 94/00. Four laning of existing road. Contract package No. NS-59 (MH)	IRBPL	117.00	22.17	94.83	April 4, 2008
3	Bus Rapid Transit System project from Narol Circle to Naroda Patiya	IRBPL	132.99	0.19	132.80	May 7, 2009
4	Bus Rapid Transit System project from Pirana - Danilimda - Maninagar and Danilimda - Chandola – Narol	IRBPL	78.36	-	78.36	January 23, 2009
5	Balance work of additional three lane bridge with its approaches improvement of existing bridge across River Tapi	IDAA	44.15	-	44.15	July 1, 2009
BOT Projects in Operation and Maintenance Phase						
5	Four laning and improvement of Mumbai - Pune section NH 4 (k.m. 131/200 to k.m. 20/400) on self finance along with Toll Collection and Operation and Maintenance on Mumbai - Pune section of NH 4 and existing Mumbai - Pune Expressway.	IRBPL	754.79	81.65	673.14	August 10, 2019
6	Improvements, Toll Collection and Operation and Maintenance of Thane - Ghodbunder Road.	IRBPL	110.86	3.80	107.06	December 23, 2020
7	Four laning and strengthening of Pune - Nashik Road (NH 50) from k.m. 12/190 to 42/000	MRM	30.24	2.03	28.21	September 24, 2021
8	Four laning and strengthening of Pune - Solapur Road (NH 9) from k.m. 14/000 to 40/000	MRM	23.31	3.24	20.07	March 19, 2019

No.	Contract Description	Entity in IRB Group	Size of Contract (Rs. crores)	Amount billed as at October 31, 2007 (Rs. crores)	Amount receivable as at October 31, 2007 (Rs. crores)	Contract Completion Date
9	Six / four laning of k.m. 198/000 to k.m. 263/000 Bharuch to Surat Section of NH 8 in Gujarat on BOT basis.	IRBPL	525.37	-	525.37	January 1, 2022
EPC in ongoing BOT Project						
10	Six / four laning of k.m. 198/000 to Km 263/000 Bharuch to Surat Section of NH 8 in Gujarat on BOT basis.	IRBPL	646.00	111.69	534.31	July 1, 2009
				Total	**2,324.90**	

Our Real Estate Business

We have recently diversified our business into the real estate development sector. Our proposed township project is the first real estate development project undertaken by us and is in its preliminary stages of planning and development. We are in the process of acquiring land in Mauje Taje and Mauje Pimploli Taluka in Pune district in the State of Maharashtra in India on which we propose to develop an integrated township. We intend to develop residential and commercial projects and have engaged Stup Design Forum in association with Stup Consultants Private Limited in connection with the development of the proposed township project.

Currently, our Land Reserves consist of approximately 925 acres of land Mauje Taje and Mauje Pimploli Taluka in Pune district, and we intend to acquire an additional approximately 475 acres of land for our proposed township project. In connection with our proposed township project, we will be required to obtain various permits, licences and other regulatory approvals and there can be no assurance that these will be obtained on a timely basis or at all. Our Land Reserves consist of agricultural lands and we are yet to obtain the relevant certificates from the relevant regulatory authorities for the conversion of such agricultural land for purposes of our township project.

The success of the project is dependent on infrastructure development in and around the proposed township. The success of our residential property in the township project will be dependent on our ability to anticipate and respond to consumer requirements. Similarly, our commercial real estate business will depend on the provision of quality office space to attract and retain clients who are willing and able to pay rent at suitable levels and on our ability to anticipate the future needs and expansion plans of these clients. We will incur significant costs for the integration of modern fittings, contemporary architecture and landscaping. In addition, the telecommunications, broadband and wireless systems that our clients require involve additional costs associated with installation and maintenance by third parties. As part of our township development project, we may need to provide property management services to our completed residential, commercial and retail developments. These services include, among others, book keeping, security management, building maintenance and the operation of leisure facilities such as swimming pools and fitness centres. We believe that these property management services will be an integral part of the development of the township project and will be important to the successful marketing and promotion of such project.

Aryan has entered into certain agreements with respect to the development of the proposed township, including an agreement dated March 7, 2007 with MRM pursuant to which MRM has purchased, for an aggregate consideration of Rs. 504 crores, 1,260,000 sq.ft. of commercial space in the proposed township and has agreed to pay 50% of such consideration amount to Aryan within six months of the date of such agreement. The remaining amounts are payable by MRM to Aryan in proportion to the completion of Aryan's work in the proposed township. Aryan has also entered into another agreement dated March 9, 2007 with Aryan Constructions, a proprietary concern of V.D. Mhaiskar HUF, a Promoter Group entity, pursuant to which Aryan has awarded Aryan Constructions the lump sum turn key contract for the development of the proposed township in accordance with the terms of such agreement, for an aggregate consideration of Rs. 2259.66 crores. Aryan had also agreed to pay an advance of Rs. 252 crores to Aryan Constructions within six months of the date of such agreement for the mobilization of various resources for preliminary site preparation activities. Pursuant to such agreement, until October 31, 2007, Aryan had made payment of Rs. 183.91 crores as mobilization advance to Aryan Constructions.

Land Reserves

With respect to our real estate business, we have established a systematic process for land identification and acquisition. We monitor real estate markets and emerging trends. We then assess selected markets to identify cities and localities with development potential. We have a good working relationship with major external property consultants who provide information regarding future development areas and availability. When deciding whether to acquire a particular plot of land, our initial assessment and selection of the land involves a detailed assessment of the plot with a focus on the land's development potential and location. After we conduct a preliminary land title evaluation and the land title is reviewed by local lawyers, a preliminary agreement is entered into with the landowners for the purchase of the land.

As of December 25, 2007, our Land Reserves amounted to 925 acres with an aggregate estimated developable area of 20.14 million square feet. We are yet to commence development on this project. Details of these Land Reserves are set forth in the table below:

S. No.	Land Reserves (by category)	Acreage	% of Total Acreage	Estimated Developable Area (sq. ft. million)	% of Developable Area
(i)	Land owned by the IRB Group:				
	1. By the Company	-	-	-	-
	2. Through its subsidiaries	812	87.78	17.68	87.78
	3. Through entities other than Company or its subsidiaries	-	-	-	-
(ii)	Land over which the IRB Group has sole development rights	-	-	-	-
	1. Directly by the Company	-	-	-	-
	2. Through its subsidiaries	-	-	-	-
	3. Through entities other than the Company or its subsidiaries	-	-	-	-
(iii)	Memorandum of Understanding/agreements to purchase/letters of acceptance to which the Company and/or its subsidiaries are parties, of which:	-	-	-	-
	1. Lands subject to government allocation	-	-	-	-
	2. Lands subject to private acquisition	113	12.22	2.46	12.22
(A)	Sub-total ((i) + (ii) + (iii))	925	100	20.14	100
(iv)	Lands for which joint development agreements have been entered into	-	-	-	-
	1. By the Company directly	-	-	-	-
	2. Through its subsidiaries	-	-	-	-
	3. Through entities other than the Company or its subsidiaries	-	-	-	-
(v)	Proportionate interest in lands owned indirectly by the Company through joint ventures	-	-	-	-
(B)	Sub-total ((iv) + (v))	-	-	-	-
(C)	Total ((i) + (ii) + (iii) + (iv) + (v))	925	100	20.14	100

For details on risks associated with our Land Reserves, see, "Risk Factors – Risks related to our Real Estate Business" beginning on page xi of the Red Herring Prospectus.

Land Owned

Land Reserves that we own are properties for which sale deeds or conveyance deeds have been registered in our favour. For details on risks associated with the Land Reserves, see "Risk Factors – Our proposed township project may not be successfully implemented or marketed" on page xxxvii, "Risk Factors – Our Land Reserve portfolio is concentrated in the district of Pune in the State of Maharashtra." on page xxxvii, "Risk Factors – Our proposed township project is in its preliminary stages and we have not yet received planning approval" on page xxxvii, "Risk Factors – We may not be able to increase our Land Reserves by acquiring suitable sites." on page xxxviii and "Risk Factors – Title to our Land Reserves is subject to uncertainty." on page xxxviii of this Red Herring Prospectus.

MoUs/ Agreements to Purchase/Letters of Acceptance

We also enter into agreements to purchase or memoranda of understandings to acquire identified lands, and sale or conveyance deeds for such lands are executed subsequently. For associated risks, see "Risk Factors – Our proposed township project may not be successfully implemented or marketed" on page xxxvii, "Risk Factors – Our Land Reserve portfolio is concentrated in the district of Pune in the State of Maharashtra." on page xxxvii, "Risk Factors – Our proposed township project is in its preliminary stages and we have not yet received planning approval" on page xxxvii, "Risk Factors – We may not be able to increase our Land Reserves by acquiring suitable sites." on page xxxviii and "Risk Factors – Title to our Land Reserves is subject to uncertainty." on page xxxviii of this Red Herring Prospectus.

Sole Development Rights or Joint Development Arrangements

As of the date of this Red Herring Prospectus, neither do we have any Land Reserves over which we have sole development rights nor have we entered into any joint venture development agreements in respect of our Land Reserves.

Aggregate Agreement Value and Amount Paid

None of the agreements entered into by the Company or its subsidiaries with respect to any Land Reserves represent 10% or more of the "aggregate agreement value" of lands falling under the relevant category of Land Reserves as described in the table above. The table below sets forth, as of December 25, 2007, certain information with respect to the agreements relating to the Land Reserves falling under the relevant category:

Land Reserves	**Aggregate Agreement Value (Rs. crore)**	**Aggregate Amount Paid (Rs. crore)**	**Amount Paid as % of Aggregate Agreement Value**	**Revocation Clauses, if any**
Land owned by the Company or its subsidiaries*	34.67	34.67	100%	None
Memorandum of understandings/ agreement to purchase/ letters of acceptance to which the Company and/or its subsidiaries are parties	4.91	4.91	100%	None

* The entire Land Reserves are held by our subsidiary Aryan and the Company does not own any Land Reserves in its own name.

As of December 26, 2007, there was no balance due in respect of payments for the acquisition of our Land Reserves (in relation to our Land Reserves of 925 acres) out of a total consideration of Rs. 39.58 crores.

Competition

We face competition from both domestic and international entities in the road infrastructure sector, as most of the contracts awarded by the Indian central and state governments are awarded on a competitive bidding basis and satisfaction of other prescribed pre-qualification criteria. While service quality, technological capacity and performance, health and safety records and personnel, as well as reputation and experience, are important considerations in client decisions, price is a major factor in most tender awards. Our ability to bid for and win major infrastructure development projects is also dependent on our ability to show experience in executing large projects, demonstrate that we have strong engineering capabilities in executing technically complex projects, and that we have sufficient financial resources and/or ability to access funds.

In the initial years of our business, we faced competition primarily from Indian construction and infrastructure development companies. However, in more recent years, India has adopted new economic policies which have resulted in greater competition in the infrastructure and construction sectors from international construction and infrastructure companies or their regional operating entities. Other construction and infrastructure development companies active in the road sector include Larsen & Toubro Limited, Reliance Energy, Gammon India Limited, GMR Infra, Punj Lloyd Limited, and Infrastructure Leasing and Financial Services Limited and Nagarjuna Construction Company Limited. We also face competition from smaller, regional contractors in our construction business. We expect competition in the Indian construction and infrastructure market to remain high, given that the Indian construction sector is becoming increasingly attractive due to ongoing liberalisation, rising government expenditure on infrastructure and various policy initiatives for development of infrastructure. While we believe that the liberalisation of the Indian economy creates attractive business opportunities for us, we also anticipate that competition from both Indian and foreign companies will increase.

We also face significant competition in our real estate business. The Government of India has, subject to certain restrictions stipulated in Press Note 2 (2005) dated March 2, 2005, permitted 100% foreign direct investment, without prior approval, in townships, housing, built-up infrastructure and construction and development projects, resulting in increased competition in this sector. Other real estate companies active in the Pune district where our proposed township project will be located, include DLF, Unitech, Kumar Builders, Mahindra Gesco and Kolte Patil.

Some of our competitors are larger than us and have greater financial resources. They may also benefit from greater economies of scale and operating efficiencies. Competitors may, whether through consolidation or growth, present more credible integrated and/or lower cost solutions than we do, causing us to win fewer tenders. Our competitors with greater financial resources and greater economies of scale than us may also be able to pre-qualify in their own right and/or attract a joint venture partner more easily than us.

We do not face significant competition with respect to the operation of our existing BOT projects, as currently there are no competing routes with respect to the road and highway stretches covered under our BOT projects. With respect to some of our BOT road projects, we enjoy the benefits of non-compete arrangements that we have entered into with certain government entities.

Governmental Regulation

The infrastructure sector in India, particularly in relation to the highway and road sectors, is highly regulated. Our businesses are regulated by various authorities and state governments, including the Ministry of Shipping, Road Transport and Highways, the NHAI, state governments and the Government of India. To conduct our infrastructure development and construction business, we must obtain various licences, permits and approvals. Generally, each of the states in which we work typically requires separate registration of contractors under various departments, such as the relevant public works department, public health engineering department, water resource department, state electricity board, and roads and bridges department. Upon registration with the relevant departments, contractors are generally classified according to their credentials, and that classification is then used to define the value of projects which can be undertaken. Even when we obtain the required licences, permits and approvals, our operations are subject to continued review and the governing regulations and their implementation are subject to change. There can be no assurance that we will be able to obtain and comply with all necessary licences, permits and approvals required for our infrastructure development and construction projects, or that any change in the governing regulations or the methods of implementation will not occur.

The real estate industry in India is also heavily regulated by the central, state and local governments. Real estate developers must comply with a number of requirements mandated by Indian laws and regulations, including policies and procedures established by local authorities and designed to implement such laws and regulations. For example, we are subject to various Land Ceiling Acts which regulate the amount of land that can be held under single ownership and where we are subject to such ownership limits we generally acquire development rights rather than the land itself. If structures through which this land is owned are said to violate such laws, that could materially and adversely affect our business. Additionally, in order to develop and complete a real estate project, developers must obtain various approvals, permits and licences from the relevant administrative authorities at various stages of project development, and developments may have to qualify for inclusion in local master plans.

The regulatory framework that applies to our business and operations, which include regulations and directives issued by government entities, has changed significantly in recent years and their impact and ramifications are still unclear. For further information, see “Regulations and Policies” beginning on page 98 of this Red Herring Prospectus.

Intellectual Property

We use the “IRB” trademark and its associated logos. On June 20, 2007, the Company applied for the registration in Class 37 of the “IRB” trademark under the Trademarks Act of 1999, as amended; there can be no assurance whether or when the registration of this trademark will be granted by the relevant authorities.

Property

We either own or lease various commercial premises in connection with our corporate, administrative or project-related functions. We typically lease various premises across India to facilitate our work at various project sites. These leases usually expire upon completion of the relevant project. Most of our owned properties are mortgaged and security (in the form of charges) is usually created in favour of our lenders. The following table sets forth certain information with respect to our owned properties (other than our Land Reserves):

S. No.	Description of the Property
1.	Office premises and residential bungalows at IRB Complex at Chandivli owned by IRBPL measuring 125,442.95 square feet.
2.	Land at Dapoda Tal Bhiwandi Dist Thane Survey No. 5 owned by IRBPL measuring five hectares.
3.	Flat No. 1302 at Bloomingdale, Hiranandani Estate, Ghodbunder Road, Thane owned by MRM measuring 1,375 square feet.
4.	Flat No. 805 and 806 at Nirmal Lifestyle on LBS Marg owned by MRM measuring 653 and 307 square feet, respectively.
5.	Office No. 17 and 18 at Nirmiti Eminance, Erandawane, Thane owned by MRM measuring 1,275 square feet.
6.	Office premises at unit no. B-301, 302, 305 and 306 at Univeral Business Park, Chandivli owned by MRM measuring 9,468 square feet.
7.	Flat No. 21 and 22 at Pinnac Garden, Pune owned by IRB Infra measuring 1,900 square feet.
8.	Flat No. 101 at Sristi Villa at Airoli owned by MMK measuring 355 square feet.
9.	Flat No. 404 at Rajeshwari Krupa at Dombivli owned by NKT measuring 550 square feet.

None of the properties specified above have been leased to other entities in the IRB Group or to other any person or entity.

Insurance

Our principal types of insurance coverage include all risk insurance policies, fire insurance, personal accident coverage insurance, money insurance, plant and machinery insurance as well as transit insurance. We also maintain workmen's compensation policies. Our insurance policies may not be sufficient to cover our economic losses. 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. This includes hazards that may cause injury and loss of life, damage and destruction of property, equipment and environmental damage. Not all risks associated with our business and operations may be insurable, on commercially reasonable terms, or at all. Although we believe that the amount of insurance presently maintained by us and our group companies represents an appropriate level of coverage required to insure our business and operations, and is in accordance with industry standards in India, such insurance may not provide adequate coverage in certain circumstances and is subject to certain deductibles, exclusions and limits on coverage. For further details, see section "Risk Factors" beginning on page xi of this Red Herring Prospectus.

Insurance during the construction phase typically includes the following:

- Comprehensive all risk policy for construction activities during the construction period covering all risks associated with construction;
- A medical claims policy and a personal accident policy;
- Third party liability insurance;
- Workmen's compensation and employer's liability insurance;
- Plant and equipment insurance including transit insurance;
- Professional indemnity insurance; and
- Motor own damage and liability insurance.

Human Resources

As of October 31, 2007, we had 2,052 employees, including 68 employees in our head office, 1,197 employees in our construction division and 787 employees in our toll collection division. A significant number of our employees are skilled engineers. Our principal corporate office is located in Mumbai from which we conduct all our administrative and reporting activities. We believe that a motivated and empowered employee base is key to our operations and business strategy. We are dedicated to the development of the expertise and know-how of our employees. Our personnel policies are aimed towards recruiting the talent which we need, to facilitate their integration, to encourage the development of their skills in order to accompany the growth in our operations. Our workforce has increased significantly in recent years. Our employees are currently not represented by any labour union. While we consider our current labour relations to be good, there can be no assurance that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and results of operations.

We are also dependent on the availability of a sufficient pool of contract labour to execute our infrastructure development and construction projects. The number of contract labourers employed by us varies from time to time based on the nature and extent of work contracted to independent contractors. We enter into contracts with independent contractors to complete specified assignments. Some of our contracts provide that a significant percentage of the aggregate number of unskilled labour employed for the relevant project must be sourced from within the district in which the work site is located. If the requisite number of contract labour is not available within such district, we may employ the rest from outside the district, with the permission of the relevant government entity. All contract labourers engaged at our projects are assured minimum wages that are fixed by the relevant state governments.

Legal Proceedings

We are involved from time to time in litigation incidental to our business and operations. While we cannot predict the outcome of any pending or future litigation, examination or investigation, based on the amounts sought in pending actions against us and our history of resolving litigation, as well as the advice of legal counsel, we do not believe that any pending legal matter will have a material adverse effect on our business, financial condition or results of operations. For details of the outstanding legal proceedings to which we are a party, see the section "Outstanding Litigation and Material Developments" beginning on page 423 of this Red Herring Prospectus.

Health, Safety and Environment

We believe that we are in compliance, in all material respects, with applicable health, safety and environmental regulations and other requirements in our operations and also maintain adequate workmen's compensation, group medical insurance and personal accident insurance policies. We believe that accidents and occupational health hazards can be significantly reduced through a systematic analysis and control of risks and by providing appropriate training to management, employees and sub-contractors. Project managers appointed by us for a project are principally responsible for ensuring that safety standards are met at the relevant project sites.

In addition, as an infrastructure development and construction company, we are also required to comply with various laws and regulations relating to the environment. For example, India has a number of pollution control statutes which empower state regulatory authorities to establish and enforce effluent standards with respect to the discharge of pollutants or effluents into water or the air. In addition, there are various regulations in relation to using hazardous processes in manufacturing and construction. The Ministry of Environment and Forests, New Delhi in India has confirmed to the Ministry of Surface Transport, New Delhi and Ministry of Surface Transport and Highways, New Delhi that environmental clearance is generally not required for the expansion of roads from two lanes to four lanes or from four lanes to six lanes. We believe we are in compliance, in all material respects, with applicable health, safety and environmental laws and regulations.

REGULATIONS AND POLICIES

Given below is a brief description of the various central and state legislations that are currently applicable to the business carried on by us.

Central Laws

1. *Urban Land (Ceiling & Regulation) Act, 1976, as amended (the "Urban Land Ceiling Act")*

The Urban Land Ceiling Act prescribes the maximum limit up to which an individual can hold land in an urban area. The Urban Land Ceiling Act also provides for the imposition of a ceiling on vacant land in urban areas, acquisition of excess land by the Government and the regulation of construction of buildings on such land to prevent the concentration of land in the hands of a few individuals and regulates construction of buildings to bring about equitable distribution of urban land.

Even though it has been repealed by the Urban Land (Ceiling & Regulation) Repeal Act, 1999, the Urban Land Ceiling Act remains in force in certain states.

2. *Land Acquisition Act, 1894, as amended (the "Land Acquisition Act")*

Land holdings are subject to the Land Acquisition Act which provides for the compulsory acquisition of land by the appropriate government for public purposes including planned development and town and rural planning. However, any person having an interest in such land has the right to object and claim compensation. The award of compensation must be made within two years from date of declaration of the acquisition. Any person who does not accept the compensation awarded may make an application for the matter to be referred to the appropriate civil court, whether his objection be to the quantum of compensation, the apportionment of the compensation among the persons interested, etc.

3. *Transfer of Property Act, 1882, as amended (the "T.P. Act")*

The T.P. Act governs the various methods by which the transfer of property, including the transfer of immovable property or the interest in relation to such property, between individuals, firms and companies takes place. The T.P. Act provides for the transfer of property through sale, gift or exchange, while an interest in the property can be transferred by way of a lease or mortgage.

The T.P. Act stipulates the general principles relating to the transfer of property including identifying the categories of property that are capable of being transferred, the persons competent to transfer such property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in property.

4. *Registration Act, 1908, as amended (the "Registration Act")*

The Registration Act details the formalities for registering an instrument.

Section 17 of the Registration Act identifies documents for which registration is compulsory and includes, *inter alia*, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in the present or in future, any right, title or interest, whether vested or contingent, in immovable property of the value of Rs. 100 or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent. The Registration Act also stipulates the time for registration, the place for registration and the persons who may present documents for registration.

Any document which is required to be compulsorily registered but is not registered will not affect the subject property, nor be received as evidence of any transaction affecting such property (except as evidence of a contract in a suit for specific performance or as evidence of part performance of a contract under the T.P. Act or as evidence of any collateral transaction not required to be effected by registered instrument), unless it has been registered.

5. *Indian Stamp Act, 1899, as amended (the "Stamp Act")*

Rates of stamp duty in relation to certain categories of instruments specified under Entry 91 of the Union List in Schedule VII of the Constitution of India are governed by the provisions of the Stamp Act. All other instruments including leases or conveyances of any immovable property are required to be stamped, as per the rates prescribed by the respective state governments.

Instruments which are not duly stamped are incapable of being registered or admitted in court as evidence of the transaction contained therein. Further, certain government authorities have the power to impound insufficiently stamped documents.

Stamp duty on instruments in the State of Maharashtra is governed by the Bombay Stamp Act, 1958, as amended (the "Bombay Stamp Act"). The Bombay Stamp Act levies stamp duty on documents or instruments by which any right or liability is, or purports to be, created, transferred, limited, extended, extinguished or recorded.

The rate of stamp duty in relation to the lease or conveyance of any immovable property is prescribed by the respective states in which the land is situated and is usually charged as a percentage of the market value. All instruments chargeable with duty are required to be stamped before or at the time of execution or immediately thereafter on the next working day following the date of execution. The Stamp Act prescribes a penalty not exceeding twice the amount of duty payable in respect of an instrument which is insufficiently stamped. Once the deficient duty is paid, the instrument is admissible in courts as evidence of the transaction in question.

6. *Easements Act, 1882, as amended (the "Easements Act")*

The law relating to easements is governed by the Easements Act. The right of easements is derived from the ownership of property and has been defined under the Easements Act to mean a right which the owner or occupier of land possesses for the beneficial enjoyment of that land and which permits him to do or to prevent something from being done in respect of certain other land which he does not own. Under the Easements Act, an easement may be acquired by the owner of immovable property, or on his behalf by the person in possession of the property. Such a right may also arise out of necessity or by virtue of a local custom or by virtue of uninterrupted enjoyment for 20 years.

Labour and Environmental Laws

The employment of construction workers for our business is regulated by various labour laws, rules and regulations including the Contract Labour (Regulation and Abolition) Act, 1970, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, the Payment of Wages Act, 1936, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Payment of Gratuity Act, 1972 and the Shops and Commercial Establishments Acts, where applicable. Our business is also subject to certain environmental laws, rules and regulations such as the Environment Protection Act, 1986 and Environment Protection Rules, 1986, the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981, the Hazardous Waste (Management and Handling) Rules, 1989 and the Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989.

Some of these legislations which are significant for the conduct of the Company's business are summarised below:

7. *Contract Labour (Regulation and Abolition) Act, 1970, as amended (the "CLRA")*

The CLRA requires establishments that employ or have employed on any day in the previous 12 months, 20 or more workmen as contract labour to be registered and prescribes certain obligations with respect to the welfare and health of contract labour.

The CLRA places an obligation on the principal employer of an establishment to which the CLRA applies to make an application for registration of the establishment. In the absence of registration, contract labour cannot be employed in the establishment. Likewise, every contractor to whom the CLRA applies is required to obtain a licence and not to undertake or execute any work through contract labour except under and in accordance with the licence issued.

To ensure the welfare and health of contract labour, the CLRA imposes certain obligations on the contractor including the establishment of canteens, rest rooms, washing facilities, first aid facilities, provision of drinking water and payment of wages. In the event that the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period.

A person in contravention of the provisions of the CLRA may be punished with a fine or imprisonment, or both.

8. *The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, as amended (the "Construction Workers Act")*

The Construction Workers Act provides for the establishment of 'Boards' at the state level to regulate the administration of the Construction Workers Act. All enterprises involved in construction are required to be registered within 60 days from the commencement of the construction works. The Construction Workers Act also provides for regulation of employment and conditions of service of building and other construction workers including safety, health and welfare measures in every establishment which employs or employed during the preceding year, 10 or more workers in building or other construction work. However, it does not apply in respect of residential houses constructed for one's own purpose at a cost of less than Rs. 0.1crore and in respect of other activities to which the provisions of the Factories Act, 1948 and the Mines Act, 1952 apply. Every employer must give notice of commencement of building or other construction work within 60 days from the commencement of the construction works.

Comprehensive health and safety measures for construction workers have been provided through the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Central Rules, 1998. The Construction Workers Act provides for constitution of safety committees in every establishment employing 500 or more workers with equal representation from workers and employers in addition to appointment of safety officers qualified in the field. Any violation of the provisions for safety measures is punishable with a fine or imprisonment or both.

9. *Payment of Gratuity Act, 1972, as amended (the "Gratuity Act")*

Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, resignation, superannuation, death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed Rs. 0.035 crore

10. *Employees State Insurance Act, 1948, as amended (the "ESI Act")*

The ESI Act provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

11. *Employees Provident Fund and Miscellaneous Provisions Act, 1952, as amended (the* "*EPF Act*")

The EPF Act provides for the institution of compulsory provident fund, pension fund and deposit linked insurance funds for the benefit of employees in factories and other establishments. A liability is placed both on the employer and the employee to make certain contributions to the funds mentioned above.

State Laws

1. *Laws for Classification of Land User*

Usually, land is classified under one or more categories, such as residential, commercial or agricultural. Land classified under a specified category is permitted to be used only for such purpose. In order to use land for any other purpose, the classification of the land needs to be changed in the appropriate land records by making an application to the relevant municipal or land revenue authorities.

In addition, some state governments in India have imposed certain restrictions on the transfer of property within such states. These restrictions include, among others, a prohibition on the transfer of agricultural land to non-agriculturalists, a prohibition on the transfer of land to a person not domiciled in the relevant state and restrictions on the transfer of land in favour of a person not belonging to a certain tribe.

State legislations provide for the planned development of urban areas and the establishment of regional and local development authorities charged with the responsibility of planning and development of urban areas within their jurisdiction. Real estate projects have to be planned and developed in conformity with the norms established under these laws and the regulations made thereunder and require sanctions from the government departments and developmental authorities at various stages. Where projects are undertaken on lands which form part of the approved layout plans and/or fall within the municipal limits of a town, the building plans of the projects typically have to be approved by the concerned municipal or developmental authority. Building plans are required to be approved for each building within the project area. Clearances with respect to other aspects of development such as fire, civil aviation and pollution control are required from appropriate authorities. The approvals granted by the authorities generally prescribe a time limit for completion of the projects. These time limits are renewable upon payment of a prescribed fee. The regulations provide for obtaining a completion and/or occupancy certificate upon completion of the project.

2. *Development of Agricultural Land*

The acquisition of land is regulated by state land reform laws which prescribe the limits up to which an entity may acquire agricultural land. Any transfer of land which results in the aggregate land holding of the acquirer in a state exceeding this ceiling is void, and the surplus land is deemed, from the date of the transfer, to have been vested in the state government free of all encumbrances. When local authorities declare certain agricultural areas as earmarked for non-agricultural use, namely townships, commercial complexes, etc., agricultural lands may be acquired by different entities for development. A conversion certificate may be required from the appropriate authority with respect to a change in use of the land from agricultural to non-agricultural. While granting licences for development of townships, the authorities generally levy development/external development charges for provision of peripheral services. Such licences require approvals of layout plans for development and building plans for construction activities. The licences are transferable on permission of the appropriate authority. Similar to urban development laws, approvals of the layout plans and building plans, if applicable, need to be obtained.

3. *The Bombay Tenancy and Agricultural Lands Act, 1948 (the "Bombay Tenancy Act")*

The Bombay Tenancy Act provides for the assumption of management of the estates of landlords, taking over the management of fallow lands and their acquisition where necessary, restriction on transfer of agricultural land, conferment of the right to purchase land from the landlord on protected tenants and the prevention of uneconomic cultivation.

The Bombay Tenancy Act also prescribes minimum and maximum limits of rent and prices at which a tenant may purchase occupancy rights from his landlord, limits the right of the landlord to evict his tenant, restricts rent to cash payment only and prescribes a ceiling on area, economic holding, etc.

Chapter V of the Bombay Tenancy Act deals with restriction on transfers of agricultural land, management of uncultivated lands and acquisition of estates and lands. Section 63 of the Bombay Tenancy Act restricts the transfer of land to a non-agriculturist or to person holding land in excess of two-thirds of the ceiling area as determined under the Maharashtra Agricultural Lands (Ceiling on Holdings) Act, 1961.

4. *Service Tax*

Service tax is charged on taxable services as defined in Chapter V of Finance Act, 1994, which requires a service provider of taxable services to collect service tax from a service recipient and pay such tax to the Government. Several taxable services are enumerated under these service tax provisions which include construction services, including construction of residential and commercial complexes. However, road construction services provided by the company are specifically exempted from service tax. The Company is engaged in BOT projects involving, besides road construction, toll collection, which is not specifically covered under any taxable service category.

5. *VAT*

Value Added Tax (VAT) is charged by laws enacted by each State on a sale of goods effected in the relevant States. In the case of construction contracts, VAT is charged on the value of property in goods transferred contracts. VAT is payable on road construction contracts. VAT is not chargeable on the value of services which do not involve a transfer of goods.

Foreign Ownership

Under the Foreign Direct Investment ("FDI") Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, FDI of up to 100% is permitted in construction and related engineering services.

The GoI has permitted FDI of up to 100% under the automatic route in townships, housing, built-up infrastructure and construction-development projects ("Real Estate Sector"), subject to certain conditions contained in Press Note No. 2 (2005 series) ("Press Note 2"). A short summary of the conditions of Press Note 2 is as follows:

(a) Minimum area to be developed under each project is 10 hectares in case of serviced housing plots and 50,000 square metres in case of construction development projects. Where the development is a combination project, the minimum area can be either 10 hectares or 50,000 square metres.

(b) Minimum capitalization of US$ 10 million for a wholly owned subsidiary and US$ 5 million for a joint venture has been specified and it is required to be brought in within six months of commencement of business of the company.

(c) The investment is not permitted to be repatriated before three years from completion of minimum capitalization except with the prior approval from the FIPB.

(d) At least 50% of the project is required to be developed within five years of obtaining all statutory clearances and the responsibility for obtaining it is cast on the foreign investor. Further, the sale of undeveloped plots is prohibited.

(e) Compliance with rules, regulations and bye-laws of state governments, municipal and local bodies has been mandated and the investor is given the responsibility for obtaining all necessary approvals.

Pursuant to A.P. (DIR Series) Circular No. 16 dated October 4, 2004, the RBI has granted general permission for the transfer of shares of an Indian company by non-residents to residents and vice versa, subject to the terms and conditions, including pricing restrictions, specified therein.

Investment by Foreign Institutional Investors

Foreign Institutional Investors ("FIIs") including institutions such as pension funds, mutual funds, investment trusts, insurance and reinsurance companies, international or multilateral organisations or their agencies, foreign governmental agencies, foreign central banks, asset management companies, investment managers or advisors, nominee companies and institutional portfolio managers can invest in all the securities traded on the primary and secondary markets in India. FIIs are required to obtain an initial registration from SEBI and a general permission from the RBI to engage in transactions regulated under FEMA. FIIs must also comply with the provisions of the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended. The initial registration and the RBI's general permission together enable the registered FII to buy (subject to the ownership restrictions discussed below) and sell freely securities issued by Indian companies, to realise capital gains or investments made through the initial amount invested in India, to subscribe or renounce rights issues for shares, to appoint a domestic custodian for custody of investments held and to repatriate the capital, capital gains, dividends, income received by way of interest and any compensation received from the sale or renunciation of rights issues of shares.

Ownership restrictions of FIIs

Under Schedule II of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended the ("FEMA Regulations"), the total holding of all FIIs together with their sub-accounts in an Indian company is subject to a cap of 24% of the paid-up capital of the company, which may be increased up to the percentage of sectoral cap on FDI in respect of the said company pursuant to a resolution of the board of directors of the company and the approval of the shareholders of the company by a special resolution. The aggregate FII limit for IRB is currently 24% of its issued and paid-up share capital and it has not obtained Board or shareholder approval to increase such limit to the maximum of 100%. The total holding by each FII, or in case an FII is investing on behalf of its sub-account, each sub-account, should not exceed 10% of the total paid-up capital of that company.

We have, pursuant to a letter dated September 20, 2007, sought a clarification from the RBI that investments made by FIIs and NRIs in public issues of real estate companies, is subject to the terms and conditions of Schedules II, III and IV of the FEMA Regulations and that the restrictions of Press Note 2 do not apply to investments made by FIIs and NRIs under the FEMA Regulations. Pursuant to the letter dated October 31, 2007, the RBI has clarified that FIIs and NRIs can investment in the Company in the Issue in terms of the FEMA Regulations.

Note:

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

HISTORY AND CERTAIN CORPORATE MATTERS

The Company

The Company was incorporated as a private limited company, "DVJ Leasing and Finance Private Limited" on July 27, 1998 under the Companies Act. The Company was primarily formed to fund the capital requirement of the IRB Group's initiatives in the infrastructure and construction sectors. Although the Company was incorporated as a leasing and financing company, it did not undertake any leasing business.

In the past, the Company has carried on certain maintenance operations for road projects constructed by other entities in the IRB Group. In 2005, the Company was granted the Bharuch–Surat BOT project. Subsequently, pursuant to the restructuring of the IRB Group in the fiscal year 2007, the Company became the holding company of the IRB Group.

Following the restructuring of the IRB Group, the name of the Company was changed from "DVJ Leasing and Finance Private Limited" to "IRB Infrastructure Developers Private Limited" pursuant to a special resolution of the shareholders of the Company at an EGM held on October 30, 2006. The fresh certificate of incorporation consequent upon the change of name was granted by the RoC on November 8, 2006. Subsequently, pursuant to a special resolution of the shareholders of the Company at an EGM held on November 25, 2006, the Company became a public limited company and the word "private" was deleted from its name. The certificate of incorporation to reflect the new name was issued by the RoC on November 27, 2006.

IDAA become the subsidiary of the Company on June 21, 2006. The Company subsequently subscribed to 66% of the shareholding in Aryan on July 18, 2007. On September 8, 2007, the Company increased its shareholding in IRBPL, MIPL, TGTRPL, IRB Infra and NKT to further consolidate the Company's shareholding in the Subsidiaries. For further information on such reconstruction see "Management's Discussion and Analysis of Financial Condition and Results of Operations as per the consolidated Financial Statements - Reconstructing of the IRB Group and Presentation of Financial Information" beginning on page 346 of this Red Herring Prospectus.

The registered office of the Company was shifted with effect from July 1, 1999 from Manisha Safalya, Mahatma Gandhi Road, Dombivli, Mumbai – 421 202, to 501, Dattashram, Hindu Colony, Lane No.1, Dadar, Mumbai – 400 014. Thereafter, the registered office of the Company was shifted to 3rd Floor, IRB Complex, Chandivli Farm, Chandivli Village, Andheri (East), Mumbai – 400 072 with effect from November 28, 2006.

Ideal Road Builders Private Limited

Ideal Road Builders Private Limited was incorporated on October 7, 1977 to carry on business as builders, contractors, civil engineers and road contractors etc. Between 1977 and 1995, it completed several projects in the roads and highways sector, including projects funded by various international agencies. IRBPL is currently involved in four BOT projects, including (i) the Thane-Bhiwandi Bypass project, (ii) the NH4, Khambatki Ghat (between Pune and Satara) BOT project, (iii) the Bhiwandi Wada road BOT project. IRBPL has also been involved in the following funded construction projects: (i) the Nagpur – Hyderabad NH7 construction project (Package NS – 59), (ii) the Nagpur – Hyderabad NH 7 construction project (Package NS – 61) and (iii) the improvement to Ahmedabad Vadodara section of NH8 construction project. In addition, IRBPL has been recently awarded the following funded construction projects by the Ahmedabad Municipal Corporation: (i) the Janmarg (B.R.T.S. Project) to be constructed from the Pirana – Danilimada – Maninagar stretch and the Danilimada – Chandola – Narol stretch and (ii) the Janmarg (B.R.T.S. Project) to be constructed from the Narol Circule and Naroda Patiya stretch. For details of the projects see the section "Business" beginning on page 67 of this Red Herring Prospectus.

As on the date of incorporation, the shareholding pattern of IRBPL was as follows:

Name of the shareholder	No. of equity shares	Subscription amount	% of issued capital
Equity shares of Rs. 100 each			
Mr. Dattatraya P. Mhaiskar	1	100	33.33
Mr. Pradeep L. Pingley	1	100	33.33
Mr. Manohar M. Kori	1	100	33.33
Total	**3**	**300**	**100**

Shareholding pattern of IRBPL as on date it became a subsidiary of the Company i.e. September 11, 2006 was as follows:

Name of the shareholder	No. of equity shares	% of issued capital
Equity shares of Rs. 100 each		
Mr. Dattatraya P. Mhaiskar jointly with Mrs. Sudha D. Mhaiskar	407,924	6.69
Mrs. Sudha P. Mhaiskar jointly with Mr. Dattatraya P. Mhaiskar	282,824	4.64
Sagaon Energy Equipments Private Limited	152	0.00*
Mr. Virendra D. Mhaiskar jointly with Mrs. Deepali V. Mhaiskar	4,000	0.07
Mr. Jayant D. Mhaiskar (Karta - Jayant D. Mhaiskar HUF)	100	0.00*
Mrs. Anuya J. Mhaiskar	330	0.01
Mr. Dattatraya P. Mhaiskar	513,240	8.40
Mr. Jayant D. Mhaiskar	330	0.01
Modern Road Makers Private Limited	7,200	0.11
IRB Infrastructure Developers Limited	3,173,000	52.02
Ideal Toll & Infrastructure Company Private Limited	1,710,900	28.05
Total	**6,100,000**	**100.00**

* Less than 0.01%

The shareholding pattern of IRBPL as of December 31, 2007 was as follows:

Name of shareholder	No. of equity shares	% of issued capital
Equity shares of face value Rs. 100 each		
Mr. Dattatraya P. Mhaiskar and Mrs. Sudha D. Mhaiskar	100	0.00*
Mr. Virendra D. Mhaiskar and Mrs. Deepali V. Mhaiskar	100	0.00*
IRB Infrastructure Developers Limited	6,099,700	100.00
Mr. Jayant D. Mhaiskar	100	0.00*
Total	**6,100,000**	**100.00**

* Less than 0.01%

IRBPL is currently a wholly owned subsidiary of the Company.

Modern Road Makers Private Limited

Modern Road Makers Private Limited was incorporated on March 15, 1994 to carry on business as engineers and contractors for the construction of roads, dams and other constructions. Almost all construction work undertaken by the IRB Group in the roads and highways sector, for BOT projects or funded construction contracts, is currently executed through MRM. The construction component of any infrastructure development project awarded to the IRB Group and implemented through a Project SPV as well as any funded construction project awarded to the IRB Group are generally sub-contracted by the relevant entity in the IRB Group to MRM, either directly or through IRBPL. We intend to continue the execution of construction works relating to the roads and highways sector through MRM.

As on the date of incorporation the shareholding pattern of MRM was as follows:

Name of the shareholder	No. of equity shares	Subscription amount	% of issued capital
Equity shares of face value Rs. 100 each			
Mr. Virendra D. Mhaiskar	1	100	25.00
Mr. Sadanand T. Phanse	1	100	25.00
Mrs. Neela A. Behere	1	100	25.00
Mrs. Deepali V. Mhaiskar	1	100	25.00
Total	**4**	**400**	**100.00**

Shareholding pattern of MRM as on the date it became a subsidiary of the Company, i.e., August 19, 2006 was as follows:

Name of the shareholder	No. of equity shares	% of issued capital
Equity shares of face value of Rs. 100 each		
Mr. Virendra D. Mhaiskar jointly with Mr. Deepali V. Mhaiskar	9,251	0.31
Mrs. Neela A. Behere jointly with Mr. Arvind N. Behere	50	0.00*
Mrs. Deepali V. Mhaiskar jointly with Mr. Virendra D. Mhaiskar	148	0.00*
Mr. Virendra D. Mhaiskar	50	0.00*
Mrs. Deepali V. Mhaiskar	1	0.00*
IRB Infrastructure Developers Limited	3,100,000	99.69
Total	**3,109,500**	**100.00**

* Less than 0.01%

The shareholding pattern of MRM as of December 31, 2007 was as follows

Name of shareholder	No. of equity shares	% of issued capital
Equity shares of face value of Rs. 100 each		
Mr. Virendra D. Mhaiskar (nominee of the Company)	1	0.00*
IRB Infrastructure Developers Limited	3,109,499	100.00
Total	**3,109,500**	**100.00**

* Less than 0.01%

Modern Road Makers Private Limited is a wholly owned subsidiary of the Company.

Thane Godhbundher Toll Road Private Limited

Thane Godhbundher Toll Road Private Limited was incorporated on August 16, 2005 to carry on the business of infrastructure construction and allied activities. The project agreement for the Thane Ghodbunder Road project was entered into between Thane Ghodbunder Toll Road Private Limited, Ideal Road Builders Private Limited and the MSRDC to improve 14.9 kilometres of the Thane Ghodbunder Road (from Ch. 00/000 to Ch. 14/900). The Thane Ghodbunder Road is a major link road connecting Mumbai-Ahmedabad NH 8 to Mumbai-Agra NH 3. For details of the project see the section "Business" beginning on page 67 of this Red Herring Prospectus.

As on the date of incorporation, the shareholding pattern of TGTRPL was as follows:

Name of the shareholder	No. of equity shares	Subscription amount	% of issued capital
Equity shares of face value of Rs. 10 each			
Mr. Dattatraya P. Mhaiskar	2,500	25,000	25.00
Mr. Virendra D. Mhaiskar	2,500	25,000	25.00
Mr. Jayant D. Mhaiskar	2,500	25,000	25.00
Ideal Road Builders Private Limited	2,500	25,000	25.00
Total	**10,000**	**100,000**	**100.00**

Shareholding pattern of TGTRPL as on date it became a subsidiary of the Company i.e. December 22, 2006 was as follows:

Name of shareholder	No. of equity shares	% of issued capital
Equity shares of face value of Rs. 10 each		
Mr. Dattatraya P. Mhaiskar	1,766,500	9.05
Mr. Virendra D. Mhaiskar	2,500	0.01
Mr. Jayant D. Mhaiskar	2,500	0.01

Name of shareholder	No. of equity shares	% of issued capital
Ideal Road Builders Private Limited	3,832,500	19.64
IRB Infrastructure Developers Limited	8,517,000	43.65
Ideal Toll & Infrastructure Company Private Limited	5,393,350	27.64
Total	**19,514,350**	**100.00**

The shareholding pattern of TGTRPL as of December 31, 2007 was as follows

Name of shareholder	No. of equity shares	% of issued capital
Equity shares of face value Rs. 10 each		
Mr. Dattatraya P. Mhaiskar	100	0.00*
IRB Infrastructure Developers Limited	22,199,700	74.00
Mr. Virendra D. Mhaiskar	100	0.00*
Mr. Jayant D. Mhaiskar	100	0.00*
Ideal Road Builders Private Limited	7,800,000	26.00
Total	**30,000,000**	**100.00**

* Less than 0.01%

Mhaiskar Infrastructure Private Limited

Mhaiskar Infrastructure Private Limited was incorporated on January 28, 2004 to carry on the business of construction work as civil engineers and civil contractors and to undertake projects and contracts for the Government and government departments. MIPL has been awarded, together with IRBPL, the Mumbai – Pune Expressway and NH 4 BOT project. For details of the projects see the section "Business" beginning on page 67 of this Red Herring Prospectus.

As on the date of incorporation, the shareholding pattern of MIPL was as follows:

Name of the shareholder	No. of equity shares	Subscription amount	% of issued capital
Equity shares of face value of Rs. 100 each			
Mr. Dattatraya P. Mhaiskar	33,000	3,300,000	33.00
Mr. Virendra D. Mhaiskar	33,000	3,300,000	33.00
Mr. Jayant D. Mhaiskar	33,000	3,300,000	33.00
Ideal Road Builders Private Limited	1,000	100,000	1.00
Total	**100,000**	**10,000,000**	**100.00**

Shareholding pattern of MIPL as on the date it became a subsidiary of the Company i.e September 11, 2006 was as follows:

Name of shareholder	No. of equity shares	% of issued capital
Equity shares of face value of Rs. 10 each		
Mr. Dattatraya P. Mhaiskar	25,110,000	24.62
Mr. Virendra D. Mhaiskar	330,000	0.32
Mr. Jayant D. Mhaiskar	11,790,000	11.56
Ideal Road Builders Private Limited	26,520,000	26.00
Mr. Jayant Mhaiskar (Karta - Jayant Mhaiskar (HUF))	100,000	0.10
Ideal Toll & Infrastructure Company Private Limited	13,270,000	13.01
IRB Infrastructure Developers Limited	24,830,000	24.34
Mrs. Sudha D. Mhaiskar	50,000	0.05
Total	**102,000,000**	**100.00**

The shareholding pattern of MIPL as of December 31, 2007 was as follows:

Name of shareholder	No. of equity shares	% of issued capital
Equity shares of face value Rs. 10 each		
Mr. Dattatraya P. Mhaiskar	100	0.00*
Mr. Virendra D. Mhaiskar	100	0.00*
Mr. Jayant D. Mhaiskar	100	0.00*
Ideal Road Builders Private Limited	27,300,000	26.00
IRB Infrastructure Developers Limited	77,699,700	74.00
Total	**105,000,000**	**100.00**

* Less than 0.01%

Aryan Toll Road Private Limited

Aryan Toll Road Private Limited was incorporated on January 23, 2003 to undertake the business of construction work as civil engineers and civil contractors and to undertake projects and contracts for the government and government departments. The concession agreement for the Pune-Sholapur road BOT project was entered into between Aryan Toll Road Private Limited and the Government of India in February 2003. The project involved the expansion of a specific stretch of the Pune-Sholapur road. For details of the project, see the section "Business" beginning on page 67 of this Red Herring Prospectus.

As on the date of incorporation, the shareholding pattern of ATRPL was as follows:

Name of the shareholder	No. of equity shares	Subscription amount	% of issue capital
Equity shares of face value Rs. 100 each			
Mr. Virendra D. Mhaiskar	250	25,000	25.00
Mrs. Deepali V. Mhaiskar	250	25,000	25.00
Mrs. Sudha D. Mhaiskar	250	25,000	25.00
Ideal Road Builders Private Limited	250	25,000	25.00
Total	**1,000**	**1,00,000**	**100.00**

Shareholding pattern of ATRPL as on date it became a subsidiary of the Company i.e. August 19, 2006 was as follows:

Name of shareholders	No. of equity shares	% of issue capital
Equity shares of face value of Rs. 100 each		
Ideal Road Builders Private Limited	250	0.005
Mr. Virendra P. Mhaiskar	250	0.005
Mrs. Deepali V. Mhaiskar	250	0.005
Mrs. Sudha Mhaiskar	250	0.005
IRB Infrastructure Developers Limited	4,499,000	99.98
Total	**4,500,000**	**100.00**

The shareholding pattern of ATRPL as of December 31, 2007 was as follows:

Name of shareholder	No. of equity shares	% of issued capital
Equity shares of face value Rs. 100 each		
Ideal Road Builders Private Limited	250	0.00*
IRB Infrastructure Developers Limited	4,499,750	100.00
Total	**4,500,000**	**100.00**

* Less than 0.01%

IDAA Infrastructure Private Limited

IDAA Infrastructure Private Limited was incorporated on January 10, 2006 to undertake the business of construction work as civil engineers and civil contractors and to undertake projects and contracts for the government and government departments. The concession agreement for the Bharuch to Surat Section of NH 8 was entered into between IDAA Infrastructure Private Limited and the NHAI in July 2006. The project involves expansion and improvement of kilometres 198/000 to 263/00 of the Bharuch to Surat section of NH 8 in Gujarat on a BOT basis. For details of the projects see the section "Business" beginning on page 67 of this Red Herring Prospectus.

As on the date of incorporation the shareholding pattern of IDAA was as follows:

Name of the shareholder	No. of equity shares	Subscription amount	% of issue capital
Equity shares of face value Rs. 10 each			
Ideal Road Builders Private Limited	2,500	25,000	25.00
DVJ Leasing and Finance Private Limited	2,500	25,000	25.00
Aryan Toll Road Private Limited	2,500	25,000	25.00
ATR Infrastructure Investments Private Limited	2,500	25,000	25.00
Total	**10,000**	**1,00,000**	**100.00**

The shareholding pattern of IDAA as on the date it became a subsidiary of the Company i.e. June 21, 2006 was as follows:

Name of the shareholder	No. of equity shares	% of issue capital
Equity shares of face value Rs. 10 each		
Ideal Road Builders Private Limited	26,000	34.70
DVJ Leasing and Finance Private Limited	44,000	58.70
Aryan Toll Road Private Limited	2,500	3.30
ATR Infrastructure Private Limited	2,500	3.30
Total	**75,000**	**100.00**

The shareholding pattern of IDAA as of December 31, 2007 was as follows:

Name of shareholder	No. of equity shares	% of issued capital
Equity shares of face value Rs. 10 each		
Ideal Road Builders Private Limited	11,286,000	12.05
IRB Infrastructure Developers Limited	50,004,000	53.39
Aryan Toll Road Private Limited	10,124,000	10.81
ATR Infrastructure Private Limited	22,246,000	23.75
Total	**93,660,000**	**100.00**

NKT Road & Toll Private Limited

NKT Road & Toll Private Limited was incorporated on December 19, 2000 to undertake the business of construction work as civil engineers and civil contractors and to undertake projects and contracts for government departments. A tripartite agreement for the Ahmadnagar-Karmala-Temburni project was entered into between NKT Road & Toll Private Ltd., Ideal Road Builders Private Limited and the Government of Maharashtra to improve 60 kilometres of the Ahmednagar-Karmala Temburni Road on State Highway No. 141 (from km 80/600 to 140/080). For details of the project, see the section "Business" beginning on page 67 of this Red Herring Prospectus.

As on the date of incorporation the shareholding pattern of NKT was as follows:

Name of the shareholder	No. of shares	Subscription amount	% of issued capital
Equity shares of face value Rs. 100 each			
Mr. Dattatraya P. Mhaiskar	1	100	33.33
Mr. Virendra D. Mhaiskar	1	100	33.33
Mr. Jayant D. Mhaiskar	1	100	33.34
Total	**3**	**300**	**100.00**

Shareholding pattern of NKT as on date it became a subsidiary of the Company, i.e., September 11, 2006 was as follows:

Equity shares of face value of Rs. 100 each	No. of equity shares	% of issued capital
Ideal Road Builders Private Limited	599,997	40.00
Mr. Dattatraya P. Mhaiskar	1	0.00*
Mr. Virendra D. Mhaiskar	1	0.00*
Mr. Jayant D. Mhaiskar	1	0.00*
Preference shares of face value of Rs. 100 each		
Ideal Road Builders Private Limited	100,000	6.67
Mr. Jayant D. Mhaiskar	329	0.02
Mr. Dattatraya P. Mhaiskar	130,000	8.67
Mr. Dattatraya P. Mhaiskar (Karta of Dattatraya Mhaiskar (HUF))	7,000	0.47
IRB Infrastructure Developers Limited	413,000	27.53
Mrs. Anuya B. Mhaiskar	330	0.02
Ideal Toll & Infrastructure Company Private Limited	249,341	16.62
Total	**1,500,000**	**100.00**

* Less than 0.01%

The shareholding pattern of NKT as of December 31, 2007 was as follows:

Name of shareholder	No. of equity shares	% of issued capital
Equity shares of face value Rs. 100 each		
Mr. Dattatraya P. Mhaiskar	1	0.00*
Mr. Virendra D. Mhaiskar	1	0.00*
Mr. Jayant D. Mhaiskar	1	0.00*
Ideal Road Builders Private Limited	699,997	46.67
IRB Infrastructure Developers Limited	800,000	53.33
Total	**1,500,000**	**100.00**

* Less than 0.01%

IRB Infrastructure Private Limited

IRB Infrastructure Private Limited was incorporated on December 23, 1997 to undertake the business of construction work as civil engineers and civil contractors and to undertake projects and contracts for the government and government departments. An agreement was entered into between IRB Infrastructure Private Limited, the Government of India and the Government of Maharashtra to construct a bridge over the Patalganga river and a rail over bridge near village Kharpada on NH 17 (the Mumbai-Goa route). For details of the project, see the section "Business" beginning on page 67 of this Red Herring Prospectus.

As on the date of incorporation the shareholding pattern of IRB Infrastructure Private Limited was as follows:

Name of the shareholder	No. of shares	Subscription amount	% of issued capital
Equity shares of face value Rs. 100 each			
Mr. Dattatraya P. Mhaiskar	1	100	14.285
Mr. Virendra D. Mhaiskar	1	100	14.285
Mr. Jayant D. Mhaiskar	1	100	14.285
Mrs. Sudha D. Mhaiskar	1	100	14.285
Mrs. Deepali V. Mhaiskar	1	100	14.285
Mrs. Neela A. Behere	1	100	14.285
Mrs. Aruna B. Mhaiskar	1	100	14.285
Total	**7**	**700**	**100.00**

Shareholding pattern of IRB Infrastructure Private Limited as on date it became a subsidiary of the Company i.e. on

August 19, 2006 was as follows:

Name of the shareholder	No. of equity shares	% of issued capital
Equity shares of face value of Rs. 100 each		
Mr. Virendra D. Mhaiskar	1	0.00
Mr. Jayant D. Mhaiskar	330	0.03
Mrs. Deepali V. Mhaiskar	1	0.00
Ideal Road Builders Private Limited	198,500	19.85
Mr. Dattatraya P. Mhaiskar	1	0.00*
Mrs. Sudha D. Mhaiskar	1	0.00*
Mrs. Neela A. Behere	1	0.00*
Mrs. Aruna J. Mhaiskar	1	0.00*
Ideal Toll & Infrastructure Company Private Limited	231,834	23.18
Mrs. Anuya J. Mhaiskar	330	0.03
IRB Infrastructure Developers Limited	569,000	56.91
Total	**1,000,000**	**100.00**

* Less than 0.01%

The shareholding pattern of IRB Infrastructure Private Limited as of December 31, 2007 was as follows:

Name of shareholder	No. of equity shares	% of issued capital
Equity shares of face value Rs. 100 each		
Mr. Virendra D. Mhaiskar	1	0.00*
Mr. Jayant D. Mhaiskar	1	0.00*
Ideal Road Builders Private Limited	198,500	19.85
IRB Infrastructure Developers Limited	801,497	80.15
Mr. Dattatraya P. Mhaiskar	1	0.00*
Total	**1,000,000**	**100**

* Less than 0.01%

MMK Toll Road Private Limited

MMK Toll Road Private Limited was incorporated on April 12, 2002 to undertake the business of construction work as civil engineers and civil contractors and to undertake projects and contracts for the government and government departments. A Tripartite Agreement for the Mohol-Kurul-Kamti-Mandrup project was entered into among MMK Toll Road Private Ltd., Ideal Road Builders Private Limited and the Government of Maharashtra through the Public Works Department for implementing improvements and strengthening the Mohol-Kurul-Kamti-Mandrup road (from km 66/000 to 99/000) in Solapur District. For details of the projects see the section "Business" beginning on page 67 of this Red Herring Prospectus.

As on the date of incorporation the shareholding pattern of MMK was as follows:

Name of the shareholder	No. of equity shares	Subscription amount	% of issued capital
Equity shares of face value Rs. 10 each			
Mr. Dattatraya P. Mhaiskar	1	10	0.00*
Mr. Virendra D. Mhaiskar	1	10	0.00*
Mr. Jayant D. Mhaiskar	1	10	0.00*
Ideal Road Builders Private Limited	509,997	5,099,970	51.00
Mr. Manghan J. Vazirani	200,000	2,000,000	20.00
Mr. Amit A. Vazirani	200,000	2,000,000	20.00
Mr. Arun A. Vazirani	90,000	900,000	9.00
	1,000,000	**10,000,000**	**100.00**

* Less than 0.01%

Shareholding pattern of MMK as on date it became a subsidiary of the Company i.e September 11, 2006 was as follows:

Equity shares of face value of Rs. 100 each	No. of equity shares	% of issued capital
Mr. Dattatraya P. Mhaiskar	1	0.00*
Mr. Virendra D. Mhaiskar	1	0.00*
Mr. Jayant D. Mhaiskar	1	0.00
Ideal Road Builders Private Limited	3,669,997	52.43
Mr. Manghan J. Vazirani	500,000	7.14
Mr. Amit A. Vazirani	2,410,000	34.43
Mr. Arun A. Vazirani	420,000	6.00
Total	**7,000,000**	**100.00**

* Less than 0.01%

The shareholding pattern of MMK Toll Road Private Limited as of December 31, 2007 was as follows:

Name of shareholder	No. of equity shares	% of issued capital
Equity shares of face value Rs. 10 each		
Mr. Dattatraya P. Mhaiskar	1	0.00*
Mr. Virendra D. Mhaiskar	1	0.00*
Mr. Jayant D. Mhaiskar	1	0.00*
Ideal Road Builders Private Limited	6,999,997	100
Total	**7,000,000**	**100.00**

* Less than 0.01%

ATR Infrastructure Private Limited

ATR Infrastructure Private Limited was incorporated on June 23, 2003 to undertake the business of construction and infrastructure development. A Concession Agreement for the Pune – Nashik Road project was entered into between ATR Infrastructure Private Limited and the Government of India in August 2003. The projects involved the expansion of an existing road into four lanes and strengthen a 29.81 kilometre stretch (from km 12/190 to 42/000) of the Pune – Nashik road (NH 50) on a BOT basis. For details of the projects see the section "Business" beginning on page 67 of this Red Herring Prospectus.

As on the date of incorporation the shareholding pattern of ATR Infra was as follows:

Name of the shareholder	No. of equity shares	Subscription amount	% of issued capital
Equity shares of face value Rs. 100 each			
Mr. Virendra D. Mhaiskar	250	25,000	25.00
Mrs. Deepali V. Mhaiskar	250	25,000	25.00
Mrs. Sudha D. Mhaiskar	250	25,000	25.00
Ideal Road Builders Private Limited	250	25,000	25.00
Total	**1000**	**100,000**	**100.00**

Shareholding pattern of ATR Infra as on date it became a subsidiary i.e. August 19, 2006 was as follows:

Name of the shareholder	No. of shares	% of issued capital
Equity shares of face value of Rs. 100 each		
Mr. Virendra D. Mhaiskar	250	0.005
Mrs. Deepali V. Mhaiskar	250	0.005
Mrs. Sudha D. Mhaiskar	250	0.005
Ideal Road Builders Private Limited	250	0.005
IRB Infrastructure Developers Limited	5,174,000	99.98
Total	**5,175,000**	**100.00**

The shareholding pattern of ATR Infra as of December 31, 2007 was as follows:

Name of shareholder	No. of equity shares	% of issued capital
Equity shares of face value Rs. 100 each		
IRB Infrastructure Developers Limited	5,174,750	100.00
Ideal Road Builders Private Limited	250	0.00*
Total	**5,175,000**	**100.00**

* Less than 0.01%

Aryan Infrastructure Investments Private Limited

Aryan Infrastructure Investments Private Limited was incorporated on August 9, 2006 to undertake the business of construction and infrastructure development. The real estate business is carried on through Aryan Infrastructure Investments Private Limited, in which the Company acquired a 66% shareholding on July 18, 2007. For details of the proposed township see the the section "Business" beginning on page 67 of this Red Herring Prospectus.

As on the date of incorporation the shareholding pattern of ATR Infrastructure Private Limited was as follows:

Name of the shareholder	No. of shares	Subscription amount paid per equity share	% of issued capital
Equity shares of face value Rs. 10 each			
Mr. Virendra D. Mhaiskar	5,000	50,000	50.00
Mrs. Deepali V. Mhaiskar	5,000	50,000	50.00
Total	**10,000**	**100,000**	**100.00**

Shareholding pattern of Aryan Infrastructure Investments Private Limited as on the date it became a subsidiary of the Company i.e. July 18, 2007 was as follows:

Name of shareholder	No. of equity shares	% of issued capital
Equity Shares of face value Rs. 10 each		
Mr. Virendra D. Mhaiskar	5,000	0.01
Mrs. Deepali V. Mhaiskar	5,000	0.01
Mr. Virendra D. Mhaiskar (Karta of Virendra D. Mhaiskar (HUF))	28,100,000	33.98
IRB Infrastructure Developers Limited	54,566,500	66.00
Total	**82,676,500**	**100.00**

The shareholding pattern of Aryan Infrastructure Investments Private Limited as of December 31, 2007 was as follows:

Name of shareholder	No. of equity shares	% of issued capital
Equity Shares of face value Rs. 10 each		
Mr. Virendra D. Mhaiskar	5,000	0.01
Mrs. Deepali V. Mhaiskar	5,000	0.01
Mr. Virendra D. Mhaiskar (Karta of Virendra D. Mhaiskar (HUF))	28,100,000	33.98
IRB Infrastructure Developers Limited	54,566,500	66.00
Total	**82,676,500**	**100.00**

Brief details of the major events in the IRB Group

(a) In 1995, IRBPL entered into its first venture by way of a concession agreement with respect to the Thane Bhiwandi Bypass Phase I project. IRBPL completed the Thane Bhiwandi Bypass Phase I project in June 1997.

(b) In November 1997, IRB Infra executed the an agreement dated November 29, 1997 with the Government of India and the Government of Maharashtra for the construction of a 1,400 meter high-level bridge across the river Patalganga, construction of approach roads to the bridge, widening the footpath relating to the bridge, and constructed a six lane toll plaza for the project. The project was completed in 18 months and the completion certificate was issued confirming the July 20, 1999 as the completion date. The concession period has been granted for a period of 17 years and 9 months for this project and the concession period is scheduled to on

August 28, 2015.

(c) In January 1998, Ideal Road Builders Private Limited executed the Concession Agreement dated January 23, 1998 with the Government of Maharashtra for the Bhiwandi Wada project on a BOT basis for the purpose of carrying out road widening activities, providing hard murum side shoulders, road strengthening treatments, constructing toll plazas and providing road furniture items. The construction was completed in 12 months, on February 4, 1999, and a completion certificate was issued to this effect. The concession period granted was for a period of 10 years and 8 months. The concession period with respect to this project is scheduled to end on September 22, 2008.

(d) IRBPL entered into the Tripartite Agreement dated September 21, 1998 with the Government of India through the Ministry of Surface Transport, and the Government of Maharashtra through the Public Works Department for the Thane Bhiwandi Bypass Phase II on a BOT basis under which IRBPL paved various lengths of road, paved side shoulders, constructed additional road lanes, widened three minor bridges, constructed a new two lane major bridge, widened an existing bridge on a railway line, constructed a toll plaza and provided road furniture items. The project was completed on December 31, 2003. The concession period was granted for a period of 18 years and six months. The concession period with respect to this project will end on May 13, 2017.

(e) In November 1998, IRBPL entered in to the Concession Agreement dated November 16, 1998 with the Government of India through the Ministry of Surface Transport, and the Government of Maharashtra, through the Public Works Department for the Khambatki Ghat project on a BOT basis for strengthening two lanes of NH 4, constructing two additional lanes for this highway, constructing an 890 metre tunnel and constructed a toll plaza on the highway. The project was completed in about 21 months and a completion certificate was issued with respect to this project certifying the actual date of completion of the project as August 15, 2000.

(f) In December 1998, IRBPL entered into the Concession Agreement dated December 7, 1998 with the Government of Maharashtra for the Kaman Paygaon project on a BOT basis for carrying out the road and bridge widening activities, providing road alignment and strengthening services, constructing toll plazas and providing road furniture items. The project was completed in 14 months, on March 25, 2000 and received a completion certificate to this effect. The concession period with respect to this project expires on December 6, 2013.

(g) In January 2001, IRBPL executed the joint venture agreement with Mudajaya Corporation of Malaysia for the execution of NHAI funded contract for the Ratanpur to Himmatnagar section of NH 8 for 54 kms and funded EPC contract for the Ratanpur to Himmatnagar section of NH 8 for 54 kms with the NHAI. The construction activities of the funded EPC Contract for the Ratanpur to Himmatnagar Section of NH 8 for 54 kms were completed in January 2004.

(h) In November 2001, NKT executed the Tripartite Agreement dated November 28, 2001 with Ideal Road Builders Private Limited and the Government of Maharashtra for the Ahmadnagar-Karmala-Temburni Road project on a BOT basis for widening the subject highway, widening and reconstructing minor bridges, providing junction improvement services, constructing bus bays, constructing toll plazas, and providing road furniture items. The project was completed 9 months ahead of schedule and a completion certificate with respect to this project was issued on August 25, 2003.

(i) In May, 2002, MMK executed the Tripartite Agreement dated May 29, 2002 with Ideal Road Builders Private Limited and the Government of Maharashtra through the Public Works Department for the Mohol-Kurul-Kamti-Mandrup road on a BOT basis to widen the existing highway, provide black-top treatment, construct new structures (drains and minor bridges), develop junctions, construct bus bays, and provide toll plazas. The project was completed approximately six months ahead of its scheduled completion date. The concession period has been granted for a period of 16 years and the construction phase of this project has been completed on September 20, 2003. The concession period is scheduled to end on May 28, 2018.

(j) In February, 2003, ATRPL executed the Concession Agreement dated February 20, 2003 with the Government of India for the Pune Sholapur project on a BOT basis for the purpose of expanding the existing highway into four lanes, widening certain bridges, constructing foot paths, build-up gutters, implementing lane markings, constructing toll plazas and providing adequate road furniture. The project was completed 21 months and the completion certificate provides the completion date as December 10, 2004. The concession period has been granted for a period of 16 years and the concession period with respect to this project will end on March 19, 2019.

(k) In August, 2003, ATR Infra executed the Concession Agreement dated August 25, 2003 with the Government of India for the Pune Nashik project on a BOT basis for extending the existing highway into a four lane highway, constructing major bridges, widening minor bridges relating to the project, building-up gutters, constructing foot-paths, implementing lane markings, constructing toll plazas and providing road furniture items. The project was completed on December 20, 2005 and a completion certificate to this effect has been received. The concession period has been granted for a period of 18 years and the concession period will end on September 24, 2021.

(l) In August 2004, MIPL was awarded Mumbai Pune Expressway project as the highest bidder for by making upfront payment of Rs. 918 crore to MSRDC for concession rights for a period of 15 years. The project agreements were entered into between MIPL, IRBPL and the MSRDC for the purpose of extending the existing NH 4 into a four-lane highway, widening major and minor bridges relating to the project, constructing bus and truck bays, constructing foot-paths, implementing lane markings, constructing toll plazas, and providing road furniture items. With respect to the Mumbai-Pune Expressway, MIPL undertook value additions, such as providing cattle traps, constructing crash barriers, providing landscaping and beautification services, and redoing paved shoulders. The construction activities on the NH 4 and toll collection on the Mumbai-Pune Expressway commenced on August 2004. The construction completion time was as stipulated under the relevant project agreements was and the completion certificate was issued on September 7, 2006.

(m) In July 2005, pursuant to an agreements dated July 7, 2005 with the NHAI, Ideal Road Builders Private Limited has been engaged to effect the four-laning of (a) km 64-000 to km 94-000 and (b) Km 123 to km 153 of the Nagpur—Hyderabad section of NH 7 in the State of Maharashtra.

(n) In November 2005, TGTRPL was awarded the Thane Ghodbunder project as the highest bidder by offering a negative grant of Rs. 140.40 crore to the MSRDC for concession rights for a period of 15 years. The project agreements for the Thane Ghodbunder project were entered into between TGTRPL, IRBPL and the MSRDC for improvement of the existing four-lane Thane Ghodbunder Road, providing concrete pavement, providing junction improvement services, constructing bus bays, engaging in landscaping activities, constructing toll plazas and providing road furniture items and the operation and maintenance of this project until the end of the concession period. In July 2007, the construction work relating to this project has been substantially completed. The concession period has been granted for a period of 15 years for this project and would expire on December 23, 2020. Toll collection with respect to this project started on December 24, 2005.

(o) In July 2006, IDAA executed the Concession Agreement dated July 7, 2006 with the NHAI for the Bharuch Surat project on a BOT basis. The project is the joint undertaking of a four member consortium, IRBPL, the Company, ATRPL and ATR Infra. The scope of work included expanding specific sections of the NH 8 into a six-lane highway, making improvements to the existing four-lane highway, improving and widening both major and minor bridges, constructing cattle crossings, providing junction improvement services, constructing bus bays and bus shelters, providing a rest area and base camp, providing highway lighting, constructing toll plazas and providing road furniture items. The work commenced on this project in January 2, 2007 and has so far progressed as per schedule. The concession period has been granted for a period of 15 years and will expire on January 1, 2022. In April 2007, NHAI has awarded construction of balance work of construction of Tapi Bridge amounting to Rs. 44.15 crore under the change of scope to the Bharuch-Surat BOT Project.

(p) In January 2007, the Company formed a consortium with Deutsche Bank, AG, Singapore branch to jointly bid for the eight packages of four to six laning under NHDP V.In September 2007, the consortium was granted pre-qualified status for five of the road expansion projects pursuant to which it is qualified to submit a request for proposal relating to these NHDP projects.

(q) In February 2007, IRBPL's bid of Rs. 132.99 crore for the construction of Janmarg (Bus Rapid Transport System Project) from Narol Circle to Naroda Patiya in Ahmedabad has been sanctioned by the relevant standing committee.

(r) In June 2007, IRBPL's bid of Rs. 78.36 crore for construction of Jamnarg (Bus Rapid Transport System Project) from Pirana-Danilimada-Maninagar-Naorl in Ahmedabad has been accepted by the Ahmedabad Municipal Corporation.

(s) The IRB Group underwent significant restructuring in fiscal 2007 and subsequently pursuant to which IRBPL, MIPL, MRM, ATR Infra, ATRPL, MMK, IDAA, NKT, IRB Infra, TGTRPL and Aryan became direct or indirect subsidiaries of the Company.

(t) In September, 2007, the Company was granted "pre-qualified" status that entitled it to submit request for proposals for certain NHDP Phase V road infrastructure projects; namely, the Chennai-Tada project on NH 5, the Gurgaon – Kotputli - Jaipur project on NH 8, the Surat - Dahisar project on NH 8, the Chilkaluripet - Vijayawada project on NH 5 and the Panipat - Jalandhar project on NH 1.

(u) In November, 2007, the Company in consortium Deutsche Bank AG, Singapore branch submitted bids for the Gurgaon – Kotputli – Jaipur project on NH 8 and the Surat – Dahisar project on NH 8. For further information, see "Business-Our BOT Infrastructure Development Projects – Recent Developments" on page 84 of this Red Herring Prospectus

(v) In December 2007, the Company, ATR Infra and MRM (in consortium) submitted bid for a BOT project relating to the Integrated Road Development Program in Kolhapur.

Major Events

Year	Key Events, Milestones and Major Achievements
1977	IRBPL was incorporated as a private limited company.
1977 to 1995	Execution of various construction contracts in the roads sector including World Bank aided projects as an EPC contractor.
September 1995	First venture in BOT Project being the signing of the Concession Agreement for Thane – Bhiwandi Bypass Phase – I.
June 1997	Completion of the construction activities in the Thane Bhiwandi Bypass Phase – I.
November 1997	Signing of the concession agreement for the Kharpada Project for construction of a bridge over river Patalganga on a BOT basis.
January 1998	Signing of the concession agreement for the Bhiwandi Wada project on a BOT basis.
July 1998	Incorporation of the Company as a private limited company.
September 1998	Signing of the concession agreement for the Thane Bhiwandi Bypass Phase II on a BOT basis.
November 1998	Signing of the concession agreement for the Khambatki Ghat project on a BOT basis.
December 1998	Signing of concession agreement for the Kaman Paygaon project on a BOT basis.
February 4, 1999	Completion of the Bhiwandi Wada project on a BOT basis.
July 20, 1999	Completion of the Kharpada Project Bridge over River Patalganga on a BOT basis.
March 25, 2000	Completion of the Kaman Paygaon project on a BOT basis.
August 15, 2000	Completion of the Khambatki Ghat project on a BOT basis.
January 2001	Signing of the joint venture agreement with Mudajaya Corporation of Malaysia for the execution of NHAI funded contract for the Ratanpur to Himmatnagar section of NH 8 for 54 kms.
January 2001	Signing of a funded EPC contract for the Ratanpur to Himmatnagar section of NH 8 for 54 kms with the NHAI.
November 2001	Signing of the concession agreement for the Ahmadnagar-Karmala-Temburni Road project on a BOT basis.
May 2002	Signing of an O&M and rehabilitation works contract with the NHAI for the Chiloda Naroda Section, Ahmedabad Bypass and the Ahmedabad –Vadodara Section of NH 8 in Gujarat.
May 2002	Signing of an O&M and rehabilitation works contract with the NHAI for Vadodara-Surat section of NH 8 in Gujarat.
May 2002	Signing of the concession agreement for the Mohol-Kurul-Kamti-Mandrup road on a BOT basis.
February 2003	Signing of the concession agreement for the Pune Sholapur Project on a BOT basis.
August 25, 2003	Completion of construction activities in the Ahmadnagar-Karmala-Temburni Road project on a BOT basis.
August 2003	Signing of the concession agreement for the Pune Nashik project on a BOT basis.
December 2003	Completion of the Thane Bhiwandi Bypass Phase II.
December 2003	Completion of the construction activities in Thane Bhiwandi Bypass BOT project - Phase II.
January 2004	Completion of the construction activities for the funded EPC Contract for the Ratanpur to Himmatnagar Section of NH 8 for 54 kms.
May 2004	Emerged as the highest bidder for Mumbai-Pune Expressway project by making upfront payment of Rs. 918 crore to MSRDC for concession rights for a period of 15 years.

Year	Key Events, Milestones and Major Achievements
August 2004	Signing of the concession agreement and financial closure of the Mumbai Pune Expressway project of Rs. 1,181.41 crore.
August 2004	Commencement of construction activities of the NH 4 and commencement of toll collection on the Mumbai Pune Expressway.
December 10, 2004	Completion of construction activities for the Pune Sholapur BOT project.
April 2005	Commencement of construction activities on the O&M on Mumbai-Pune Expressway as BOT operator.
July 2005	Signing of the concession agreement with the NHAI for the the four-laning of (a) km 64-000 to km 94-000 and (b) Km 123 to km 153 of the Nagpur—Hyderabad section of NH 7 in the State of Maharashtra.
November 2005	Emerged as the highest bidder for the Thane Ghodbunder project by offering a negative grant of Rs. 140.40 crore to the MSRDC for concession rights for a period of 15 years.
December 20, 2005	Completion of the construction activities for the Pune-Nashik Project.
December 2005	Signing of the concession agreement and financial closure of the Thane Ghodbunder project with financing of Rs.216.60 crore and commencement of toll collection.
July 2006	Signing of the concession agreement for the Bharuch Surat project on a BOT basis.
September 2006	Commencement of toll collection on Mumbai- Pune NH 4.
December 2006	Achieved financial closure of the Bharuch Surat project with financing of Rs. 1,210.95 crore.
December 2006	Payment of a negative grant to NHAI of Rs. 504 crore in respect of the Bharuch Surat project.
January 2007	Formed a consortium with Deutsche Bank AG, Singapore to jointly pre-qualify for eight packages of four to six laning under NHDP V.
February 2007	Awarded the contract by the Ahmedabad Municipal Corporation for the construction of Janmarg (Bus Rapid Transport System Project) from Narol Circle to Naroda Patiya in Ahmedabad for a total project cost of Rs. 132.99 crore.
April 2007	Balance work of construction of Tapi Bridge amount to Rs. 44.15 crore was awarded as an additional scope of work to Bharuch Surat BOT Project
June 2007	Awarded the funded contract by the Ahmedabad Municipal Corporation for construction of Janmarg (Bus Rapid Transport System Project) from Pirana-Danilimada-Maninagar-Narol in Ahmedabad for a total project cost of Rs. 78.36 crore.
July 2007	Completed substantially the construction phase of the Thane-Ghodbunder project.
September 2007	Granted "pre-qualified" status that entitled the IRB Group to submit request for proposals for certain NHDP Phase V road infrastructure projects; namely, the Chennai-Tada project on NH 5, the Gurgaon – Kotputli - Jaipur project on NH 8, the Surat - Dahisar project on NH 8, the Chilkaluripet - Vijayawada project on NH 5 and the Panipat - Jalandhar project on NH 1.
September 2007	Acquisition of shares in IRBPL, IRB Infra, NKT, TGTRPL and MIPL making them wholly-owned Subsidiaries of the Company.
November 2007	Submitted bids for the Gurgaon – Kotputli – Jaipur project on NH 8 and the Surat – Dahisar project on NH 8. For further information, see "Business-Our BOT Infrastructure Development Projects – Recent Developments" on page 84 of this Red Herring Prospectus
December 2007	Submitted a bid for a BOT project relating to the Integrated Road Development Program in Kolhapur.

Main Objects

The main objects of the Company as on the date of the incorporation as contained in its Memorandum of Association are:

> "To carry on and undertake the business of leasing and hire purchase, finance company and to finance lease operations such as hiring, letting on hire equipments, plant and machinery and to assist finance of hire purchase or deferred payments or to subsidize finance or assist in subsidizing or financing the sale and maintenance of goods or commodities upon terms and conditions and to undertake leasing finance for immovable and movable properties including lands and buildings, warehouses, plant and machinery, godowns, machinery easement rights, privileges, stock-in-trade, equipments and vehicles such as automobiles, ships, aircrafts, computers, commercial and industrial equipments and to give finance to builders, contractors, civil engineers, road constructors for construction of building, construction, repairs and maintenance of roads, pipelines, bridges, etc., to undertake projects and contracts and to lease and deal with them including sale and resale thereof and to carry on bill discounting of plant machinery, vehicles, ships, aircrafts, office equipments, refrigerators, air conditioners, television, radio and music

equipment, domestic equipment, computers, gas cylinders, furniture and fixtures, equipment for the supply, storage, distribution, treatment and use of water."

The main objects of the Company as amended and contained in its Memorandum of Association are:

"To carry on the business of construction / infrastructural development, civil engineers and contractors, architects, surveyors, town planners, estimators and valuers, and also to undertake infrastructural projects and contracts for government, govt. departments, etc., and to obtain from them the rights of all sorts for assistance, privileges, charters, licenses and concessions, as may be necessary or incidental in the connection."

Amendments to the Memorandum of Association of the Company

Since the incorporation of the Company, the following changes have been made to its Memorandum of Association:

Date	Nature of Amendment
November 14, 2003	The authorised share capital of the Company was increased from Rs. 0.25 crore to Rs. 50.00 crore
April 29, 2004	The authorised share capital of the Company was increased from Rs. 50.00 crore to Rs. 75.00 crore
November 4, 2004	The authorised share capital of the Company was increased from Rs. 75.00 crore to Rs. 81.00 crore
March 17, 2005	The authorised share capital of the Company was increased from Rs. 81.00 crore to Rs.115 crore
November 25, 2005	The authorised share capital of the Company was increased from Rs. 115 crore to Rs. 130 crore
January 5, 2006	The authorised share capital of the Company was increased from Rs. 130 crore to Rs. 135 crore
April 12, 2006	The authorised share capital of the Company was increased from Rs. 135 crore to Rs. 140 crore
May 22, 2006	The authorised share capital of the Company was increased from Rs. 140 crore to Rs. 141 crore
August 9, 2006	The authorised share capital of the Company was increased from Rs. 141 crore to Rs. 250 crore
October 30, 2006	The main objects of the Company were amended to read as mentioned above
November 25, 2006	The word "private" was deleted from the name of the Company pursuant to conversion of the Company from a private limited to a public limited company
March 17, 2007	The authorised share capital of the Company was increased from Rs. 250 crore to Rs. 615 crore
August 9, 2007	Each Equity Share of the face value of Rs. 100 was sub-divided into 10 Equity Shares of face value of Rs. 10 each
August 9, 2007	36,500,000 unclassified shares of Rs. 100 each have been classified as Equity Shares of Rs. 100 each

Subsidiaries

The Company has the following subsidiaries. The financial information of the Subsidiaries presented below is based on the audited financial information of such companies included in this Red Herring Prospectus:

1. Ideal Road Builders Private Limited
2. Modern Road Makers Private Limited
3. Thane Ghodbunder Toll Road Private Limited
4. Mhaiskar Infrastructure Private Limited
5. Aryan Toll Road Private Limited
6. IDAA Infrastructure Private Limited
7. NKT Road & Toll Private Limited
8. IRB Infrastructure Private Limited
9. MMK Toll Road Private Limited
10. ATR Infrastructure Private Limited
11. Aryan Infrastructure Investments Private Limited

Joint Ventures

The Company does not have any operational joint ventures.

Subsidiaries

Ideal Road Builders Private Limited

Ideal Road Builders Private Limited was incorporated on October 7, 1977 to carry on business as builders, contractors, civil engineers, road contractors etc. The registered office address of Ideal Road Builders Private Limited is, IRB Complex, Chandivli Farm, Chandivli Village, Andheri (East), Mumbai – 400 072.

Shareholding Pattern

The shareholding pattern of Ideal Road Builders Private Limited as of December 31, 2007 was as follows:

Name of shareholder	No. of equity shares	% of issued capital
Equity shares of face value Rs. 100 each		
Mr. Dattatraya P. Mhaiskar and Mrs. Sudha D. Mhaiskar	100	0.00*
Mr. Virendra D. Mhaiskar and Mrs. Deepali V. Mhaiskar	100	0.00*
IRB Infrastructure Developers Limited	6,099,700	100.00
Mr. Jayant D. Mhaiskar	100	0.00*
Total	**6,100,000**	**100.00**

* Less than 0.01%

Board of Directors

The board of directors of Ideal Road Builders Private Limited comprises the following:

1. Mr. Dattatraya P. Mhaiskar
2. Mrs. Sudha D. Mhaiskar
3. Mr. Virendra D. Mhaiskar
4. Mr. Jayant D. Mhaiskar
5. Mr. Arvind R. Athavale
6. Mr. Chandrashekhar S. Kaptan

Financial Performance

The following table sets forth the summary financial data of Ideal Road Builders Private Limited in accordance with Indian GAAP.

(*Rs. in crore, except share data*)

	For the period ended March 31,			
	2005	2006	2007	For the five months ended August 31, 2007
	Rs.	Rs.	Rs.	Rs.
Income/Sales	217.00	287.36	285.85	149.04
Profit (Loss) after Tax	9.19	13.82	12.02	9.13
Equity share capital	56.00	56.00	61.00	61.00
Reserves and surplus (excluding revaluation reserves)(1)	31.97	45.79	57.80	66.94
Earnings per share (2)	16.41	24.68	20.21	14.97
Net asset value or book value per share (2)	157.09	181.77	194.76	209.73

(1) Net of miscellaneous expenditure not written off.
(2) The face value of each equity share is Rs. 100.

Ideal Road Builders Private Limited is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company within the meaning of SICA, is not under winding up and does not have a negative net worth.

Details of acquisition by the Company of equity shares of Ideal Road Builders Private Limited since the date it became a subsidiary of the Company:

Sr. No.	Transferor	Date of Acquisition by Issuer	No. of shares acquired by Issuer	Cost of acquisition per equity share (Rs.)	Total cost of acquisition (Rs.)	Means of financing such acquisition by Issuer

Sr. No.	Transferor	Date of Acquisition by Issuer	No. of shares acquired by Issuer	Cost of acquisition per equity share (Rs.)	Total cost of acquisition (Rs.)	Means of financing such acquisition by Issuer
1.	Mr. Dattatraya P. Mhaiskar jointly with Mrs. Sudha D. Mhaiskar	September 11, 2006	261,000	100	26,100,000	From the proceeds of further issue of share capital of the Company
2.	Mr. Dattatraya P. Mhaiskar jointly with Mrs. Sudha D. Mhaiskar	December 22, 2006	311,316	100	31,131,600	From the proceeds of further issue of share capital of the Company
3.	Mrs. Sudha Mhaiskar jointly with Mr. Dattatraya P. Mhaiskar	December 22, 2006	282,824	100	28,282,400	From the proceeds of further issue of share capital of the Company
4.	Mr. Dattatraya P. Mhaiskar jointly with Mrs. Sudha D. Mhaiskar	September 8, 2007	96,508	100	9,650,800	From the proceeds of the overdraft raised on the issuance of fully convertible debentures of the Company to Deutsche Bank Hong Kong Branch, Jade Dragon (Mauritius) Limited and CPI Ballpark Investments Limited
5.	Mr. Jayant D. Mhaiskar	September 8, 2007	230	100	23,000	From the proceeds of the overdraft raised on the issuance of fully convertible debentures of the Company to Deutsche Bank Hong Kong Branch, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited
6.	Mr. Virendra D. Mhaiskar jointly with Mrs. Deepali Mhaiskar	September 8, 2007	3,900	100	390,000	From the proceeds of the overdraft raised on the issuance of fully convertible debentures of the Company to Deutsche Bank Hong Kong Branch, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited

Sr. No.	Transferor	Date of Acquisition by Issuer	No. of shares acquired by Issuer	Cost of acquisition per equity share (Rs.)	Total cost of acquisition (Rs.)	Means of financing such acquisition by Issuer
7.	Mr. Dattatraya P. Mhaiskar	September 8, 2007	513,240	100	51,324,000	From the proceeds of the overdraft raised on the issuance of fully convertible debentures of the Company to Deutsche Bank Hong Kong Branch, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited
8.	Sagaon Energy Equipments Private Limited	September 8, 2007	152	100	15,200	From the proceeds of the overdraft raised on the issuance of fully convertible debentures of the Company to Deutsche Bank Hong Kong Branch, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited
9.	Modern Road Makers Private Limited	September 8, 2007	7,200	100	720,000	From the proceeds of the overdraft raised on the issuance of fully convertible debentures of the Company to Deutsche Bank Hong Kong Branch, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited
10.	Ideal Toll & Infrastructure Company Private Limited	September 8, 2007	1,710,900	100	171,090,000	From the proceeds of the overdraft raised on the issuance of fully convertible debentures of the Company to Deutsche Bank Hong Kong Branch, Jade Dragon (Mauritius) Limited, CPI

Sr. No.	Transferor	Date of Acquisition by Issuer	No. of shares acquired by Issuer	Cost of acquisition per equity share (Rs.)	Total cost of acquisition (Rs.)	Means of financing such acquisition by Issuer
						Ballpark .Investments Limited
11.	Mrs. Anuya J. Mhaiskar	September 8, 2007	330	100	33,000	From the proceeds of the overdraft raised on the issuance of fully convertible debentures of the Company to Deutsche Bank Hong Kong Branch, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited
12.	Mr. Jayant D. Mhaiskar (Karta - Jayant Mhaiskar HUF)	September 8, 2007	100	100	10,000	From the proceeds of the overdraft raised on the issuance of fully convertible debentures of the Company to Deutsche Bank Hong Kong Branch, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited
	TOTAL		**3,187,700**		**318,770,000**	

Modern Road Makers Private Limited

Modern Road Makers Private Limited was incorporated on March 15, 1994 to carry on business as engineers and contractors for the construction of roads, dams and other constructions. The registered office address of Modern Road Makers Private Limited is, IRB Complex, Chandivli Farm, Chandivli Village, Andheri (East), Mumbai – 400 072.

Shareholding Pattern

The shareholding pattern of Modern Road Makers Private Limited as of December 31, 2007 was as follows:

Name of shareholder	No. of equity shares	% of issued capital
Equity shares of face value Rs. 100 each		
Mr. Virendra D. Mhaiskar (nominee of the Company)	1	0.00*
IRB Infrastructure Developers Limited	3,109,499	100.00
Total	**3,109,500**	**100.00**

* Less than 0.01%

Board of Directors

The board of directors of Modern Road Makers Private Limited comprises the following:

1. Mr. Virendra D. Mhaiskar
2. Mrs. Deepali V. Mhaiskar
3. Mr. Chandrashekhar S. Kaptan

Financial Performance

The following table sets forth the financial data of Modern Road Makers Private Limited in accordance with Indian GAAP.

(*Rs. in crore, except share data*)

	For the period ended March 31,			
	2005	**2006**	**2007**	**For the five months ended August 31, 2007**
	Rs.	**Rs.**	**Rs.**	**Rs.**
Income/Sales	90.66	153.38	212.16	125.63
Profit (Loss) after Tax	3.08	13.98	23.44	12.03
Equity share capital	0.09	31.09	31.09	31.09
Reserves and surplus (excluding revaluation reserves) (1)	18.05	32.02	55.46	67.49
Earnings per share(2)	3242.70	44.94	75.37	38.69
Book Value per share(2)	19097.89	202.98	278.35	317.05

(1) Net of miscellaneous expenditure not written off.
(2) The face value of each equity share is Rs. 100.

Modern Road Makers Private Limited is an unlisted company and it has not made any public or rights issue in the preceeding three years. It has not become a sick company within the meaning of SICA, is not under winding up and does not have a negative net worth.

Details of acquisition by the Company of equity shares of Modern Road Makers Private Limited since the date it became a subsidiary of the Company

Sr. No.	Transferor	Date of Acquisition by Issuer	No. of shares acquired by Issuer	Cost of acquisition per equity share (Rs.)	Total cost of acquisition (Rs.)	Means of financing such acquisition by Issuer
1	Mr. Virendra D. Mhaiskar (Karta - Virendra Mhaiskar HUF)	August 19, 2006	3,100,000	100	310,000,000	From the proceeds of issuance of share capital of the Company
2	Mr. Virendra D. Mhaiskar	November 17, 2006	50	100	5,000	From the proceeds of issuance of share capital of the Company
3	Mrs. Deepali V. Mhaiskar jointly with Mr. Virendra Mhaiskar	November 17, 2006	148	100	14,800	From the proceeds of issuance of share capital of the Company
4	Mrs. Deepali V. Mhaiskar	November 17, 2006	1	100	100	From the proceeds of issuance of share capital of the Company
5	Mrs. Neela A. Behere jointly with Mr. Arvind N. Behere	November 17, 2006	50	100	5,000	From the proceeds of issuance of share capital of the Company
6	Mr. Virendra D. Mhaiskar jointly with Mrs. Deepali V. Mhaiskar	November 17, 2006	9,251	100	925,100	From the proceeds of issuance of share capital of the Company
	TOTAL		**3,109,500**		**310,950,000**	

Thane Ghodbunder Toll Road Private Limited

Thane Ghodbunder Toll Road Private Limited was incorporated on August 16, 2005 to carry on the business of infrastructure construction and allied activities. The registered office address of Thane Ghodbunder Toll Road Private Limited is IRB Complex, Chandivli Farm, Chandivli Village, Andheri (East), Mumbai – 400 072.

Shareholding Pattern

The shareholding pattern of Thane Ghodbunder Toll Road Private Limited as of December 31, 2007 was as follows:

Name of shareholder	Number of equity shares	% of issued capital
Equity shares of face value Rs. 100 each		
Mr. Dattatraya P. Mhaiskar	100	0.00*
IRB Infrastructure Developers Limited	22,199,700	74.00
Mr. Virendra D. Mhaiskar	100	0.00*
Mr. Jayant D. Mhaiskar	100	0.00*
Ideal Road Builders Private Limited	7,800,000	26.00
Total	**30,000,000**	**100.00**

* Less than 0.01%

Board of Directors

The board of directors of Thane Ghodbunder Toll Road Private Limited comprises the following:

1. Mr. Dattatraya P. Mhaiskar
2. Mr. Virendra D. Mhaiskar
3. Mr. Jayant D. Mhaiskar

Financial Performance

The following table sets forth the financial data of the Thane Ghodbunder Toll Road Private Limited in accordance with Indian GAAP.

(*Rs. in crore, except share data*)

	For the period ended March 31,			
	2005	**2006**	**2007**	**For the five months ended August 31, 2007**
	Rs.	**Rs.**	**Rs.**	**Rs.**
Income/Sales	N.A.	5.92	21.84	11.53
Profit/(Loss) after Tax	N.A.	(0.18)	0.06	0.82
Equity share capital	N.A.	14.85	23.75	30.00
Reserves and surplus (excluding revaluation reserves)(1)	N.A.	(0.18)	(0.12)	0.70
Earnings/(Loss) per share(2)	N.A.	(0.12)	0.03	0.29
Book Value per share (2)	N.A.	9.67	9.90	10.19

(1) Net of miscellaneous expenditure not written off.
(2) The face value of each equity share is Rs. 10.

Thane Ghodbunder Toll Road Private Limited is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company within the meaning of SICA, is not under winding up and does not have a negative net worth.

Details of acquisition by the Company of equity shares of Thane Ghodbunder Toll Road Private Limited since the date it became a subsidiary of the Company

Sr. No.	Transferor/ issue by TGTRPL	Date of Acquisition by Issuer	No. of shares acquired by Issuer	Cost of acquisition per equity share (Rs.)	Total cost of acquisition (Rs.)	Means of financing such acquisition by Issuer
1	Mr. Dattatraya P. Mhaiskar	December 22, 2006	3,000,000	10	30,000,000	From the proceeds of issuance of share capital of the Company
2	Issue by TGTRPL	January 6, 2007	316,500	10	3,165,000	From the proceeds of issuance of share capital of the Company
3	Issue by TGTRPL	February 25, 2007	300,000	10	3,000,000	From the proceeds of issuance of share capital of the Company
4	Issue by TGTRPL	March 8, 2007	333,000	10	3,330,000	From the proceeds of issuance of share capital of the Company
5	Issue by TGTRPL	April 16, 2007	411,000	10	4,110,000	From the proceeds of the overdraft raised on the issuance of fully convertible debentures of the Company to Deutsche Bank Hong Kong Branch, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited
6	Issue by TGTRPL	May 7, 2007	520,000	10	5,200,000	From the proceeds of the overdraft raised on the issuance of fully convertible debentures of the Company to Deutsche Bank Hong Kong Branch, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited
7	Mr. Dattatraya P. Mhaiskar	September 8, 2007	4,399,900	10	43,999,000	From the proceeds of the overdraft raised on the issuance of fully convertible debentures of the Company to Deutsche Bank Hong Kong Branch, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited
8	Mr. Jayant D. Mhaiskar	September 8, 2007	2,400	10	24,000	From the proceeds of the overdraft raised on the issuance of fully convertible debentures of the Company to Deutsche Bank Hong Kong Branch, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited

Sr. No.	Transferor/ issue by TGTRPL	Date of Acquisition by Issuer	No. of shares acquired by Issuer	Cost of acquisition per equity share (Rs.)	Total cost of acquisition (Rs.)	Means of financing such acquisition by Issuer
9	Mr. Virendra D. Mhaiskar	September 8, 2007	2,400	10	24,000	From the proceeds of the overdraft raised on the issuance of fully convertible debentures of the Company to Deutsche Bank Hong Kong Branch, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited
10	Ideal Toll & Infrastructure Company Private Limited	September 8, 2007	7,397,500	10	73,975,000	From the proceeds of the overdraft raised on the issuance of fully convertible debentures of the Company to Deutsche Bank Hong Kong Branch, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited
	Total		**16,682,700**		**166,827,000**	

Mhaiskar Infrastructure Private Limited

Mhaiskar Infrastructure Private Limited was incorporated on January 28, 2004 to carry on the business of construction work as civil engineers and civil contractors and to undertake projects and contracts for the Government and government departments. The registered office address of Mhaiskar Infrastructure Private Limited is IRB Complex, Chandivli Farm, Chandivli Village, Andheri (East), Mumbai – 400 072.

Shareholding Pattern

The shareholding pattern of Mhaiskar Infrastructure Private Limited as of December 31, 2007 was as follows:

Name of shareholder	No. of equity shares	% of issued capital
Equity shares of face value Rs. 100 each		
Mr. Dattatraya P. Mhaiskar	100	0.00*
Mr. Virendra D. Mhaiskar	100	0.00*
Mr. Jayant D. Mhaiskar	100	0.00*
Ideal Road Builders Private Limited	27,300,000	26.00
IRB Infrastructure Developers Limited	77,699,700	74.00
Total	**105,000,000**	**100.00**

* Less than 0.01%

Board of Directors

The board of directors of Mhaiskar Infrastructure Private Limited comprises the following:

1. Mr. Dattatraya P. Mhaiskar
2. Mr. Virendra D. Mhaiskar
3. Mr. Jayant D. Mhaiskar
4. Mr. Chandrashekhar S. Kaptan

Financial Performance

The following table sets forth the financial data of Mhaiskar Infrastructure Private Limited in accordance with Indian GAAP.

Financial Performance

The following table sets forth the financial data of Mhaiskar Infrastructure Private Limited in accordance with Indian GAAP.

(*Rs. in crore, except share data*)

	For the period ended March 31,			
	2005	**2006**	**2007**	**For the five months ended August 31, 2007**
	Rs.	**Rs.**	**Rs.**	**Rs.**
Income/Sales	58.97	117.98	180.90	100.06
Profit/(Loss) after Tax	0.08	4.09	5.50	13.15
Equity Share Capital	70.00	91.30	105.00	105.00
Reserves and surplus (excluding revaluation reserves)(1)	0.08	4.17	1.44	14.60
Earnings/(Loss) per share(2)	0.17	0.51	0.54	1.25
Book Value per share (2)	99.04	10.40	10.10	11.36

(1) Net of miscellaneous expenditure not written off.
(2) The face value of each equity share is Rs. 10.

Mhaiskar Infrastructure Private Limited is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company within the meaning of SICA, is not under winding up and does not have a negative net worth.

Details of acquisition by the Company of equity shares of Mhaiskar Infrastructure Private Limited since the date it became a subsidiary of the Company are set out below:

Sr. No.	Name of the transferor / issue by MIPL	Date of Acquisition by Issuer	No. of shares acquired by Issuer	Cost of acquisition per equity share (Rs.)	Total cost of acquisition (Rs.)	Means of financing such acquisition by Issuer
1	Issue by MIPL	September 20, 2006	740,000	10	7,400,000	From the proceeds of issuance of share capital of the Company
2	Mr. Dattatraya P. Mhaiskar	December 22, 2006	10,500,000	10	105,000,000	From the proceeds of issuance of share capital of the Company
3	Mr. Dattatraya P. Mhaiskar	September 8, 2007	15,349,900	10	153,499,000	From the proceeds of the overdraft raised on the issuance of fully convertible debentures of the Company to Deutsche Bank Hong Kong Branch, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited
4	Ideal Toll & Infrastructure Company Private Limited	September 8, 2007	14,010,000	10	140,100,000	From the proceeds of the overdraft raised on the issuance of fully convertible debentures of the Company to Deutsche Bank Hong

Sr. No.	Name of the transferor / issue by MIPL	Date of Acquisition by Issuer	No. of shares acquired by Issuer	Cost of acquisition per equity share (Rs.)	Total cost of acquisition (Rs.)	Means of financing such acquisition by Issuer
						Kong Branch, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited
5	Mr. Jayant D. Mhaiskar (Karta - Jayant Mhaiskar HUF)	September 8, 2007	100,000	10	1,000,000	From the proceeds of the overdraft raised on the issuance of fully convertible debentures of the Company to Deutsche Bank Hong Kong Branch, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited
6	Mr. Jayant D. Mhaiskar	September 8, 2007	11,789,900	10	117,899,000	From the proceeds of the overdraft raised on the issuance of fully convertible debentures of the Company to Deutsche Bank Hong Kong Branch, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited
7	Mr. Virendra D. Mhaiskar	September 8, 2007	329,900	10	3,299,000	From the proceeds of the overdraft raised on the issuance of fully convertible debentures of the Company to Deutsche Bank Hong Kong Branch, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited
8	Mrs. Sudha D. Mhaiskar	September 8, 2007	50,000	10	500,000	From the proceeds of the overdraft raised on the issuance of fully convertible debentures of the Company to Deutsche Bank Hong Kong Branch, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited
	Total		**52,869,700**		**528,697,000**	

Aryan Toll Road Private Limited

Aryan Toll Road Private Limited was incorporated on January 23, 2003 to undertake the business of construction work as civil engineers and civil contractors and to undertake projects and contracts for the government and government departments. The registered office address of Aryan Toll Road Private Limited is IRB Complex, Chandivli Farm, Chandivli Village, Andheri (East), Mumbai -400 072.

Shareholding Pattern

The shareholding pattern of Aryan Toll Road Private Limited as of December 31, 2007 was as follows:

Name of shareholder	No. of equity shares	% of issued capital
Equity shares of face value Rs. 100 each		
Ideal Road Builders Private Limited	250	0.00*
IRB Infrastructure Developers Limited	4,499,750	100.00
Total	**4,500,000**	**100.00**

* Less than 0.01%

Board of Directors

The board of directors of Aryan Toll Road Private Limited comprises the following:

1. Mrs. Deepali V. Mhaiskar
2. Mr. Virendra D. Mhaiskar
3. Mrs. Sudha D. Mhaiskar

Financial Performance

The following table sets forth the financial data of Aryan Toll Road Private Limited in accordance with Indian GAAP.

(*Rs. in crore, except share data*)

	For the period ended March 31,			
	2005	2006	2007	For the five months ended August 31, 2007
	Rs.	Rs.	Rs.	Rs.
Income/Sales	2.97	11.70	15.14	2.14
Profit (Loss) after Tax	0.20	2.14	3.74	(1.34)
Equity share capital	45.00	45.00	45.00	45.00
Reserves and surplus (excluding revaluation reserves)(1)	.0.20	2.34	6.08	4.74
Earnings per share(2)	0.45	4.76	8.32	(2.98)
Book Value per share(2)	100.42	105.19	113.52	110.54

(1) Net of miscellaneous expenditure not written off.
(2) The face value of each equity share is Rs. 100.

Aryan Toll Road Private Limited is an unlisted company and it has not made any public or rights issue in the preceeding three years. It has not become a sick company within the meaning of SICA, is not under winding up and does not have a negative net worth.

Details of acquisition by the Company of equity shares of Aryan Toll Road Private. Limited since the date it became a subsidiary of the Company are set out below:

Sr. No.	Transferor	Date of Acquisition by Issuer	No. of shares acquired by Issuer	Cost of acquisition per equity share (Rs.)	Total cost of acquisition (Rs.)	Means of financing such acquisition by Issuer
1	Modern Road Makers Pvt. Ltd.	August 19, 2006	1,799,000	100	179,900,000	From the proceeds of issuance of share capital of the Company

Sr. No.	Transferor	Date of Acquisition by Issuer	No. of shares acquired by Issuer	Cost of acquisition per equity share (Rs.)	Total cost of acquisition (Rs.)	Means of financing such acquisition by Issuer
2	Mr. Virendra Mhaiskar (Karta - Virendra Mhaiskar HUF)	August 19, 2006	500,000	100	50,000,000	From the proceeds of issuance of share capital of the Company
3	Mr. Virendra D. Mhaiskar	November 17, 2006	250	100	25,000	From the proceeds of issuance of share capital of the Company
4	Mrs. Deepali V. Mhaiskar	November 17, 2006	250	100	25,000	From the proceeds of issuance of share capital of the Company
5	Mrs. Sudha D. Mhaiskar	November 17, 2006	250	100	25,000	From the proceeds of issuance of share capital of the Company
	Total		**2,299,750**		**229,975,000**	

IDAA Infrastructure Private Limited

IDAA Infrastructure Private Limited was incorporated on January 10, 2006 to undertake the business of construction work as civil engineers and civil contractors and to undertake projects and contracts for the government and government departments. The registered office address of IDAA Infrastructure Private Limited is 3rd floor, IRB Complex, Chandivli Farm, Chandivli Village, Andheri (East), Mumbai – 400 072.

Shareholding Pattern

The shareholding pattern of IDAA Infrastructure Private Limited as of December 31, 2007was as follows:

Name of shareholder	No. of equity shares	% of issued capital
Equity shares of face value Rs. 10 each		
Ideal Road Builders Private Limited	11,286,000	12.05
IRB Infrastructure Developers Limited	50,004,000	53.39
Aryan Toll Road Private Limited	10,124,000	10.81
ATR Infrastructure Private Limited	22,246,000	23.75
Total	**93,660,000**	**100.00**

Board of Directors

The board of directors of IDAA Infrastructure Private Limited comprises the following:

1. Mr. Virendra D. Mhaiskar
2. Mrs. Deepali V. Mhaiskar
3. Mrs. Sudha D. Mhaiskar
4. Mr. Chandrashekhar S. Kaptan

Financial Performance

The following table sets forth the financial data of IDAA Infrastructure Private Limited in accordance with Indian GAAP.

(*Rs. in crore, except share data*)

	For the period ended March 31,			
	2005	**2006**	**2007**	**For the five months ended August 31, 2007**
	Rs.	**Rs.**	**Rs.**	**Rs.**
Income/Sales	N.A.	Nil	NIL	NIL
Profit (Loss) after Tax	N.A	Nil	NIL	NIL

	For the period ended March 31,			
Equity share capital	N.A.	NIL	68.00	80.19
Reserves and surplus (excluding revaluation reserves)(1)	N.A.	NIL	NIL	NIL
Earnings per share(2)	N.A.	N.A.	NIL	NIL
Book Value per share(2)	N.A.	N.A.	9.99	10.00

(1) Net of miscellaneous expenditure not written off.
(2) The face value of each equity share is Rs. 10.

IDAA Infrastructure Private Limited is an unlisted company and it has not made any public or rights issue in the preceeding three years. It has not become a sick company within the meaning of SICA, is not under winding up and does not have a negative net worth.

Details of acquisition by the Company of equity shares of IDAA Infrastructure Private Limited from the date it became a subsidiary of the Company are set out below:

Sr. No.	Issue by IDAA	Date of Acquisition by Issuer	No. of shares acquired by Issuer	Cost of acquisition per equity share (Rs.)	Total cost of acquisition (Rs.)	Means of financing such acquisition by Issuer
1	Issue by IDAA	June 21, 2006	41,500	10	415,000	From the proceeds of issuance of share capital of the Company
2	Issue by IDAA	August 31, 2006	1,170,000	10	11,700,000	From the proceeds of issuance of share capital of the Company
3	Issue by IDAA	December 9, 2006	36,280,000	10	362,800,000	From the proceeds of issuance of share capital of the Company
4	Issue by IDAA	April 30, 2007	1,430,000	10	14,300,000	From the proceeds of the overdraft raised on the issuance of fully convertible debentures of the Company to Deutsche Bank Hong Kong Branch, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited
5	Issue by IDAA	May 30, 2007	710,000	10	7,100,000	From the proceeds of the overdraft raised on the issuance of fully convertible debentures of the Company to Deutsche Bank Hong Kong Branch, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited

Sr. No.	Issue by IDAA	Date of Acquisition by Issuer	No. of shares acquired by Issuer	Cost of acquisition per equity share (Rs.)	Total cost of acquisition (Rs.)	Means of financing such acquisition by Issuer
6.	Issue by IDAA	June 30, 2007	2,215,000	10	22,150,000	From the proceeds of the overdraft raised on the issuance of fully convertible debentures of the Company to Deutsche Bank Hong Kong Branch, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited
7.	Issue by IDAA	September 29, 2007	245,000	10	2,450,000	From the proceeds of the overdraft raised on the issuance of fully convertible debentures of the Company to Deutsche Bank Hong Kong Branch, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited
8.	Issue by IDAA	October 31, 2007	3,910,000	10	39,100,000	From the proceeds of the overdraft raised on the issuance of fully convertible debentures of the Company to Deutsche Bank Hong Kong Branch, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited
9.	Issue by IDAA	December 13, 2007	4,000,000	10	40,000,000	From the proceeds of the overdraft raised on the issuance of fully convertible debentures of the Company to Deutsche Bank Hong Kong Branch, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited
	TOTAL		**50,001,500**		**500,015,000**	

NKT Road & Toll Private Limited

NKT Road & Toll Private Limited was incorporated on December 19, 2000 to undertake the business of construction work as civil engineers and civil contractors and to undertake projects and contracts for the government and government departments. The registered office address of NKT Road & Toll Private Limited is IRB Complex, Chandivli Farm, Chandivli Village, Andheri (East), Mumbai – 400 072.

Shareholding Pattern

The shareholding pattern of NKT Road & Toll Private Limited as of December 31, 2007 was as follows:

Name of shareholder	No. of equity shares	% of issued capital
Equity shares of face value Rs. 100 each		
Mr. Dattatraya P. Mhaiskar	1	0.00*
Mr. Virendra D. Mhaiskar	1	0.00*
Mr. Jayant D. Mhaiskar	1	0.00*
Ideal Road Builders Private Limited	699,997	46.67
IRB Infrastructure Developers Limited	800,000	53.33
Total	**1,500,000**	**100.00**

* Less than 0.01%

Board of Directors

The board of directors of NKT Road & Toll Private Limited comprises the following:

1. Mr. Virendra D. Mhaiskar
2. Mr. Jayant D. Mhaiskar
3. Mr. Dattatraya P. Mhaiskar

Financial Performance

The following table sets forth the financial data of NKT Road & Toll Private Limited in accordance with Indian GAAP.

(*Rs. in crore, except share data*)

	For the period ended March 31,			
	2005	**2006**	**2007**	**For the five months ended August 31, 2007**
	Rs.	**Rs.**	**Rs.**	**Rs.**
Income/Sales	4.87	7.24	10.18	5.29
Profit (Loss) after Tax	0.57	2.67	3.17	2.54
Equity share capital	6.00	6.00	6.00	6.00
Reserves and surplus (excluding revaluation reserves)[(1)]	0.26	2.94	6.11	8.65
Earnings per share [(2)]	9.52	44.55	52.86	42.35
Book Value per share [(2)]	103.12	148.94	201.79	244.15

(1) Net of miscellaneous expenditure not written off.
(2) The face value of each equity share is Rs. 100.

NKT Road & Toll Private Limited is an unlisted company and it has not made any public or rights issue in the preceeding three years. It has not become a sick company within the meaning of SICA, is not under winding up and does not have a negative net worth.

Details of acquisition by the Company of equity shares of NKT Road & Toll Private Limited since the date it became a subsidiary of the Company are set out below:

Sr. No.	Transferor/ issue by NKT	Date of Acquisition by Issuer	No. of shares acquired by Issuer	Cost of acquisition per equity share (Rs.)	Total cost of acquisition (Rs.)	Means of financing such acquisition by Issuer
1	Issue of shares by NKT	September 8, 2007	550,000	100	55,000,000	From the proceeds of the overdraft raised on the issuance of fully convertible debentures of the Company to Deutsche Bank Hong Kong Branch, Jade Dragon

Sr. No.	Transferor/ issue by NKT	Date of Acquisition by Issuer	No. of shares acquired by Issuer	Cost of acquisition per equity share (Rs.)	Total cost of acquisition (Rs.)	Means of financing such acquisition by Issuer
						(Mauritius) Limited, CPI Ballpark Investments Limited
2	Ideal Toll & Infrastructure Company Private Limited	September 8, 2007	249,341	100	24,934,100	From the proceeds of the overdraft raised on the issuance of fully convertible debentures of the Company to Deutsche Bank Hong Kong Branch, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited
3	Mr. Jayant D. Mhaiskar	September 8, 2007	329	100	32,900	From the proceeds of the overdraft raised on the issuance of fully convertible debentures of the Company to Deutsche Bank Hong Kong Branch, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited
4	Mrs. Anuya J. Mhaiskar	September 8, 2007	330	100	33,000	From the proceeds of the overdraft raised on the issuance of fully convertible debentures of the Company to Deutsche Bank Hong Kong Branch, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited
	TOTAL		**800,000**		**80,000,000**	

IRB Infrastructure Private Limited

IRB Infrastructure Private Limited was incorporated on December 23, 1997 to undertake the business of construction work as civil engineers and civil contractors and to undertake projects and contracts for the government and government departments. The registered office address of IRB Infrastructure Private Limited is 3rd floor, IRB Complex, Chandivli Farm, Chandivli Village, Andheri (East), Mumbai – 400 072.

Shareholding Pattern

The shareholding pattern of IRB Infrastructure Private Limited as of December 31, 2007, was as follows:

Name of shareholder	No. of equity shares	% of issued capital
Equity shares of face value Rs. 100 each		
Mr. Virendra D. Mhaiskar	1	0.00*
Mr. Jayant D. Mhaiskar	1	0.00*
Ideal Road Builders Private Limited	198,500	19.85
IRB Infrastructure Developers Limited	801,497	80.15
Mr. Dattatraya P. Mhaiskar	1	0.00*
Total	**1,000,000**	**100**

* Less than 0.01%

Board of Directors

The board of directors of IRB Infrastructure Private Limited comprises the following:

1. Mr. Virendra D. Mhaiskar
2. Mr. Jayant D. Mhaiskar
3. Mr. Dattatraya P. Mhaiskar

Financial Performance

The following table sets forth the financial data of IRB Infrastructure Private Limited in accordance with Indian GAAP.

(*Rs. in crore, except share data*)

	For the period ended March 31,			
	2005	**2006**	**2007**	**For the five months ended August 31, 2007**
	Rs.	**Rs.**	**Rs.**	**Rs.**
Income/Sales	6.85	9.60	8.84	3.28
Profit (Loss) after Tax	3.62	6.26	4.15	1.57
Equity share capital	10.00	10.00	10.00	10.00
Reserves and surplus (excluding revaluation reserves) (1)	9.57	15.82	11.97	13.54
Earnings per share(2)	36.18	62.58	41.48	15.66
Book Value per share(2)	195.54	258.17	219.71	235.37

(1) Net of miscellaneous expenditure not written off.
(2) The face value of each equity share is Rs. 100.

IRB Infrastructure Private Limited is an unlisted company and it has not made any public or rights issue in the preceeding three years. It has not become a sick company within the meaning of SICA, is not under winding up and does not have a negative net worth.

Details of acquisition by the Company of equity shares of IRB Infrastructure Private Limited since the date it became a subsidiary of the Company are set out below:

Sr. No.	Transferor	Date of Acquisition by Issuer	No. of shares acquired by Issuer	Cost of acquisition per equity share (Rs.)	Total cost of acquisition (Rs.)	Means of financing such acquisition by Issuer
1	Modern Road Makers Private Limited	August 19, 2006	236,500	100	23,650,000	From the proceeds of issuance of share capital of the Company
2	Mrs. Deepali V. Mhaiskar jointly with Mr. Virendra D. Mhaiskar	August 19, 2006	20,000	100	2,000,000	From the proceeds of issuance of share capital of the Company
3	Mr. Virendra D. Mhaiskar jointly with Mrs. Deepali Mhaiskar	August 19, 2006	312,500	100	31,250,000	From the proceeds of issuance of share capital of the Company
4	Ideal Toll & Infrastructure Company Private Limited	September 8, 2007	231,834	100	23,183,400	From the proceeds of the overdraft raised on the issuance of fully convertible debentures of the Company to Deutsche Bank Hong Kong Branch, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited
5	Mrs. Anuya J. Mhaiskar	September 8, 2007	330	100	33,000	From the proceeds of the overdraft raised on the issuance of fully convertible debentures of

Sr. No.	Transferor	Date of Acquisition by Issuer	No. of shares acquired by Issuer	Cost of acquisition per equity share (Rs.)	Total cost of acquisition (Rs.)	Means of financing such acquisition by Issuer
						the Company to Deutsche Bank Hong Kong Branch, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited
6	Mrs. Deepali V. Mhaiskar	September 8, 2007	1	100	100	From the proceeds of the overdraft raised on the issuance of fully convertible debentures of the Company to Deutsche Bank Hong Kong Branch, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited
7	Mrs. Neela A. Behere	September 8, 2007	1	100	100	From the proceeds of the overdraft raised on the issuance of fully convertible debentures of the Company to Deutsche Bank Hong Kong Branch, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited
8	Mrs. Sudha D. Mhaiskar	September 8, 2007	1	100	100	From the proceeds of the overdraft raised on the issuance of fully convertible debentures of the Company to Deutsche Bank Hong Kong Branch, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited
9	Mr. Jayant D. Mhaiskar	September 8, 2007	329	100	32,900	From the proceeds of the overdraft raised on the issuance of fully convertible debentures of the Company to Deutsche Bank Hong Kong Branch, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited
10	Mrs. Aruna B. Mhaiskar	September 8, 2007	1	100	100	From the proceeds of the overdraft raised on the issuance of fully convertible debentures of the Company to Deutsche Bank Hong Kong Branch, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited
	TOTAL		**801,497**		**80,149,700**	

MMK Toll Road Private Limited

MMK Toll Road Private Limited was incorporated on April 12, 2002 to undertake the business of construction work as civil engineers and civil contractors and to undertake projects and contracts for the government and government departments. MMK has shifted its registered office from Amit Villa, Block No.A-202/403, Netaji Road, Ulhasnagar – 421 004 to IRB Complex, Chandivali Farm, Chandivali Village, Andheri (E), Mumbai 400 072 w.e.f. December 8, 2007.

Shareholding Pattern

The shareholding pattern of MMK Toll Road Private Limited as of December 31, 2007 was as follows:

Name of shareholder	No. of equity shares	% of issued capital
Equity shares of face salute Rs. 10 each		
Mr. Dattatraya P. Mhaiskar	1	0.00*
Mr. Virendra D. Mhaiskar	1	0.00*
Mr. Jayant D. Mhaiskar	1	0.00*
Ideal Road Builders Private Limited	6,999,997	100
Total	**7,000,000**	**100.00**

* Less than 0.01%

Note: MMK Toll Road Private Limited is an indirect subsidiary of the Company (its shareholding through IRBPL which is a wholly owned subsidiary of the Company).

Board of directors

The board of directors of MMK Toll Road Private Limited comprises the following:

1. Mr. Dattatraya P. Mhaiskar
2. Mr. Virendra D. Mhaiskar
3. Mr. Jayant D. Mhaiskar

Financial Performance

The following table sets forth the financial data of MMK Toll Road Private Limited in accordance with Indian GAAP.

(*Rs. in crore, except share data*)

	For the period ended March 31,			
	2005	**2006**	**2007**	**For the five months ended August 31, 2007**
	Rs.	**Rs.**	**Rs.**	**Rs.**
Income/Sales	2.52	3.38	4.12	2.37
Profit (Loss) after Tax	0.44	(0.21)	0.34	0.82
Equity share capital	7.00	7.00	7.00	7.00
Reserves and surplus (excluding revaluation reserves) (1)	0.43	0.22	0.56	1.38
Earnings per share(2)	0.62	(0.30)	0.48	1.17
Book Value per share(2)	10.45	10.18	10.80	11.97

(1) Net of miscellaneous expenditure not written off.
(2) The face value of each equity share is Rs. 10.

MMK Toll Road Private Limited is an unlisted company and it has not made any public or rights issue in the preceeding three years. It has not become a sick company within the meaning of SICA, is not under winding up and does not have a negative net worth.

ATR Infrastructure Private Limited

ATR Infrastructure Private Limited was incorporated on June 23, 2003 to undertake the business of real estate, construction and infrastructure development. The registered office address of ATR Infrastructure Private Limited is 3rd floor, IRB Complex, Chandivli Farm, Chandivli Village, Andheri (East), Mumbai – 400 072.

Shareholding Pattern

The shareholding pattern of ATR Infrastructure Private Limited as of December 31, 2007 was as follows:

Name of shareholder	No. of equity shares	% of issued capital
Equity shares of face value Rs. 100 each		
IRB Infrastructure Developers Limited	5,174,750	100.00
Ideal Road Builders Private Limited	250	0.00*
Total	**5,175,000**	**100.00**

* Less than 0.01%

Board of Directors

The board of directors of ATR Infrastructure Private Limited comprises the following:

1. Mr. Virendra D. Mhaiskar
2. Mrs. Deepali V. Mhaiskar
3. Mrs. Sudha D. Mhaiskar

Financial Performance

The following table sets forth the financial data of ATR Infrastructure Private Limited in accordance with Indian GAAP.

(*Rs. in crore, except share data*)

	For the period ended March 31,			
	2005	**2006**	**2007**	**For the five months ended August 31, 2007**
	Rs.	**Rs.**	**Rs.**	**Rs.**
Income/Sales	NIL	5.27	14.12	5.42
Profit (Loss) after Tax	NIL	1.53	2.22	0.03
Equity share capital	51.75	51.75	51.75	51.75
Reserves and surplus (excluding revaluation reserves) (1)	NIL	1.53	3.74	3.77
Earnings per share(2)	NIL	2.95	4.28	0.05
Book Value per share(2)	99.19	102.94	107.24	107.28

(1) Net of miscellaneous expenditure not written off.
(2) The face value of each equity share is Rs. 100.

ATR Infrastructure Private Limited is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company within the meaning of SICA, is not under winding up and does not have a negative net worth.

Details of acquisition by the Company of equity shares of ATR Infrastructure Private. Limited since the date it became a subsidiary are set out below:

Sr. No.	Transferor	Date of Acquisition by Issuer	No. of shares acquired by Issuer	Cost of acquisition per equity share (Rs.)	Total cost of acquisition (Rs.)	Means of financing such acquisition by Issuer
1	Modern Road Makers Private Limited	August 19, 2006	2,000,000	100	200,000,000	From the proceeds of issuance of share capital of the Company
2	Mr. Virendra D. Mhaiskar (Karta - Virendra D. Mhaiskar HUF)	August 19, 2006	627,500	100	62,750,000	From the proceeds of issuance of share capital of the Company
3	Mr. Virendra D. Mhaiskar	November 17, 2006	250	100	25,000	From the proceeds of issuance of share capital of the Company

4	Mrs. Deepali V. Mhaiskar	November 17, 2006	250	100	25,000	From the proceeds of issuance of share capital of the Company
5	Mrs. Sudha D. Mhaiskar	November 17, 2006	250	100	25,000	From the proceeds of issuance of share capital of the Company
	TOTAL		**2,628,250**		**262,825,000**	

Aryan Infrastructure Investments Private Limited

Aryan Infrastructure Investments Private Limited was incorporated on August 9, 2006 to undertake the business of construction and infrastructure development. The registered office address of Aryan Infrastructure Investments Private Limited is IRB Complex, Chandivli Farm, Chandivli Village, Andheri (East), Mumbai – 400 072.

Shareholding Pattern

The shareholding pattern of Aryan Infrastructure Investments Private Limited as of December 31, 2007 was as follows:

Name of shareholder	No. of shares	% of issued capital
Equity Shares of face value Rs. 10 each		
Mr. Virendra D. Mhaiskar	5,000	0.01
Mrs. Deepali V. Mhaiskar	5,000	0.01
Mr. Virendra D. Mhaiskar (Karta of Virendra D. Mhaiskar (HUF))	28,100,000	33.98
IRB Infrastructure Developers Limited	54,566,500	66.00
Total	**82,676,500**	**100.00**

Board of Directors

The board of directors of Aryan Infrastructure Investments Private Limited comprises the following:

1. Mr. Virendra D. Mhaiskar
2. Mrs. Deepali V. Mhaiskar

Financial Performance

The following table sets forth the financial data of Aryan Infrastructure Investments Private Limited in accordance with Indian GAAP.

(Rs. in crore, except share data)

	For the period ended March 31,			
	2005	2006	2007	For the five months ended August 31, 2007
	Rs.	Rs.	Rs.	Rs.
Income/Sales	N.A.	N.A.	N.A.	N.A.
Profit/(Loss) after Tax	N.A.	N.A.	N.A.	N.A.
Equity Share Capital	N.A.	N.A.	28.11	82.68
Reserves and surplus (excluding revaluation reserves)[(1)]	N.A.	N.A.	N.A.	N.A.
Earnings/(Loss) per share[(2)]	N.A.	N.A.	N.A.	N.A.
Book Value per share [(2)]	N.A.	N.A.	9.99	9.91

[(1)] Net of miscellaneous expenditure not written off.
[(2)] The face value of each equity share is Rs. 10.

Aryan Infrastructure Investments Private Limited is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company within the meaning of SICA, is not under winding up and does not have a negative net worth.

Details of acquisition by the Company of equity shares of Aryan Infrastructure Investments Private Limited since the date it became a subsidiary of the Company are set out below:

Sr. No.	Issue by AAIPL	Date of Acquisition by Issuer	No. of shares acquired by Issuer	Cost of acquisition per equity share (Rs.)	Total cost of acquisition (Rs.)	Means of financing such acquisition by Issuer
1	Issue by Aryan	July 18, 2007	39,086,500	10	390,865,000	From the proceeds of the overdraft raised on the issuance of fully convertible debentures of the Company to Deutsche Bank Hong Kong Branch, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited
	TOTAL		**39,086,500**		**390,865,000**	

Material Agreements

Debenture Subscription Agreement and Investor Rights Agreement among Deutsche Bank AG, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited, Virendra D. Mhaiskar, Deepali V. Mhaiskar and the Company

Pursuant to a debenture subscription agreement dated March 19, 2007 between Deutsche Bank AG, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited (collectively the "Investors"), Mr. Virendra D. Mhaiskar, Mrs. Deepali V. Mhaiskar and the Company ("Debenture Subscription Agreement"), the Investors have subscribed for 3,940,083 two-year Rupee denominated transferable debentures of the Company of aggregate principal amount Rs. 2,639,855,610 and issued in denominations of Rs. 670 each ("Debentures"). As a condition to the closing of the Debenture Subscription Agreement, the Company, Mr. Virendra D. Mhaiskar and Mrs. Deepali V. Mhaiskar have entered into an investor rights agreement dated March 19, 2007 ("Investor Rights Agreement") to provide the Investors with, among other things, (i) a right to appoint a Director on the Board; (ii) certain rights in relation to an initial public offer of the Company; (iii) a right of first refusal with respect to certain issuances by the Company of its securities; (iv) certain rights in relation to actions to be taken by the Company; and (v) other rights contained therein. The Debenture Subscription Agreement and Investor Rights Agreement shall be collectively referred to as the Investment Documentation.

The Investors have exercised their right under the Investor Rights Agreement to convert the Debentures into equity shares of the Company on September 10, 2007. The Investors collectively own 32,516,412 Equity Shares of the Company, comprising 11.55% of the Equity Shares issued and outstanding prior to the Issue and 9.78% after the completion of the Issue.

Letter of Variation

A letter of variation ("Letter of Variation") has been executed on September 27, 2007 between Deutsche Bank AG, Hong Kong Branch, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited, Mr. Virendra D. Mhaiskar (in his individual capacity and as the Karta of Virendra D. Mhaiskar (HUF), Mrs. Deepali V. Mhaiskar and the Company in order to facilitate the Issue.

Each of the parties to the Letter of Variation has agreed and consented as under:

(a) to the issue and allotment of Equity Shares pursuant to the Issue and waive their respective rights in relation to such issue and allotment, including without limitation, any rights of anti-dilution, first refusal and pre-emption;
(b) to the amendments to the Memorandum of Association and the Articles of Association of the Company, in connection with the Issue;
(c) to the changes to the Board, including any committee thereof, in connection with the Issue and confirms that Mr. Tommy Cheung, the Investors' sole nominee on the Board, has resigned with effect from September 10,

2007;

(d) on and from the date of this Letter of Variation and subject to the terms of the Letter of Variation, waiver of all their rights under the Investment Documentation, including any right of the Investors in relation to control, directly or indirectly, the management and policy decisions of the Company;

(e) that the Issue constitutes a "Qualified IPO" (under the terms of the Investment Documentation); and

(f) except as specified in following provisions of the Debenture Subscription Agreement and the Investor Rights Agreement, as the case may be, no other rights of the Investors under the Investment Documentation shall survive after the commencement of trading of the Equity Shares on the BSE and the NSE pursuant to the Issue, including the right to appoint the Investors' director under the Investor Rights Agreement:

    (i) in terms of the Debenture Subscription Agreement, any party thereto disclosing the confidential information will be responsible for any breach of the provisions by the person to whom such confidential information is disclosed. Such provisions will survive the termination of the Debenture Subscription Agreement for whatever cause.

    (ii) in terms of the Debenture Subscription Agreement, indemnity from the Promoters in relation to customary representations and warranties provided by the Promoters in the Debenture Subscription Agreement in relation to operations of the Company.

    (ii) in terms of the Investor Rights Agreement, any party thereto disclosing the confidential information will be responsible for any breach of the provisions by the person to whom such confidential information is disclosed. Such provisions will survive the termination of the Investor Rights Agreement for whatever cause.

    (iii) in terms of the Investor Rights Agreement, consent that the Investor Rights Agreement will not restrict any Investor from making an investment in any other company engaged in a business which is similar to the business of the Company.

The parties to the Letter of Variation have agreed that in the event of (i) the Company or any of the Promoters taking any action (including without limitation termination of the agreement with any of its Underwriters) to prevent the completion of the Issue; or (ii) the Company being unable to proceed with the Issue; or (iii) the Issue fails to close by March 31, 2008 (the "Long Stop Date") or such other date as may be agreed upon by the Investors and the Company in writing (the "Extended Date"), then:

(a) the Letter of Variation will be deemed to be terminated and all consents and waivers provided by the parties under the Letter of Variation will be deemed to have been revoked;

(b) the Investors, will be deemed to have been, and the Company and the Promoters agree to take all such actions and do all such things as may be required by the Investors to ensure that the Investors are, placed in the same position and possess the same rights as though this Letter of Variation had not been executed and no amendment to the Articles of Association of the Company had been made on September 7, 2007; and

(c) the Investment Documentation and the Articles of Association will be deemed to have been reinstated to the form that they were, in respect of the Agreements, prior to the date of this Letter of Variation and in respect of the Articles of Association, prior to its amendment on September 7, 2007; and

(d) the Promoters and the Company shall, and the Promoters will ensure that the Company takes all such actions and does all such things as may be required by the Investors to ensure that the Articles of Association and the Investment Documentation are reinstated within two days from the date of occurrence of such event, the Long Stop Date or the Extended Date (as appropriate).

Memoranda of Understanding with Deutsche Bank, AG ("MoUs")

The Company has recently signed eight memoranda of understanding with Deutsche Bank, AG for the formation of a consortium to apply for pre-qualification in the following projects:

(a) four to six laning of Chennai-Tada section of NH 5 package number NHDP-V/MC-II/01 to be executed as BOT (Toll) on DBFO pattern under NHDP Phase V in the state of Tamil Nadu for the specified concession period;

(b) four to six laning of Delhi-Hapur section of NH 24 package number NHDP-V/MC-II/02 to be executed as BOT (Toll) on DBFO pattern under NHDP Phase V in the state of Delhi and Uttar Pradesh for the specified concession period;

(c) four to six laning of Chandikhol–Jagatpur–Bhubaneswar section of NH 5 package number NHDP-V/MC-II/03 to be executed as BOT (Toll) on DBFO pattern under NHDP Phase V in the state of Orissa for the specified concession period;

(d) four to six laning of Delhi-Agra section of NH 2 package number NHDP-V/MC-II/04 to be executed as BOT (Toll) on DBFO pattern under NHDP Phase V in the state of Delhi and Uttar Pradesh for the specified concession period;

(e) four to six laning of Gurgaon-Kotputli-Jaipur section of NH 8 package number NHDP-V/MC-II/05 to be executed as BOT (Toll) on DBFO pattern under NHDP Phase V in the state of Haryana and Rajasthan for the specified concession period;

(f) four to six laning of Surat–Dahisar section of NH 8 package number NHDP-V/MC-II/06 to be executed as BOT (Toll) on DBFO pattern under NHDP Phase V in the state of Gujarat and Maharashtra for the specified concession period;

(g) four to six laning of Chilkaluripet-Vijaywada-Elluru-Rajamundri section of NH 5 package number NHDP-V/MC-II/07 to be executed as BOT (Toll) on DBFO pattern under NHDP Phase V in the state of Andhra Pradesh for the specified concession period; and

(h) four to six laning of Panipat–Jalandhar section of NH 1 package number NHDP-V/MC-II/08 to be executed as BOT (Toll) on DBFO pattern under NHDP Phase V in the state of Haryana and Punjab for the specified concession period.

Under the MoUs, the parties have agreed to form a special purpose vehicle ("SPV") for each of the abovementioned projects with the shareholding pattern as agreed to in the MoUs. The aggregate equity shareholding of the parties and their associates in the issued and paid-up share capital of the SPV will not be less than (a) 51% during the construction period; (b) 33% during the period of three years following the project completion date; and (c) 26% or such lower proportion as may be permitted by the NHAI during the remaining concession period.

Minimum shareholding commitments

It has been agreed that the Company, as the lead manager of the consortium shall hold a minimum equity stake of 51% of the aggregate shareholding of the consortium at all times during the concession period. Deutsche Bank, AG shall hold a minimum stake of 10% of the aggregate shareholding of the consortium at all times during the concession period.

No changes shall be permitted to the minimum shareholding commitments, except in accordance with the provisions of the concession agreement.

The responsibilities of Deutsche Bank, AG under the terms of the MoUs are as follows:

- Commitment of a minimum stake equal to 10% of the aggregate shareholding of the consortium for the concession period
- Assistance with and input into the proposal preparation and submission process and business plan.
- Assisting the Company and its advisors with financial analysis, preparation of the project feasibility and negotiation of terms with providers of funding.
- Identifying appropriate board members for the entities set up to undertake the concessions.

Divestment if any by Deutsche Bank, AG will be subject to the terms of the concession agreement.

The responsibilities of the Company under the terms of the MoUs are as follows:

- The application for the project, pre-qualification, short-listing process, preparation of the proposal and negotiations in relation to the concession.
- Preparation of the business plan for the concessions.
- Design, constructions, operations and management aspects of the proposals.
- Management of cost allocation generally.
- Managing the debt arranging process.

For further information on these NHDP projects and bids submitted for certain of these projects, please see "Business – Our BOT Infrastructure Development Business – Recent Developments" on page 84 of this Red Herring Prospectus.

Memorandum of Understanding dated March 7, 2007 between Aryan and MRM

Pursuant to this memorandum of understanding, MRM intends to acquire commercial space in the township proposed to be developed by Aryan.

Salient Features

- The total consideration for sale of commercial space aggregating 1,260,000 square feet at the rate of Rs.4,000 per square foot is Rs. 504 Crore. MRM proposes to pay 50% of the total consideration within six months from the date of this memorandum of understanding. The balance amount of the consideration shall be paid by MRM in proportion to the completion of Aryan's work at the proposed township.
- Aryan agrees to hand over to MRM the entire commercial space aggregating 1,260,000 square feet in the proposed township within three years from the date of receipt of first payment made by MRM to Aryan and to execute sale deeds in favour of MRM for the acquisition of commercial space in the proposed township.

Agreement dated March 9, 2007 between Aryan and Aryan Constructions ("AC")

Pursuant to the agreement, Aryan has awarded a lumpsum turnkey contract to AC for developing 1,000 acres of land near Pune from financial year 2007-08 to 2016-17 for a total consideration of Rs. 2259.66 Crore. The breakdown of the land development expenses are as follows:

Infrastructure details	Percentage of total project cost (%)
Roads and drainage	29.63
Water supply	18.56
Sewerage	12.31
Solid waste management	6.33
Electrification	17.36
Compound wall	0.55
Road making and signage	0.53
Fire fighting	3.93
Development and reclamation	6.00
Land scaping and beautification	4.80

Other Salient Features:

- AC will be paid a mobilization advance of Rs. 252 Crore within six months from the date of this agreement, which shall be adjusted on a pro-rata basis from the running bills submitted by AC.
- AC will be entitled to charge Aryan, VAT and service tax, as applicable, for the work done

OUR MANAGEMENT

Under the Articles of Association, the Company cannot have less than three Directors and more than 15 Directors. The Company currently has eight Directors.

The following table sets forth details regarding the Board of Directors as of the date of this Red Herring Prospectus.

Name, Designation, Father's Name, Occupation, Term and DIN	Age	Address	Other Directorships
Mr. Virendra D. Mhaiskar Chairman and Managing Director Non- independent and Executive Director Son of Mr. Dattatraya P. Mhaiskar Occupation: Business Term: Up to September 6, 2012 DIN: 00183554	36	IRB Complex, Chandivli Farm, Chandivli Village, Andheri (East), Mumbai – 400 072, Maharashtra, India	• IRB Infrastructure Private Limited • NKT Road & Toll Private Limited • Mhaiskar Infrastructure Private Limited • VCR Toll Services Private Limited • MMK Toll Road Private Limited • MEP Toll Road Private Limited • Ideal Road Builders Private Limited • Modern Road Makers Private Limited • ATR Infrastructure Private Limited • Aryan Toll Road Private Limited • Thane Ghodbunder Toll Road Private Limited • IDAA Infrastructure Private Limited • Aryan Infrastructure Investments Private Limited • Ideal Soft Tech Park Private Limited
Mrs. Deepali V. Mhaiskar Non-independent and Executive Director (Whole time director) Occupation: Business Daughter of Mr. Suresh G. Kelkar Term: Upto September 6, 2012 DIN: 00309884	34	IRB Complex, Chandivli Farm, Chandivli Village, Andheri (East), Mumbai – 400 072, Maharashtra, India	• Modern Road Makers Private Limited • ATR Infrastructure Private Limited • Aryan Toll Road Private Limited • IDAA Infrastructure Private Limited • Aryan Infrastructure Investments Private Limited • Ideal Soft Tech Park Private Limited
Mr. Dattatraya P. Mhaiskar Non-independent and Executive Director (Wholetime director) Occupation: Business Son of Mr. Pandurang Mhaiskar Term: Up to September 6, 2012 DIN: 00309942	69	Manisha Safalya, M. G. Road, Vishnu Nagar, Dombivili (West), District-Thane-421 202, Maharashtra, India	• Ideal Road Builders Private Limited • IRB Infrastructure Private Limited • NKT Road & Toll Private Limited • Mhaiskar Infrastructure Private Limited • Thane Ghodbunder Toll Road Private Limited • VCR Toll Services Private Limited • MMK Toll Road Private Limited • MEP Toll Road Private Limited • Ideal Toll and Infrastructure Company Private Limited • Global Safety Vision Private Limited
Mr. Suresh G. Kelkar	68	44, Shrimali Society, Navrangpura, Ahmedabad,	-

Name, Designation, Father's Name, Occupation, Term and DIN	Age	Address	Other Directorships
Non-independent and Executive Director (Wholetime director) Occupation: Business Son of Mr. Govind Bhikaji Kelkar Term: upto November 16, 2009, liable to retire by rotation DIN: 01784048		Gujarat – 390 009, India	
Mr. Govind G. Desai Independent Director and Non-Executive Director Occupation: Solicitor Son of Mr. Guno G. Desai Term: Up to the next AGM DIN: 00140853	74	202/203 Kedar Apartments, Bhandar Lane off L.J. Road, Mahim, Mumbai- 400 016, Maharashtra, India	• Aegean Properties Limited • Alta Leasing and Finance Company Limited • Bliss GVS Pharma Limited • Camlin Limited • Champagne Indage Limited • Champagne Vineyards Limited • DIL Limited • Fermenta Biotech Limited • Lona Industries Limited • Bullows India Private Limited • Bullows Paint Equipments Private Limited • Classic Stripes Private Limited • Contract Advertising (India) Private Limited • Centaur Chemicals Private Limited • Durabuild Technologies Private Limited • Pro-Tech Sports & Safety Products Private Limited • Forma Sports Private Limited
Mr. Chandrashekhar S. Kaptan Independent Director and Non-Executive Director Occupation: Lawyer Son of Mr. Shankarrao A. Kaptan Term: Up to the next AGM DIN: 01643564	55	Kaptanwada, Zenda Chowk, Mahal, Nagpur 440 032, Maharashtra, India	• Ideal Road Builders Private Limited • Mhaiskar Infrastructure Private Limited • IDAA Infrastructure Private Limited • Modern Road Makers Private Limited
Mr. Bhalchandra K. Khare Independent Director and Non-Executive Director Occupation: Chartered Accountant	80	Flat No. 17/18 Shiv Sagar 19, Worli Sea Face, Mumbai 400 025, Maharashtra, India	• Serum Institute of India Limited • Lloyds Register Industrial Services (I) Limited • Divgi Warner Limited • Hawkins Cookers Limited • Kema Services (International) Private Limited • J.P. Mukherji & Associates Private

Name, Designation, Father's Name, Occupation, Term and DIN	Age	Address	Other Directorships
Son of Mr. Kashinath C. Khare Term: Upto the next AGM DIN: 00049778			Limited • Jyoti Sugar Engineering Private Limited
Mr. Berjis M. Desai Independent Director and Non-Executive Director Occupation: Solicitor Son of Mr. Minoo B. Desai Term: Up to the next AGM DIN: 00153675	51	Yezerina II, Road No.5, 740/741, Dadar Parsi Colony, Dadar, Mumbai – 400 014, Maharashtra, India	• Sterlite Industries (India) Limited • Reliance Asset Reconstruction Company Ltd • The Great Eastern Shipping Company Limited • National Organic Chemical Industries Limited • Praj Industries Limited • Piramyd Retail Limited • Wockhardt Hospitals Limited • Centrum Capital Limited, Chairman • Emcure Pharmaceuticals Limited • Praj Schneider, Inc. (formerly known as C.J. Schneider Engineering co. Inc. (USA)) • Inventurus Knowledge Solutions Private Limited • JSA Law Limited (Dubai) • JSA Lex Holdings Limited (Mauritius) • Biocnergy Europa BY (formerly known as Aker Kvaerner Praj BT B.V. (the Netherlands) • Isagro (Asia) Agrochemicals Private Ltd. • Centrum Fiscal Private Limited • Capricorn Studfarm Private Limited • Capricorn Agrifarms & Developers Pvt. Ltd. • Capricorn Plaza Private Limited • Jakari Express Private Limited • Jakari Holdings Private Limited • Equine Bloodstock Private Limited

Four of our directors are related to each other. Mr. Virendra D. Mhaiskar is the son of Mr. Dattaraya P. Mhaiskar and the husband of Mrs. Deepali V. Mhaiskar. Mr. Suresh G. Kelkar is the father of Mrs. Deepali V. Mhaiskar.

Brief Profile of the Directors

Mr. Virendra D. Mhaiskar**,** aged 36 years, is the Chairman and Managing Director of the Company. He holds a diploma in civil engineering from Shriram Polytechnic, Navi Mumbai. Mr. Mhaiskar has over 18 years of experience in the construction and infrastructure industry. He joined the IRB Group in June 1990 and is responsible for directing the IRB group's strategy in BOT and funded projects. Mr. Mhaiskar did not receive any remuneration from the Company for the year ended March 31, 2007 and for the period ending August 31, 2007.

Mrs. Deepali V. Mhaiskar**,** aged 34 years, is a wholetime executive Director of the Company. She joined the Company in July 1998. She has a Bachelor's degree in Arts with a major in Economics from L. D. Arts College, Ahmedabad, Gujarat and has approximately nine years of experience in administration and management. Mrs. Mhaiskar did not receive any remuneration from the Company for the year ended March 31, 2007 and for the period ending August 31, 2007.

Mr. Dattatraya P. Mhaiskar**,** aged 69 years, is a wholetime executive Director of the Company. He joined the Company in December 2006 and is the chief mentor of the group. He holds a diploma in civil engineering from Sir Kursowadia Institute of Electrical Technology, Pune. Mr. Mhaiskar has approximately 47 years of experience in the construction and infrastructure industry. In the year 1977, Mr. Mhaiskar promoted IRBPL, a Subsidiary of the Company. He is also the managing trustee for a number of charitable trusts engaged in education, welfare and sports activities. Mr. Mhaiskar did not receive any remuneration from the Company for the year ended March 31, 2007 and for the period ending August 31, 2007.

Mr. Suresh G. Kelkar, aged 68 years, is a wholetime executive director of the Company. He joined the Company in November 2006 and is responsible for internal finance control. He has a Bachelor's degree in Commerce from H.A. College of Commerce, Ahmedabad. He is a Fellow Member of the Institute of Chartered Accountants of India. Mr. Kelkar has approximately 35 years of experience in the areas of accounts, finance and management functions. For the year ended March 31, 2007 the gross remuneration paid by the Company to Mr. Kelkar was Rs.2,12,500 and for the period ending August 31, 2007, the gross remuneration paid by the Company to Mr. Kelkar was Rs. 250,000.

Mr. Govind G. Desai, aged 74 years, is an independent director of the Company. He holds a Bachelor's degree in Arts (Economics & Politics) and a Master's degree in law. Mr. Desai is a qualified solicitor and is a member of the Bombay Incorporated Law Society. He was a senior partner with Little & Co., and following his retirement, has started his own practice. Mr. Desai has over 46 years of experience in corporate and commercial law.

Mr. Chandrasekhar S. Kaptan, aged 55 years, is an independent director of the Company. He holds a Bachelor's degree in arts and a Bachelor's degree in law. Mr. Kaptan practices before the Nagpur Bench of the Bombay High Court. He has worked as a senior standing counsel for the Union of India and is presently a panel counsel for the State of Maharashtra and the Nagpur Municipal Corporation. Mr. Kaptan has approximately 32 years of experience constitutional and excise matters.

Mr. Bhalchandra K. Khare, aged 80 years, is an independent director of the Company. He holds a Bachelor's degree in commerce and a Bachelor's degree in law. He is a qualified chartered accountant and is a member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. He is the founder partner of B.K. Khare & Co., Chartered Accountants. Mr. Khare has been a commentator of the annual budget proposals of the Union Government for the last 20 years. He has approximately 40 years of experience in areas of audit, taxation and corporate restructuring.

Mr. Berjis M. Desai, aged 51 years, is an independent director of the Company. Mr. Desai holds a Bachelor's degree in Arts and a Master's degree in law from the University of Cambridge. He is a qualified solicitor and a member of the Bombay Incorporated Law Society. Mr. Desai was one of the founder partners of the law firm Udwadia, Udeshi and Berjis and is currently the managing partner of J. Sagar & Associates. He has approximately 30 years of experience in financial and securities law. Mr. Desai has also worked as journalist with a leading Indian daily and continues to be a columnist in various Indian newspapers.

Terms and Conditions of Employment of the Directors

Name of Director	Contract/ Appointment Letter/Resolution	Details of Remuneration	Term
Mr. Virendra D. Mhaiskar	1. He was the first Director of the Company together with Mrs. Deepali V. Mhaiskar. 2. Appointed as the Chairman and Managing Director pursuant to a Board resolution dated December 13, 2006 for a period of five years. 3. Pursuant to a Board resolution dated March 14, 2007, the term was reduced by 3 years ending on March 31, 2009 and as a director, he was made liable to retire by rotation.	Perquisites, allowances, benefits, facilities and amenities payable to the Chairman and Managing Director are as per the policies/ rules of the Company in force or as may be approved by the Board. The total remuneration including perquisites shall not exceed the limits as specified in Schedule XIII of the Companies Act.	Up to September 6, 2012 as the Managing Director.

Name of Director	Contract/ Appointment Letter/Resolution	Details of Remuneration	Term
	4. Pursuant to a special resolution dated September 7, 2007, he will not be liable to retire by rotation and his term has been increased to five years.		
Mr. Dattatraya P. Mhaiskar	Appointed as wholetime director, pursuant to a Board resolution dated December 25, 2006. Pursuant to a special resolution dated September 7, 2007, he will not be liable to retire by rotation.	Perquisites, allowances, benefits, facilities and amenities payable to wholetime Director as per the policies/ rules of the Company in force or as may be approved by the Board. The total remuneration including perquisites shall not exceed the limits as specified in Schedule XIII of the Companies Act.	Not liable to retire by rotation.
Mrs. Deepali V. Mhaiskar	She was the first Director of the Company together with Mr. Virendra D. Mhaiskar. Pursuant to a special resolution dated September 7, 2007, she was appointed as wholetime Director and she will not be liable to retire by rotation	Perquisites, allowances, benefits, facilities and amenities payable to wholetime Director as per the policies/ rules of the Company in force or as may be approved by the Board. The total remuneration including perquisites shall not exceed the limits as specified in Schedule XIII of the Companies Act.	Not liable to retire by rotation.
Mr. Suresh G. Kelkar	Appointed as an Additional Director pursuant to a Board resolution dated November 17, 2006. Pursuant to special resolution dated September 7, 2007 he was appointed as whole time director liable to retire by rotation for a term of three years with effect from November 17, 2006.	Rs. 50,000 per month.	Three years with effect from November 17, 2006; liable to retire by rotation.
Mr. Govind G. Desai	Appointed as an Additional Director pursuant to a circular resolution dated August 3, 2007. Pursuant to an ordinary resolution dated September 7, 2007, appointed as Director of the Company.	Sitting fees of Rs. 20,000 pursuant to an ordinary resolution of the shareholders dated September 7, 2007.	Liable to retire by rotation.
Mr. Bhalchandra K. Khare	Appointed as an Additional Director pursuant to a circular resolution dated August 3, 2007. Pursuant to an ordinary resolution dated September 7, 2007, appointed as Director of the Company.	Sitting fees of Rs. 20,000 pursuant to an ordinary resolution of the shareholders dated September 7, 2007.	Liable to retire by rotation.
Mr. Berjis M. Desai	Appointed as an Additional Director pursuant to a circular resolution dated August 3, 2007. Pursuant to an ordinary	Sitting fees of Rs. 20,000 pursuant to an ordinary resolution of the shareholders dated	Liable to retire by rotation.

Name of Director	Contract/ Appointment Letter/Resolution	Details of Remuneration	Term
	resolution dated September 7, 2007, appointed as Director of the Company.	September 7, 2007.	
Mr. Chandrasekhar S. Kaptan	Appointed as an Additional Director pursuant to a circular resolution dated August 3, 2007. Pursuant to an ordinary resolution dated September 7, 2007, appointed as Director of the Company.	Sitting fees of Rs. 20,000 pursuant to an ordinary resolution of the shareholders dated September 7, 2007.	Liable to retire by rotation.

Borrowing Powers of the Directors in the Company

Pursuant to a resolution dated November 25, 2006 passed by the shareholders of the Company in accordance with the provisions of the Companies Act, the Board is authorized to borrow sums of money upto a maximum of Rs. 1000 Crore for the purposes of the Company upon such terms and conditions and with or without security as the Board of Directors may think fit. The Board is also authorised to dispose of, create any mortgage, charge or security over its undertakings or present and future properties, whether immovable or movable up to a value not exceeding Rs. 1000 Crore..

Shareholding of the Directors

The Articles of Association do not require the Directors to hold any qualification Equity Shares in the Company. The following table details the shareholding of the Directors in their personal capacity, as at the date of this Red Herring Prospectus.

S. No.	Name of the shareholder	Number of Equity Shares of face value Rs. 10 each	Pre-Issue Percentage Shareholding (%)	Post-Issue Percentage Shareholding (%)
1.	Mr. Virendra D. Mhaiskar	1,301,100	0.46	0.39
2.	Mrs. Deepali V. Mhaiskar	750,100	0.27	0.22
3.	Mr. Dattatraya P. Mhaiskar	31,644,044	11.2	9.52
4.	Mr. Virendra D. Mhaiskar jointly with Mrs. Deepali V. Mhaiskar	101,765,000	36.18	30.62
5.	Mrs. Deepali V. Mhaiskar jointly with Mr. Virendra D. Mhaiskar	300,000	0.10	0.09
6.	Mr. Suresh G. Kelkar	1,000	0.00	0.00
	Total	**135,761,244**	**48.21**	**40.84**

Interest of Promoters, Directors and Key Managerial Personnel

Except as stated in the section “Related Party Transactions” beginning on page 169 of this Red Herring Prospectus and to the extent of their shareholding in the Company, the Promoters do not have any other interest in our business.

All of the Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under the Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of the Company. Other than as disclosed in this Red Herring Prospectus, none of the Directors are entitled to receive remuneration from the Company. For further details, see the section “Terms and Conditions of Employment of the Directors”.

The Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by or allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Issue. All of the Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them. For further details, see the section “Shareholding of the Directors”.

Except as stated above and in the section "Related Party Transactions" beginning on page 169 of this Red Herring Prospectus, the Directors do not have any other interest in our business.

The Directors and the Promoters have no interest in any property acquired by the Company or its Subsidiaries within a period of two years of the date of filing of this Red Herring Prospectus.

The key managerial personnel of the Company do not have any interest in the Company other than to the extent of the remuneration or benefits to which they are entitled as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Corporate Governance

We have complied with all requirements of corporate governance under the listing agreement of the Stock Exchanges, particularly those relating to composition of Board of Directors, constitution of committees, etc.

The provisions of the listing agreements to be entered into with the Stock Exchanges with respect to corporate governance become applicable to the Company at the time of seeking in-principle approval of the Stock Exchanges. The Company has taken steps to comply with such provisions, including with respect to the appointment of independent Directors to the Board and the constitution of the following committees of the Board namely the Audit Committee and the Shareholders/Investors Grievance Committee. The Company undertakes to take all necessary steps to comply with all the requirements of the guidelines on corporate governance and adopt the corporate governance code as per Clause 49 of the listing agreement to be entered into with the Stock Exchanges.

The Board has eight Directors and the Chairman of the Board is an executive Director. In compliance with the requirements of Clause 49 of the listing agreement, at least 50% of the Board comprises independent Directors.

Audit Committee

The Audit Committee was constituted by the Directors at their Board meeting held on September 7, 2007. The purpose of the Audit Committee is to ensure the objectivity, credibility and correctness of the Company's financial reporting and disclosure processes, internal controls, risk management policies and processes, tax policies, compliance and legal requirements and associated matters.

The constitution of the Audit Committee is as follows:

Name of the Director	Executive /Independent
Mr. Bhalchandra K. Khare (Chairman)	Independent Director
Mr. Govind G. Desai	Independent Director
Mr. Virendra D. Mhaiskar	Executive Director

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

- Regular review of accounts, accounting policies and disclosures.
- Review the major accounting entries based on exercise of judgment by management and review of significant adjustments arising out of audit.
- Review any qualifications in the draft audit report.
- Establish and review the scope of the independent audit including the observations of the auditors and review of the quarterly, half-yearly and annual financial statements before submission to the Board.
- Upon completion of the audit, discussions with the independent auditors to ascertain any area of concern.
- Establish the scope and frequency of the internal audit, review the findings of the internal auditors and ensure the adequacy of internal control systems.
- Examine reasons for substantial defaults in payment to depositors, debenture holders, shareholders and creditors.
- Examine matters relating to the Director's Responsibility Statement for compliance with Accounting Standards and accounting policies.
- Oversee compliance with Stock Exchange legal requirements concerning financial statements, to the extent applicable.
- Examine any related party transactions, i.e., transactions of the Company that are of a material nature with promoters or management, relatives, etc. that may have potential conflict with the interests of the Company.
- Appointment and remuneration of statutory and internal auditors.

- Such other matters as may from time to time be required under any statutory, contractual or other regulatory requirement.

Shareholders/Investors Grievance Committee

The Shareholders/Investors Grievance Committee was constituted by the Directors at their Board meeting held on September 7, 2007. The Shareholders/Investors Grievance Committee is responsible for the redressal of investor grievances.

The constitution of the Shareholders and Investor Grievance Committee is as follows:

Name of the Directors	Executive /Independent
Mr. Govind G. Desai (Chairman)	Independent Director
Mr. Chandrashekhar S. Kaptan	Independent Director
Mr. Virendra D. Mhaiskar	Executive Director

The terms of reference of the Shareholders/Investors Grievance Committee are as follows:

- Supervise investor relations and redressal of investors' grievances in general, including non-receipt of dividends and interest.
- Such other matters as may from time to time be required under any statutory, contractual or other regulatory requirement.

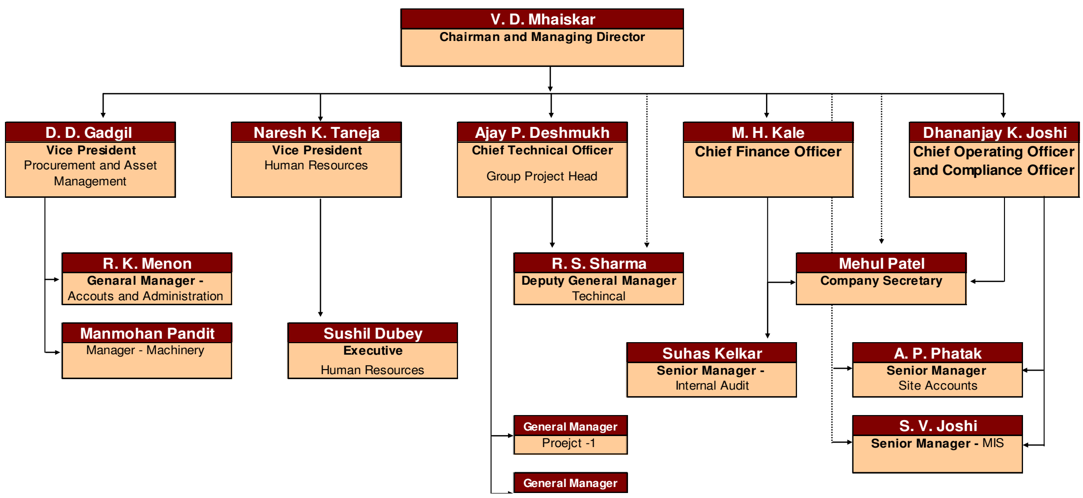
Changes in the Board of Directors during the last three years

The following are the changes in the Board of Directors of the Company in the last three years preceeding the date of filing of this Red Herring Prospectus.

Name	Date of Appointment	Date of Cessation	Reason
Mr. Suresh G. Kelkar	November 17, 2006	-	Appointment
Mrs. Anjalee S. Kelkar	November 17, 2006	-	Appointment
Mr. Dattatraya P. Mhaiskar	December 25, 2006	-	Appointed as wholetime Director pursuant to a Board resolution dated December 25, 2006
Mr.Tommy Cheung	March 23, 2007	-	Appointment
Mrs. Anjalee S. Kelkar	-	July 30, 2007	Resignation
Mr. Bhalchandra K. Khare	August 3, 2007	-	Appointment as an additional Director
Mr. Chandrashekhar S. Kaptan	August 3, 2007	-	Appointment as an additional Director
Mr. Govind G. Desai	August 3, 2007	-	Appointment as an additional Director
Mr. Berjis M. Desai	August 3, 2007	-	Appointment as an additional Director
Mr. Suresh G. Kelkar	September 7, 2007	-	Reappointed as Director pursuant to a special resolution passed at an AGM dated September 7, 2007
Mr. Virendra D. Mhaiskar	September 7, 2007	-	Reappointment as a non-retiring Director and extension of the term from two years to five years as Managing Director pursuant to a special resolution passed at an AGM dated September 7, 2007
Mr. Dattatraya P. Mhaiskar	September 7, 2007	-	Reappointed as a non-retiring Director pursuant to a special resolution passed at an AGM

Name	Date of Appointment	Date of Cessation	Reason
			dated September 7, 2007
Mrs. Deepali V. Mhaiskar	September 7, 2007	-	Reappointed as a non- retiring Director pursuant to a special resolution passed at an AGM dated September 7, 2007
Mr. Bhalchandra K. Khare	September 7, 2007	-	Reappointed as a Director pursuant to an ordinary resolution dated September 7, 2007
Mr. Chandrashekhar S. Kaptan	September 7, 2007	-	Reappointed as a Director pursuant to an ordinary resolution dated September 7, 2007
Mr. Govind G. Desai	September 7, 2007	-	Reappointed as a Director pursuant to an ordinary resolution dated September 7, 2007
Mr. Berjis M. Desai	September 7, 2007	-	Reappointed as a Director pursuant to an ordinary resolution dated September 7, 2007
Mr. Syed Zafar Islam	September 5, 2007	-	Reappointed as an Alternate Director to Mr. Tommy Cheung
Mr.Tommy Cheung	-	September 10, 2007	Resignation
Mr. Syed Zafar Islam	-	September 10, 2007	Resignation

Group Organisational Structure



Key Managerial Personnel

In addition to the Directors, the following are the key managerial personnel of the Company who are permanent employees of the Company.

Mr. Deepak D. Gadgil (Vice President Procurement and Asset Management): He, aged 52 years, joined the IRB Group in January 2002 and was transferred to the Company on June 1, 2007. He is responsible for material procurement and asset management. He holds a Bachelor's degree in science from Modern College, University of Pune and a Bachelor's degree in instrumentation and control engineering from College of Engineering, University of Pune. He has approximately 29 years of experience in material procurement and asset management in the manufacturing industry. Prior to joining the IRB Group, Mr. Gadgil was the chief executive officer at Sagaon Power Equipment Private Limited, the design and testing executive at Atlas Transformers, Toronto, Canada and the sales and service engineer at

Meditronics Corporation of India. Mr. Gadgil has joined the Company on June 1, 2007 and he has not been paid any remuneration for the year ended March 31, 2007 and Rs. 405,000 as of and for the period of 5 months ended August 31, 2007.

Mr. Madhav H. Kale (Chief Finance Officer), aged 53 years, joined the Company in February 2007 as the chief financial officer. He holds a Bachelor's degree in commerce from Mumbai University. He is also a Fellow Member of the Institute of Chartered Accountants of India since 1979. He has approximately 28 years of experience in the fields of audit, taxation and consultancy. Prior to joining the IRB Group, Mr. Kale was a partner of M. H. Kale & Co., Chartered Accountants. He has been paid a remuneration of Rs. 350,000 for the year ended March 31, 2007 and Rs. 875,000 as of and for the period of 5 months ended August 31, 2007.

Mr. Dhananjay K. Joshi (Chief Operating Officer), aged 34 years, joined the IRB Group in November 1998 and was transferred to the Company on June 1, 2007 as the chief operating officer. He holds a Bachelor's degree in commerce and a Bachelor's degree in law from Mumbai University. He has done his post graduate diploma in Business Management and Master of Business Administration from Shivaji University, Kolhapur. He has work experience of nine years in operations management. Mr. Joshi has worked in various capacities with our group companies. Mr. Joshi joined the Company on June 1, 2007 and he has not been paid any remuneration for the year ended March 31, 2007 and Rs. 186,813 as of and for the period of 5 months ended August 31, 2007.

Mr. Naresh K. Taneja (Vice President, Human Resources), aged 53 years, joined the IRB Group in September 2006 and was transferred to the Company on July 1, 2007. He is responsible for human resource development and administration. He holds a post graduate degree in psychology from Rajasthan University, Jaipur and is a post-graduate in defence studies from Madras University, Chennai. He has approximately 10 years of experience in various human resources and administrative functions in India and overseas. Prior to joining the IRB Group, Mr. Taneja was the head of human resource administration at HCL Technologies Limited and the head of human resource administration at Suhail Bahwan Automobiles, Muscat, Oman. He has also served in the Indian Air Force as a Wing Commander for 20 years. Mr. Taneja joined the Company on July 1, 2007 and he has not been paid any remuneration for the year ended March 31, 2007 and Rs. 270,000 as of and for the period of 5 months ended August 31, 2007.

Mr. Ajay P. Deshmukh (Chief Technical Officer), aged 39 years, joined the IRB Group in March 1993 and was transferred to the Company in June 2007. He is responsible for overall supervision of the execution of the projects. He holds a Bachelor's degree in civil engineering from Amravati University, Amravati. Mr. Deshmukh has approximately 14 years of experience in managing road projects. Prior to joning the IRB Group he was the site engineer at Unique Constructions. Mr. Deshmukh has joined the Company on June 1, 2007 and he has not been paid any remuneration for the year ended March 31, 2007 and Rs. 285,600 as of and for the period of 5 months ended August 31, 2007.

Mr. Mehul N. Patel (Company Secretary), aged 33 years, joined the Company in May 2007 as the company secretary. He is a graduate in science from M. S. University of Vadodara and holds a Bachelor's degree in law from S. P. University, Vallabh Vidyanagar. He is also a qualified company secretary registered with the Institute of Company Secretaries of India. He has an aggregate work experience of seven years. Prior to joining the IRB Group, Mr. Patel was the company secretary at Hiranandani Developers Private Limited and the company secretary at Trade Wings Limited. Mr. Patel joined the Company on May 21, 2007 and he has not been paid any remuneration for the year ended March 31, 2007 and Rs. 134,617 as of and for the period of 5 months ended August 31, 2007.

Shareholding of the Key Managerial Personnel

As of the date of this Red Herring Prospectus, none of the key managerial personnel of the Company holds any Equity Shares in the Company.

Bonus or Profit Sharing Plan for the Key Managerial Personnel

There is no bonus or profit sharing plan for key managerial personnel of the Company.

ESOP

The Company does not have an ESOP.

Changes in the Key Managerial Personnel

The following are the changes in the key managerial personnel of the Company in the last three years immediately preceding the date of filing of this Red Herring Prospectus.

Name	Date of Appointment	Reason
Mr. Deepak D. Gadgil	June 1, 2007	Appointment
Mr. Naresh K. Taneja	July 1, 2007	Appointment
Mr. Ajay P. Deshmukh	June1, 2007	Appointment
Mr. Madhav H. Kale	February 1, 2007	Appointment
Mr. Dhananjay K. Joshi	June 1, 2007	Appointment
Mr. Mehul N. Patel	May 21, 2007	Appointment

Change in Auditors

There have been no changes in the Company's auditors in the last three years, except as described below:

Name of Auditor	Date of Appointment	Date of Resignation	Reasons for change
J. M. Shah & Co.	September 30, 2006	February 22, 2007	Resignation.
S.R. Batliboi & Co.	March 17, 2007	-	Pursuant to the terms of the Debenture Subscription Agreement, the Company appointed S.R Batliboi & Co. as the statutory auditors to fill in the casual vacancy caused by the resignation of J.M Shah & Co.
S.R. Batliboi & Co.	September 7, 2007	-	Reappointment as Statutory Auditor till the conclusion of the next AGM

Payment of Benefit to Officers of the Company

Except as disclosed in the section "Related Party Transactions" beginning on page 169 of this Red Herring Prospectus and the statutory payments and payment in respect of remuneration for services rendered, including discretionary bonus made by the Company, the Company has not paid or given any sum or benefit to its employees. None of the beneficiaries of loans and advances and sundry debtors are related to the Directors of the Company.

OUR PROMOTERS AND PROMOTER GROUP COMPANIES

Promoters

The Promoters of the Company are two natural persons and one HUF as mentioned below:

1. Mr. Virendra D. Mhaiskar;
2. Mrs. Deepali V. Mhaiskar; and
3. Virendra D. Mhaiskar (HUF).

Promoter Group

The natural persons who are part of the Promoter Group, apart from the individual Promoters mentioned above, are as follows:

1. Mr. Dattatraya P. Mhaiskar (father of Mr. Virendra D. Mhaiskar);
2. Mrs. Sudha D. Mhaiskar (mother of Mr. Virendra D. Mhaiskar);
3. Mr. Jayant D. Mhaiskar (brother of Mr. Virendra D. Mhaiskar);
4. Master Aryan V. Mhaiskar (son of Mr. Virendra D. Mhaiskar);
5. Mr. Suresh G. Kelkar (father of Mrs. Deepali V. Mhaiskar);
6. Mrs. Anjalee S. Kelkar (mother of Mrs. Deepali V. Mhaiskar); and
7. Mr. Amol S. Kelkar (brother of Mrs. Deepali V. Mhaiskar).

The companies that are part of the Promoter Group are as follows:

1. Rideema Toll Private Limited;
2. A. J. Tolls Private Limited;
3. Ideal Infoware Private Limited;
4. Ideal Toll & Infrastructure Company Private Limited;
5. Ideal Soft Tech Park Private Limited;
6. MEP Toll Road Private Limited;
7. VCR Toll Services Private Limited; and
8. Global Safety Vision Private Limited.

The HUF that is a part of the Promoter Group, apart from the HUF that is a Promoter is as follows:

1. Jayant D. Mhaiskar (HUF).

The proprietorships that are part of the Promoter Group are as follows:

1. Mhaiskar Udyog;
2. Deepali Construction;
3. D. S. Enterprises;
4. Jan Transport;
5. JDV Udyog;
6. Anuya Enterprises
7. Aryan Constructions;
8. Virendra Builders; and
9. Rideema Enterprises.

The trust that is a part of the Promoter Group is as follows:

1. Mhaiskar Foundation.

The details of the Promoters who are individuals are as follows:

Mr. Virendra D. Mhaiskar

Identification	Details
PAN	AACPM4689D
Passport Number	E7434822
Driving Licence Number	MH05/ 820/ G-13999
Bank Account Number	546402010000655, Union Bank of India, Powai Branch, Mumbai

Mr. Virendra D. Mhaiskar, aged 36 years, is the Chairman and Managing Director of the Company. He holds a diploma in civil engineering from Shriram Polytechnic, Navi Mumbai. Mr. Virendra D. Mhaiskar has over 18 years of experience in the construction and infrastructure industry. He joined the IRB Group in June 1990 and is responsible for directing the IRB group's strategy in BOT and funded projects.

For details of the terms of appointment of Mr. Virendra D. Mhaiskar as our Director, see the section "Our Management" beginning on page 144 of this Red Herring Prospectus.

Mrs. Deepali V. Mhaiskar

Identification	Details
PAN	AAJPM7182L
Passport Number	F0229502
Bank Account Number	546402010000656, Union Bank of India, Powai Branch, Mumbai

Mrs. Deepali V. Mhaiskar, aged 34 years, is an executive Director of the Company. She joined the Company in July 1998 and is responsible for the general administration of the Company. She has a Bachelor's degree in Arts with a major in Economics from L.D. Arts College, Ahmedabad, Gujarat and has nine years of experience in administration and management.

For details of the terms of appointment of Mrs. Deepali V. Mhaiskar as our Director, see the section "Our Management" beginning on page 144 of this Red Herring Prospectus.

Virendra D. Mhaiskar (HUF)

Mr. Virendra D. Mhaiskar is the karta of Virendra D. Mhaiskar (HUF).

Identification	Details
PAN	AADHM24720

Shareholding Pattern

The pre-Issue and post-Issue shareholding of the Promoters, the Promoter Group and the other shareholders is as follows:

	Pre-Issue		Post-Issue	
Name of Shareholder	**Number of Equity Shares**	**Percentage of equity share capital (%)**	**Number of Equity Shares**	**Percentage of equity share capital (%)**
Promoters				
Mr. Virendra D. Mhaiskar	1,301,100	0.46	1,301,100	0.39
Mrs. Deepali V. Mhaiskar	750,100	0.27	750,100	0.22
Virendra D. Mhaiskar (HUF)	81,650,251	29.03	81,650,251	24.57
Joint holding of Mr. Virendra D. Mhaiskar and Mrs. Deepali V. Mhaiskar	101,765,000	36.18	101,765,000	30.62
Joint holding of Mrs. Deepali V. Mhaiskar and Mr. Virendra D. Mhaiskar	300,000	0.10	300,000	0.09
Total Holding of the Promoters	**185,766,451**	**66.04**	**185,766,451**	**55.89**
Promoter Group (other than Promoters)				
Mr. Dattatraya P. Mhaiskar	31,644,044	11.25	31,644,044	9.52
Mr. Suresh G. Kelkar	1,000	0.0	1,000	0.0
Ideal Soft Tech Park Private Limited	3,710,000	1.32	3,710,000	1.12
Ideal Toll & Infrastructure Company Private Limited	26,146,505	9.29	26,146,505	7.87
Total Holding of Promoter Group (other than Promoters)	**61,501,549**	**21.86**	**61,501,549**	**18.51**
Others (other than Promoters and Promoter Group)				
Deutsche Bank Hong Kong Branch	10,838,804	3.85	10,838,804	3.26
Jade Dragon (Mauritius) Limited*	10,838,804	3.85	10,838,804	3.26
CPI Ballpark Investments Limited**	10,838,804	3.85	10,838,804	3.26
Somerset Emerging Opportunities Fund	1,522,032	0.55	1,522,032	0.46
Total Holding of Others (other than Promoters and Promoter Group)	**34,038,444**	**12.10**	**34,038,444**	**10.24**
Total Holding of Public and Employees in the Issue	**-**	**-**	**51,057,666**	**15.36**
Total	**281,306,444**	**100.00**	**332,364,110**	**100.00**

* A subsidiary of Goldman Sachs
** A subsidiary of Merrill Lynch

Declaration

We confirm that the PAN, bank account details, driving license number and passport number of Mr. Virendra D. Mhaiskar**,** Mrs. Deepali V. Mhaiskar and Virendra D. Mhaiskar (HUF) as applicable, will be submitted to the Stock Exchanges at the time of filing this Red Herring Prospectus with such Stock Exchanges.

Further, our Promoters and Promoter Group entities, including relatives of the Promoters, have confirmed that they have not been detained as wilful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or currently pending against them. None of our Promoters or persons in control of bodies corporate forming part of our Promoter Group has been restricted from accessing the capital markets.

Common Pursuits

Certain entities in the Promoter Group are engaged in business activities similar to our businesses:

(a) MEP Toll Road Private Limited was incorporated on December 27, 2004 and carries out toll collection activities for the project awarded relating to collection of toll at five entry points to Mumbai.
(b) Ideal Toll and Infrastructure Company Private Limited, promoted by Mr. Jayant D. Mhaiskar and Mrs. Sudha D. Mhaiskar, was incorporated on July 27, 1998 and is engaged in the construction business. Similarly, Aryan Constructions, a proprietary concern of Virendra D. Mhaiskar HUF, another Promoter Group entity, is also engaged in the construction business.
(c) Aryan has entered into an agreement dated March 9, 2007 with Aryan Constructions, a proprietary concern of Virendra D. Mhaiskar HUF, a Promoter Group entity, pursuant to which Aryan has awarded Aryan Constructions the lump sum turn key contract for the development of the proposed township in accordance with the terms of such agreement, for an aggregate consideration of Rs. 2259.66 crores. Aryan has also agreed to pay an advance of Rs. 252 crores to Aryan Constructions within six months of the date of such agreement for the mobilization of various resources relating to preliminary site preparation activities. Pursuant to such agreement, Aryan has made payment of Rs. 180 crores as mobilization advance to Aryan Constructions

Interest of Individual Promoters

Mr. Virendra D. Mhaiskar

Mr. Virendra D. Mhaiskar has no interest apart from the remuneration and benefits received by him as the Managing Director of the Company and the reimbursement of expenses incurred in the ordinary course of business. He is also interested to the extent of his shareholding in the Company.

Mrs. Deepali V. Mhaiskar

Mrs. Deepali V. Mhaiskar has no interest apart from the remuneration and benefits received by her as a Director of the Company and the re-imbursement of expenses incurred in the ordinary course of business. She is also interested to the extent of her shareholding in the Company.

For details of the remuneration that may be paid to Mr. Virendra D. Mhaiskar and Mrs. Deepali V. Mhaiskar see the section "Our Management" beginning on page 144 of this Red Herring Prospectus.

The Promoters are also directors on the board and/or members of certain Promoter Group entities and they may be deemed to be interested to the extent of payments made by the Company, if any to these Promoter Group entities. For further details see the section "Related Party Transactions" beginning on page 169 of this Red Herring Prospectus.

Except as stated otherwise in this Red Herring Prospectus, we have not entered into any contract, agreement or arrangement during the preceding two years from the date of this Red Herring Prospectus, in which the Promoters are directly or indirectly interested and no payments have been made to them in respect of any contract, agreement or arrangement that is proposed to be made with them other than in the ordinary course of business.

Related Party Transactions

Except as disclosed in the section "Related Party Transactions" beginning on page 169 of this Red Herring Prospectus, there has been no payment of benefits to our Promoters during the last two years prior to the date of filing of this Red Herring Prospectus.

Companies promoted by our Promoters under Clause 6.8.3.2(k) and (l) of the SEBI Guidelines

Except as disclosed in this Red herring Prospectus, none of the Promoters or any of their immediate relatives hold 10% or more of the share capital of any company or entity specified under Clause 6.8.3.2 (k) and (l) of the SEBI Guidelines.

Promoter Group

The details of the companies that form part of the Promoter Group are as follows:

Rideema Toll Private Limited

Rideema Toll Private Limited ("**RTPL**") was incorporated on December 27, 2004. The principal activity of RTPL is to undertake the business of collection of toll. The registered office address of RTPL is IRB Complex, Chandivli Farm, Chandivli Village, Andheri (East), Mumbai – 400 072.

Shareholding Pattern

The shareholding pattern of RTPL as of December 20, 2007 was as follows:

Name of Shareholder	No. of equity shares	% of issued capital
Equity shares of face value Rs. 100 each		
Mr. Jayant D. Mhaiskar	567,000	57.09
Mrs. Anuya J. Mhaiskar	5,500	0.55
A.J.Tolls Private Limited	414,600	41.74
Jayant D. Mhaiskar (HUF)	6,000	0.60
Ideal Road Builders Private Limited	100	0.01
Total	**993,200**	**100.00**

Board of Directors

The board of directors of RTPL comprises the following:

1. Mr. Jayant D. Mhaiskar
2. Mrs. Sudha D. Mhaiskar
3. Mrs. Anuya J. Mhaiskar

Financial Performance

(*Rs. in* crore, *except share data*)

	For the period ended March 31,		
	2005	**2006**	**2007**
	Rs.	**Rs.**	**Rs.**
Income/Sales	-	3.54	35.66
Profit/(Loss) after Tax	-	0.18	0.68
Equity Share Capital	0.01	9.93	9.93
Reserves and surplus (excluding revaluation reserves)(1)	(0.002)	0.11	0.86
Earnings/(Loss) per share(2)	0	2	7
Book Value per share (2)	80	101	109

(1) Net of miscellaneous expenditure not written off.
(2) The face value of each equity share is Rs. 100 each.

RTPL is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company within the meaning of SICA, is not under winding up and does not have a negative net worth.

A. J. Tolls Private Limited

A. J. Tolls Private Limited ("**AJTPL**") was incorporated on October 12, 1999. The principal activity of AJTPL is to undertake the business of collection of toll. The registered office address of AJTPL is IRB Complex, Chandivli Farm, Chandivli Village, Andheri (East), Mumbai – 400 072.

Shareholding Pattern

The shareholding pattern of AJTPL as of December 20, 2007 was as follows:

Name of Shareholder	No. of equity shares	% of issued capital
Equity shares of face value Rs. 100 each		
Mr. Jayant D. Mhaiskar	990,800	52.04

Name of Shareholder	No. of equity shares	% of issued capital
Mrs. Anuya J. Mhaiskar	800	0.04
Rideema Toll Private Limited	279,000	14.65
MEP Toll Road Private Limited	611,500	32.11
Jayant D. Mhaiskar (HUF)	22,000	1.16
Total	**1,904,100**	**100.00**

Board of Directors

The board of directors of AJTPL comprises the following:

1. Mr. Jayant D. Mhaiskar
2. Mrs. Sudha D. Mhaiskar
3. Mrs. Anuya J. Mhaiskar

Financial Performance

(*Rs. in* crore*, except share data*)

	For the period ended March 31,		
	2005	**2006**	**2007**
	Rs.	**Rs.**	**Rs.**
Income/Sales	5.98	6.72	4.84
Profit/(Loss) after Tax	0.57	0.58	0.25
Equity Share Capital	0.02	19.04	19.04
Reserves and surplus (excluding revaluation reserves)(1)	0.69	1.27	1.56
Earnings/(Loss) per share(2)	2845	3	1
Book Value per share (2)	3544	107	108

(1) Net of miscellaneous expenditure not written off.
(2) The face value of each equity share is Rs. 100.

AJTPL is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company within the meaning of SICA, is not under winding up and does not have a negative net worth.

Ideal Infoware Private Limited

Ideal Infoware Private Limited ("**IIPL**") was incorporated on June 19, 2001. The principal activity of IIPL is to undertake the business of system design and software development. The registered office address of IIPL is IRB Complex, Chandivli Farm, Chandivli Village, Andheri (East), Mumbai – 400 072.

Shareholding Pattern

The shareholding pattern of IIPL as on December 20, 2007 was as follows:

Name of Shareholder	No. of equity shares	% of issued capital
Equity shares of face value Rs. 100 each		
Mr. Jayant D. Mhaiskar	500	50.00
Mrs. Anuya J. Mhaiskar	500	50.00
Total	**1,000**	**100.00**

Board of Directors

The board of directors of IIPL comprises the following:

1. Mr. Jayant D. Mhaiskar
2. Mrs. Anuya J. Mhaiskar
3. Mrs. Sudha D. Mhaiskar

Financial Performance

(*Rs. in crore, except share data*)

	For the period ended March 31,		
	2005	**2006**	**2007**
	Rs.	**Rs.**	**Rs.**
Income/Sales	0.10	0.007	0.02
Profit/(Loss) after Tax	0.01	0.0003	0.007
Equity Share Capital	0.01	0.01	0.01
Reserves and surplus (excluding revaluation reserves)(1)	0.006	0.007	0.016
Earnings/(Loss) per share(2)	102	3	70
Book Value per share (2)	161	167	259

(1) Net of miscellaneous expenditure not written off.
(2) The face value of each equity share is Rs. 100.

IIPL is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company within the meaning of SICA, is not under winding up and does not have a negative net worth.

Ideal Toll & Infrastructure Company Private Limited

Ideal Toll & Infrastructure Company Private Limited ("**ITICPL"**) was incorporated on July 27, 1998. The principal activity of ITICPL is to undertake the business of collection of toll. The registered office address of ITICPL is IRB Complex, Chandivli Farm, Chandivli Village, Andheri (East), Mumbai – 400 072.

Shareholding Pattern

The shareholding pattern of ITICPL as of December 20, 2007 was as follows:

Name of Shareholder	No. of equity shares	% of issued capital
Equity shares of face value Rs. 100 each		
Mr. Jayant D. Mhaiskar	5,000,390	48.41
Mrs. Anuya J. Mhaiskar jointly with Mr. Jayant D. Mhaiskar	100	0.00
Mr. Dattatraya P. Mhaiskar jointly with Mrs. Sudha D. Mhaiskar	100	0.00
Mrs. Sudha D. Mhaiskar	10	0.00
Mr. Jayant D. Mhaiskar jointly with Mrs. Anuya J. Mhaiskar	191,915	1.86
Jayant D. Mhaiskar (HUF)	5,137,650	49.73
Total	**10,330,165**	**100.00**

Board of Directors

The board of directors of ITICPL comprises the following:

1. Mr. Jayant D. Mhaiskar
2. Mr. Dattatraya P. Mhaiskar
3. Mrs. Sudha D. Mhaiskar
4. Mrs. Anuya J. Mhaiskar

Financial Performance

(*Rs. in* crore, *except share data*)

	For the period ended March 31,		
	2005	**2006**	**2007**
	Rs.	**Rs.**	**Rs.**
Income/Sales	0.04	0.15	2.56
Profit/(Loss) after Tax	0.006	0.0001	1.15
Equity Share Capital	0.25	28.47	101.95
Reserves and surplus (excluding revaluation reserves)(1)	0.0001	(0.19)	1.15

Earnings/(Loss) per share[(2)]	3	0	1
Book Value per share [(2)]	100	102	103

(1) Net of miscellaneous expenditure not written off.
(2) The face value of each equity share is Rs. 100.

ITICPL is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company within the meaning of SICA, is not under winding up and does not have a negative net worth.

Ideal Soft Tech Park Private Limited

Ideal Soft Tech Park Private Limited ("**ISTPPL**") was incorporated on August 2, 2005. The principal activity of ISTPPL is to undertake the business to set up, construct, develop, operate, manage, maintain, sell or let on hire software technology and/or industrial parks. The registered office address of ISTPPL is IRB Complex, Chandivli Farm, Chandivli Village, Andheri (East), Mumbai – 400 072.

Shareholding Pattern

The shareholding pattern of ISTPPL as of December 20, 2007 was as follows:

Name of Shareholder	No. of equity shares	% of issued capital
Equity Shares of face value Rs. 10 each		
Mr. Virendra D. Mhaiskar	5,000	50.00
Mrs. Deepali V. Mhaiskar	5,000	50.00
Total	**10,000**	**100.00**

Board of Directors

The board of directors of ISTPPL comprises of the following:

1. Mr. Virendra D. Mhaiskar
2. Mrs. Deepali V. Mhaiskar

Financial Performance

(*Rs. in* crore*, except share data*)

	For the period ended March 31,		
	2005	**2006**	**2007**
	Rs.	**Rs.**	**Rs.**
Income/Sales	NIL	NIL	NIL
Profit/(Loss) after Tax	NIL	NIL	NIL
Equity Share Capital	NIL	NIL	0.01
Reserves and surplus (excluding revaluation reserves)[(1)]	NIL	NIL	NIL
Earnings/(Loss) per share[(2)]	NIL	NIL	NIL
Book Value per share [(2)]	NIL	NIL	(1.55)

(1) Net of miscellaneous expenditure not written off.
(2) The face value of each equity share is Rs. 10 each.

ISTPPL is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company within the meaning of SICA, is not under winding up and does not have a negative net worth.

MEP Toll Road Private Limited

MEP Toll Road Private Limited ("**MTRPL**") was incorporated on August 8, 2002. The principal activity of MTRPL is to undertake the business of collection of toll. The registered office address of MTRPL is IRB Complex, Chandivli Farm, Chandivli Village, Andheri (East), Mumbai – 400 072.

Shareholding Pattern

The shareholding pattern of MTRPL as of December 20, 2007 was as follows:

Name of Shareholder	No. of equity shares	% of issued capital
Equity Shares of face value Rs. 10 each		
Mr. Dattatraya P. Mhaiskar	3,400	0.03
Mr. Virendra D. Mhaiskar	3,300	0.03
Mr. Jayant D. Mhaiskar	3,300	0.03
Ideal Road Builders Private Limited	1,124,000	9.99
Ideal Toll & Infrastructure Company Private Limited	10,116,000	89.92
Total	**11,250,000**	**100.00**

Board of Directors

The board of directors of MTRPL comprises the following:

1. Mr. Dattatraya P. Mhaiskar
2. Mr. Virendra D. Mhaiskar
3. Mr. Jayant D. Mhaiskar
4. Mrs. Sudha D. Mhaiskar
5. Mrs. Anuya J. Mhaiskar

Financial Performance

(*Rs. in* crore*, except share data*)

	For the period ended March 31,		
	2005	**2006**	**2007**
	Rs.	**Rs.**	**Rs.**
Income/Sales	100.56	119.37	135.32
Profit/(Loss) after Tax	5.23	12.38	20.12
Equity Share Capital	1.00	1.00	1.00
Reserves and surplus (excluding revaluation reserves)(1)	3.57	16.22	36.79
Earnings/(Loss) per share(2)	52	124	201
Book Value per share (2)	46	172	378

(1) Net of miscellaneous expenditure not written off.
(2) The face value of each equity share is Rs. 10.

MTRPL is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company within the meaning of SICA, is not under winding up and does not have a negative net worth.

VCR Toll Services Private Limited

VCR Toll Services Private Limited ("**VTSPL**") was incorporated on January 29, 2003. The principal activity of VTSPL is to undertake the business of civil constructions and to undertake projects, works from Government or Government departments. The registered office address of VTSPL is shifted from Amit Villa, Block No A. 2021403, Netaji Road, Ulhasnagar Thane 421 001 to IRB Complex, Chandivli Farm, Chandivli Village, Andheri (East), Mumbai – 400 072.

Shareholding Pattern

The shareholding pattern of VTSPL as of November 15, 2007 was as follows:

Name of Shareholder	No. of equity shares	% of issued capital
Equity shares of face value Rs. 100 each		
Mr. Dattatraya P. Mhaiskar	23,500	2.54
Mr. Virendra D. Mhaiskar	250	0.03
Mr. Jayant D. Mhaiskar	250	0.03
Jayant D. Mhaiskar (HUF)	25,000	2.70
Ideal Soft Tech Park Private Limited	8,667	0.94
Mrs. Sudha D. Mhaiskar	8,667	0.94
Ideal Toll & Infrastructure Company Private Limited	8,666	0.93

Name of Shareholder	No. of equity shares	% of issued capital
Mr. Virendra D. Mhaiskar (Karta of Virendra D. Mhaiskar HUF)	25,000	2.70
Preference shares of face value Rs. 100 each		
Mr. Dattatraya P. Mhaiskar	130,840	14.11
Mr. Jayant D. Mhaiskar	42,000	4.53
Jayant D. Mhaiskar (HUF)	55,750	6.01
Ideal Toll & Infrastructure Company Private Limited	145,667	15.71
Mrs. Anuya J. Mhaiskar	12,000	1.29
Mr. Virendra D. Mhaiskar (Karta of Virendra D. Mhaiskar (HUF))	129,410	13.96
Mrs. Sudha D. Mhaiskar	145,666	15.71
Ideal Soft Tech Park Private Limited	145,667	15.71
A. J. Tolls Private Limited	20,000	2.16
TOTAL	**927,000**	**100.00**

Board of Directors

The board of directors of VTSPL comprises the following:

1. Mr. Dattatraya P. Mhaiskar
2. Mr. Virendra D. Mhaiskar
3. Mr. Jayant D. Mhaiskar

Financial Performance

(*Rs. in* crore*, except share data*)

	For the period ended March 31,			
	2004	**2005**	**2006**	**2007**
	Rs.	**Rs.**	**Rs.**	**Rs.**
Income/Sales	NIL	NIL	NIL	5.97
Profit/(Loss) after Tax	(0.01)	(0.01)	(0.02)	0.11
Equity Share Capital	1.00	1.00	1.00	1.00
Reserves and surplus (excluding revaluation reserves)[(1)]	NIL	NIL	NIL	0.07
Earnings/(Loss) per share[(2)]	NIL	NIL	NIL	10.83
Book Value per share [(2)]	91.92	91.36	90.13	101.77

(1) Net of miscellaneous expenditure not written off.
(2) The face value of each equity share is Rs. 100.

VTSPL is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company within the meaning of SICA, is not under winding up and does not have a negative net worth.

Global Safety Vision Private Limited

Global Safety Vision Private Limited ("**GSVPL**") was incorporated on January 11, 2007. The principal activity of GSVPL is to undertake the business of enforcing safety and disaster management and promoting safety awareness. The registered office address of GSVPL is Manisha Safalya, M.G. Road, Vishnu Nagar, Dombivili (West), Mumbai - 421 202.

Shareholding Pattern

The shareholding pattern of GSVPL as of December 20, 2007 was as follows:

Name of Shareholder	No. of equity shares	% of issued capital
Equity shares of face value Rs. 10 each		
Mr. Dattatraya P. Mhaiskar	5,000	50.00
Mr. Jayant D. Mhaiskar	5,000	50.00
Total	**10,000**	**100.00**

Board of Directors

The board of directors of GSVPL comprises the following:

1. Mr. Dattatraya P. Mhaiskar
2. Mr. Jayant D. Mhaiskar

Financial Performance

(*Rs. in* crore*, except share data*)

	For the period ended March 31,		
	2005	**2006**	**2007**
	Rs.	**Rs.**	**Rs.**
Income/Sales	-	-	-
Profit/(Loss) after Tax	-	-	(0.0003)
Equity Share Capital	-	-	0.01
Reserves and surplus (excluding revaluation reserves)(1)	-	-	(0.02)
Earnings/(Loss) per share(2)	-	-	(0.3)
Book Value per share (2)	-	-	(9)

(1) Net of miscellaneous expenditure not written off.
(2) The face value of each equity share is Rs. 10.

GSVPL is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company within the meaning of SICA, is not under winding up and does not have a negative net worth.

The details of the proprietorships that form part of the Promoter Group are as follows:

Mhaiskar Udyog

Mhaiskar Udyog is a sole proprietorship firm and was established in the financial year 1995-96. The principal activity of Mhaiskar Udyog is that of toll collection. Its principal place of business is located at IRB Complex, Chandivli Farm, Chandivli Village, Andheri (East) Mumbai – 400 072

The proprietor of Mhaiskar Udyog is Mr. Virendra D. Mhaiskar.

Financial Performance

(*Rs. in* crore)

	For the period ended March 31,			
	2004	**2005**	**2006**	**2007**
	Rs.	**Rs.**	**Rs.**	**Rs.**
Total income	19.93	21.87	36.36	0.01
Net profit	0.97	0.45	0.91	(0.34)
Capital Account Balance	1.11	(0.02)	(4.00)	(99.78)

Deepali Construction

Deepali Construction is a sole proprietorship firm and was established in the financial year 1994-95. The principal activity of Deepali Construction is of a labour contractor. The principal place of business is located at IRB Complex, Chandivli Farm, Chandivli Village, Andheri (East) Mumbai – 400 072.

The proprietor of Deepali Construction is Mrs. Deepali V. Mhaiskar.

Financial Performance

(*Rs. in* crore)

	For the period ended March 31,			
	2004	**2005**	**2006**	**2007**
	Rs.	**Rs.**	**Rs.**	**Rs.**
Total income	2.12	0.26	0.41	0.14
Net profit	0.29	0.07	0.07	0.02
Capital Account Balance	0.36	0.52	0.56	(0.20)

D.S. Enterprises

D.S. Enterprises is a sole proprietorship firm and was estabilised on April 1, 2002. The principal activity of D. S. Enterprises is that of toll collection. The principal place of business is located at 501, Dattashram, Hindu Colony, Lane No. 1, Dadar, Mumbai – 400 014.

The proprietor of D. S. Enterprises is Mr. Dattatraya P. Mhaiskar.

Financial Performance

(*Rs. in* crore)

	For the period ended March 31,			
	2004	**2005**	**2006**	**2007**
	Rs.	**Rs.**	**Rs.**	**Rs.**
Total income	5.26	19.14	89.90	49.15
Net profit	5.12	2.30	8.74	4.12
Capital Account Balance	5.27	5.34	27.62	14.48

Jan Transport

Jan Transport is a sole proprietorship firm and was established on June 25, 1995. The principal activity of Jan Transport is that of toll collection. The principal place of business is located at IRB Complex, Chandivili Farm, Chandivli Village, Andheri (East) Mumbai – 400 072.

The proprietor of Jan Transport is Mr. Jayant D. Mhaiskar.

Financial Performance

(*Rs. in* crore)

	For the period ended March 31,			
	2004	**2005**	**2006**	**2007**
	Rs.	**Rs.**	**Rs.**	**Rs.**
Total income	119.02	116.30	133.28	159.80
Net profit	2.50	4.96	4.84	17.78
Capital Account Balance	2.44	5.26	6.60	23.36

JDV Udyog

JDV Udyog is a sole proprietorship firm and was established on May 10, 1997. The principal activity of JDV Udyog is that of toll collection. The principal place of business is located at IRB Complex, Chandivli Farm, Chandivli Village, Andheri (East) Mumbai – 400 072.

The proprietor of JDV Udyog is Mr. Jayant D. Mhaiskar.

Financial Performance

(*Rs. in* crore)

	For the period ended March 31,			
	2004	**2005**	**2006**	**2007**
	Rs.	**Rs.**	**Rs.**	**Rs.**
Total income	16.98	16.02	19.34	1.27
Net profit	1.34	1.30	1.22	0.28
Capital Account Balance	1.49	1.96	(0.93)	(1.26)

Anuya Enterprises

Anuya Enterprises is a sole proprietorship firm and was established on April 1, 2001. The principal activity of Anuya Enterprises is that of toll collection. The principal place of business is located at IRB Complex, Chandivli Farm, Chandivli Village, Andheri (East) Mumbai – 400 072.

The proprietor of Anuya Enterprises is Mrs. Anuya J. Mhaiskar.

Financial Performance

(*Rs. in* crore)

	For the period ended March 31,			
	2004	**2005**	**2006**	**2007**
	Rs.	**Rs.**	**Rs.**	**Rs.**
Total income	4.25	7.51	10.27	1.26
Net profit	0.33	0.68	0.85	0.23
Capital Account Balance	0.23	0.46	(0.07)	0.04

Aryan Constructions

Aryan Constructions is a sole proprietorship firm and was established in the year 1999-2000. The principal activity of Aryan Constructions is that of road construction and maintenance. The principal place of business is located at IRB Complex, Chandivli Farm, Chandivli Village, Andheri (East) Mumbai – 400 072.

The proprietor of Aryan Constructions is Mr. Virendra D. Mhaiskar, Karta of the Virendra D. Mhaiskar HUF.

Financial Performance

(*Rs. in* crore)

	For the period ended March 31,			
	2004	**2005**	**2006**	**2007**
	Rs.	**Rs.**	**Rs.**	**Rs.**
Total income	26.40	70.22	134.47	57.56
Net profit	0.81	4.97	19.16	2.50
Capital Account Balance	0.96	4.28	20.35	11.36

Virendra Builders

Virendra Builders is a sole proprietorship firm and was established on December 5, 1984. The principal activity of Virendra Builders is that of toll collection. The principal place of business is located at 6, Sukh Shanti, Gokhale Road, Dadar, Mumbai - 400 028.

The proprietor of Virendra Builders is Mrs. Sudha D. Mhaiskar.

Financial Performance

(*Rs. in* crore)

	For the period ended March 31,			
	2004	**2005**	**2006**	**2007**
	Rs.	**Rs.**	**Rs.**	**Rs.**
Total income	7.98	8.51	10.38	0.19
Net profit	0.96	1.06	0.17	0.09
Capital Account Balance	1.67	2.24	0.65	0.63

Rideema Enterprises

Rideema Enterprises is a sole proprietorship firm and was established on May 10, 2002. The principal activity of Rideema Enterprises is that of toll collection. The principal place of business is located at IRB Complex, Chandivili Farm, Chandivili Village, Andheri (East), Mumbai – 400 072.

The proprietor of Rideema Enterprises is Mr. Jayant D. Mhaiskar, Karta of Jayant D. Mhaiskar – HUF.

Financial Performance

(*Rs. in* crore)

	For the period ended March 31,			
	2004	**2005**	**2006**	**2007**
	Rs.	**Rs.**	**Rs.**	**Rs.**
Total income	10.36	11.44	41.86	25.48
Net profit	1.76	1.24	0.22	0.14
Capital Account Balance	1.69	2.04	2.01	2.03

Mhaiskar Foundation

Mhaiskar Foundation was constituted on October 22, 2004 as a charitable trust. The office of the charitable trust is located at IRB Complex, Chandivli Farm, Chandivli Village, Andheri (East), Mumbai – 400 072. The benefits of the trust extend to all persons, irrespective of their cast, creed or religion and the objects of the trust are to provide donations to various educational institutions and medical institutions and other charitable trusts.

Mr. Dattatraya P. Mhaiskar, Mr. Virendra D. Mhaiskar and Mr. Jayant D. Mhaiskar are the permanent trustees of the charitable trust.

No financial statements have been prepared since the constitution of the Trust.

Defunct Promoter Group Companies

There are no defunct Promoter Group Companies.

Companies, firms and other entities from which the Promoters have disassociated themselves

Mr. Virendra D. Mhaiskar has disassociated himself from the partnership firm, Dattakripa Enterprises on November 3, 2006 where he was a partner after a voluntary dissolution of the partnership firm.

Social Initiatives of the Promoter Group

One of the Promoters, Mr. Dattatraya P. Mhaiskar is involved in setting up the Mhaiskar Foundation which is a not-for-profit organisation and works to provide donations to various educational institutions, medical institutions and other charitable trusts. The trustees of the trust are the Promoters of the Company and are involved in the establishment of sports, educational, medical and cultural facilities and other social welfare activities.

RELATED PARTY TRANSACTIONS

For details of the Company's related party transactions, see Annexure XIII to the Company's restated unconsolidated financial statements beginning on page 171 of this Red Herring Prospectus.

DIVIDEND POLICY

The Company has not paid any dividend on its Equity Shares during the last five years. The Company does not expect to pay dividends in the foreseeable future and does not have any specified dividend policy for future periods. The declaration and payment of dividend will be recommended by the Board of Directors and approved by the shareholders of the Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by the Board. The Board may also from time to time pay interim dividends.

SECTION V: FINANCIAL INFORMATION

IRB INFRASTRUCTURE DEVELOPERS LIMITED

Auditors' report
(as required by Part II of Schedule II to the Companies Act, 1956)

To
The Board of Directors
IRB Infrastructure Developers Limited
IRB Complex, Chandivli Farm
Chandivli Village, Andheri (E)
Mumbai – 400 072
India

Dear Sirs,

We have examined the restated consolidated financial information of IRB Infrastructure Developers Limited (‘IRB’ or ‘the Company’) and its subsidiaries consisting of Ideal Road Builders Private Limited, Mhaiskar Infrastructure Private Limited, Modern Road Makers Private Limited, ATR Infrastructure Private Limited, Aryan Toll Road Private Limited, NKT Road & Toll Private Limited, MMK Toll Road Private Limited, IRB Infrastructure Private Limited, Thane Ghodbunder Toll Road Private Limited IDAA Infrastructure Private Limited and Aryan Infrastructure Investment Private Limited and the joint venture Mudjaya-IRB Joint Venture (together referred to as ‘the Group’) as at August 31, 2007 and March 31, 2007, annexed to this report, prepared by the Company and approved by the Board of Directors, 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') and the related clarifications issued by the Securities and Exchange Board of India ('SEBI') as amended to date,

c. the terms of our engagement agreed upon with you in accordance with our engagement letter dated September 7, 2007 in connection with the offer document being issued by the Company for its proposed Initial Public Offer; and

d. the Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India (‘ICAI’).

The Company proposes to make an Initial Public Offer of 51,057,666 equity shares, having a face value of Rs. 10 each, at an issue price to be arrived at by the book building scheme (referred to as the 'Offer').

Consolidated financial information as per audited financial statements:

The consolidated financial information has been extracted by the management from the consolidated financial statements for the five months period ended August 31, 2007 and year ended March 31, 2007 and approved by the Board of Directors.

We did not audit the financial statements of certain subsidiaries and the joint venture for the five months period ended August 31, 2007 and year ended March 31, 2007 whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in these Summary Statement of Consolidated Assets and Liabilities, as restated, Summary Statement of Consolidated Profits and Losses, as restated and Summary Statement of Consolidated Cash Flows, as restated (‘Consolidated Restated Financial Statements’) are based solely on the report of the other auditors. The details of the auditors of the respective companies for which the audited financials have been consolidated, including the total assets and total revenue of each entity consolidated is as described below:

(Amount INR Thousand)

Name of the Company	Audited by	Period/Year	Total assets	Total Revenue
Subsidiaries:				
Modern Road Makers Private Limited	A. J. Kotwal & Co.	August 31, 2007	2,727,955	1,256,288

Name of the Company	Audited by	Period/Year	Total assets	Total Revenue
		March 31, 2007	1,790,068	1,374,035
ATR Infrastructure Private Limited	Parikh Joshi & Kothare	August 31, 2007	1,174,522	54,240
		March 31, 2007	1,252,120	108,255
Aryan Toll Road Private Limited	Parikh Joshi & Kothare	August 31, 2007	1,049,338	21,353
		March 31, 2007	1,091,421	110,116
NKT Road & Toll Private Limited	A. J. Kotwal & Co.	August 31, 2007	505,456	52,897
		March 31, 2007	490,025	60,180
MMK Toll Road Private Limited	A. J. Kotwal & Co.	August 31, 2007	223,551	23,670
		March 31, 2007	211,176	23,446
IRB Infrastructure Private Limited	Parikh Joshi & Kothare	August 31, 2007	235,394	32,750
		March 31, 2007	219,734	55,110
Thane Ghodbunder Toll Road Private Limited	Parikh Joshi & Kothare	August 31, 2007	2,434,772	115,318
		March 31, 2007	2,097,930	63,049
IDAA Infrastructure Private Limited	Parikh Joshi & Kothare	August 31, 2007	6,715,924	-
		March 31, 2007	6,056,831	-
Aryan Infrastructure Investment Private Limited	A. J. Kotwal & Co.	August 31, 2007	826,805	-
Joint Venture:				
Mudjaya-IRB Joint Venture	A. J. Kotwal & Co.	August 31, 2007	3,905	-
		March 31, 2007	3,807	-

The other auditors have also confirmed that the restated standalone financial information of the respective subsidiaries and joint venture, has been made after incorporating:

a) the impact arising on account of changes in accounting policies adopted by the Company as at and for the period ended August 31, 2007 applied with retrospective effect in all the reporting periods;

b) adjustments for the material amounts in the respective financial periods/years to which they relate;

Further they have indicated that there are no extraordinary items that need to be disclosed separately in the accounts and there are no other qualifications in the auditors' reports which require any adjustments to the summary statements.

In accordance with the requirements of Paragraph B of Part II of Schedule II of the Act, the SEBI Guidelines and terms of our engagement agreed with you and based on reliance placed on the examination reports of the other auditors of the subsidiaries and joint venture as indicated in paragraph above, we further report that:

a) The Consolidated Restated Financial Statement of the Group, as at August 31, 2007 and March 31, 2007 examined by us, as set out in Annexure I, II and III to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Notes on adjustments for Consolidated Restated Financial Statements and Significant Accounting Policies for Consolidated Restated Financial Statements (Refer Annexure IV and IVA).

b) Based on our examination, we are of the opinion that the Consolidated Restated Financial Statements have been prepared on the basis of accounting policies adopted as at and for the period ended August 31, 2007.

c) There are no extraordinary items which need to be disclosed separately in the Consolidated Restated Financial Statements.

d) All qualifications in the auditors' reports which require any adjustments to the summary statements, have been adjusted, except for the following matters the impact whereof has not been ascertained:

    (i) As stated in note 3A in Annexure IV, loans given to certain parties have not complied with the provisions of Section 295 of the Companies Act, 1956. This matter has been the subject matter of qualification in the period ended August 31, 2007.

(ii) As stated in note 3B in Annexure IV, certain contracts have not complied with the provisions of Section 297 of the Companies Act, 1956. This matter has been the subject matter of qualification in the year ended March 31, 2007.

In our opinion, the consolidated financial information as disclosed in the annexures to this report, read with the respective significant accounting policies and notes disclosed in Annexure IV and IV A, and after making adjustments and re-groupings as considered appropriate and disclosed in Annexure IV, has been prepared in accordance with Part II of Schedule II of the Act and the Guidelines.

This report should not be in any way construed as a reissuance or redating of any of the previous audit reports issued by us or by other firm of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

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

For S.R. BATLIBOI & CO.
Chartered Accountants

per Vijay Bhatt
Partner
Membership No.: 36647

Place: Mumbai
Date: November 22, 2007

IRB Infrastructure Developers Limited (formerly DVJ Leasing and Finance Private Limited)

ANNEXURE I: SUMMARY STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES, AS RESTATED

(Amount INR Thousand)

	PARTICULARS	As at August 31, 2007	As at March 31, 2007
A.	**FIXED ASSETS**		
	Gross Block	1,369,084	1,252,537
	Less: Accumulated depreciation	448,043	381,422
	Net Block	**921,041**	**871,115**
	Capital work in progress (including capital advances)	117,928	46,039
	Total	**1,038,969**	**917,154**
B.	**INTANGIBLE ASSETS** (including capital work in progress)	**24,320,315**	**23,501,072**
C.	**INVESTMENTS**	**144,454**	**413,477**
D.	**DEFERRED TAX ASSETS (net)**	**10,925**	**8,271**
E.	**CURRENT ASSETS, LOANS AND ADVANCES**		
	Inventories	284,952	91,683
	Sundry debtors	1,422,067	1,436,500
	Cash and bank balance	4,666,945	3,703,414
	Loans and advances	2,651,555	2,134,515
	Total	**9,025,519**	**7,366,112**
F.	**LIABILITIES AND PROVISIONS**		
	Secured loans	24,182,026	22,403,539
	Unsecured loans	2,801,852	2,776,044
	Current liabilities	867,075	1,029,531
	Provisions	1,327,534	1,296,421
	Total	**29,178,487**	**27,505,535**
G.	**MINORITY INTEREST**	1,544,744	1,115,308
	Net worth (A+B+C+D+E-F-G)	**3,816,951**	**3,585,242**
	Net worth represented by		
H.	Share capital	2,472,680	2,472,680
I.	Reserves and Surplus	1,536,603	1,296,921
J.	Miscellaneous expenditure (To the extent not written off or adjusted)	(192,332)	(184,359)
	Net worth (H+I+J)	**3,816,951**	**3,585,242**

The above statement should be read with the notes on adjustments for restated financial statements and significant accounting policies as appearing in Annexure IV and Annexure IV-A respectively.

As per our report of even date

For S.R. BATLIBOI & CO.
Chartered Accountants

per Vijay Bhatt
Partner
Membership No.: 36647

Place: Mumbai
Date: November 22, 2007

For and on behalf of the Board of Directors

V. D. Mhaiskar
Director

IRB Infrastructure Developers Limited (formerly DVJ Leasing and Finance Private Limited)

ANNEXURE II: SUMMARY STATEMENT OF CONSOLIDATED PROFITS AND LOSSES, AS RESTATED

(Amount INR Thousand)

PARTICULARS	For the period April 1, 2007 to August 31, 2007	For the year ended March 31, 2007
INCOME		
Turnover	2,618,812	3,057,157
Other Income	233,816	193,683
Total (A)	**2,852,628**	**3,250,840**
EXPENDITURE		
Direct expenses	859,240	1,078,186
Personnel expenses	126,064	148,011
Office administration and other expenses	150,386	176,650
Depreciation / amortisation	420,234	525,830
Finance expenses	844,971	876,698
Total (B)	**2,400,895**	**2,805,375**
PROFIT BEFORE MINORITY INTEREST AND TAX (A-B)	**451,733**	**445,465**
PROVISION FOR TAXATION		
Current Tax (including short / (excess) provision for current tax of earlier years)	88,163	162,275
Deferred Tax	(2,654)	(17,349)
Fringe Benefit Tax	2,445	2,653
Total	**87,954**	**147,579**
NET PROFIT AFTER TAX AND BEFORE ADJUSTMENTS, MINORITY INTEREST	**363,779**	**297,886**
ADJUSTMENTS (refer note no. 2 (a) of annexure IV)	-	1,713
NET PROFIT, AS RESTATED	**363,779**	**299,599**
Less: Minority interest	(124,097)	(72,331)
NET PROFIT, AS RESTATED AFTER MINORITY INTEREST	**239,682**	**227,268**
Profit and loss account at the beginning of the year	445,801	86,950
Share in brought forward profit of Subsidiaries (post-acquisition)	-	146,177
(includes loss of INR Nil, previous year INR 2,202 thousands for the period for which subsidiaries were Associates)		
Balance available for appropriation, as restated	**685,483**	**460,395**
APPROPRIATIONS		
Tax on interim dividend	-	14,594
TOTAL	-	**14,594**
BALANCE CARRIED FORWARD, AS RESTATED	**685,483**	**445,801**

The above statement should be read with the notes on adjustments for restated financial statements and significant accounting policies as appearing in Annexure IV and Annexure IV-A respectively.

As per our report of even date

For S.R. BATLIBOI & CO.
Chartered Accountants

per Vijay Bhatt
Partner
Membership No.: 36647

Place: Mumbai
Date: November 22, 2007

For and on behalf of the Board of Directors

V. D. Mhaiskar
Director

IRB Infrastructure Developers Limited (formerly DVJ Leasing & Finance Private Limited)
ANNEXURE III: Summary Statement of Cash Flows, as restated

(Amount INR Thousand)

Particulars	Period ended August 31, 2007	Year ended March 31, 2007
A. Cash flow from operating activities		
Net profit before taxation	**451,733**	**445,465**
Adjustments for:		
Depreciation and amortization	420,234	525,830
Bad debts written off	1	13,742
Debenture issue expenses	-	2,004
Amortisation of share issue expenses	-	4,917
Preliminary Expenses written off	968	842
Diminution in value of investment	171	812
(Profit)/ Loss on sale of investment	42,470	(8,881)
Interest expense	839,824	865,813
Interest on fixed deposits	(148,847)	(31,628)
Interest on loans given	(75,430)	(80,970)
Dividend on other current investment	(684)	(64,115)
Loss on sale of fixed assets	91	272
Foreign exchange gain (net)	(5,722)	(5,870)
Operating Profit Before Working Capital Changes	**1,524,809**	**1,668,233**
Increase in inventory	(54,240)	(63,449)
Decrease in debtors	14,433	116,000
Decrease in other loans and advances	2,944	1,629,939
Decrease in sundry creditors	(171,905)	(536,059)
Increase /(Decrease) in other liabilities and provisions	10,464	(111,608)
Cash generated from operations	**1,326,505**	**2,703,055**
Direct taxes paid (net)	(67,492)	(231,227)
Net cash from operating activities	**1,259,013**	**2,471,829**
B. Cash flow from investing activities		
Purchase of fixed assets	(1,361,904)	(6,664,129)
Sale of fixed assets	243	700
Purchase of shares in subsidiaries and fellow subsidiaries	-	(1,507,944)
Purchase of investment	(243,007)	(2,185,690)
Sale of investments	264,589	2,437,348
Interest received on fixed deposits	26,343	24,200
Interest received on loans given	61,012	81,024
Dividend received	684	71,570
Loan given	(153,817)	(988,251)
Loans repayment received	119,479	-
Investment in fixed deposits	(366,186)	(2,948,802)
Net cash used in investing activities	**(1,652,564)**	**(11,679,974)**
C. Cash flow from financing activities		
Proceeds from long-term borrowing	10,451,526	5,534,488
Repayment of long-term borrowing	(10,750,816)	(290,301)
Proceeds from short-term borrowing - (net)	2,057,757	250,718
Proceeds from issuance of share capital	-	1,616,090
Proceeds from issue of shares by subsidiaries	24,517	-
Proceeds from issuance of debentures	-	2,639,856
Interest paid	(788,317)	(860,418)
Dividend paid and tax thereon	-	(65,976)
Share issue expenses	(2,461)	(19,542)
Debenture issue expenses	(1,439)	(14,815)
Net cash from financing activities	**990,767**	**8,790,101**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**597,216**	**(418,045)**
Cash and cash equivalents at the beginning of the year	***203,459***	***98,122***

(Amount INR Thousand)

Particulars	Period ended August 31, 2007	Year ended March 31, 2007
Cash and cash equivalents - taken over on acquisition of subsidiaries	***129***	***523,382***
Cash and cash equivalents at the end of the year	***800,804***	***203,459***
Components of cash and cash equivalents		
Cash on hand	44,042	44,661
Balances with scheduled banks on current account	756,762	158,798
Total	**800,804**	**203,459**

Note :-

1. All figures in bracket are outflow.
2. Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
3. Cash and cash equivalent is as per balance sheet except for fixed deposits not considered as cash and cash equivalent as the maturity date is beyond three months.

As per our report of even date

For S.R. BATLIBOI & CO.
Chartered Accountants

For and on behalf of the Board of Directors

per Vijay Bhatt
Partner
Membership No.: 36647

V. D. Mhaiskar
Director

Place: Mumbai
Date: November 22, 2007

IRB Infrastructure Developers Limited (formerly DVJ Leasing and Finance Private Limited)
Schedules to the Consolidated Accounts
FIXED ASSETS

(Amount INR Thousand)

	GROSS BLOCK					DEPRECIATION					NET BLOCK	NET BLOCK
PARTICULARS	**As at April 1, 2007**	**Additions on acquisition of subsidiaries**	**Additions**	**Sales / Deductions**	**As at August 31, 2007**	**As at April 1, 2007**	**Additions on acquisition of subsidiaries**	**Additions**	**Sales / Deductions**	**As at August 31, 2007**	**As at August 31, 2007**	**As at March 31, 2007**
Land	54,764	-	-	-	54,764	-	-	-	-	-	54,764	54,764
Building	87,985	-	-	-	87,985	12,294	-	1,545	-	13,839	74,146	75,691
Plant & Machinery	672,362	-	99,132	336	771,158	188,588	-	34,295	36	222,847	548,311	483,774
Computer	26,871	-	1,650	-	28,521	19,088	-	1,480	-	20,568	7,953	7,783
Vehicles	342,718	-	13,581	-	356,299	135,647	-	26,602	-	162,249	194,050	207,071
Furniture, Fixture and Equipments	67,837	-	2,590	70	70,357	25,805	-	2,772	37	28,540	41,817	42,032
TOTAL	**1,252,537**	**-**	**116,953**	**406**	**1,369,084**	**381,422**	**-**	**66,694**	**73**	**448,043**	**921,041**	**871,115**
Capital work in progress	-	-	-	-	-	-	-	-	-	-	117,928	46,039
TOTAL	**1,252,537**	**-**	**116,953**	**406**	**1,369,084**	**381,422**	**-**	**66,694**	**73**	**448,043**	**1,038,969**	**917,154**
Previous Year	**-**	**1,101,405**	**152,298**	**1,166**	**1,252,537**	**-**	**288,328**	**93,288**	**194**	**381,422**	**871,115**	

INTANGIBLE ASSETS

	GROSS BLOCK					AMORTISATION					NET BLOCK	NET BLOCK
PARTICULARS	**As at April 1, 2007**	**Additions on acquisition of subsidiaries**	**Additions**	**Sales / Deductions**	**As at August 31, 2007**	**As at April 1, 2007**	**Additions on acquisition of subsidiaries**	**Additions**	**Sales / Deductions**	**As at August 31, 2007**	**As at August 31, 2007**	**As at March 31, 2007**
Goodwill on consolidation	8,859	-	-	292	8,567	993	-	357	15	1,335	7,232	7,866
Toll Collection Rights	19,929,983	-	317,443	-	20,247,426	1,943,067	-	353,183	-	2,296,250	17,951,176	17,986,916
TOTAL	**19,938,842**	**-**	**317,443**	**292**	**20,255,993**	**1,944,060**	**-**	**353,540**	**15**	**2,297,585**	**17,958,408**	**17,994,782**
Capital work in progress												
Toll Collection Rights	-	-	-	-	-	-	-	-	-	-	6,361,907	5,506,290
TOTAL	**19,938,842**	**-**	**317,443**	**292**	**20,255,993**	**1,944,060**	**-**	**353,540**	**15**	**2,297,585**	**24,320,315**	**23,501,072**
Previous Year	**-**	**15,316,800**	**4,622,042**	**-**	**19,938,842**	**-**	**1,511,518**	**432,542**	**-**	**1,944,060**	**17,994,782**	

IRB Infrastructure Developers Limited (formerly DVJ Leasing and Finance Private Limited)				
Schedules to the Consolidated Accounts				
				(Amount INR Thousand)
	Face Value	**No. of Shares**	**August 31, 2007**	**March 31, 2007**
Investments				
A. Long Term Investments (At cost)				
- In Equity Shares (Unquoted, fully paid)				
MEP Toll Road Private Limited	10	1,124,000	11,240	10,250
Kalyan Janta Sahakari Bank Limited	10	20,100	201	201
Purti Sakhar Karkhana Limited	10	1,850,000	18,500	18,500
Dombivali Nagri Sahakari Bank Limited	50	4,000	200	200
Jan Kalyan Sahakari Bank	10	50,000	500	500
Janta Sahakari Bank	25	2,000	50	50
Sangali Urban Bank	15	2	-	-
- In Preference Shares (Fully paid)				
MEP Toll Road Private Limited	10		-	990
- In Equity Shares (Quoted, fully paid)				
Union Bank of India	10	9,177	1,009	1,009
- Government Securities / Bonds				
National Saving Certificate			104	84
9.65% Unsecured subordinated bonds of The United Western Bank Limited			10,000	10,000
Total (A)			**41,804**	**41,784**
B. Current Investment (At lower of cost and market value)				
- In Equity Shares (Quoted) (Refer note 19 of Annexure IV)				
Development Credit Bank Limited	10	32,864	1,907	2,423
GMR Infrastructure Limited	10	1,756	604	1,027
HT Media Limited	2	9,184	1,674	1,620
Network 18 Fincap	5	9,741	3,465	2,464
Reliance Capital Limited	10	1,744	1,049	2,886
Sobha Developers Limited	10	3,577	2,485	2,485
United Breweries Limited	1	1,802	461	461
Zee Entertainment Limited	1	12,524	2,856	2,856
Reliance Energy Limited	10	4,250	2,707	-
Exide Industries Limited	1	8,062	444	-
Cholamandalam DBS Finance Limited	10	6,061	966	-

IRB Infrastructure Developers Limited (formerly DVJ Leasing and Finance Private Limited)				
Schedules to the Consolidated Accounts				
				(Amount INR Thousand)
	Face Value	**No. of Shares**	**August 31, 2007**	**March 31, 2007**
Mysore Cement	10	18,726	860	-
MIC Electronics Limited	10	5,948	2,327	-
Suven Life Sciences Limited	1	39,437	1,459	-
Firstsource Solutions Limited	10	24,136	2,019	-
GTL Limited	10	13,885	2,642	-
- In Mutual Fund (Unquoted)				
K Liquid - Institutional (D) (Refer note 19 of Annexure IV)	10	471,003	4,725	14,746
DSP Merril Lynch Opportunities Fund - Dividend	10		-	48,556
DSP Merril Lynch Equity Fund Regular	10	-	-	113,210
Standard Chartered Enterprise Equity Fund	10	5,000,000	50,000	50,000
HDFC Equity Fund Dividend	10		-	128,960
Investment in Kotak Securities Portfolio Management Scheme			20,000	-
Total (B)			**102,650**	**371,693**
Total (A+B)			**144,454**	**413,477**
Aggregate Net Cost and Market Value of Company's Investments:-				
	As at August 31,2007		As at March 31,2007	
	Aggregate Net Cost	Market Value	Aggregate Net Cost	Market Value
Quoted	28,934	35,918	17,230	18,788
Unquoted	115,520		396,247	
Total Investments	**144,454**		**413,477**	
				(Amount INR Thousand)
			August 31, 2007 Amount (Rs.)	**March 31, 2007 Amount (Rs.)**
Deferred Tax Assets (Net)				
Deferred Tax Liabilities				
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books			-	20,212
Deferred Tax Assets				
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books			568	-
Effect of expenditure debited to profit and loss account in the current year but allowed for tax purposes in following years			10,338	28,207
Provision for diminution in the value of investments			19	276
			10,925	**8,271**

Inventories				
Construction raw material			138,330	91,683
Land and Plots			146,622	-
			284,952	**91,683**
Sundry Debtors				
(Unsecured, considerd good)				
- Debts outstanding for a period exeeding six months			130,004	84,090
- Other debts			1,292,063	1,352,410
			1,422,067	**1,436,500**
Cash and Bank Balances				
Cash on hand			44,042	44,661
Balances with scheduled banks:				
On Current accounts			756,762	158,798
On Deposit accounts (Hypothecated with banks against overdraft facilities)			3,866,141	3,499,955
			4,666,945	**3,703,414**
Loans and Advances				
(Unsecured, considered good)				
Loans to directors and the companies in which directors are interested			1,739,347	1,705,010
Advance to directors and the companies in which directors are interested			10,074	125,634
Advances to others			9,192	16,515
Deposits			162,107	144,854
Advance given to suppliers			555,643	65,530
Advances recoverable in cash or kind or for value to be received			166,469	74,984
Advance payment of income tax (net of tax provisions)			8,723	1,988
			2,651,555	**2,134,515**

IRB Infrastructure Developers Limited (formerly DVJ Leasing and Finance Private Limited)		
Schedules to the Consolidated Accounts		
		(Amount INR Thousand)
	August 31, 2007	**March 31, 2007**
Secured Loans		
Term loans:		
From banks	19,634,867	19,991,367
From financial institutions	1,690,536	1,613,307
Overdraft from banks	2,856,623	798,865
	24,182,026	**22,403,539**
Unsecured Loans		
From directors	21,539	21,547
Privately Placed Debenture	2,639,856	2,639,856
39,400,830 7.5% (Net of tax) Unsecured fully Convertible Debentures of Rs. 67/- each (Previous year 39,40,083 7.5% Fully Convertible Debentures of Rs.670/- each) convertible into preference share and/or equity share within two years or earlier at the option of debenture holders		
Others	140,457	114,641
	2,801,852	**2,776,044**
Current Liabilities		
Sundry creditors	368,132	539,789
Advances from customers	102,664	125,510
Other liabilities	396,279	364,232
	867,075	**1,029,531**
Provisions		
Provision for taxation (net of tax payments)	268,410	241,004
Provision for resurfacing expenses	1,037,300	1,037,300
Provision for gratuity	14,739	12,370
Provision for leave encashment	2,362	3,469
Provision for fringe benefit tax (net of advance tax payments)	4,723	2,278
	1,327,534	**1,296,421**

IRB Infrastructure Developers Limited (formerly DVJ Leasing and Finance Private Limited)		
Schedules to the Consolidated Accounts		
		(Amount INR Thousand)
	August 31, 2007	**March 31, 2007**
Share Capital		
Authorised		
615,000,000 Equity shares of Rs.10/- each (Previous year 25,000,000 Equity Shares of Rs. 100/- each)	6,150,000	2,500,000
(Previous year:36,500,000 Unclassified shares of Rs.100/- each)	-	3,650,000
	6,150,000	**6,150,000**
Issued, Subscribed and Paid up		
247,268,000 Equity shares of Rs. 10/- each (Previous year 24,726,800 Equity Shares of Rs.100/- each)	2,472,680	2,472,680
	2,472,680	**2,472,680**
Reserves and Surplus		
Profit and loss account	685,483	445,801
Capital reserve (on investment in subsidiaries)	851,120	851,120
	1,536,603	**1,296,921**
Miscellaneous Expenditure (to the extent not written off or adjusted)		
Share issue expenses	30,383	23,849
Debenture issue expenses	161,949	160,510
	192,332	**184,359**

IRB Infrastructure Developers Limited. (Formerly DVJ Leasing & Finance Private Limited.)				
Schedules to the Consolidated Accounts				
				(Amount INR Thousand)
		For the period April 1, 2007 to August 31, 2007		**Year ended March 31, 2007**
Turnover				
Income from BOT Projects		1,505,340		1,778,689
Contract revenue - (gross)	1,107,011		1,274,565	
Less: Value added tax	(24,533)		(53,382)	
Contract revenue (net)		1,082,478		1,221,183
Operation and maintenance income	28,608	-		37,114
Less: Value added tax	(145)	28,463		-
Income from agency toll collection (net) (Refer note 20 of Annexure IV)		613		8,111
Hire charges		1,918		12,060
		2,618,812		**3,057,157**
Other Income				
Interest on fixed deposits		148,847		31,628
Interest on loans given		75,430		80,970
Dividend income on current investments		684		64,115
Profit/(loss) on sale of investments		-		8,881
Foreign exchange gain (net)		7,722		5,870
Miscellaneous income		1,133		2,219
		233,816		**193,683**
Direct Expenses				
Contract expenses		175,490		244,054
Operation and maintenance expenses		20,703		94,227
Cost of materials consumed		553,580		530,957
Stores, spares and tools consumed		10,501		90,894
Other direct expenses		55,321		70,278
Technical consultancy supervision charges		11,040		16,642
Royalty charges paid		15,734		9,850
Hire charges		4,288		21,284
Supervision charges		12,583		-
		859,240		**1,078,186**
Personnel Expenses				
Salaries, wages & bonus (Refer note 14 of Annexure IV)		112,834		141,837
Contribution to provident and other Fund		8,176		2,939
Staff welfare expenses		5,054		3,235
		126,064		**148,011**
Office Administration and Other Expenses				
Rates and taxes		6,704		10,071
Rent		5,947		7,896
Donations		3,208		1,912
Legal and professional expenses		2,032		3,255
Auditor's remuneration		5,581		2,652
Insurance		3,977		6,850
Advertisement expenses		9,950		3,859
Repairs and maintenance		6,714		12,533
Printing and stationery		6,076		7,380
Traveling and conveyance		7,521		11,930
Vehicle expenses		11,394		8,708
Bad debts written off		1		13,742
Power and fuel		15,459		35,203
Communication cost		3,199		4,619

IRB Infrastructure Developers Limited. (Formerly DVJ Leasing & Finance Private Limited.)				
Schedules to the Consolidated Accounts				
				(Amount INR Thousand)
		For the period April 1, 2007 to August 31, 2007		**Year ended March 31, 2007**
Loss on Sale of investment (net)		42,470		-
Loss on Sale of fixed assets		91		272
Provision for diminution in the value of investments		171		812
Preliminary expenses written off		968		7,763
Miscellaneous expenses		18,923		37,193
		150,386		**176,650**
Finance Expenses (Net)				
Interest expense				
On Loans from banks and financial institutions	741,894		890,068	
On others	22,355		6,849	
On debentures	107,349	871,598	5,395	902,312
Bank charges		5,147		10,885
		876,745		913,197
Less: Gain on interest rate swap		(31,774)		(36,499)
		844,971		**876,698**

ANNEXURE IV

Notes to Accounts

1) Adjustments for Restated Consolidated Financial Statements

Below mentioned is the summary of results of restatement made in the consolidated audited accounts for the year ended March 31, 2007, of the IRB Infrastructure Developers Limited.

(Amount INR Thousand)

Particulars	For the year ended March 31, 2007
Adjustments	
Impact of changes in accounting policies	
Amortisation of share issue expense (Refer note no. 2(a) below)	(948)
Other Adjustments	
Excess / (Short) provision for tax (Refer note no. 2(b) below)	2661
Total	**1,713**

2) Other adjustments

a) Change in accounting policy for amortization of share issue expenses

Till the year ended March 31, 2004, share issue expenses were amortised over a period of 10 years. Subsequently, share issue expenses are adjusted in the same year against the Securities Premium Account as permitted by Section 78(2) of the Companies Act, 1956 and in case of insufficient balance in the Securities Premium Account, unadjusted share issue expenses are amortised over a period of 5 years.

b) Excess / (Short) provision for tax

Excess / (Short) provision for tax includes adjustment relating to amounts paid/provided for or written back, in respect of shortfall/excess income tax arising out of assessments, appeals, etc. and tax on above adjustments.

3) Auditors' qualification

A. For the five months period ended August 31, 2007, as a measure to consolidate the operations and management of the group, the Company restructured its shareholdings on various companies. During the course of the restructuring exercise and capitalization of interest accrued on loans, certain loans attracted the provisions of Section 295 of the Companies Act, 1956. All such loans have been confirmed by the respective parties and will be fully recovered subsequently.

The auditors have qualified their opinion on the financial statements for the five months period ended August 31, 2007 on account of the loans, the impact whereof is not ascertainable.

B. For the year ended March 31, 2007, the Company entered into certain contracts which have not complied with the provision of Section 297 of the Companies Act, 1956. The Company has during the year, discontinued all the contracts with such entities. Those contracts were operational for part of the year ended March 31, 2007.

The auditors have qualified their opinion on the financial statements for the year ended March 31, 2007 on account of the contracts, the impact whereof is not ascertainable.

4) Debentures

In respect of IRB Infrastructure Developers Limited, during the five months period ended August 31, 2007 3,940,083 7.5% fully convertible debentures of Rs. 670/- each has been sub-divided into 39,400,830 7.5%

fully convertible debentures of Rs. 67/- each. On September 10, 2007 all outstanding debentures were converted into 34,038,444 equity shares of Rs. 10/- each at a premium of Rs. 67.55 per share. Unadjusted debenture issue expense and share issue expense would be adjusted against the securities premium account.

5) Share Split and Reclassification

Pursuant to a resolution of the shareholders of the Company at an Extra Ordinary General Meeting held on August 9, 2007, each equity share of face value Rs. 100 was sub-divided into 10 equity shares of face value Rs. 10 each and 36,500,000 unclassified shares of Rs.10 each were classified as equity shares of Rs.10 each.

6) Segment Information

(a) The Company has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of the products, the differing risks and returns, the organization structure and internal reporting system.

(b) The Company's operations predominantly relate to Road Infrastructure Projects. Other business segments reported are real estate development sector.

(c) The Company's activities are restricted within India and hence no separate geographical segment disclosure is considered necessary.

(d) For the purpose of reporting, business segment are primary segment and the geographic segment is a secondary segment.

(e) Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis.

(f) The net expenses, which are not directly attributable to the Business Segment, are shown as unallocated corporate cost.

(g) Assets and Liabilities that cannot be allocated between the segments are shown as a part of unallocated corporate assets and liabilities respectively.

(h) Details of Business Segment information are given below:

(Amount INR Thousand)

Particulars	Road Infrastructure Projects	Real Estate Development	Total
REVENUE			
Total external Revenue	2,618,812	-	2,618,812
Inter Segment Revenue	-	-	-
Total Revenue (Net)	**2,618,812**	**-**	**2,618,812**
RESULT			
Segment Results	**1,063,245**	**-**	**1,063,245**
Unallocated corporate expenses			**357**
Operating Profit			**1,062,888**
Other Income			233,816
Financial expenses			844,971
Profit Before Tax			**451,733**
Current Tax			88,163
Deferred Tax			(2,654)
Fringe Benefit Tax			2,445
Net Profit after tax and before minority interest			**363,779**
Less: Minority Interest			124,097
Net Profit			**239,682**
OTHER INFORMATION			
Segment assets	33,563,851	804,997	34,368,848
Unallocated corporate assets			151,686

Particulars	Road Infrastructure Projects	Real Estate Development	Total
Total assets			**34,520,534**
Segment liabilities	1,916,132	5,344	1,921,476
Unallocated corporate liabilities			26,983,878
Total liabilities			**28,905,354**
Capital expenditure incurred	1,361,904	-	1,361,904
Depreciation and amortisation	419,877	-	419,877
Unallocated corporate depreciation and amortisation			357
Total depreciation and amortisation			**420,234**
Non-cash expenses other Depreciation and amortisation	171	-	171

Footnotes: -

1. Segment Assets exclude the following: -
   (a) Advance payment of income tax (net of tax provisions) INR 8,723 thousand.
   (b) Deferred Tax Asset (net) INR 10,925 thousand.
   (c) Miscellaneous Expenditure (to the extent not written off or adjusted) INR 192,332 thousand.

2. Segment Liabilities exclude the following: -
   (a) Provision for taxation (Net of tax payments) - INR 268,410 thousand.
   (b) Provision for fringe benefit tax (net of advance tax payments) - INR 4,723 thousand.

7) Related Party Disclosures

Names of Related Parties

(a) Associates

Aryan Infrastructure Investment Private Ltd. (w.e.f. June 20, 2007 to July 17, 2007)
Aryan Toll Road Private Limited (upto August 18, 2006)
ATR Infrastructure Private Limited (upto August 18, 2006)
IDAA Infrastructure Private Limited (upto June 20, 2006)
Ideal Road Builders Private Limited (w.e.f. August 7, 2006 upto September 10, 2006)
Mhaiskar Infrastructure Private Limited (upto September 10, 2006)
Thane Ghodbunder Toll Road Private Limited (upto December 21, 2006)

(b) Enterprises owned or significantly influenced by key management personnel or their relatives (Enterprises)

Ideal Road Builders Private Limited (upto August 6, 2006)
IRB Infrastructure Private Limited (upto August 18, 2006)
MMK Toll Road Private Limited (upto September 10, 2006)
Modern Road Makers Private Limited (upto August 18, 2006)
NKT Road & Toll Private Limited (upto September 10, 2006)
A.J. Tolls Private Limited
Anuya Enterprises
Aryan Construction
Aryan Infrastructure Investments Private Limited (upto June 19, 2007)
D.S. Enterprises
Deepali Construction
Dattakrupa Enterprises
Global Safety Vision Private Limited
Ideal Infoware Private Limited
Ideal Softtech Park Private Limited
JDV Finlease Private Limited
Ideal Toll and Infrastructure Private Limited
J.D.Mhaiskar (HUF)
Jan Transport
Jayant Construction Company
JDV Udyog

MEP Toll Road Private Limited
Mhaiskar Udyog
Rideema Enterprises
Rideema Toll Private Limited
V.D.Mhaiskar (HUF)
VCR Toll Services Private Limited
Virendra Builders
Amit Enterprises
Arun Vazirani
Amit Vazirani

(c) Key Management Personnel
Mr. V. D. Mhaiskar
Mr. D. P. Mhaiskar
Mr. J. D. Mhaiskar

(d) Relatives of Key Management Personnel
Mrs. D.V.Mhaiskar (Wife of Mr. V.D.Mhaiskar)
Mrs. S.D. Mhaiskar (Wife of Mr. D.P.Mhaiskar)
Mrs. A.J. Mhaiskar (Wife of Mr. J.D.Mhaiskar)

					(Amount INR Thousand)	
Particulers	**Enterprises**	**Enterprises**	**Key Management Personnel**	**Key Management Personnel**	**Relative of Key Management Personnel**	**Relative of Key Management Personnel**
	Period ended 31.8.2007	**2006-07**	**Period ended 31.8.2007**	**2006-07**	**Period ended 31.8.2007**	**2006-07**
(e) Related party transactions						
Contract expenses	**-**	**331,217**	-	**-**	-	**-**
Aryan Construction	-	331,217	-	-	-	-
Operation & maintenance expenses	**-**	**166,390**	**-**	-	**-**	**-**
Aryan Construction	-	164,976	-	-	-	-
Others	**-**	1,414	-	-	-	-
Income from BOT projects	**-**	**32,838**	**-**	**-**	**-**	**-**
Virendra Builders	-	32,838	-	-	-	-
Interest received on loan	**70,062**	**4,647**	**4,393**	**2,568**	**2**	**-**
Jan Transport	8,202	-	-	-	-	-
V.D Mhaiskar HUF	44,798	-	-	-	-	-
Mr. J. D. Mhaiskar	-	-	755	1,625	-	-
Mr. D. P. Mhaiskar	-	-	3,572	891	-	-
VCR Toll Services Pvt. Ltd.	-	3,232	-	-	-	-
Virendra Builders	-	1,364	-	-	-	-
Others	17,062	51	66	52	2	-
Dividend paid to shareholders	**-**	**25,879**	**-**	**18,688**	**-**	**57**
JDV Infrastructure Pvt. Ltd.	-	25,583	-	-	-	-
Mr. D. P. Mhaiskar	-	-	-	10,558	-	-
Mr. J. D. Mhaiskar	-	-	-	8,130	-	-
Others	-	296	-	-	-	57
Hire charges received	**-**	**49,060**	**-**	**-**	**-**	-
Aryan Construction	-	49,060	-	-	-	-

					(Amount INR Thousand)	
Particulers	**Enterprises**	**Enterprises**	**Key Management Personnel**	**Key Management Personnel**	**Relative of Key Management Personnel**	**Relative of Key Management Personnel**
	Period ended 31.8.2007	**2006-07**	**Period ended 31.8.2007**	**2006-07**	**Period ended 31.8.2007**	**2006-07**
Hire charges paid	**-**	**-**	**218**	**523**	**-**	**-**
Mr. D. P. Mhaiskar	-	-	218	523	-	-
Supervision charges	**46**	**-**	**-**	**-**	**-**	**-**
Amit Vazirani	23	-	-	-	-	-
Arun Vazirani	23	-	-	-	-	-
Remuneration	**-**	**-**	**3,849**	**37,074**	**2,216**	**8,022**
Mrs. D. V. Mhaiskar	-	-	-	-	2,000	7,450
Mr. V. D. Mhaiskar	-	-	3,240	11,587	-	-
Mr. J. D. Mhaiskar	-	-	181	24,355	-	-
Others	-	-	428	1,132	216	572
Directors sitting fees	**-**	**-**	**-**	**9**	**-**	**3**
Mr. D. P. Mhaiskar	-	-	-	3	-	-
Mrs. S. D. Mhaiskar	-	-	-	-	-	3
Mr. V. D. Mhaiskar	-	-	-	3	-	-
Mr. J. D. Mhaiskar	-	-	-	3	-	-
Rent paid	**-**	**-**	**-**	**265**	**-**	**120**
Mr. D. P. Mhaiskar	-	-	-	265	-	-
Mrs. S. D. Mhaiskar	-	-	-	-	-	120
Reimbursement paid - Toll collection	**-**	**434,100**	**-**	**-**	**-**	**-**
MEP Toll Road Pvt. Ltd.	-	403,600	-	-	-	-
Others	-	30,500	-	-	-	-
Toll collection charges paid	**-**	**30,032**	**-**	**-**	**-**	**-**
Rideema Toll Pvt. Ltd.	-	6,950	-	-	-	-
Dattakrupa Enterprises	-	20,987	-	-	-	-
Others	-	2,095	-	-	-	-
Reimbursement received - Toll collection	**613**	**1,783,226**	**-**	**-**	**-**	**-**
Rideema Toll Pvt. Ltd.	-	419,326	-	-	-	-
Jan Transport	-	677,900	-	-	-	-
Rideema Enterprises	613	146,800	-	-	-	-
Dattakrupa Enterprises	-	508,592	-	-	-	-
Others	-	30,608	-	-	-	-
Contract revenue	**-**	**11,125**	**-**	**-**	**-**	**-**
VCR Toll Services Pvt. Ltd	-	11,125	-	-	-	-
Interest on loan paid	**-**	**98,595**	**-**	**7,517**	**-**	**-**
Jan Transport	-	23,953	-	-	-	-
Aryan Construction	-	52,482		-	-	-
D.S.Enterprises	-	18,856	-	-	-	-
Others	-	3,304	-	7,517	-	-

					(Amount INR Thousand)	
Particulers	**Enterprises**	**Enterprises**	**Key Management Personnel**	**Key Management Personnel**	**Relative of Key Management Personnel**	**Relative of Key Management Personnel**
	Period ended 31.8.2007	**2006-07**	**Period ended 31.8.2007**	**2006-07**	**Period ended 31.8.2007**	**2006-07**
Loan taken during the period / year	**10,646**	**309,552**	**-**	**14,317**	**-**	**-**
Aryan Construction	-	246,138	-	-	-	-
Jan Transport	73	42,512	-	-	-	-
VCR Toll Services Pvt. Ltd.	10,500	13,300	-	-	-	-
Mr. D. P. Mhaiskar	-	-	-	14,317	-	-
Others	73	7,602	-	-	-	-
Loan repaid during the period / year	**8,858**	**382,452**	**5**	**30,156**	**3**	**-**
Aryan Construction	-	268,307	-	-	-	-
Jan Transport	73	97,654	-	-	-	-
Rideema Toll Road Pvt. Ltd.	8,775	2,060	-	-	-	-
Mr. D. P. Mhaiskar	-	-	-	30,138	-	-
Others	10	14,431	5	18	3	-
Loan & advances given during the period / year	**24,198**	**2,145,197**	**5,381**	**105,464**	**2**	**48**
Aryan Construction	6,600	1,695,043	-	-	-	-
Mr. D. P. Mhaiskar	-	-	4,649	77,841	-	-
Mr. V. D. Mhaiskar	-	-	285	25,998	-	-
Jan Transport	8,202	132,878	-	-	-	-
D S Enterprise	6,089	14,624	-	-	-	-
Others	3,307	302,652	447	1,625	2	48
Repayment received during the period / year	**342,145**	**1,254,799**	**1,056**	**59,291**	**-**	**-**
Aryan Construction	203,570	1,017,190	-	-	-	-
Jan Transport	60,592	117,382	-	-	-	-
D S Enterprise	73,148	8,383	-	-	-	-
Mr. D. P. Mhaiskar	-	-	1,056	34,291	-	-
Mr. V. D. Mhaiskar	-	-	-	25,000	-	
Others	4,835	111,844	-	-	-	-
Issue of shares	**-**	**698,671**	**-**	**1,016,650**	**-**	**2,000**
V. D. Mhaiskar (HUF)	-	121,000	-	-	-	-
Mr. V. D. Mhaiskar	-	-	-	1,016,650	-	-
Others	-	577,671	-	-	-	2,000
Upfront charges received	**-**	**288,835**	**-**	**-**	**-**	**-**
Aryan Construction	-	288,835	-	-	-	-
Investment purchased	**-**	**1,055,800**	**-**	**77,695**	**-**	**236,264**
Modern Road Makers Pvt. Ltd.	-	633,050	-	-	-	-
Aryan Construction	-	422,750	-	-	-	-
Mr. D. P. Mhaiskar	-	-	-	-	-	234,214
Mr. V. D. Mhaiskar	-	-	-	77,695	-	-
Others	-	-	-	-	-	2,050
Sale of investments	**-**	**316,601**	**-**	**-**	**-**	**-**

					(Amount INR Thousand)	
Particulers	**Enterprises**	**Enterprises**	**Key Management Personnel**	**Key Management Personnel**	**Relative of Key Management Personnel**	**Relative of Key Management Personnel**
	Period ended 31.8.2007	**2006-07**	**Period ended 31.8.2007**	**2006-07**	**Period ended 31.8.2007**	**2006-07**
Jan Transport	-	101,160	-	-	-	-
Aryan Construction	-	215,441	-	-	-	-
Additions to intangibles	**-**	**71,301**	**-**	**-**	**-**	**-**
Aryan Construction	-	71,301	**-**	**-**	**-**	**-**
Reimbursement of expenses paid	**-**	**2,799**	**-**	**-**	**-**	**-**
JDV Udyog	-	1,316	-	-	-	-
Anuya Enterprises	-	1,075	-	-	-	-
Others	-	408	-	-	-	-
(f) Related party balances at period / year end						
Unsecured loans	**115,433**	**113,641**	**19,517**	**19,522**	**3,023**	**3,025**
Rideema Toll Pvt. Ltd.	66,825	75,600	-	-	-	-
Rideema Enterprises	15,057	15,000	-	-	-	-
Mr. D. P. Mhaiskar	-	-	19,075	19,075	-	-
VCR Toll Services Pvt. Ltd.	14,500	-	-	-	-	
Others	19,051	23,041	442	447	3,023	3,025
Loans given	**1,628,352**	**1,598,143**	**110,946**	**106,867**	**49**	**-**
Aryan Construction	1,327,010	1,207,514	-	-	-	-
Others	301,342	390,629	110,946	106,867	49	-
Advances given	**4,903**	**122,402**	**4,871**	**3,232**	**300**	**-**
JDV Udyog	1,197	57,091	-	-	-	-
Virendra Builders	-	29,115	-	-	-	-
Jan Transport	2,488	10,353	-	-	-	-
Mr. J. D. Mhaiskar	-	-	4,871	3,232	-	-
Others	1,218	25,843	-	-	300	-
Sundry creditors	**30,055**	**91,304**	**139**	**-**	**-**	**-**
Aryan Construction	26,504	86,804	-	-	-	-
Others	3,551	4,500	139	-	-	-
Sundry debtors	**1,370,504**	**1,347,319**	**-**	**-**	**-**	**-**
Aryan Construction	1,184,097	1,241,226	-	-	-	-
Others	186,407	106,093	-	-	-	-
Advance given to suppliers	**-**	**68,052**	**-**	**-**	**-**	**-**
Rideema Enterprises	**-**	57,091	**-**	**-**	**-**	**-**
Jan Transport	**-**	10,399	**-**	**-**	**-**	**-**
Others	**-**	562	**-**	**-**	**-**	**-**
Advances received customers	**34,947**	**33,389**	-	-	-	-
JDV Udyog	16,186	16,186	**-**	**-**	**-**	**-**
Rideema Enterprises	15,396	15,396	**-**	**-**	**-**	**-**
Others	3,365	1,807	-	-	-	-

					(Amount INR Thousand)	
Particulers	Enterprises	Enterprises	Key Management Personnel	Key Management Personnel	Relative of Key Management Personnel	Relative of Key Management Personnel
	Period ended 31.8.2007	2006-07	Period ended 31.8.2007	2006-07	Period ended 31.8.2007	2006-07
Advances recoverable in cash or kind or for value to be received	**5,764**	-	**1,790**	-	**1**	-
Jan Transport	2,698	-	-	-	-	-
D.S.Enterprises	1,644	-	-	-	-	-
Mr. D. P. Mhaiskar	-	-	1,465	-	-	-
Others	1,422	-	325	-	1	-
Other liabilities	-	**82**	-	**8,214**	-	**1,156**
Mrs. D. V. Mhaiskar	-	-	-	-	-	1,156
Mr. V. D. Mhaiskar	-	-	-	1,796	-	-
Mr. J. D. Mhaiskar	-	-	-	5,062	-	-
Mr. D. P. Mhaiskar	-	-	-	1,356	-	-
Others	-	82	-	-	-	-

8) Capital Commitments

(Amount INR Thousand)

Particulars	August 31, 2007	March 31, 2007
Commitments for acquisition of toll equipments	3,316	3,445

9) Contingent Liabilities not provided for

(Amount INR Thousand)

Particulars	August 31, 2007	March 31, 2007
Claims against the company not acknowledged as debts	292,364	279,349
Guarantees to banks for loans taken by Others	1,398,414	1,167,658
Guarantees and Counter Guarantees given by the Company	113,674	91,211
Total	**1,804,452**	**1,538,218**

In respect of above future cash outflows in respect of contingent liabilities are determinable only on receipt of judgment pending at various forums / authorities.

10) Derivative Instruments and Unhedged Foreign Currency Exposure

Interest rate swaps outstanding as at balance sheet date

(Amount INR/ USD/ JPY Thousand)

Notional Amount	Purpose
USD 34,447 INR 1,500,000	Hedge against exposure to variable interest outflow on loans. Swap to receive fixed rate of interest of 6.46% p.a. and pay a variable rate equal to 4% + Margin based on US$ swap rate on the notional amount
USD 19,841 INR 900,000	Hedge against exposure to variable interest outflow on loans. Swap to receive fixed rate of interest of 8.50% p.a. and pay a variable rate equal to USD-LIBOR-BBA + margin based on US$ Swap rate on the notional amount
USD 19,824 INR 900,000	Hedge against exposure to variable interest outflow on loans. Swap to receive fixed rate of interest of 8.50% p.a. and pay a variable rate equal to USD-LIBOR-BBA + margin based on US$ Swap rate on the notional amount
JPY 1, 869,618	Hedge against exposure to variable interest outflow on loans. Swap to receive

Notional Amount	Purpose
INR 700,000	fixed rate of interest of 11.00% p.a. and pay a variable rate equal to JPY-LIBOR-BBA + 360 Bps on the notional amount
JPY 4,579,953 INR 1,750,000	Hedge against exposure to variable interest outflow on loans. Swap to receive fixed rate of interest of 9.5% p.a. and pay a variable rate equal to JPY-LIBOR-BBA + 365 Bps on the notional amount
JPY 8,992,806 INR 3,250,000	Hedge against exposure to variable interest outflow on loans. Swap to receive fixed rate of interest of 9.5% p.a. and pay a variable rate equal to JPY-LIBOR-BBA + 365 Bps on the notional amount

Particulars of Unhedged Foreign Currency Exposure as at the Balance Sheet date

Particulars	Amount
Import Creditors	INR 328 thousand (US$ 8 thousand @ closing rate of 1 USD = INR 40.96) previous year INR 349 thousand (US$ 8 thousand @ closing rate of 1 USD = INR 43.59)
Term Loans	INR 94,877 thousand (US$ 2,316 thousand @ Closing rate of 1 USD = INR40.96) previous year INR 126,628 thousand (US$ 2915 thousand @ closing rate of 1 USD = INR 43.44)

11) Intra-group Turnover and Profits on BOT Construction Contracts

The BOT contracts are governed by Service concession agreements with government authorities (grantor). Under these agreements, the operator does not own the road, but gets "toll collection rights" against the cost incurred for construction services. Since the construction cost incurred by the operator is considered as exchanged with the grantor against toll collection rights, profit from such contracts is considered as realized.

Accordingly, BOT contracts awarded to group companies (operator), where work is subcontracted to fellow subsidiaries, the inter group transactions on BOT contracts and the profits arising thereon are taken as realised and not eliminated for consolidation under Accounting Standard 21.

The revenue and profit in respect of these transactions during the year is INR 928,783 thousand (Previous Year – INR 391,724 thousand) and INR 449,909 thousand (Previous Year - INR 88,402 thousand) respectively. The impact in respect of earlier year is not ascertained.

12) Disclosure of construction contracts in terms of Accounting Standard 7 (AS-7)

(Amount INR Thousand)

Particulars	**April 1, 2007 to August 31, 2007**	**2006-2007**
Contract revenue recognized as revenue in the period	1,107,011	1,274,565
For contracts that are in progress: -		
Contract costs incurred and recognized upto reporting date	825,801	894,259
Profits (less recognized losses) upto reporting date	281,210	380,306
Advances received	66,639	91,758
Retention money	51,713	41,993
Gross amount due from customers for contract work disclosed as asset	530,231	626,618
Gross amount due to customers for contract work disclosed as liability	1,052	419

13) **Interest in Joint Venture:**

The Company has a 40% interest in Mudjaya-IRB Joint Venture. The proportionate share of the assets and liabilities of the above joint venture included in these consolidated financial statements are given below:

(Amount INR Thousand)

Particulars	**April 1, 2007 to August 31, 2007**	**2006-2007**
Sundry Debtors	2,700	2,791
Balances with bank	25	582
Loans and Advances	433	448
Sundry Creditors	1	14

14) **Directors Remuneration**

(Amount INR Thousand)

Particulars	**April 1, 2007 to August 31, 2007**	**2006-2007**
Salaries, Wages and bonus	14,041	40,254
Sitting Fees	-	15
Total	**14,041**	**40,269**

As the future liability for gratuity is provided on an actuarial basis for the Company as a whole, the amount pertaining to the directors is not ascertainable and, therefore, not included above.

15) **Gratuity and other post-employment benefit plans:**

(a) Defined Contribution Plan

Amount recognized as an expense and included in "Contributions to Provident and other funds" of personnel expenses INR 5,508 thousand (Previous year INR 1,719 thousand). There are no other obligations other than the contribution payable to the respective trusts.

(b) Defined Benefit Plan

The Company has an unfunded defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The following tables summarise the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the respective plans.

(Amount INR Thousand)

	April 1, 2007 to August 31, 2007	**2006 –07**
Expense recognized for the period ended August 31, 2007		
Current service cost	1,130	1,241
Interest cost	352	111
Expected return on plan assets	-	-
Net actuarial losses/(gains) recognized in period / year	1,186	(51)
Total Expense	**2,668**	**1,301**
Net Liability recognized in the Balance Sheet as at August 31, 2007		
Present value of funded obligations	-	-
Fair value of plan assets	-	-
Present Value of Unfunded Obligations	14,739	12,370
Unrecognized Past Service Cost		-
Net Liability	**14,739**	**12,370**
Reconciliation of Net Liability recognized in the Balance Sheet during the period ended August 31, 2007		

	April 1, 2007 to August 31, 2007	2006 –07
Opening defined benefit obligation	12,370	11,208
Current service cost	1,130	1,241
Interest Cost	353	111
Actuarial Losses/(Gain)	1,186	(51)
Benefits paid	(300)	(139)
Closing defined benefit obligation	**14,739**	**12,370**
Change in Fair Value of Assets		
Opening Fair Value of Plan Assets		-
Actuarial Gains/(Losses)	-	-
Contributions by Employer	300	139
Benefits Paid	(300)	(139)
Closing Fair Value of Plan Assets	-	-
Actuarial assumptions as at August 31, 2007		
Discount Rate	8.05%	8.25%
Expected rate of return on plan assets	0%	0%
Mortality Pre-retirement	Indian Assured Lives Mortality (1994-96)	Indian Assured Lives Mortality (1994-96)

16) Expenditure in foreign currency (Accrual basis)

(Amount INR Thousand)

Particulars	April 1, 2007 to August 31, 2007	2006-2007
Traveling	2,582	2,919

17) Value of imports calculated on CIF basis

(Amount INR Thousand)

Particulars	April 1, 2007 to August 31, 2007	2006-2007
Capital Goods	-	46,840

18) Resurfacing expenses

The Group has a contractual obligation to maintain, replace or restore infrastructure at the end of each concession period. The Group has recognized the provision in accordance with Accounting Standard (AS) – 29, *Provision, Contingent Liabilities and Contingent Assets* i.e. at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Resurfacing expenses are to be incurred at the end of the concession period.

(Amount INR Thousand)

Particulars	August 31, 2007	March 31, 2007
Opening balance	1,037,300	-
Addition on acquisition of subsidiaries	-	515,000
Utilised during the year	-	-
Accretion during the year	-	522,300
Closing balance	1,037,300	1,037,300

19) Investment under Portfolio Management Scheme (PMS)

The Company has entered into an agreement with Kotak Securities to invest a sum of INR 30,000 thousand under a portfolio management scheme called “Opportunities 2010 Portfolio Scheme” and agreed for a lock in period of Company’s portfolio for a period up to December 31, 2010. The investment under the scheme have been disclosed as current investments and valued accordingly.

20) Gross Income from agency toll collection is INR 613 thousand (Previous year INR 499,025 thousand) and a gross payment of toll is Nil (Previous year INR 490,915 thousand).

21) As a measure to consolidate the operations and management of the group, the Company restructured its shareholdings on various companies. During the course of the restructuring exercise and capitalization of interest accrued on loans, certain loans attracted the provisions of Section 295 of the Companies Act, 1956. All such loans have been confirmed by the respective parties and will be fully recovered subsequently.

22) As a measure to consolidate the operations and management of the group, the Company restructured its shareholdings in various Companies. During the course of the restructuring exercise, certain contracts attracted the provisions of Section 297 of the Companies Act, 1956. The Company has discontinued all the contracts with such entities. Those contracts were operational for the part of the year.

23) Figures pertaining to the subsidiary companies and joint ventures have been reclassified wherever necessary to bring them in line with the Group financial statements.

As per our report of even date

For S.R. BATLIBOI & CO.
Chartered Accountants

For and on behalf of the Board of Directors

per Vijay Bhatt
Partner
Membership No. 36647
Place: Mumbai
Date: November 22, 2007

V. D. Mhaiskar
Director

ANNEXURE IV-A:

SIGNIFICANT ACCOUNTING POLICIES: -

1. SIGNIFICANT ACCOUNTING POLICIES: -

(a) Basis of Preparation

The consolidated financial statements of IRB Infrastructure Developers Limited ('IRB' or 'the Company' its subsidiary companies and Joint venture (IRB Group)) have been prepared in accordance with historical cost convention, the applicable accounting standards by the Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956.

(b) Principles of Consolidation

(i) The consolidated financial statements of the group have been prepared in accordance with the Accounting Standard 21 'Consolidated Financial Statements', Accounting Standard 23, 'Accounting for Investments in Associates in Consolidated Financial Statements' and Accounting Standard 27, 'Financial Reporting of interest in Joint Ventures' issued by ICAI.

(ii) All inter company transactions, balances and unrealised surpluses and deficits on transactions between group companies are eliminated.

(iii) The BOT contracts are governed by Service concession agreements with government authorities (grantor). Under these agreements, the operator does not own the road, but gets "toll collection rights" against the cost incurred for construction services. Since the construction cost incurred by the operator is considered as exchanged with the grantor against toll collection rights, profit from such contracts is considered as realized.

Accordingly, BOT contracts awarded to group companies (operator), where work is subcontracted to fellow subsidiaries, the inter group transactions on BOT contracts and the profits arising thereon are taken as realised and not eliminated.

(iv) Interest in a jointly controlled entity is reported using proportionate consolidation.

(v) The excess of cost to the Company of its investments in subsidiary companies over its share of the equity of the subsidiary companies at the dates, on which the investments in the subsidiary companies are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.

(vi) Goodwill arising out of acquisition of subsidiary companies is amortised over a period of ten years from the date of acquisition/investment.

(vii) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments.

(viii) The companies considered in the consolidated financial statements are listed below:

Sr. No.	Name of Company	Proportion of ownership interest either directly or indirectly	
		As on August 31, 2007	**As on March 31, 2007**
Subsidiaries :			
1	Ideal Road Builders Private Limited (IRBPL) (w.e.f. September 11, 2006)	61.88%	61.88%
2	Mhaiskar Infrastructure Private Limited (MIPL) (w.e.f. September 11, 2006)	50.44%	50.44%
3	Modern Road Makers Private Limited (MRMPL)	100%	100%

Sr. No.	Name of Company	Proportion of ownership interest either directly or indirectly	
		As on August 31, 2007	As on March 31, 2007
	(w.e.f. August 19, 2006)		
4	Aryan Toll Road Private Limited (ATRPL) (w.e.f. August 19, 2006)	100%	100%
5	ATR Infrastructure Private Limited (ATRFL) (w.e.f. August 19, 2006)	100%	100%
6	IRB Infrastructure Private Limited (IRBFL) (w.e.f. August 19, 2006)	69.18%	69.18%
7	Thane Ghodbunder Toll Road Private Limited (TGTRPL) (w.e.f. December 22, 2006)	50.75%	52.71%
8	IDAA Infrastructure Private Limited (IDAA) (w.e.f. June 21, 2006)	95.40%	95.91%
9	Aryan Infrastructure Investment Private Limited (Aryan) (w.e.f. July 18, 2007)	66.00%	-
Sub-Subsidiaries:			
1	MMK Toll Road Private Limited (MMK) (w.e.f. September 11, 2006)	32.44%	32.44%
2	NKT Road and Toll Private Limited (NKT) (w.e.f. September 11, 2006)	61.88%	61.88%
Joint - Venture:			
1	Mudjaya-IRB Joint Venture (Joint Venture of IRBPL)	40.00%	40.00%
Each of the above entities is incorporated in India.			

(c) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(d) Fixed Assets and Intangibles

Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Intangible Assets

Toll Collection Rights

The Company has classified the Toll Collection Rights as intangibles.

(e) Depreciation and Amortisation

Depreciation

Depreciation is provided using the Written Down Value Method as per the useful life of the assets estimated by the management or at the rates prescribed under Schedule XIV of Companies Act, 1956 whichever is higher.

Amortisation

Toll Collection Rights are amortised over the concession period ranging from 9 years to 18 years. The rights are amortised based on the projected toll revenue which reflects the pattern in which the assets economic benefits are consumed. The projected total toll revenue is based on the latest available base case traffic volume projections. If there is material change in the expected pattern of economic benefits, the amortization is revised.

(f) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances.

(g) Borrowing Costs

Borrowing Costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relates to the period till such assets are ready to be put to use.

(h) Investments:

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

(i) Inventories

Inventories are valued as follows:

Raw materials, components, stores and spares

Lower of cost and net realizable value. Cost is determined on first in first out basis.

Work-in-progress and finished goods

Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of overheads based on normal operating capacity.

Land and Plots

Land and Plots at the commencement of construction are valued at cost.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(j) Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Construction contracts

Contract revenue associated with the construction of road are recognised as revenue and expenses respectively by reference to the stage of completion of the projects at the balance sheet date. The stage of completion of project is determined by the proportion that contract cost incurred for work performed upto the balance sheet date bears to the estimated total contract costs.

Operation and maintenance contracts
Revenue from maintenance contracts are recognised pro-rata over the period of the contract as and when services are rendered.

Income from Toll Contracts
The net income from Toll contracts on agency basis as well as on BOT basis are recognised on actual collection of toll revenue.

Interest
Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends
Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date. Dividend from subsidiaries is recognised even if same are declared after the balance sheet date but pertains to period on or before the date of balance sheet as per the requirement of Schedule VI of the Companies Act, 1956.

(k) Foreign currency translation

(i) ***Initial Recognition***

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) ***Conversion***

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) ***Exchange Differences***

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

(l) Retirement and other employee benefits

(i) Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

(ii) Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year.

(iii) The Company does not have any policy for leave encashment. However leave can be availed within one year. Accordingly, short term compensated absences are provided for based on estimates.

(iv) Actuarial gains / losses are immediately taken to the Profit and Loss Account and are not deferred.

(m) Income taxes

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax are measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

At each balance sheet date the Group re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

(n) Earning Per Share:

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.
For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(o) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.
Contingent liabilities are not recognised but disclosed by way of notes to the accounts. Contingent assets are neither recognised nor disclosed in financial statements.

(p) Miscellaneous Expenditure:

Debenture / Share issue expenses are adjusted in the same year against the Securities Premium Account as permitted by Section 78(2) of the Companies Act, 1956. In case of insufficient balance in the Securities Premium Account, unadjusted share issue expenses are amortised over a period of 5 years and debenture issue expenses over the period of redemption / conversion. In case subsequently there arises a Securities Premium Account, unadjusted share issue expenses/ debenture issue expenses would not be amortised but adjusted against the securities premium account.

(q) Resurfacing Expenses

Resurfacing costs are recognised and measured in accordance with AS 29 "Provisions, Contingent Liabilities and Contingent Assets" i.e. at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

(r) Derivative Instruments

The Company uses derivative financial instruments such as currency swaps and interest rate swaps to hedge its risks associated with foreign currency fluctuations and interest rate. Any profit or loss arising on settlement or expiry of option contracts is recognized as income or expense for the year.

As per our report of even date

For S.R. BATLIBOI & Co. **Chartered Accountants**	**For and on behalf of the Board of Directors**
per Vijay Bhatt **Partner** Membership No.: 36647	**V. D. Mhaiskar** Director

Place: Mumbai
Date: November 22, 2007

Auditors' report
(as required by Part II of Schedule II to the Companies Act, 1956)

To
The Board of Directors
IRB Infrastructure Developers Limited
IRB Complex, Chandivli Farm
Chandivli Village, Andheri (E)
Mumbai – 400 072
India

Dear Sirs,

We have examined the financial information of IRB Infrastructure Developers Limited ('IRB' or 'the Company') as at August 31, 2007, March 31, 2007, March 31, 2006, March 31, 2005, March 31, 2004 and March 31, 2003 annexed to this report, prepared by the Company and approved by the Board of Directors, 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') and the related clarifications issued by the Securities and Exchange Board of India ('SEBI') as amended to date,

c. the terms of our engagement agreed upon with you in accordance with our engagement letter dated September 7, 2007 in connection with the offer document being issued by the Company for its proposed Initial Public Offer; and

d. the Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India ('ICAI').

The Company proposes to make an Initial Public Offer of 51,057,666 equity shares, having a face value of Rs 10 each, at an issue price to be arrived at by the book building process (referred to as the 'Offer').

Financial information as per the audited financial statements:

The financial information of IRB Infrastructure Developers Limited has been extracted by the management from the financial statements of IRB Infrastructure Developers Limited for the five months period ended August 31, 2007, and year ended March 31, 2007, March 31, 2006, March 31, 2005, March 31, 2004 and March 31, 2003 and approved by the Board of Directors. Audit for the years ended March 31, 2006, March 31, 2005, March 31, 2004 and March 31, 2003 was conducted by previous auditors, M/s J. M. Shah & Co. and accordingly reliance has been placed on the financial statements audited by them for the said years.

The financial information included for the years ended March 31, 2006, March 31, 2005, March 31, 2004 and March 31, 2003 is based solely on the report submitted by the previous auditors. M/s J. M. Shah & Co., have also confirmed that there are no qualification requiring adjustments or extraordinary items that need to be disclosed separately in the accounts and the restated financial information has been made after incorporating:

a) the impact arising on account of changes in accounting policies adopted by the Company as at and for the period ended August 31, 2007 applied with retrospective effect in all the reporting periods;

b) adjustments for the material amounts in the respective financial years to which they relate.

In accordance with the requirements of Paragraph B of Part II of Schedule II of the Act, the SEBI Guidelines and terms of our engagement agreed with you, we further report that:

a) The Summary Statement of Assets and Liabilities, as restated, Summary Statement of Profits and Losses, as restated and Summary Statement of Cash Flows, as restated ('Restated Financial Statements') of the Company, including as at and for the years ended March 31, 2006, March 31, 2005, March 31, 2004 and March 31, 2003 examined and reported by M/s J. M. Shah & Co. on which reliance has been placed by us, and as at and for the period/year ended August 31, 2007 and March 31, 2007, examined by us, as set out in Annexure I, II and III to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Notes on adjustments for Restated Financial Statements and Significant Accounting Policies for Restated Financial

Statements (Refer Annexure IV and IVA).

b) Based on the above and also as per the reliance placed on the reports submitted by the previous auditors M/s J. M. Shah & Co. for the respective years, we are of the opinion that the Restated Financial Statements have been made after incorporating:

   - the impact arising on account of changes in accounting policies adopted by the Company as at and for the period ended August 31, 2007 applied with retrospective effect in the Restated Financial Statements;
   - adjustments for the material amounts in the respective financial years to which they relate.

c) There are no extraordinary items, which need to be disclosed separately in the Restated Financial Statements.

d) There are no qualifications in the auditors' reports, which require any adjustments to the Restated Financial Statements.

Other Financial Information:

At the Company's request, we have also examined the following financial information proposed to be included in the offer document prepared by the management and approved by the Board of Directors of the Company and annexed to this report relating to the Company, for the five months period ended August 31, 2007 and year ended March 31, 2007. In respect of the years ended March 31, 2006, March 31, 2005, March 31, 2004 and March 31, 2003, this information have been included based on the reports submitted by the previous auditors, M/s J. M. Shah & Co. and relied upon by us.

i. Capitalization Statement as at August 31, 2007, enclosed as Annexure V;
ii. Statement of Accounting Ratios, as restated, enclosed as Annexure VI;
iii. Details of Other Income, enclosed as Annexure VII;
iv. Details of Loans, enclosed as Annexure VIII;
v. Details of Loans and Advances, enclosed as Annexure IX;
vi. Details of Sundry Debtors, enclosed as Annexure X;
vii. Details of Contingent liabilities, as enclosed as Annexure XI;
viii. Statement of Tax Shelters, enclosed as Annexure XII;
ix. Statement of Transactions with Related Parties and Details of Outstanding Balances, enclosed as Annexure XIII.

In our opinion, the financial information as disclosed in the annexures to this report, read with the respective significant accounting policies and notes disclosed in Annexure IV and after making adjustments and re-groupings as considered appropriate and disclosed in Annexure IVA, has been prepared in accordance with Part II of Schedule II of the Act and the Guidelines.

This report should not be in any way construed as a reissuance or redating of any of the previous audit reports issued by us or by other firm of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

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

For S.R. BATLIBOI & CO.
Chartered Accountants

per Vijay Bhatt
Partner
Membership No: 36647

Place: Mumbai
Date: November 22, 2007

Enclosed: Report of M/s J. M. Shah & Co., Chartered Accountants dated November 22, 2007.

Auditors' Report on
Financial Information in Relation to Prospectus

To
The Board of Directors,
IRB Infrastructure Developers Limited,
(formerly DVJ Leasing & Finance Pvt. Ltd.)
IRB Complex, Chandivli Farm
Chandivli Village, Andheri (E)
Mumbai – 400 072
India

Dear Sirs,

1) We have examined the attached financial information of IRB Infrastructure Developers Limited, as approved by the Board of Directors of the Company, prepared in terms of the requirements of Paragraph B, Part II of Schedule II of the Companies Act, 1956 ("the Act") and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 as amended to date ("SEBI Guidelines") and in terms of our engagement agreed upon with you in accordance with the engagement letter dated 21.08.2007 in connection with the proposed issue of Equity shares of IRB Infrastructure Developers Limited.

2) This information has been extracted, by the Management, from the financial statements for the years ended on March 31, 2003, 2004, 2005 and 2006.

3) In accordance with the requirements of Paragraph B of part II of Schedule II of the Act, the SEBI Guidelines and terms of our engagement agreed with you, we further report that:

(a) The Restated Summary Statement of Assets and Liabilities of the Company, as at March 31, 2003, 2004, 2005 and 2006 examined by us, as set out in the Annexure to this report, are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes and Changes in Significant Accounting Policies (Refer Annexures):

(b) The Restated Summary Statement of Profits or Losses and the Cash Flows of the Company for the years then ended, examined by us, as set out in Annexure to this report are after making adjustments and regroupings as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes and Changes in Significant Accounting Policies (Refer Annexures).

4) Based on the above we are of the opinion that the restated financial information has been made after incorporating:

(i) adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods.

(ii) adjustments for the material amounts in the respective financial years to which they relate.

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(iii) and there are no extra-ordinary items that need to be disclosed separately in the accounts and qualification requiring adjustments.

In our opinion the financial information contained in Annexures I and II of this report read along with the Significant Accounting Policies, Changes in Significant Accounting policies and Notes (Refer Annexures) prepared after making adjustments and regrouping as considered appropriate have been prepared in accordance with Part IIB of Schedule II of the Act and the DIP Guidelines.

5) At the Company's request, we have also examined the following financial information proposed to be included in the offer document prepared by the management and approved by the Board of Directors of the Company and annexed to this report relating to the Company, for the years ended March 31, 2006, 2005, 2004 and 2003:

i) Statement of Accounting Ratios, as restated, enclosed as Annexure V;
ii) Details of Other Income, enclosed as Annexure VI;
iii) Details of Loans, enclosed as Annexure VII;
iv) Details of Loans and Advances, enclosed as Annexure VIII;

v) Details of Sundry Debtors, enclosed as Annexure IX;
vi) Details of Contingent liabilities, as enclosed as Annexure X;
vii) Statement of Tax Shelters, enclosed as Annexure XI;
viii) Statement of Transactions with Related Parties and Details of Outstanding Balances, enclosed as Annexure XII.

6) Our report is intended solely for use of the Management and for inclusion in the offer document in connection with the proposed issue of equity shares of IRB Infrastructure Developers Limited. Our report should not be used for any other purpose except with our consent in writing.

For J.M. Shah & Co.
Chartered Accountants

CA. Sandeep J. Shah
Proprietor
Membership Number: 35156

Place: Mumbai
Date: November 22, 2007

IRB INFRASTRUCTURE DEVELOPERS LIMITED
(Formerly DVJ Leasing & Finance Private Limited)

ANNEXURE I: SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(Amount INR Thousand)

	PARTICULARS	As at August 31, 2007	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003
A.	**INVESTMENTS**	**3,233,947**	**2,682,295**	**1,349,404**	**232,250**	**225,100**	**57,600**
B.	**DEFERRED TAX ASSETS**	**371**	**333**	**-**	**-**	**-**	**-**
C.	**CURRENT ASSETS, LOANS AND ADVANCES**						
	Sundry debtors	7,757	8,257	8,257	10,677	-	-
	Cash and bank balances	2,641,409	2,641,415	98,122	501	51,876	124
	Loans and advances	1,611,300	70,793	44,818	920,509	480,896	10,000
	Total	**4,260,466**	**2,720,465**	**151,197**	**931,687**	**532,772**	**10,124**
D.	**LIABILITIES AND PROVISIONS**						
	Secured loans	2,320,074	14,815	-	-	-	-
	Unsecured loans	2,673,700	2,766,350	-	-	2,923	20,570
	Current liabilities	73,282	155,726	10,349	24,526	36,207	39,386
	Provisions	4,906	18,579	4,043	2,081	1,787	4,848
	Total	**5,071,962**	**2,955,470**	**14,392**	**26,607**	**40,917**	**64,804**
	Net worth (A+B+C-D)	**2,422,822**	**2,447,623**	**1,486,209**	**1,137,330**	**716,955**	**2,920**
	Net Worth represented by						
E.	Share capital	2,472,680	2,472,680	1,333,000	1,143,000	2,500	2,500
F.	Share application money pending allotment	-	-	71,000	-	717,500	-
G.	Profit and loss balance	131,022	154,384	86,951	257	(189)	444
H.	Miscellaneous expenditure (To the extent not written off or adjusted)	(180,880)	(179,441)	(4,742)	(5,927)	(2,856)	(24)
	Net worth (E+F+G+H)	**2,422,822**	**2,447,623**	**1,486,209**	**1,137,330**	**716,955**	**2,920**

The above statement should be read with the notes on adjustments for restated financial statements and significant accounting policies as appearing in Annexure IV and Annexure IV-A respectively.

As per our report of even date

For S.R. BATLIBOI & CO.
Chartered Accountants

per Vijay Bhatt
Partner
Membership No: 36647

Place: Mumbai
Date: November 22, 2007

For and on behalf of the Board of Directors

V. D. Mhaiskar
Director

IRB INFRASTRUCTURE DEVELOPERS LIMITED
(Formerly DVJ Leasing & Finance Private Limited)
ANNEXURE II: SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED

(Amount INR Thousand)

Particulars	For the period April 1, 2007 to August 31, 2007	For the year ended March 31, 2007	For the year ended March 31, 2006	For the year ended March 31, 2005	For the year ended March 31, 2004	For the year ended March 31, 2003
INCOME						
Turnover	-	10,204	79,877	24,916	6,156	-
Other income	127,959	103,849	99,220	7	-	1
Total (A)	**127,959**	**114,053**	**179,097**	**24,923**	**6,156**	**1**
EXPENDITURE						
Direct expenses	-	9,689	77,369	22,974	6,106	-
Personnel expenses	8,581	775	-	-	-	-
Office administration and other expenses	14,521	12,793	18,024	1,690	385	22
Finance expenses	143,813	5,536	-	-	-	-
Total (B)	**166,915**	**28,793**	**95,393**	**24,664**	**6,491**	**22**
PROFIT BEFORE PRIOR PERIOD ITEM AND TAX (A-B)	**(38,956)**	**85,260**	**83,704**	**259**	**(335)**	**(21)**
Prior period item - Income from maintenance contract	-	-	-	-	5,381	-
PROFIT BEFORE TAX	**(38,956)**	**85,260**	**83,704**	**259**	**5,046**	**(21)**
PROVISION FOR TAXATION						
Current tax (including short / (excess) provision for current tax of earlier years)	(15,585)	17,310	2,100	(596)	3,006	-
Deferred tax	(38)	(333)	-	-	-	-
Fringe Benefit Tax	29	-	-	-	-	-
TOTAL	**(15,594)**	**16,977**	**2,100**	**(596)**	**3,006**	**-**
NET PROFIT BEFORE ADJUSTMENTS	**(23,362)**	**68,283**	**81,604**	**855**	**2,040**	**(21)**
ADJUSTMENTS (Refer note no.1 of Annexure IV)	-	(850)	5,090	(409)	(2,673)	286
CURRENT TAX IMPACT ON ADJUSTMENTS (Refer note no.2(c) of Annexure IV)	-	-	-	-	-	(690)
NET PROFIT, AS RESTATED	**(23,362)**	**67,433**	**86,694**	**446**	**(633)**	**(425)**
Profit and loss account, at the beginning of the year	154,384	86,951	257	(189)	444	869
BALANCE CARRIED FORWARD, AS RESTATED	**131,022**	**154,384**	**86,951**	**257**	**(189)**	**444**

The above statement should be read with the notes on adjustments for restated financial statements and significant accounting policies as appearing in Annexure IV and Annexure IV-A respectively.

As per our report of even date

For S.R. BATLIBOI & CO.
Chartered Accountants

per Vijay Bhatt
Partner
Membership No: 36647
Place: Mumbai
Date: November 22, 2007

For and on behalf of the Board of Directors

V. D. Mhaiskar
Director

IRB INFRASTRUCTURE DEVELOPERS LIMITED						
(Formerly DVJ Leasing & Finance Private Limited)						
ANNEXURE III: SUMMARY STATEMENT OF CASH FLOWS, AS RESTATED						
						(Amount INR Thousand)
Particulars	**For the period April 1, 2007 to August 31, 2007**	**Year ended March 31, 2007**	**Year ended March 31, 2006**	**Year ended March 31, 2005**	**Year ended March 31, 2004**	**Year ended March 31, 2003**
A. Cash flows from operating activities						
Net profit before taxation	(38,956)	84,312	88,656	404	(691)	1,856
Adjustments for:						
Debenture issue expenses	-	2,004	-	-	-	-
Amortisation of share issue expenses	-	3,785	1,415	-	-	-
Diminution in value of investment	171	812	-	-	-	-
Loss / (Gain) on sale of investment	(3,068)	(2,633)	10,254	-	-	-
Interest paid	143,813	5,536	-	-	-	-
Interest income on loan given	(581)	(19)	-	-	-	-
Interest income on other bank deposits	(123,428)	(7,428)	-	-	-	-
Dividend from subsidiaries	-	(63,939)	-	-	-	-
Preliminary expenses written off	-	948	1,185	1,481	714	3
Dividend income other than subsidiaries	(291)	(29,830)	(99,220)	-	-	-
Operating Profit/(Loss) Before Working Capital Changes	**(22,340)**	**(6,452)**	**2,290**	**1,885**	**23**	**1,859**
(Increase) / Decrease in other loans and advances	(23,918)	(294)	878,800	(398,600)	(480,200)	(10,000)
Decrease / (Increase) in sundry debtors	500	-	2,420	(10,677)	-	-
Increase / (Decrease) in sundry creditors	3,185	135,370	89	(28)	(1,401)	121
Increase / (Decrease) in Provision	2,094	-	-	-	-	-
Increase / (Decrease) in other liabilities	24,291	10,007	(14,266)	(11,653)	(1,669)	(5,839)
Cash generated from operations	**(16,188)**	**138,631**	**869,333**	**(419,073)**	**(483,247)**	**(13,859)**
Direct taxes paid (net)	(209)	(2,676)	-	336	(3,113)	623
Net cash from / (used in) operating activities	**(16,397)**	**135,955**	**869,333**	**(418,737)**	**(486,360)**	**(13,236)**
B. Cash flows from investing activities						

Purchase of shares in subsidiaries (including share application money pending allotment)	(598,525)	(1,827,615)	(541,898)	-	(167,500)	-
Purchase of investment	(18,187)	(1,844,864)	(1,832,084)	(7,150)	-	-
Sale of investments	67,957	2,341,410	1,246,574	-	-	-
Interest received other than subsidiary	-	54	-	-	-	-
Interest received	122,098	-	-	-	-	-
Dividend from subsidiaries	-	63,939	-	-	-	-
Dividend received other than subsidiary	291	37,285	91,765	-	-	-
Loan recovered from subsidiaries	48,246	-	4,346	-	9,304	-
Interest on loan to subsidiary	580	19	-	-	-	-
Loan to subsidiaries	(1,563,506)	(25,763)	-	(41,012)	-	-
Investment in fixed deposits	-	(2,637,000)	-	-	-	-
Net cash from / (used in) investing activities	**(1,941,046)**	**(3,892,535)**	**(1,031,297)**	**(48,162)**	**(158,196)**	**-**
C. Cash flows from financing activities						
Proceeds from loans	2,305,259	14,815	-	(2,923)	(17,647)	13,336
Proceeds from loans taken from subsidiary	625	126,495	-	-	-	-
Proceeds from issuance of share capital (including share application money pending allotment)	-	1,068,680	261,000	423,000	717,500	-
Repayment of loan taken from Susidiaries	(93,275)	-	-	-	-	-
Proceeds from issuance of Debentures	-	2,639,856	-	-	-	-
Share issue expenses	-	(18,923)	(1,415)	(4,553)	(3,545)	-
Debenture issue expenses	(149,137)	(162,514)	-	-	-	-
Interest paid	(106,035)	(5,536)	-	-	-	-
Net cash from financing activities	**1,957,437**	**3,662,873**	**259,585**	**415,524**	**696,308**	**13,336**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(6)**	**(93,707)**	**97,621**	**(51,375)**	**51,752**	**100**
Cash and cash equivalents at the beginning of the year	4,415	98,122	501	51,876	124	24
Cash and cash equivalents at the end of the year	***4,409***	***4,415***	***98,122***	***501***	***51,876***	***124***
Components of cash and cash equivalents						
Cash on hand	837	847	74	5	1	2

Balances with scheduled banks on current account	3,572	3,568	98,048	496	51,875	122
Total	**4,409**	**4,415**	**98,122**	**501**	**51,876**	**124**
Note :-						
1. All figures in bracket are outflow						
2. Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.						
3. Cash and cash equivalent is as per balance sheet except for fixed deposits not considered as cash and cash equivalent as the maturity date is beyond three months.						
As per our Report of even date						
For S.R. BATLIBOI & CO.		**For and on behalf of the Board of Directors**				
Chartered Accountants						
per Vijay Bhatt		**V.D. Mhaiskar**				
Partner		**Director**				
Membership No.:36647						
Place: Mumbai						
Date: November 22, 2007						

IRB INFRASTRUCTURE DEVELOPERS LIMITED								
(Formerly DVJ Leasing & Finance Private Limited)								
Schedules to the Accounts								***(Amount INR Thousand)***
	Face Value	***No./Unit***	**As at August**	**As at March**	**As at March**	**As at March**	**As at March**	**As at March**
	Rs.		**31, 2007**	**31, 2007**	**31, 2006**	**31, 2005**	**31, 2004**	**31, 2003**
INVESTMENTS								
A. Long Term Investments (At cost)								
1. In Subsidiary Companies (Unquoted, fully paid)								
Aryan Toll Road Private Limited	100	44,99,750	450,875	450,875	220,326	90,000	70,000	-
The above shares have been pledged with bank against loan taken by Subsidiary Company								
ATR Infrastructure Private Limited	100	51,74,750	518,558	518,558	255,076	84,650	77,500	-
The above shares have been pledged with bank against loan taken by Subsidiary Company								
Ideal Road Builders Private Limited	100	37,67,140	377,447	377,447	57,600	57,600	57,600	57,600
The above shares have been pledged with bank against loan taken by Subsidiary Company								
IRB Infrastructure Private Limited	100	5,69,000	57,042	57,042	-	-	-	-
Mhaiskar Infrastructure Private Limited	10	3,60,70,000	361,299	361,299	202,471	-	-	-
The above shares have been pledged with bank against loan taken by Subsidiary Company								
Modern Road Makers Private Limited	100	31,09,499	311,725	311,725	-	-	-	-
NKT Road & Toll Private Limited - Preference shares	100	5,50,000	55,137	55,137	-	-	-	-
Out of above 16,500 shares have been pledged with bank against loan taken by Subsidiary Company								
Thane Ghodbunder Toll Road Private Limited	10	10,397,500	104,050	94,740	38,650	-	-	-
Out of above 85,17,000 shares have been pledged with bank against loan taken by Subsidiary Company								
IDAA Infrastructure Private Limited	10	41,849,000	418,490	374,940	25	-	-	-
The above shares have been pledged with bank against loan taken by Subsidiary Company								
Aryan Infrastructure Investment Private Limited	10	54,566,500	545,665	-	-	-	-	-
Share application money pending allotment for investment in Aryan Toll Road Private Limited			-	-	-	-	20,000	-
Total (a)			**3,200,288**	**2,601,763**	**774,148**	**232,250**	**225,100**	**57,600**
2. In Equity Shares (Quoted fully paid)								
Union Bank of India	10	9,177	1,009	1,009	1,009	-	-	-
Total (b)			**1,009**	**1,009**	**1,009**	**-**	**-**	**-**

B. Current Investments (At lower of cost and market value)								
1. In Equity Shares (Quoted, fully paid)								
Development Credit Bank Limited	10	32,864	1,907	2,423	-	-	-	-
GMR Infrastructure Limited	10	1,756	604	1,027	-	-	-	-
HT Media Limited	2	9,184	1,674	1,620	-	-	-	-
Network 18 Fincap	5	9,741	3,465	2,464	-	-	-	-
Reliance Capital Limited	10	1,744	1,049	2,886	-	-	-	-
Reliance Energy Limited	10	4,250	2,707	-	-	-	-	-
Sobha Developers Limited	10	3,577	2,485	2,484	-	-	-	-
United Breweries Limited	1	1,802	461	461	-	-	-	-
Zee Entertainment Limited	1	12,524	2,856	2,856	-	-	-	-
Exid Industries Limited	1	8,062	444	-	-	-	-	-
Cholamandalam DBS Finance Limited	10	6,061	965	-	-	-	-	-
Mysore Cement	10	18,726	860	-	-	-	-	-
MIC Electronics Limited	10	5,948	2,327	-	-	-	-	-
Suven Life Sciences Limited	1	39,437	1,459	-	-	-	-	-
Firstsource Solutions Limited	10	24,136	2,019	-	-	-	-	-
GTL Limited	10	13,885	2,642	-	-	-	-	-
Total (c)			**27,924**	**16,221**	-	-	-	-
2. In Mutual Fund (Unquoted)								
K Liquid - Institutional (D)	10	471,003.333	4,726	14,746	-	-	-	-
DSP Merrill Lynch Opportunities Fund - Dividend	10	2,055,287.788	-	48,556	-	-	-	-
DSP Merrill Lynch India TIGER Fund Dividend	10	4,418,348.785	-	-	95,348	-	-	-
Fidelity Equity Fund - Dividend	10	3,727,448.934	-	-	50,000	-	-	-
Reliance Equity Fund - Dividend	10	7,000,000.000	-	-	70,000	-	-	-
Tata Equity Opportunities Fund - Plan A (Dividend)	10	3,579,086.719	-	-	90,300	-	-	-
HDFC Equity Fund - Dividend	10	1,730,862.719	-	-	63,209	-	-	-
HDFC Top 200 Fund - Dividend	10	2,420,679.591	-	-	84,174	-	-	-
Prudential ICICI Dynamic Plan - Dividend	10	3,034,006.643	-	-	50,917	-	-	-
Prudential ICICI Emerging STAR Fund - Dividend	10	3,608,751.945	-	-	70,299	-	-	-
Total (d)			**4,726**	**63,302**	**574,247**	**-**	**-**	**-**
Total (a) + (b) + (c) + (d)			**3,233,947**	**2,682,295**	**1,349,404**	**232,250**	**225,100**	**57,600**
The following investment were purchased and sold during the year								
	Face Value	*No./Unit*	**Purchase Cost**	**Purchase Cost**	**Purchase Cost**	**Purchase Cost**	**Purchase Cost**	**Purchase Cost**
	Rs.		**August 31, 2007**	**March 31, 2007**	**March 31, 2006**	**March 31, 2005**	**March 31, 2004**	**March 31, 2003**
Fidelity India Special Situation Fund - Dividend	10	10,000,000	-	100,000	-	-	-	-
Fidelity Multi Manager Cash Fund - Growth	10	5,055,560	-	51,786	-	-	-	-

	Face Value	*No./Unit*	**Purchase Cost**	**Purchase Cost**	**Purchase Cost**	**Purchase Cost**	**Purchase Cost**	**Purchase Cost**
	Rs.		**August 31, 2007**	**March 31, 2007**	**March 31, 2006**	**March 31, 2005**	**March 31, 2004**	**March 31, 2003**
Reliance Floating Rate Fund - Growth	10	6,757,957	-	76,179	-	-	-	-
TATA Equity Opportunities Fund - Plan A (Dividend)	10	3,284,802	-	70,576	-	-	-	-
TATA Floating Rate Fund Short Term-Income/Bonus	10	11,922,183	-	120,687	-	-	-	-
DSP Floating Rate Growth	10	6,174,250	-	72,278	-	-	-	-
DSP Merrill Lynch Liquid Plus - Weekly Dividend	1,000	105,554	-	105,693	-	-	-	-
DSP Floating Rate Fund Daily Dividend	10	8,573,493	-	86,002	-	-	-	-
DSP Merrill Lynch Opportunity Fund Dividend	10	981,790	-	23,583	-	-	-	-
DSP Merrill Lynch India Tiger Fund Dividend	10	4,041,467	-	86,002	-	-	-	-
HDFC Equity Fund - Dividend	10	1,605,836	-	52,467	-	-	-	-
HDFC Floating Rate Income Fund - Short Term Plan	10	20,067,410	-	203,040	-	-	-	-
K Liquid - Institutional (D)	10	325,629	3,267	15,351	-	-	-	-
Prudential ICICI Power Dividend	10	3,716,673	-	65,599	-	-	-	-
Prudential ICICI Dynamic Plan - Dividend	10	6,584,741	-	127,506	-	-	-	-
Prudential ICICI Emerging Star Fund - Dividend	10	3,463,854	-	84,137	-	-	-	-
Prudential ICICI Floating Rate Plan C - Dividend	10	10,686,610	-	106,994	-	-	-	-
Prudential ICICI Floating Rate Plan A Dividend	10	21,642,661	-	216,647	-	-	-	-
Templeton India Equity Income Fund	10	9,950,249	-	100,000	-	-	-	-
DSP Merrill Lynch Floating Rate Fund Weekly Dividend	10	18,521,352	-	-	185,812	-	-	-
DSP Merrill Lynch Equity Fund - Regular	10	2,777,929	-	-	100,283	-	-	-
DSP Merrill Lynch Opportunities Fund - Dividend	10	3,177,676	-	-	85,607	-	-	-
DSP Floating Rate Fund Daily Dividend	10	9,507,226	-	-	95,348	-	-	-
HDFC Floating Rate Income Fund ST Plan	10	5,212,179	-	-	60,000	-	-	-
HDFC Equity Fund - Dividend	10	1,764,099	-	-	60,115	-	-	-
HDFC Floating Rate Income Fund-Short Term Plan	10	21,554,987	-	-	227,421	-	-	-
HDFC Top 200 Fund-Dividend	10	2,506,030	-	-	80,166	-	-	-
Prudential ICICI Floating Rate Plan C-Dividend	10	10,084,878	-	-	101,102	-	-	-
Prudential ICICI Discovery Fund-Dividend	10	2,685,285	-	-	50,000	-	-	-
Prudential Floating Rate Plan A Dividend	10	7,021,844	-	-	70,256	-	-	-
HSBC Floating Rate Fund- Short Terms- Inst- Growth	10	6,630,169	-	-	70,000	-	-	-
HSBC India Opportunities Fund-Dividend	10	4,321,920	-	-	70,719	-	-	-
Total			**3,267**	**1,764,527**	**1,256,829**	**-**	**-**	**-**
Aggregate Net Cost and Market Value of Company's Investments:								
Quoted								
- Aggregate Net Cost			28,934	17,230	1,009	-	-	-
- Market Value			35,918	18,788	1,110	-	-	-

Unquoted							
- Aggregate Net Cost			3,205,013	2,665,065	1,348,395	232,250	225,100	57,600

IRB INFRASTRUCTURE DEVELOPERS LIMITED

(Formerly DVJ Leasing & Finance Private Limited)

Schedules to the Accounts

	As at August 31, 2007	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003
DEFERRED TAX ASSETS						
Effect of expenditure debited to profit and loss account in the current year but allowed for the tax purpose in following years	352	57	-	-	-	-
Diminution in value of investments	19	276	-	-	-	-
Net Deferred Tax Assets	**371**	**333**	**-**	**-**	**-**	**-**
SUNDRY DEBTORS						
Debts outstanding for a period exceeding six months						
Unsecured, considered good						
Dues from concerns in which Directors are interested						
Mhaiskar Udyog	7,757	8,257	8,257	-	-	-
Other Debts						
Unsecured, considered good						
Dues from concerns in which Directors are interested						
Mhaiskar Udyog	-	-	-	10,677	-	-
	7,757	**8,257**	**8,257**	**10,677**	**-**	**-**
CASH AND BANK BALANCES						
Cash on hand	837	847	74	5	1	2
Balances with scheduled banks						
On current accounts	3,572	3,568	98,048	496	51,875	122
On deposits account (Hypothecated with bank for overdraft facility)	2,637,000	2,637,000	-	-	-	-
	2,641,409	**2,641,415**	**98,122**	**501**	**51,876**	**124**
LOANS AND ADVANCES (Unsecured, considered good)						
Accrued interest	8,703	7,373	-	-	-	-
Advance upfront toll charges paid	-	-	-	878,800	480,200	-
Prepaid expenses	166	294	-	-	-	-
Dividend receivable	-	-	7,455	-	-	-
Loans to subsidiaries and concerns in which Directors are interested	1,578,385	63,126	37,363	41,709	696	10,000

			As at August 31, 2007	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003
Advances Recoverable in cash or in kind for value to be received			24,046	-	-	-	-	-
			1,611,300	**70,793**	**44,818**	**920,509**	**480,896**	**10,000**
Included in Loans and Advances are:								
i. Dues from subsidiaries								
Ideal Road Builders Private Limited			215	212	197	-	-	-
IDAA Infrastructure Private Limited			-	-	191	-	-	-
Modern Road Makers Private Limited			794,907	62,914	1,540	40,926	-	-
Aryan Toll Road Private Limited			164,173	-	-	-	-	10,000
ATR infrastructure Private limited			619,090	-	-	-	-	-
ii. Dues from concerns in which directors are interested								
Aryan Construction			-	-	35,435	783	696	-

IRB INFRASTRUCTURE DEVELOPERS LIMITED						
(Formerly DVJ Leasing & Finance Private Limited)						
Schedules to the Accounts						
				(Amount INR Thousand)		
Particulars	**As at August 31, 2007**	**As at March 31, 2007**	**As at March 31, 2006**	**As at March 31, 2005**	**As at March 31, 2004**	**As at March 31, 2003**
SHARE CAPITAL						
Authorised						
Equity shares of Rs.10 each	6,150,000	2,500,000	1,350,000	1,150,000	500,000	2,500
Unclassified shares of Rs.10 each	-	3,650,000	-	-	-	-
	6,150,000	**6,150,000**	**1,350,000**	**1,150,000**	**500,000**	**2,500**
Issued, Subscribed and Paid-up						
Equity shares of Rs. 10 each	2,472,680	2,472,680	1,333,000	1,143,000	2,500	2,500
	2,472,680	**2,472,680**	**1,333,000**	**1,143,000**	**2,500**	**2,500**
SECURED LOANS						
Overdraft from Banks	2,320,074	14,815	-	-	-	-
(Secured by hypothecation of fixed deposit with banks)						
	2,320,074	**14,815**	**-**	**-**	**-**	**-**
UNSECURED LOANS						
Privately placed debentures	2,639,855	2,639,855	-	-	-	-
3,940,0830 7.5% (Net of tax) Unsecured Fully Convertible Debentures of Rs. 67 each convertible into preference share and / or equity share within two years or earlier at the option of debenture holders						
From directors	-	-	-	-	-	5,061
From others (Inter-corporate)	-	-	-	-	2,923	15,509
From subsidiaries	33,845	126,495	-	-	-	-
	2,673,700	**2,766,350**	**-**	**-**	**2,923**	**20,570**
Unsecured loans due from subsidiaries are:						
a) Mhaiskar Infrastructure Private Limited	33,701	33,079	-	-	-	-
b) IDAA Infrastructure Private Limited	144	141	-	-	-	-
c) ATR Infrastructure Private Limited	-	93,275	-	-	-	-
Total	**33,845**	**126,495**	**-**	**-**	**-**	**-**
CURRENT LIABILITIES						
Sundry creditors	5,385	135,496	126	37	64	1,465
Interest accrued but not due	41,471	3,693	-	-	-	-
Provision against maintenance charges	-	-	-	-	-	37,776
Advance maintenance charges received	-	-	10,204	24,441	36,080	-
Excess income tax refund	-	-	-	-	-	110
Other liabilities	26,426	16,537	19	48	63	35
	73,282	**155,726**	**10,349**	**24,526**	**36,207**	**39,386**
PROVISIONS						
Provision for taxation (net of advance tax payments)	2,812	18,579	4,043	2,081	1,787	4,848
Provision for gratuity	1,811	-	-	-	-	-
Provision For Leave Encashment	283	-	-	-	-	-
	4,906	**18,579**	**4,043**	**2,081**	**1,787**	**4,848**

IRB INFRASTRUCTURE DEVELOPERS LIMITED						
(Formerly DVJ Leasing & Finance Private Limited)						
Schedules to the Accounts						
						(Amount INR Thousand)
Particulars	**As at August 31, 2007**	**As at March 31, 2007**	**As at March 31, 2006**	**As at March 31, 2005**	**As at March 31, 2004**	**As at March 31, 2003**
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)				,		
Preliminary expenditure	-	-	4,742	5,927	2,856	24
Share issue expenses	18,931	18,931	-	-	-	-
Debenture issue expenses	161,949	160,510	-	-	-	-
	180,880	**179,441**	**4,742**	**5,927**	**2,856**	**24**

IRB INFRASTRUCTURE DEVELOPERS LIMITED						
(Formerly DVJ Leasing & Finance Private Limited)						
Schedules to the Accounts						
						(Amount INR Thousand)
	For the period April 1, 2007 to August 31, 2007	**For the year ended March 31, 2007**	**For the year ended March 31, 2006**	**For the year ended March 31, 2005**	**For the year ended March 31, 2004**	**For the year ended March 31, 2003**
TURNOVER						
Maintenance charges received	-	10,204	14,237	14,239	6,156	-
Toll charges received	-	-	65,640	10,677	-	-
	-	**10,204**	**79,877**	**24,916**	**6,156**	**-**
OTHER INCOME						
Interest						
On bank deposits	123,428	7,428	-	-	-	-
On loan to subsidiary	9	19	-	-	-	-
On advance given	572	-	-	-	-	-
On income tax refund	-	-	-	7	-	-
Rebates and discounts	-	-	-	-	-	1
Dividend income	-	-	-	-	-	-
Long term investments trade	291	-	-	-	-	-
On investments in subsidiaries - long term	-	63,939	-	-	-	-
On current investment	-	29,830	99,220	-	-	-
Other Income	50	-	-	-	-	-
Foreign exchange gain	541	-	-	-	-	-
Profit / (Loss) on sale of investment	3,068	2,633	-	-	-	-
	127,959	**103,849**	**99,220**	**7**	**-**	**1**
DIRECT EXPENSES						
Maintenance charges paid	-	9,689	11,489	13,774	6,106	-
Toll charges paid	-	-	65,880	9,200	-	-
	-	**9,689**	**77,369**	**22,974**	**6,106**	**-**
PERSONNEL EXPENSES						
Salaries, wages and bonus	6,436	775	**-**	**-**	**-**	**-**
Gratuity expenses	1,811	-	**-**	**-**	**-**	**-**
Contribution to providend fund	334	-	**-**	**-**	**-**	**-**
	8,581	**775**	**-**	**-**	**-**	**-**
OFFICE ADMINISTRATION AND OTHER EXPENSES						
Debenture issue expenses	-	2,004	-	-	-	-
Rates and taxes	25	58	-	-	-	-
Share issue expenses	-	3,785	1,415	-	-	-
Advertisement expenses	8,954	2,693	-	-	-	-
Insurance	128	9	-	-	-	-
Communication cost	9	-	-	-	-	-
Bank charges	274	121	3	8	9	-
Travelling and conveyance	398	-	-	-	-	-
Donation	1,050	750	-	-	-	-
Conference expenses	12	450	-	-	-	-
Printing and stationery	56	182	-	2	-	-
Legal and professional fees	643	92	15	14	8	7
Auditor's remuneration	2,777	1,347	197	37	10	12
Loss on sale of investments	-	-	10,254	-	-	-

IRB INFRASTRUCTURE DEVELOPERS LIMITED						
(Formerly DVJ Leasing & Finance Private Limited)						
Schedules to the Accounts						
						(Amount INR Thousand)
	For the period April 1, 2007 to August 31, 2007	**For the year ended March 31, 2007**	**For the year ended March 31, 2006**	**For the year ended March 31, 2005**	**For the year ended March 31, 2004**	**For the year ended March 31, 2003**
Diminution in value of Investment	171	812	-	-	-	-
Miscellaneous expenses	24	490	2	3	-	-
Preliminary expenses written off	-	-	6,138	1,626	358	3
	14,521	**12,793**	**18,024**	**1,690**	**385**	**22**
INTEREST EXPENSES						
Interest on debentures	107,349	5,395	-	-	-	-
Interest on loans	1,368	141	-	-	-	-
Bank Interest	35,096	-	-	-	-	-
	143,813	**5,536**	**-**	**-**	**-**	**-**

ANNEXURE IV

Notes to Accounts

1. Adjustments for Restated Financial Statements

Below mentioned is the summary of results of restatement made in the audited accounts for the respective years and its impact on the profits / losses of the Company:

(Amount INR Thousand)

Particulars	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005	Year ended March 31, 2004	Year ended March 31, 2003
ADJUSTMENTS					
Impact of changes in accounting policies					
Maintenance charges received	-	-	-	(12,324)	5,859
Maintenance expenses	-	-	-	6,943	(3,982)
(Refer note no.2(a) below)					
Amortisation of share issue expenses	(948)	4,952	145	(356)	-
(Refer note no.2(b) below)					
Other adjustments					
Short / (Excess) provision for tax	98	138	(554)	3,064	(1,591)
(Refer note no.2(c) below)					
Total	**(850)**	**5,090**	**(409)**	**(2,673)**	**286**

2. Other adjustments

a) Change in accounting policy for maintenance contracts

Till the year ended March 31, 2003, maintenance contracts have been accounted for on Completion Contract Method. From the year ended March 31, 2004, the Company has changed its accounting policy and the maintenance contracts have been accounted for on Percentage Completion Method. Accordingly, the adjustments have been made to the Restated Financial Statements for the years ended March 31, 2004 and 2003 and the brought forward balance in Profit and Loss Account as at April 1, 2002.

b) Change in accounting policy for amortization of share issue expenses

Till the year ended March 31, 2004, share issue expenses were amortised over a period of 10 years. Subsequently, share issue expenses are adjusted in the same year against the Securities Premium Account as permitted by Section 78(2) of the Companies Act, 1956 and in case of insufficient balance in the Securities Premium Account, unadjusted share issue expenses are amortised over a period of 5 years. Accordingly, the figures have been restated for the years ended March 31, 2006, 2005 and 2004.

c) Short / (Excess) provision for tax

The profit and loss account of some years includes amounts paid/provided for or written back, in respect of shortfall/excess income tax arising out of assessments, appeals, etc. which has now been adjusted in the respective years. Also, income tax (current tax and deferred tax) has been computed on adjustments made as detailed above and has been adjusted in the summary statement of profits and losses, as restated for the five months period ended August 31, 2007 and for the years ended March 31, 2007, 2006, 2005, 2004 and 2003. The effect of adjustments relating to financial years ending prior to March 31, 2003 has been adjusted against the Accumulated Profit and Loss balance as at April 1, 2002.

3. Auditors' qualification

Audit qualifications, which do not require any corrective adjustment in the financial information are as follows:

Financial year ended March 31, 2007

CARO, 2007

The Company does not have an internal audit system.

The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it. In case of income tax, the Company has not generally been regular, though the delays in deposit have not been serious.

4. Reconciliation of Profit & Loss balance as at April 1, 2002

(Amount INR Thousand)

Particulars	Amount
Profit and Loss account as at April 1, 2002 (Audited) (A)	**(20)**
Impact of changes in accounting policies	
Maintenance charges received	6,465
Maintenance expenses	(2,961)
(Refer note no.2(a) above)	
Other Adjustments	
(Short) / Excess provisions for tax	(1,155)
(Refer note no.2(c) above)	
Total adjustments (B)	2,349
Tax impact on adjustments (C)	(1,460)
Net of tax impact (D=B-C)	889
Profit and Loss account as at April 1, 2002 (Restated) (A+D)	**869**

5. Debentures

During the five months period ended August 31, 2007 3,940,083 7.5% fully convertible debentures of Rs. 670/- each has been sub-divided into 39,400,830 7.5% fully convertible debentures of Rs. 67/- each. On September 10, 2007 all outstanding debentures were converted into 34,038,444 equity shares of Rs. 10/- each at a premium of Rs. 67.55 per share. Unadjusted debenture issue expense and share issue expense would be adjusted against the securities premium account.

6. Share Split and Reclassification

Pursuant to a resolution of the shareholders of the Company at an Extra-ordinary General Meeting held on August 9, 2007, each equity share of face value Rs. 100 was sub-divided into 10 equity shares of face value Rs. 10 each and 36,500,000 unclassified shares of Rs.10 each were classified as equity shares of Rs.10 each.

As per our report of even date

For S.R. BATLIBOI & CO. **For and on behalf of the Board of Directors** **Chartered Accountants**

per Vijay Bhatt **V.D. Mhaiskar**
Partner **Director**
Membership No.36647

Place: Mumbai
Date: November 22, 2007

ANNEXURE IV-A:

Significant Accounting Policies for Restated Financial Statements

(a) **Basis of preparation:**

The financial statements have been prepared to comply in all material respects in respects with the Notified accounting standard by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis.

(b) **Use of estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(c) **Investments:**

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

(d) **Revenue Recognition:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Road Maintenance Contract

Revenues from maintenance contracts are recognized pro-rata over the period of the contract as and when services are rendered.

Interest
Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend
Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date. Dividend from subsidiaries is recognised even if same are declared after the balance sheet date but pertains to period on or before the date of balance sheet as per the requirement of Schedule VI of the Companies Act, 1956.

(e) **Retirement and other employee benefits:**

Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the period when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year/period.
The Company does not have any policy for leave encashment. However leave can be availed within one year. Accordingly, short term compensated absences are provided for based on estimates.

(f) **Accounting of taxes on income:**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain that sufficient future taxable income will be available against which such deferred tax assets can be realised.

(g) **Earnings per share:**

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(h) **Provisions:**

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(i) **Miscellaneous expenses:**

Debenture / Share issue expenses are adjusted in the same year against the Securities Premium Account as permitted by Section 78(2) of the Companies Act, 1956. In case of insufficient balance in the Securities Premium Account, unadjusted share issue expenses are amortised over a period of 5 years and debenture issue expenses over the period of redemption / conversion. In case subsequently there arises a Securities Premium Account, unadjusted share issue expenses/ debenture issue expenses would not be amortised but adjusted against the securities premium account.

As per our report of even date

For S.R. BATLIBOI & Co.	**For and on behalf of the Board of Directors**
Chartered Accountants	
per Vijay Bhatt **Partner** Membership No.36647	**V. D. Mhaiskar** **Director**

Place: Mumbai
Date: November 22, 2007

Annexure V : Capitalisation Statement, as restated

(Amount INR Thousand)

Particulars	Pre issue as at August 31, 2007	Post issue * (Refer note 4)
Long Term Debts		
Privately placed debentures (Note 1)	2,639,855	
From subsidiaries:		
a) Mhaiskar Infrastructure Private Limited	33,701	
b) IDAA Infrastructure Private Limited	144	
Overdraft from banks (Note 2)	2,320,074	
Total Long Term Debts (a)	**4,993,774**	
Shareholders' Funds		
Equity share capital	2,472,680	
Profit and loss account	131,022	
Miscellaneous expenditure	(180,880)	
Total Shareholders' Funds (b)	**2,422,822**	
Long term debts / Shareholder's funds (a/b)	2.06	

Notes:

1. 3,940,0830 7.5% (Net of tax) Unsecured fully Convertible Debentures of Rs 67 each convertible into preference share and/or equity share within two years or earlier at the option of debenture holders. Subsequent to period end, the Company has vide Board resolution passed on September 10, 2007, converted the said debentures into equity shares.

2. As at August 31, 2007, overdraft from banks is secured by hypothecation of fixed deposit with bank.

3. The figures disclosed above are based on the Restated Summary Statements of IRB Infrastructure Developers Limited.

4. * Shareholders' funds post issue can be calculated only on the conclusion of the book building process.

As per our report of even date

For S.R. BATLIBOI & CO.
Chartered Accountants

per Vijay Bhatt
Partner
Membership No.: 36647

Place: Mumbai
Date: November 22, 2007

For and on behalf of the Board of Directors

V. D. Mhaiskar
Director

Annexure VI : Statement of Accounting Ratios, as restated

Particulars	As at August 31, 2007		As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003
Basic earnings / (loss) per share (Rs) (Based on Rs.10/- per share)	(0.09)	*	0.34	0.73	0.01	(2.53)	(1.70)
Diluted earnings / (loss) per share (Rs) (Based on Rs.10/- per share)	(0.09)	*	0.34	0.73	0.01	(2.53)	(1.70)
Return on net worth (%)	-0.96%		2.76%	5.83%	0.04%	-0.09%	-14.55%
Net asset value per equity share (Rs)	9.80		9.90	10.59	9.95	9.96	11.68
Weighted average number of equity shares outstanding during the period / year used for:							
- Basic earnings per share (Based on Rs.10/- per share)	247,268,000		201,169,470	119,550,000	54,135,550	250,000	250,000
- Dilutive earnings per share (Based on Rs.10/- per share)	281,306,444		201,169,470	119,550,000	75,169,090	25,040,250	250,000
Total number of equity shares outstanding at the end of the period / year (Based on Rs.10/- per share)	247,268,000		247,268,000	133,300,000	114,300,000	250,000	250,000

* - Not annualized

Notes:

1. The ratios have been computed as below:

Basic and Diluted Earnings per share (Rs)

$$\frac{\text{Net profit/(loss) after tax, as restated, attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the period / year}}$$

Return on net worth (%)

$$\frac{\text{Net profit/(loss) after tax, as restated}}{\text{Net worth, as restated, at the end of the period / year}}$$

Net asset value per equity share (Rs)

$$\frac{\text{Net worth, as restated, at the end of the period / year}}{\text{Number of equity shares outstanding at the end of the period / year (includes share application money pending allotment - refer note 6)}}$$

2. The figures disclosed above are based on the Restated Financial Statements of IRB Infrastructure Developers Limited.

3. Earnings / (loss) per share calculations are done in accordance with the Accounting Standard 20 'Earnings Per Share' issued by the Institute of Chartered Accountants of India.

4. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year, adjusted by the number of equity shares issued during the year multiplied by the time-weighting factor. The time-weighting factor is the number of days for which number the specific shares are outstanding as a proportion of the total number of days during the year.

5. For the purpose of calculating diluted earning per share, the net profit attributable to equity shareholders and weighted average number of shares outstanding are adjusted for the effects of all dilutive potential equity shares from the share application money pending allotment. The number of equity shares is the aggregate of the weighted average number of equity shares and the maximum number of equity shares which would be issued on the conversion of all dilutive potential equity shares into equity shares.

6. Share application money pending allotment as on March 31, 2004 and March 31, 2006 have been converted into equity share capital at par in the subsequent year. Accordingly, the number of shares so converted, have been considered in the calculation of the net asset value per equity share.

7. Pursuant to a resolution of the shareholders of the Company at an Extra-ordinary General Meeting held on August 9, 2007, each equity share of face value Rs. 100 was sub-divided into 10 equity shares of face value Rs. 10 each. To facilitate comparison, the basic and diluted earnings per share for previous years has been recomputed.

As per our report of even date

For S.R. BATLIBOI & CO.
Chartered Accountants

per Vijay Bhatt
Partner
Membership No.: 36647

Place: Mumbai
Date: November 22, 2007

For and on behalf of the Board of Directors

V. D. Mhaiskar
Director

Annexure VII : Details of Other Income, as restated

(Amount INR Thousand)

	Period ended August 31, 2007	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005	Year ended March 31, 2004	Year ended March 31, 2003
Other Income, as restated (A)	127,959	103,849	99,220	7	-	1
Net Profit before tax, as per Summary Statement of Profits and Losses, as restated (B)	(38,956)	84,312	88,656	404	(691)	1,856
Percentage (A/B)	- *	123.17%	111.92%	1.73%	-	0.05%

Source of Other Income	Period ended August 31, 2007	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005	Year ended March 31, 2004	Year ended March 31, 2003	Related / Not Related to Business Activity	Nature
Interest on fixed deposit	123,428	7,428	-	-	-	-	Not Related	Recurring
Profit on sale of investments	3,068	2,633	-	-	-	-	Not Related	Non Recurring
Interest on loan to subsidiary	9	19	-	-	-	-	Related	Recurring
Interest on loan to others	572	-	-	-	-	-	Not Related	Non Recurring
Dividend received on investment in subsidiaries	-	63,939	-	-	-	-	Related	Recurring
Dividend received on current investment	291	29,830	99,220	-	-	-	Not Related	Recurring
Foreign exchange gain	541	-	-	-	-	-	Not Related	Non Recurring
Rebates and discounts	-	-	-	-	-	1	Not Related	Non Recurring
Interest received on income tax refund	-	-	-	7	-	-	Not Related	Non Recurring
Other income	50	-	-	-	-	-	Not Related	Non Recurring
	127,959	**103,849**	**99,220**	**7**	**-**	**1**		

Note :

1. The classification of other income as recurring / non-recurring and related / not related to business activity is based on the current operations and business activity of the company as determined by the Management.
2. The above amounts are as per the summary statement of profits and losses, as restated of the Company.
3. * Since there is a net loss before tax, as restated, the percentage has not been shown.

As per our report of even date

For S.R. BATLIBOI & CO.
Chartered Accountants

For on behalf of the Board of Directors

per Vijay Bhatt
Partner
Membership No.: 36647

V. D. Mhaiskar
Director

Place: Mumbai
Date: November 22, 2007

Annexure VIII : Details of Loans, as restated

(Amount INR Thousand)

Particulars	As at August 31, 2007	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003
Secured Loan						
Overdraft from Banks	2,320,074	14,815	-	-	-	-
Total	**2,320,074**	**14,815**	**-**	**-**	**-**	**-**
Unsecured Loans						
Privately placed debentures	2,639,855	2,639,855	-	-	-	-
From subsidiaries	33,845	126,495	-	-	-	-
From directors	-	-	-	-	-	5,061
Inter-corporate deposits	-	-	-	-	2,923	15,509
Total	**2,673,700**	**2,766,350**	**-**	**-**	**2,923**	**20,570**

Notes :

1. As at August 31, 2007, overdraft from bank is secured by hypothecation of fixed deposits with banks.

2. 3,940,0830 7.5% (Net of tax) unsecured fully convertible debentures of Rs 67 each convertible into preference share and / or equity share within two years or earlier at the option of debenture holders. Subsequent to period end, the Company has vide Board resolution passed on September 10, 2007, converted the said debentures into equity shares.

3. The figures disclosed above are based on the Restated Summary Statements of IRB Infrastructure Developers Limited.

As per our report of even date

For S.R. BATLIBOI & CO.
Chartered Accountants

For and on behalf of the Board of Directors

per Vijay Bhatt
Partner
Membership No.: 36647

V. D. Mhaiskar
Director

Place: Mumbai
Date: November 22, 2007

Annexure IX : Details of Loans and Advances, as restated

(Amount INR Thousand)

Particulars	As at August 31, 2007	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003
Unsecured, considered good						
Accrued interest	8,703	7,373	-	-	-	-
Advance upfront toll charges paid	-	-	-	878,800	480,200	-
Prepaid expenses	166	294	-	-	-	-
Dividend receivable	-	-	7,455	-	-	-
Advances recoverable in cash or kind for value to be received	24,046	-	-	-	-	-
Dues from subsidiaries	-					
- Ideal Road Builders Private Limited	215	212	197	-	-	-
- IDAA Infrastructure Private Limited	-	-	191	-	-	-
- Modern Road Makers Private Limited	794,907	62,914	1,540	-	-	-
- Aryan Toll Road Private Limited	164,173	-	-	-	-	-
- ATR Infrastructure Private Limited	619,090	-	-	-	-	-
Dues from concerns in which directors are interested	-					
- Aryan Construction	-	-	35,435	783	696	-
- Modern Road Makers Private Limited	-	-	-	40,926	-	-
- Aryan Toll Road Private Limited	-	-	-	-	-	10,000
Total	**1,611,300**	**70,793**	**44,818**	**920,509**	**480,896**	**10,000**

Note:
The figures disclosed above are based on the Restated Summary Statements of IRB Infrastructure Developers Limited.

As per our report of even date

For S.R. BATLIBOI & CO.
Chartered Accountants

For and on behalf of the Board of Directors

per Vijay Bhatt
Partner
Membership No.: 36647

V. D. Mhaiskar
Director

Place: Mumbai
Date: November 22, 2007

Annexure X : Details of Sundry Debtors, as restated

(Amount INR Thousand)

Particulars	As at August 31, 2007	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003
Debts outstanding for a period exceeding six months						
Unsecured, considered good						
Dues from concerns in which Directors are interested						
- Mhaiskar Udyog	7,757	8,257	8,257	-	-	-
Other debts						
Unsecured, considered good						
Dues from concerns in which Directors are interested						
- Mhaiskar Udyog	-	-	-	10,677	-	-
TOTAL	**7,757**	**8,257**	**8,257**	**10,677**	**-**	**-**

As per our report of even date

For S.R. BATLIBOI & CO.
Chartered Accountants

For and on behalf of the Board of Directors

per Vijay Bhatt
Partner
Membership No.: 36647

V. D. Mhaiskar
Director

Place: Mumbai
Date: November 22, 2007

Annexure XI : Details of Contingent Liabilities

(Amount INR Thousand)

Particulars	As at August 31, 2007	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003
Amount outstanding in respect of indemnities given by the Company to banks for loans given to subsidiaries	6,087,983	5,605,044	-	-	-	-
Guarantees given for subsidiaries	5,750,000	5,750,000	-	-	-	-
Total	**11,837,983**	**11,355,044**	**-**	**-**	**-**	**-**

Note:
The above amounts are as per the audited financial statements of the Company.

As per our report of even date

For S.R. BATLIBOI & CO.
Chartered Accountants

per Vijay Bhatt
Partner
Membership No.: 36647

Place: Mumbai
Date: November 22, 2007

For and on behalf of the Board of Directors

V. D. Mhaiskar
Director

Annexure XII : Tax Shelter Statement

(Amount INR Thousand)

Particulars	Period Ended August 31,2007	Year Ended March 31,2007	Year Ended March 31,2006	Year Ended March 31,2005	Year Ended March 31,2004	Year Ended March 31,2003
Profit / (Losses) Before Tax, as restated	**(38,956)**	**84,312**	**88,656**	**404**	**(691)**	**1,856**
Annexure I						
Tax Rate in % (including surcharge)	33.99%	33.66%	33.66%	36.59%	35.87%	36.75%
Tax at notional rate (A)	**(13,241)**	**28,379**	**29,842**	**148**	**(248)**	**682**
Adjustments						
Permanent Differences						
Speculation loss	-	-	3,452	-	-	-
Preliminary expenses written-off	-	1,593	(244)	(53)	128	-
Dividend exempt under Income Tax Act, 1961	(107)	(31,562)	(33,397)	-	-	-
Profit / (Loss) on sale of investments, net	(775)	4,555	1,979	-	-	-
Others	(1,462)	14,012	468	-	120	8
		-	-	-	-	-
Total Permanent Difference (B)	**(2,344)**	**(11,402)**	**(27,742)**	**(53)**	**248**	**8**
Timing Differences						
Disallowance u/s 40A	-	57	-	-	-	-
Diminution in value of Investment	-	276	-	-	-	-
Timing Difference (C)	**-**	**333**	**-**	**-**	**-**	**-**
Tax as per restated summary statements (A+B+C)	**(15,585)**	**17,310**	**2,100**	**95**	**-**	**690**

Note:
As the Restated Financial Statements have been prepared on financial year basis, the applicable tax rate is 11.33% for short term capital gain.

As per our report of even date

For S.R. BATLIBOI & CO.
Chartered Accountants

For and on behalf of the Board of Directors

per Vijay Bhatt
Partner
Membership No.36647

V. D. Mhaiskar
Director

Place: Mumbai
Date: November 22, 2007

Annexure XIII: Statement of transactions with related parties and details of outstanding balances

List of related parties

1. **Subsidiaries**

Aryan Toll Road Private Limited (w.e.f. August 19, 2006)
ATR Infrastructure Private Limited (w.e.f. August 19, 2006)
IDAA Infrastructure Private Limited (w.e.f. June 21, 2006)
Ideal Road Builders Private Limited (w.e.f September 11, 2006)
IRB Infrastructure Private Limited (w.e.f. August 19, 2006)
Mhaiskar Infrastructure Private Limited (w.e.f. September 11, 2006)
Modern Road Makers Private Limited (w.e.f. August 19, 2006)
Thane Ghodbunder Toll Road Private Limited (w.e.f. December 22, 2006)
Aryan Infrastructure Investment Private Limited (w.e.f. July 18, 2007)

2. **Sub-subsidiaries**

MMK Toll Road Private Limited (w.e.f . September 11, 2006)
NKT Road & Toll Private Limited (w.e.f. September 11, 2006)

3. **Associates**

Aryan Infrastructure Investment Private Ltd. (from June 20, 2007 to July 17, 2007)
Aryan Toll Road Private Limited (w.e.f. July 16, 2004 to August 18, 2006)
ATR Infrastructure Private Limited (w.e.f November 18, 2005 to August 18, 2006)
IDAA Infrastructure Private Limited (upto June 20, 2006)
Ideal Road Builders Private Limited (w.e.f. August 7, 2006 upto September 10, 2006)
Mhaiskar Infrastructure Private Limited (upto September 10, 2006)
Thane Ghodbunder Toll Road Private Limited (w.e.f. November 30, 2005 to December 21, 2006)

4. **Enterprises owned or significantly influenced by key management personnel or their relatives**

Modern Road Makers Private Limited (upto August 18, 2006)
Ideal Road Builders Private Limited (upto August 6, 2006)
Aryan Toll Road Private Limited. (upto July 16, 2004)
IRB Infrastructure Private Limited (upto August 18, 2006)
MMK Toll Road Private Limited (upto September 10, 2006)
NKT Road & Toll Private Limited (upto September 10, 2006)
A. J. Tolls Private Limited
Anuya Enterprises
Aryan Construction
Aryan Infrastructure Investment Private Limited (Up to June 19, 2007)
D.S. Enterprises

Dattakrupa Enterprises

Deepali Construction

Global Safety Vision Private Limited

Ideal Infoware Private Limited

Ideal Soft Tech Park Private Limited

Ideal Toll and Infrastructure Company Private Limited (formerly known as JDV Infrastructure Private Limited)

Mudjaya-IRB Joint venture

J.D.V. Udyog

Jan Transport

Jayant Construction Co.

J. D. Mhaiskar (HUF)

JVD Finlease Private Limited

MEP Toll Road Private Limited

Mhaiskar Udyog

Rideema Enterprises

Rideema Toll Private Limited

VCR Toll Services Private Limited

V. D. Mhaiskar (HUF)

Virendra Builders

ATR Infrastructure Private Limited. (upto November 17, 2005)

Thane Ghodbunder Toll Road Private Limited (upto November 29, 2005)

5. **Key Management Personnel**

Mr. V.D.Mhaiskar

6. **Relatives of Key Management Personnel**

Mrs. D.V.Mhaiskar (Wife of Mr. V.D.Mhaiskar)

Mr. D.P.Mhaiskar (Father of Mr. V.D.Mhaiskar)

Mrs. S.D. Mhaiskar (Mother of Mr. V.D.Mhaiskar)

Mr. J.D. Mhaiskar (Brother of Mr. V.D.Mhaiskar)

Annexure XIII: Statement of transactions with related parties and details of outstanding balances

(Amount INR Thousand)

Particulars	Nature of Relationship	Name of the Related Party	Period April 1, 2007 to August 31, 2007	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005	Year ended March 31, 2004	Year ended March 31, 2003
Maintenance charges paid	Enterprises owned or significantly influenced by key management personnel or their relatives	Aryan Construction	-	9,689	9,521	-	5,095	1,638
		Aryan Toll Road Private Limited	-	-	-	640	-	-
		Deepali Construction	-	-	-	53	-	-
		Modern Road Makers Private Limited	-	-	672	-	-	-
Total			**-**	**9,689**	**10,193**	**693**	**5,095**	**1,638**
Toll charges paid	Enterprises owned or significantly influenced by key management personnel or their relatives	Modern Road Makers Private Limited	-	-	65,880	-	-	-
Total			-	**-**	**65,880**	**-**	**-**	**-**
Purchase of Material	Enterprises owned or significantly influenced by key management personnel or their relatives	Ideal Road Builders Private Limited	-	-	-	5,534	-	-
		Modern Road Makers Private Limited	-	-	-	-	-	325
Total			-	**-**	**-**	**5,534**	**-**	**325**
Interest paid	Subsidiary Company	Mhaiskar Infrastructure Private Limited	1,362	132	-	-	-	-
		Others	6	9	-	-	-	-
Total			**1,368**	**141**	**-**	**-**	**-**	**-**
Reimbursement of Expenses	Enterprises owned or significantly influenced by key management personnel or their relatives	Modern Road Makers Private Limited	-	-	-	3	-	-
Total			-	**-**	**-**	**3**	**-**	**-**
Maintenance charges received	Subsidiary Company	Modern Road Makers Private	-	6,262	-	-	-	-

Annexure XIII: Statement of transactions with related parties and details of outstanding balances

		Limited						
	Enterprises owned or significantly influenced by key management personnel or their relatives	Modern Road Makers Private Limited	-	3,942	-	-	4,460	-
Total			-	**10,204**	**-**	**-**	**4,460**	**-**
Toll charges Received	Enterprises owned or significantly influenced by key management personnel or their relatives	Mahiskar Udyog	-	-	65,640	10,677	-	-
Total			**-**	-	**65,640**	**10,677**	-	**-**
Dividend received	Subsidiary Company	Mhaiskar Infrastructure Private Limited	-	24,806	-	-	-	-
		IRB Infrastructure Private Limited	-	39,133	-	-	-	-
Total			**-**	**63,939**	**-**	**-**	**-**	**-**
Interest received	Subsidiary Company	Ideal Road Builders Private Limited	9	19	-	-	-	-
Total			**9**	**19**	**-**	**-**	**-**	**-**
Advance Maintenances charges Received	Enterprises owned or significantly influenced by key management personnel or their relatives	Modern Road Makers Private Limited	-	-	-	2,600	-	-
Total			-	**-**	**-**	**2,600**	**-**	**-**
Investments purchased	Associates	Aryan Toll Road Private Limited	-	-	130,325	-	-	-
		ATR Infrastructure Private Limited	-	-	170,426	-	-	-
		Mhaiskar Infrastructure Private Limited	-	-	128,597	-	-	-
		IDAA Infrastructure Private Limited	-		25	-	-	-

Annexure XIII: Statement of transactions with related parties and details of outstanding balances

		Thane Ghobunder Toll Road Private Limited	-	-	38,650	-	-	-
	Enterprises owned or significantly influenced by key management personnel or their relatives	Aryan Construction	-	422,750	-	-	-	-
		Modern Road Makers Private Limited	-	633,050	-	-	-	-
		Aryan Toll Road Private Limited	-	-	-	20,000	70,000	-
		ATR Infrastructure Private Limited	-	-	-	7,150	77,500	-
	Key Management Personnel	Mr. V.D.Mhaiskar	-	77,630	-	-	-	-
	Relatives of Key Management Personnel	Mr. D.P.Mhaiskar	-	234,214	-	-	-	-
		Others	-	2,115	-	-	-	-
Total			**-**	**1,369,759**	**468,023**	**27,150**	**147,500**	**-**
Shares application money paid	Enterprises owned or significantly influenced by key management personnel or their relatives	Aryan Toll Road Private Limited	-	-	-	-	20,000	-
Total			-	**-**	**-**	**-**	**20,000**	**-**
Equity contribution	Subsidiary Company	Mhaiskar Infrastructure Private Limited	-	7,400	-	-	-	-
		IDAA Infrastucture Private Limited	43,550	374,500	-	-	-	-
		Others	9,310	9,495	-	-	-	-
	Associates	IDAA Infrastructure Private Limited	**-**	415	-	-	-	-
		Mhaiskar Infrastructure Private Limited	**-**	46,165	73,915	-	-	-
		Aryan Infrastructure Investment Private Limited	545,665	-	-	-	-	-
		Others	-	16,520	-	-	-	-

Annexure XIII: Statement of transactions with related parties and details of outstanding balances

Total			**598,525**	**454,495**	**73,915**	**-**	**-**	**-**
Loan given during the year	Subsidiary Company	Modern Road Makers Private Limited	780,239	186,620	-	-	-	-
		ATR Infrastructure Private Limited	619,090	-	-	-	-	-
		Aryan Toll Road Private Limited	164,174	-	-	-	-	-
		Others	4	645	-	-	-	-
	Associates	Others	-	11,313	-	-	-	-
	Enterprises owned or significantly influenced by key management personnel or their relatives	Modern Road Makers Private Limited	-	138,525	-	-	-	-
		Aryan Toll Road Private Limited	-	-	-	-	-	10,000
Total			**1,563,507**	**337,103**	**-**	**-**	**-**	**10,000**
Repayment received during the year	Subsidiary Company	Modern Road Makers Private Limited	48,246	213,632	-	-	-	-
		Others	-	11,943	-	-	-	-
	Enterprises owned or significantly influenced by key management personnel or their relatives	Modern Road Makers Private Limited	-	47,663	-	-	-	-
Total			**48,246**	**273,238**	**-**	**-**	**-**	**-**
Reimbursements received	Subsidiary Company	Thane Ghodbunder toll Road Private Limited	24	-	-	-	-	-
		Aryan Toll Road Private Limited	24	-	-	-	-	-
		ATR Infrastructure Private Limited	24	-	-	-	-	-
		IDAA Infrastructure Private Limited	24	-	-	-	-	-
		Ideal Road Builders Private Limited	24	-	-	-	-	-
		IRB Infrastructure Private Limited	24	-	-	-	-	-

Annexure XIII: Statement of transactions with related parties and details of outstanding balances

		Mhaiskar Infrastructure Private Limited	24	-	-	-	-	-
		MMK Toll Road Private Limited	24	-	-	-	-	-
		Modern Road Makers Private Limited	24	-	-	-	-	-
		NKT Toll Road Private Limited	23	-	-	-	-	-
Total			**239**	**-**	**-**	**-**	**-**	**-**
Loan taken during the year	Subsidiary Company	Modern Road Makers Private Limited	-	182,959	-	-	-	-
		Mhaiskar Infrastructure Private Limited	622	-	-	-	-	-
		ATR Infrastructure Private Limited	-	132,275	-	-	-	-
		Aryan Toll Road Private Limited	-	66,600	-	-	-	-
		Others	3	33,220	-	-	-	-
	Associates	ATR Infrastructure Private Limited	-	60,000	-	-	-	-
	Enterprises owned or significantly influenced by key management personnel or their relatives	Modern Road Makers Private Limited	-	1,399	-	-	-	-
Total			**625**	**476,453**	**-**	**-**	**-**	**-**
Loan repaid during the year	Subsidiary Company	Modern Road Makers Private Limited	-	145,448	198,804	-	-	-
		Ideal Road Builders Private Limited	-	-	197	-	-	-
		ATR Infrastructure Private Limited	93,275	99,000	-	-	-	-
		Aryan Toll Road Private Limited	-	66,600	4,000	-		-
	Associates	IDAA Infrastucture Private Limited	-	-	191	-	-	-
	Enterprises owned or significantly	Modern Road Makers Private Limited	-	1,000	4,000	-	12,586	-

Annexure XIII: Statement of transactions with related parties and details of outstanding balances

	influenced by key management personnel or their relatives	DS Enterprises	-	-	-	-	3,000	-
		Mahiskar Udyoug	-	-	-	-	2,000	-
		Aryan Construction	-	-	72,650	-	-	-
	Key Management Personnel	Mr. V. D. Mahiskar	-	-	-	-	51	-
	Relatives of Key Management Personnel	Mrs. D. V. Mahiskar	-	-	-	-	10	-
Total			**93,275**	**312,048**	**279,842**	**-**	**17,647**	**-**
Unsecured Loan Received	Associates	Mhaiskar Infrastructure Private Limited	622	-	-	-	-	-
		Aryan Toll Road Private Limited	-	-	4,000	-	10,000	-
		ATR Infrastructure Private Limited	-	-	4,000	-	-	-
		Others	3	-	-	-	-	-
	Enterprises owned or significantly	Modern Road Makers Private Limited	-	-	240,305	-	-	13,326
	influenced by key management personnel or their relatives	Aryan Constuction	-	-	54,000	-	-	-
Total			**625**	**-**	**302,305**	**-**	**10,000**	**13,326**
Upfront advance for Toll	Enterprises owned or significantly	Aryan Construction	-	-	480,000	-	-	-
collection.	influenced by key management personnel or their relatives	Modern Road Makers Private Limited	-	-	398,800	-	-	-
Total			-	**-**	**878,800**	**-**	**-**	**-**
Advance toll Upfront charges	Enterprises owned or significantly	Modern Road Makers Private Limited	-	-	-	407,800	300,000	-
paid	influenced by key management personnel or their relatives	Aryan Construction	-	-	-	-	180,200	-
Total			-	**-**	**-**	**407,800**	**480,200**	**-**

Annexure XIII: Statement of transactions with related parties and details of outstanding balances

Shares issued	Enterprises owned or significantly	V. D. Mhaiskar (HUF)	-	121,000	-	-	-	-
	influenced by key management	Modern Road Makers Private Limited	-	-	141,500	976,375	-	-
	personnel or their relatives	Aryan Construction	-	-	-	164,125	-	-
		Others	-	20	-	-	-	-
	Key Management Personnel	Mr. V.D.Mhaiskar	-	1,016,650	48,500	-	-	-
	Relatives of Key Management Personnel	Mrs. D.V.Mhaiskar	-	2,000	-	-	-	-
Total			**-**	**1,139,670**	**190,000**	**1,140,500**	**-**	**-**
Shares Application money received	Enterprises owned or significantly	Modern Road Makers Private Limited	-	-	-	-	300,125	-
	influenced by key management	Aryan Construction	-	-	71,000	-	396,875	-
	personnel or their relatives	Mhaiskar Udyog	-	-	-	-	10,000	-
		Deepali Construction	-	-	-	-	7,500	-
	Key Management Personnel	Mr. V.D.Mhaiskar	-	-	-	-	3,000	-
Total			-	**-**	**71,000**	**-**	**717,500**	**-**
Creditors as at year end	Subsidiary Company	Modern Road Makers Private Limited	1,909	-	-	-	-	-
Total			**1,909**	**-**	**-**	**-**	**-**	**-**
Other liabilities	Subsidiary Company	Modern Road Makers Private Limited	10	10	-	-	-	-
Payable as at year end		Aryan Toll Road Private Limited	10	10	-	-	-	-
		ATR Infrastructure Private Limited	10	10	-	-	-	-
	Enterprises owned or significantly	D.S. Enterprises	-	-	-	-	-	3,000
	influenced by key management	Mahiskar Udyoug	-	-	-	-	-	2,000

Annexure XIII: Statement of transactions with related parties and details of outstanding balances

	personnel or their relatives	Aryan Construction	-	-	-	-	-	1,084
		Modern Road Makers Private Limited	-	-	-	-	39	364
	Key Management Personnel	Mr. V. D. Mahiskar	-	-	-	-	-	51
	Relatives of Key Management Personnel	Mrs. D. V. Mahiskar	-	-	-	-	-	10
Total			**30**	**30**	**-**	**-**	**39**	**6,509**
Receivable as at year end	Enterprises owned or significantly	Aryan Toll Road Private Limited	-	-	-	-	-	10,000
	influenced by key management	Aryan Construction	-	-	-	783	-	-
	personnel or their relatives	Mahiskar Udyoug	7,757	8,257	8,257	10,677	-	-
		Modern Road Makers Private Limited	-	-	-	40,926	-	-
Total			**7,757**	**8,257**	**8,257**	**52,386**	**-**	**10,000**
Unsecured loan as at year end	Subsidiary Company	ATR Infrastructure Private Limited	-	93,275	-	-	-	-
		Mhaiskar Infrastructure Private Limited	33,700	33,078	-	-	-	-
		Others	144	141	-	-	-	-
	Enterprises owned or significantly influenced by key management personnel or their relatives	Modern Road Makers Private Limited	-	-	-	-	2,923	15,509
Total			**33,844**	**126,495**	**-**	**-**	**2,923**	**15,509**
Loans & Advances as at year end	Subsidiary Company	Modern Road Makers Private Limited	794,907	62,914	-	-	-	-
		Ideal Road Builders Private Limited	-	211	-	-	-	-
		ATR Infrastructure Private Limited	619,090	-	-	-	-	-
		Aryan Toll Road Private Limited	164,173	-	-	-	-	-

Annexure XIII: Statement of transactions with related parties and details of outstanding balances

		Others	215	-	-	-	-	-
	Enterprises owned or significantly influenced by key management personnel or their relatives	Others	-	-	37,363	-	-	-
Total			**1,578,385**	**63,125**	**37,363**	**-**	**-**	**-**
Advance Received	Subsidiary Company	Modern Road Makers Private Limited	-	10	-	-	-	-
		Aryan Toll Road Private Limited	-	10	-	-	-	-
		ATR Infrastructure Private Limited	-	10	-	-	-	-
Total			**-**	**30**	**-**	**-**	**-**	**-**
Advance Recoverable in cash or kind	Subsidiary Company	Thane Ghodbunder toll Road Private Limited	24	-	-	-	-	-
		Aryan Toll Road Private Limited	24	-	-	-	-	-
		ATR Infrastructure Private Limited	24	-	-	-	-	-
		IDAA Infrastructure Private Limited	24	-	-	-	-	-
		Ideal Road Builders Private Limited	24	-	-	-	-	-
		IRB Infrastructure Private Limited	24	-	-	-	-	-
		Mhaiskar Infrastructure Private Limited	24	-	-	-	-	-
		MMK Toll Road Private Limited	24	-	-	-	-	-
		Modern Road Makers Private Limited	24	-	-	-	-	-
		NKT Toll Road Private Limited	23	-	-	-	-	-
Total		**-**	**239**	**-**	**-**	**-**	**-**	**-**
Gurantee given	Subsidiary Company	IDAA Infrastructure Private Limited	17,109,500	17,109,500	-	-	-	-
		Others	1,000,000	1,000,000	-	-	-	-
Total			**18,109,500**	**18,109,500**	**-**	**-**	**-**	**-**

Annexure XIII: Statement of transactions with related parties and details of outstanding balances

Accured Interest	Subsidiary Company	Ideal Road Builders Private Limited	3	-	-	-	-	-
			-	-	-	-	-	-
Total			**3**	-	-	-	-	-
Interest Accured But Not Due	Subsidiary Company	Mhaiskar Infrastructure Private Limited	432					
		Others	2					
Total			**434**					

As per our report of even date

For S.R. BATLIBOI & CO.
Chartered Accountants

For and on behalf of the Board of Directors

***per* Vijay Bhatt**
Partner
Membership No: 36647

V. D. Mhaiskar
Director

Place: Mumbai
Date: November 22, 2007

Auditors' report
(as required by Part II of Schedule II to the Companies Act, 1956)

To
The Board of Directors
IRB Infrastructure Developers Limited
IRB Complex, Chandivli Farm
Chandivli Village, Andheri (E)
Mumbai – 400 072
India

Dear Sirs,

In connection with the proposed Initial Public Offer ('IPO') of IRB Infrastructure Developers Limited (formerly DVJ Leasing & Finance Pvt. Ltd.) ('IRBIDL') of its 51,057,666 equity shares having a face value of Rs 10 per equity share at an issue price to be arrived at by the book building scheme and at your request, we have examined the Summary Statement of Assets and Liabilities, as restated and Summary Statement of Profits and Losses, as restated of Ideal Road Builders Private Limited ('the Company') as at and for the five months period ended August 31, 2007 and year ended March 31, 2007, March 31, 2006, March 31, 2005, March 31, 2004 and March 31, 2003 ('Restated IRBPL Financial Statements'). Such financial information, which has been approved by the Board of Directors, 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') and the related clarifications issued by the Securities and Exchange Board of India ('SEBI') as amended to date,

c. the terms of our engagement agreed upon with you in accordance with our engagement letter dated September 7, 2007 in connection with the offer document being issued by IRBIDL for its proposed IPO; and

d. the Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India ('ICAI').

Financial information as per the audited financial statements:

The financial information of the Company has been extracted by the management from the financial statements of the Company for the five months period ended August 31, 2007 and year ended March 31, 2007, March 31, 2006, March 31, 2005, March 31, 2004 and March 31, 2003 and approved by the Board of Directors. Audit for the years ended March 31, 2006, March 31, 2005, March 31, 2004 and March 31, 2003 was conducted by other auditors and reliance has been placed on the financial statements audited by them for the said years.

The financial information included for the years ended March 31, 2006, March 31, 2005, March 31, 2004 and March 31, 2003 is based solely on the report submitted by M/s Parikh Joshi & Kothare, who have also confirmed that there are no qualifications requiring adjustments or extraordinary items that need to be disclosed separately in the accounts and the restated financial information has been made after incorporating:

a) the impact arising on account of changes in accounting policies adopted by the Company as at and for the period ended August 31, 2007 applied with retrospective effect in all the reporting periods;

b) adjustments for the material amounts in the respective financial years to which they relate.

In accordance with the requirements of Paragraph B of Part II of Schedule II of the Act, the SEBI Guidelines and terms of our engagement agreed with you, we further report that:

a) The Summary Statement of Assets and Liabilities, as restated and Summary Statement of Profits and Losses, as restated of the Company, including as at and for the years ended March 31, 2006, March 31, 2005, March 31, 2004 and March 31, 2003 examined and reported by M/s Parikh Joshi & Kothare on which reliance has been placed by us, and as at and for the period/year ended August 31, 2007 and March 31, 2007, examined by us, as set out in Annexure I and II to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Notes on adjustments for Restated IRBPL Financial Statements and Significant Accounting Policies for Restated IRBPL Financial Statements (Refer Annexure III and III-A).

b) Based on the above and also, as per the reliance placed on the reports submitted by the M/s Parikh Joshi & Kothare for the respective years, we are of the opinion that the Restated IRBPL Financial Statements have been made after incorporating:

- the impact arising on account of changes in accounting policies adopted by the Company as at and for the period ended August 31, 2007 applied with retrospective effect in the Restated IRBPL Financial Statements;
- adjustments for the material amounts in the respective financial years to which they relate.

c) There are no extraordinary items, which need to be disclosed separately in the Restated IRBPL Financial Statements.

d) All qualifications in the auditors' reports which require any adjustments to the summary statements, have been adjusted, except for the following matters the impact whereof has not been ascertained:

a. As stated in note 6A in Annexure III, loans given to certain parties have not complied with the provisions of Section 295 of the Companies Act, 1956. This matter has been the subject matter of qualification in the period ended August 31, 2007.

b. As stated in note 6B in Annexure III, certain contracts of the Company have not complied with the provision of Section 297 of the Companies Act, 1956. This matter has been the subject matter of qualification in the year ended March 31, 2007.

In our opinion, the financial information as disclosed in the annexures to this report, read with the respective significant accounting policies and notes disclosed in Annexure III and after making adjustments and re-groupings as considered appropriate and disclosed in Annexure III-A, has been prepared in accordance with Part II of Schedule II of the Act and the Guidelines.

This report should not be in any way construed as a reissuance or redating of any of the previous audit reports issued by us or by other firm of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

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

For S.R. Batliboi & CO.
Chartered Accountants

per Vijay Bhatt
Partner
Membership No: 36647

Place: Mumbai
Date: November 22, 2007

Enclosed: Report of M/s Parikh Joshi & Kothare., Chartered Accountants dated November 22, 2007

Auditor's Report on
Financial Information in Relation to Prospectus

To
The Board of Directors,
Ideal Road Builders Private Limited,
IRB Complex, Chandivli Farm,
Chandivli Village, Andheri (E),
Mumbai – 400 072.

Dear Sirs,

1) We have examined the attached financial information of Ideal Road Builders Private Limited, as approved by the Board of Directors of the Company, prepared in terms of the requirements of Paragraph B, Part II of Schedule II of the Companies Act, 1956 ("the Act") and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 as amended to date (SEBI Guidelines) and in terms of our engagement agreed upon with you in accordance with our engagement letter dated 21.08.2007 in connection with the proposed issue of Equity shares of the Holding Company, IRB Infrastructure Developers Limited.

2) This information has been extracted, by the Management, from the financial statements for the years ended on March 31,2003, 2004, 2005 and 2006.

3) In accordance with the requirements of Paragraph B of part II of Schedule II of the Act, the SEBI Guidelines and terms of our engagement agreed with you, we further report that:

   (d) The Restated Summary Statement of Assets and Liabilities of the Company, as at March 31, 2003, 2004, 2005 and 2006 examined by us, as set out in the Annexure to this report, are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes and Changes in Significant Accounting Policies (Refer Annexures):

   (e) The Restated Summary Statement of Profit or Loss of the Company for the years then ended, examined by us, as set out in Annexure to this report are after making adjustments and regroupings as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes and Changes in Significant Accounting Policies (Refer Annexures).

4) Based on the above we are of the opinion that the restated financial information has been made after incorporating:

   (i) Adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods.

   (ii) Adjustments for the material amounts in the respective financial years to which they relate.

   (iii) And there are no extra-ordinary items that need to be disclosed separately in the accounts and qualification requiring adjustments.

   In our opinion the financial information contained in Annexures I and II of this report read along with the Significant Accounting Policies, Changes in Significant Accounting Policies and Notes (Refer Annexures) prepared after making adjustments and regrouping as considered appropriate have been prepared in accordance with Part IIB of Schedule II of the Act and the DIP Guidelines.

5) Our report is intended solely for use of the management and for inclusion in the offer document in connection with the proposed issue of equity shares of the Holding Company, IRB Infrastructure Developers Limited. Our report should not be used for any other purpose except with our consent in writing.

For Parikh Joshi & Kothare
Chartered Accountants

CA. Yatin R. Vyavaharkar
Partner
Membership Number: 33915
Place: Mumbai
Date: November 22, 2007

IDEAL ROAD BUILDERS PRIVATE LIMITED
Annexure I: Summary Statement of Assets and Liabilities, as restated

(Amount INR Thousand)

	Particulars	As at August 31, 2007	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003
A.	**FIXED ASSETS**						
	Gross Block	292,305	289,412	281,247	276,675	255,175	196,115
	Less: Accumulated depreciation	(138,174)	(131,398)	(112,372)	(88,190)	(63,095)	(48,632)
	Net Block	**154,131**	**158,014**	**168,875**	**188,485**	**192,080**	**147,483**
	Capital work in progress (including capital advances)	-	-	-	-	29,358	43,810
	Total	**154,131**	**158,014**	**168,875**	**188,485**	**221,438**	**191,293**
B.	**INTANGIBLE ASSETS**	1,033,252	1,100,450	1,246,319	1,377,344	1,495,823	1,598,152
C.	**INVESTMENTS**	617,606	566,118	568,843	549,014	605,671	322,756
D.	**DEFERRED TAX ASSETS, net**	2,724	1,474	-	-	-	-
E.	**CURRENT ASSETS, LOANS AND ADVANCES**						
	Inventories	-	-	2,041	5,230	691	17,618
	Sundry debtors	471,311	351,889	595,890	167,232	114,881	118,387
	Cash and bank balance	195,661	206,407	348,689	414,793	285,863	178,371
	Loans and advances	1,296,178	1,711,152	1,068,554	1,043,464	753,337	443,500
	Total	**1,963,150**	**2,269,448**	**2,015,174**	**1,630,719**	**1,154,772**	**757,876**
F.	**LIABILITIES AND PROVISIONS**						
	Secured loans	684,346	999,393	1,138,440	1,439,527	1,342,033	1,412,143
	Unsecured loans	466,805	458,466	567,111	129,149	162,744	124,200
	Current liabilities	1,051,100	1,165,495	996,146	966,616	894,168	537,572
	Provisions	289,265	284,111	274,199	323,791	288,063	292,178
	Deffered tax liability, net	-	-	5,422	6,801	2,925	2,892
	Total	**2,491,516**	**2,907,465**	**2,981,318**	**2,865,884**	**2,689,933**	**2,368,985**
	Net worth (A+B+C+D+E-F)	**1,279,347**	**1,188,039**	**1,017,893**	**879,678**	**787,771**	**501,092**
	Net worth represented by						
G.	Share capital	610,000	610,000	560,000	560,000	300,000	300,000
H.	Share application money	-	-	-	-	260,000	-
I.	Reserves and Surplus	669,347	578,039	457,893	319,678	227,771	201,092
	Net worth (G+H+I)	**1,279,347**	**1,188,039**	**1,017,893**	**879,678**	**787,771**	**501,092**

The above statement should be read with the notes on adjustments to restated financial statements, significant accounting policies and notes to accounts as appearing in Annexure-III & III-A.
As per our report of even date

For S.R. BATLIBOI & CO.
Chartered Accountants

per Vijay Bhatt
Partner
Membership No.: 36647

Place: Mumbai
Date: November 22, 2007

For and on behalf of the Board of Directors

V.D. Mhaiskar
Director

IDEAL ROAD BUILDERS PRIVATE LIMITED

Annexure II: Summary Statement of Profits and Losses, as restated

(Amount INR Thousand)

PARTICULARS	For the period April 1, 2007 to August 31, 2007	For the year ended March 31, 2007	For the year ended March 31, 2006	For the year ended March 31, 2005	For the year ended March 31, 2004	For the year ended March 31, 2003
INCOME						
Turnover	1,451,125	2,730,897	2,456,095	1,846,643	2,292,403	1,117,587
Other Income	39,315	127,584	40,431	27,604	15,927	11,079
Total (A)	**1,490,440**	**2,858,481**	**2,496,526**	**1,874,247**	**2,308,330**	**1,128,666**
EXPENDITURE						
Direct expenses	1,230,082	2,286,826	2,307,703	1,684,554	2,103,020	969,121
Personnel expenses	8,813	35,253	13,969	10,345	10,180	9,473
Office administration and other expenses	16,696	51,668	25,428	34,059	44,667	41,408
Depreciation / amortisation	73,974	164,894	23,222	26,495	16,499	14,845
Finance expenses	53,460	140,729	28,021	24,636	49,575	31,191
Total (B)	**1,383,025**	**2,679,370**	**2,398,343**	**1,780,089**	**2,223,941**	**1,066,038**
PROFIT BEFORE PRIOR PERIOD ITEM AND TAX (A-B)	**107,415**	**179,111**	**98,183**	**94,158**	**84,389**	**62,628**
Provision for tax						
Current tax (including short/(excess) provision for current tax of earlier years)	17,000	64,250	35,610	32,355	31,288	18,504
Deferred tax charge/credit	(1,250)	(6,896)	(1,285)	3,967	132	(11,213)
Fringe benefit tax	357	860	600	-	-	-
TOTAL	**16,107**	**58,214**	**34,925**	**36,322**	**31,420**	**7,291**
PROFIT AFTER TAX AND BEFORE PRIOR PERIOD ITEM	**91,308**	**120,897**	**63,258**	**57,836**	**52,969**	**55,337**
Prior period income / (expenses) (net of current and deferred tax)		180,407	**-**	**-**	**-**	(63)
NET PROFIT BEFORE ADJUSTMENTS	**91,308**	**301,304**	**63,258**	**57,836**	**52,969**	**55,274**
ADJUSTMENTS (refer note no. 1 of annexure- III)	-	(265,038)	100,945	47,240	(43,290)	(7,168)
Current tax impact on adjustments (refer note no. 3(c) of annexure III)	-	84,842	(26,080)	(13,261)	16,900	2,000
Deferred tax impact on adjustments (refer note no. 3(c) of annexure III)	-	(962)	92	92	100	95
NET PROFIT, AS RESTATED	**91,308**	**120,146**	**138,215**	**91,907**	**26,679**	**50,201**
Profit and loss account, beginning of the year	578,039	457,893	319,678	227,771	201,092	164,854
Balance available for appropriation, as restated	**669,347**	**578,039**	**457,893**	**319,678**	**227,771**	**215,055**
APPROPRIATIONS						
Transfer to general reserve	-	-	-	-	-	(13,963)
TOTAL	-	-	-	-	-	**(13,963)**
BALANCE CARRIED FORWARD, AS RESTATED	**669,347**	**578,039**	**457,893**	**319,678**	**227,771**	**201,092**

The above statement should be read with the notes on adjustments to restated financial statements, significant accounting policies and notes to accounts as appearing in Annexure III & III-A.

As per our report of even date

For S.R. BATLIBOI & CO. **Chartered Accountants**	**For and on behalf of the Board of Directors**
per Vijay Bhatt **Partner** Membership No.36647	**V. D. Mhaiskar** **Director**
Place: Mumbai Date: November 22, 2007	

ANNEXURE III

Notes to Accounts for Restated Financial Statements

1. Below mentioned is the summary of results of restatement made in the audited accounts for the respective years/period and its impact on the profits / losses of the Company.

(Amount INR Thousand)

Particulars	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005	Year ended March 31, 2004	Year ended March 31, 2003
ADJUSTMENTS					
Prior period items					
Net Revenue Recognition for Built Operate and Transfer (BOT)projects (See note no. 3 (a) below)	(267,020)	100,980	46,324	(47,205)	(6,262)
Retention Money (See note no. 3 (b) below)	(125)	(58)	182	-	-
Provision for gratuity (See note no. 2 below)	2,857	(272)	(272)	(272)	(264)
Miscellaneous Expenditure (See note no. 3(b) below)	-	-	-	-	64
Other Adjustments					
Excess / (Short) provision for tax of earlier years (See note no. 3(c) below)	(750)	295	1,006	4,187	(706)
Total	**(265,038)**	**100,945**	**47,240**	**(43,290)**	**(7,168)**

2. Provision for Gratuity

During the year ended March 31, 2007, provision for gratuity was made on the basis of the actuarial valuation in compliance of the Accounting Standard 15 (Revised) “Employee Benefits” issued by the Institute of Chartered Accountants of India (“ICAI”), which was earlier accounted for on cash basis. Accordingly, provision for gratuity has been recomputed for each preceding year and consequently the adjustments have been made in the expense for gratuity for the years ended March 31, 2006, 2005, 2004 and 2003 and the brought forward balance in the Profit and Loss Account as at April 1, 2002.

3. Other adjustments

a) Revenue Change in accounting policy of Built operate and transfer (BOT) projects

Till the year ended March 31, 2006, the construction revenue and cost of BOT projects accounted on the basis of the Completed Contract method. The project was treated as incomplete till completion of concession period consequently, the toll income was credited to project cost and expenses added to the project cost. During the year ended March 31, 2007, the Company has changed its accounting policy to record toll income in the profit and loss account and corresponding expenses on completion of construction phase. The construction cost incurred is considered as exchange against the toll collection rights and disclosed as intangible assets. Accordingly, the adjustments have been made to the Restated financial statements for the years ended March 31, 2007, 2006, 2005, 2004 and 2003.

b) Prior period items

In the financial year ended March 31, 2007 and March 31, 2003, certain items of expenses have been identified as prior period items. For the purpose of this statement, such prior period items have been appropriately adjusted in the respective years.

c) Excess / (Short) provision for tax of earlier years

The profit and loss account of some years includes amounts paid/provided for or written back, in respect of shortfall/excess income tax arising out of assessments, appeals etc., which has now been adjusted in the respective years. Also, income tax (current tax and deferred tax) has been computed on adjustments made as detailed above and has been adjusted in the Summary Statement of Profits and Losses, as restated for the five months period ended August 31, 2007 and for the years ended March 31, 2007, 2006, 2005, 2004 and 2003 and the brought forward balance in the Profit and Loss Account as at April 1, 2002.

4. Segment Information

During the year ended March 31, 2007, the Company has reassessed its earlier classification of business segment into road construction, toll collection and road projects on Built-Operate-Transfer basis. Based on the reassessment of the risks and rewards, the Company is engaged in “Road Infrastructure Projects” which in context of Accounting Standard 17 “Segment Reporting” issued by the ICAI, is considered as the only segment. Due to above change, there was no impact on the profit of the company.

5. Material Regroupings

Upto the year ended March 31, 2006, the toll collection right was included under the head Current Assets, Loans and Advances. During the year ended March 31, 2007, the same has been classified under the head Intangible Assets. In the statement of Assets and Liabilities, as restated for the year ended March 31, 2007,2006,2005 and 2004, such toll collection rights have been regrouped and disclosed accordingly.

6. Auditors’ Qualifications

A) Period ended August 31, 2007

During the period ended August 31, 2007, the Company has given certain loans which have not complied with the provisions of Section 295 of the Companies Act, 1956. All such loans have been confirmed by the respective parties and will be fully recovered subsequently.

The auditors have qualified their opinion on the financial statement for the period ended August 31, 2007 for loans given that have not complied with the provisions of Section 295 of the Companies Act, 1956, the impact whereof has not been ascertainable.

B) Financial year ended March 31, 2007

During the year ended March 31, 2007, the Company entered into certain contracts which have not complied with the provision of Section 297 of the Companies Act, 1956. The Company has during the year, discontinued all the contracts with such entities. Those contracts were operational for part of the year ended March 31, 2007.

The auditors have qualified their opinion on the financial statements for the year ended March 31, 2007 for contracts that have not complied with the provision of section 297 of the Companies Act, 1956, the impact of whereof is not ascertainable.

C) Audit qualifications, which do not require any corrective adjustment in the financial information are as follows:

CARO, 2007

i) The Company does not have an internal audit system.

ii) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees’ state insurance, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it. In case of profession tax and income tax, the dues have not been regularly deposited with the appropriate authorities and there have been delays in large number of cases.

iii) Based on our audit procedures and as per the information and explanations given by the management, the Company has defaulted in certain cases on making timely repayment of dues to financial institution.

7. Reconciliation of Profit & Loss account as at April 1, 2002

(Amount INR Thousand)

Particulars	Total
Profit and Loss Account as at April 1, 2002 (Audited)	**61,360**
Prior period items	
Net Revenue Recognition for Built Operate and Transfer (BOT)projects (See note no. 3 (a) above)	173,183
Provision for gratuity (See note no. 2 above)	(1,777)
Miscellaneous Expenditure	(64)
Other Adjustments	
Excess /(Short) Provision for tax (See note no. 3(c) above)	(4,032)
Total adjustments	228,670
Current tax impact of adjustments	(64,400)
Deferred Tax impact of adjustments (See note no. 3(c) above)	584
Profit and Loss Account as at April 1, 2002 (Restated)	**164,854**

As per our report of even date

For S. R. BATLIBOI & CO.

Chartered Accountants

per Vijay Bhatt
Partner
Membership No.36647

Place: Mumbai
Date: November 22, 2007

For and on behalf of the Board of Directors

V.D. Mhaiskar
Director

ANNEXURE III-A:

Summary of significant accounting policies

(a) Basis of preparation

The financial statements have been prepared to comply in all material respects in respects with the Notified accounting standard by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis.

(b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(c) Fixed Assets and Intangibles

Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Intangibles

Toll Collection Rights

The Company has classified the Toll Collection Rights as intangibles.

(d) Depreciation and Amortisation

Depreciation

Depreciation is provided using the Written Down Value Method as per the useful life of the assets estimated by the management or at the rates prescribed under Schedule XIV of Companies Act, 1956 whichever is higher.

Amortisation

Toll Collection Rights are amortised over the concession period ranging from 9 years to 18 years. The rights are amortised based on the projected toll revenue which reflects the pattern in which the assets economic benefits are consumed. The projected total toll revenue is based on the latest available base case traffic volume projections. If there is material change in the expected pattern of economic benefits, the amortization is revised.

(e) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances.
However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

(f) Borrowing Costs

Borrowing Costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relates to the period till such assets are ready to be put to use.

(g) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

(h) Inventories

Inventories are valued as follows:

Raw materials, components, stores and spares

Lower of cost and net realizable value. Cost is determined on first in first out basis.

Work-in-progress and finished goods

Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(i) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Construction contracts

Contract revenue associated with the construction of road are recognised as revenue and expenses respectively by reference to the stage of completion of the projects at the balance sheet date. The stage of completion of project is determined by the proportion that contract cost incurred for work performed upto the balance sheet date bears to the estimated total contract costs. If total cost is estimated to exceed total contract revenue, the Company provides for foreseeable loss.

Operation and maintenance contracts

Revenue from maintenance contracts are recognised pro-rata over the period of the contract as and when services are rendered.

Income from Toll Contracts

The net income from Toll contracts on agency basis as well as on BOT basis are recognised on actual collection of toll revenue.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends

Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date. Dividend from subsidiaries is recognised even if same are declared after the balance sheet date but pertains to period on or before the date of balance sheet as per the requirement of Schedule VI of the Companies Act, 1956.

(j) Foreign currency translation
Foreign Currency transaction

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

(k) Retirement and other employee benefits

Retirement benefits in the form of provident fund are a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year.

The Company does not have any policy for leave encashment. However leave can be availed within one year. Accordingly, short term compensated absences are provided for based on estimates.

Actuarial gains/losses are immediately taken to the profit and loss account and are not deferred.

(l) Income taxes

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax are measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain that sufficient future taxable income will be available against which such deferred tax assets can be realised.

(m) Earnings Per Share

Earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

(n) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(o) Resurfacing Expenses

Resurfacing costs are recognised and measured in accordance with Accounting Standard 29 “Provisions, Contingent Liabilities and Contingent Assets” i.e. at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

As per our report of even date

For S.R. BATLIBOI & CO. **Chartered Accountants**	For and on behalf of the Board of Directors
per Vijay Bhatt **Partner** Membership No.36647	**V.D. Mhaiskar** **Director**

Place: Mumbai
Date: November 22, 2007

Auditors' report
(as required by Part II of Schedule II to the Companies Act, 1956)

To
The Board of Directors
IRB Infrastructure Developers Limited
IRB Complex, Chandivli Farm
Chandivli Village, Andheri (E)
Mumbai – 400 072
India

Dear Sirs,

In connection with the proposed Initial Public Offer ('IPO') of IRB Infrastructure Developers Limited (formerly DVJ Leasing & Finance Pvt. Ltd.) ('IRBIDL') of its 51,057,666 equity shares having a face value of Rs 10 per equity share at an issue price to be arrived at by the book building scheme and at your request, we have examined the Summary Statement of Assets and Liabilities, as restated as at August 31, 2007, March 31, 2007, March 31, 2006, March 31, 2005 and March 31, 2004 and Summary Statement of Profits and Losses, as restated for the five months periods ended August 31, 2007 and year ended March 31, 2007, March 31, 2006, March 31, 2005 and March 31, 2004 of Mhaiskar Infrastructure Private Limited ('the Company') ('Restated MIPL Financial Statements'). Such financial information, which has been approved by the Board of Directors, 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') and the related clarifications issued by the Securities and Exchange Board of India ('SEBI') as amended to date;

c. the terms of our engagement agreed upon with you in accordance with our engagement letter dated September 7, 2007 in connection with the offer document being issued by IRBIDL for its proposed IPO; and

d. the Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India ('ICAI').

Financial information as per the audited financial statements:

The financial information of the Company has been extracted by the management from the financial statements of the Company for the five months periods ended August 31, 2007 and year ended March 31, 2007, March 31, 2006, March 31, 2005 and March 31, 2004 and approved by the Board of Directors. Audit for the years/period ended March 31, 2006, March 31, 2005 and March 31, 2004 was conducted by other auditors and reliance has been placed on the financial statements audited by them for the said years/period.

The financial information included for the years/period ended March 31, 2006, March 31, 2005 and March 31, 2004 is based solely on the report submitted by M/s Parikh Joshi & Kothare, who have also confirmed that there are no extraordinary items that need to be disclosed separately in the accounts and the restated financial information has been made after incorporating:

a) the impact arising on account of changes in accounting policies adopted by the Company as at and for the period ended August 31, 2007 applied with retrospective effect in all the reporting periods;
b) adjustments for the material amounts in the respective financial years/periods to which they relate;
c) the qualifications and material adjustments relating to the relevant previous years have been made in the summary statements.

In accordance with the requirements of Paragraph B of Part II of Schedule II of the Act, the SEBI Guidelines and terms of our engagement agreed with you, we further report that:

a) The Summary Statement of Assets and Liabilities, as restated and Summary Statement of Profits and Losses, as restated of the Company, including as at and for the years/period ended March 31, 2006, March 31, 2005 and March 31, 2004 examined and reported by M/s Parikh Joshi & Kothare on which reliance has been placed by us, and as at and for the period/year ended August 31, 2007 and March 31, 2007, examined by us, as set out in

Annexure I and II to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Notes on adjustments for Restated MIPL Financial Statements and Significant Accounting Policies for Restated MIPL Financial Statements (Refer Annexure III and III-A).

b) Based on the above and also, as per the reliance placed on the reports submitted by M/s Parikh Joshi & Kothare for the respective years, we are of the opinion that the Restated MIPL Financial Statements have been made after incorporating:

- the impact arising on account of changes in accounting policies adopted by the Company as at and for the period ended August 31, 2007 applied with retrospective effect in the Restated MIPL Financial Statements;
- adjustments for the material amounts in the respective financial years to which they relate.

c) There are no extraordinary items, which need to be disclosed separately in the Restated MIPL Financial Statements.

d) All qualifications in the auditors' reports which require any adjustments to the summary statements, have been adjusted, except for the following matters the impact whereof has not been ascertained:

1. As stated in note 4A in Annexure III, loans given to certain parties have not complied with the provisions of Section 295 of the Companies Act, 1956. This matter has been the subject matter of qualification in the period ended August 31, 2007.

2. As stated in note 4B in Annexure III, certain contracts by the Company have not complied with the provision of Section 297 of the Companies Act, 1956. This matter has been the subject matter of qualification in the year ended March 31, 2007.

In our opinion, the financial information as disclosed in the annexures to this report, read with the respective significant accounting policies and notes disclosed in Annexure III and after making adjustments and re-groupings as considered appropriate and disclosed in Annexure IIIA, has been prepared in accordance with Part II of Schedule II of the Act and the Guidelines.

This report should not be in any way construed as a reissuance or redating of any of the previous audit reports issued by us or by other firm of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

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

For S.R. BATLIBOI & CO.
Chartered Accountants

per Vijay Bhatt
Partner
Membership No: 36647

Place: Mumbai
Date: November 22, 2007
Enclosed: Report of M/s Parikh Joshi & Kothare, Chartered Accountants dated November 22, 2007

Auditors' Report on
Financial Information in Relation to Prospectus

To
The Board of Directors,
Mhaiskar Infrastructure Private Limited,
IRB Complex, Chandivli Farm,
Chandivli Village, Andheri (E),
Mumbai – 400 072.

Dear Sirs,

1) We have examined the attached financial information of Mhaiskar Infrastructure Private Limited, as approved by the Board of Directors of the Company, prepared in terms of the requirements of Paragraph B, Part II of Schedule II of the Companies Act, 1956 ("the Act") and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 as amended to date (SEBI Guidelines) and in terms of our engagement agreed upon with you in accordance with our engagement letter dated 21.08.2007 in connection with the proposed issue of Equity shares of the Holding Company, IRB Infrastructure Developers Limited.

2) This information has been extracted, by the Management, from the financial statements for the years/period ended on March 31,2004, 2005 and 2006. Audit for the years/period ended March 31, 2006, March 31, 2005 and March 31, 2004 was conducted by other auditors and reliance has been placed on the financial statements audited by them for the said years/period.

3) In accordance with the requirements of Paragraph B of Part II of Schedule II of the Act, the SEBI Guidelines and terms of our engagement agreed with you, we further report that:

   (a) The Restated Summary Statement of Assets and Liabilities of the Company, as at March 31, 2004, 2005 and 2006 examined by us, as set out in the Annexure to this report, are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes and Changes in Significant Accounting Policies (Refer Annexures):

   (b) The Restated Summary Statement of Profit or Loss of the Company for the years/period then ended, examined by us, as set out in Annexure to this report are after making adjustments and regroupings as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes and Changes in Significant Accounting Policies (Refer Annexures).

4) Based on the above we are of the opinion that the restated financial information has been made after incorporating:

   (i) Adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods.

   (ii) Adjustments for the material amounts in the respective financial years to which they relate.

   (iii) And there are no extra-ordinary items that need to be disclosed separately in the summary statements.

   (iv) The qualifications and material adjustments relating to the relevant previous years have been made in the summary statements.

In our opinion the financial information contained in Annexures I and II of this report read along with the Significant Accounting Policies, Changes in Significant Accounting Policies and Notes (Refer Annexures) prepared after making adjustments and regrouping as considered appropriate have been prepared in accordance with Part IIB of Schedule II of the Act and the DIP Guidelines.

5) Our report is intended solely for use of the management and for inclusion in the offer document in connection with the proposed issue of equity shares of the Holding Company, IRB Infrastructure Developers Limited. Our report should not be used for any other purpose except with our consent in writing.

For Parikh Joshi & Kothare
Chartered Accountants

CA. Yatin R. Vyavaharkar
Partner
Membership Number: 33915

Place: Mumbai
Date: November 22, 2007

MHAISKAR INFRASTRUCTURE PRIVATE LIMITED

Annexure I: Summary Statement of Assets and Liabilities, as restated

(Amount INR Thousand)

	Particulars	As at August 31, 2007	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004
A.	**FIXED ASSETS**					
	Gross Block	1,816	1,549	822	-	-
	Less: Accumulated depreciation	(445)	(314)	(95)	-	-
	Net Block	**1,371**	**1,235**	**727**	**-**	**-**
	Capital work in progress (including capital advances)	35,648	35,648	2,923,347	1,079,635	523
	Total	**37,019**	**36,883**	**2,924,074**	**1,079,635**	**523**
B.	**INTANGIBLE ASSETS**	12,638,994	12,853,494	9,079,546	9,048,170	-
C.	**DEFERRED TAX ASSETS, net**	6,232	6,113	2,559	-	-
D.	**CURRENT ASSETS, LOANS AND ADVANCES**					
	Sundry debtors	629	71	3,348	2,531	-
	Cash and bank balance	852,437	535,946	357,025	249,706	117,555
	Loans and advances	365,428	348,192	333,344	396,671	153,350
	Total	**1,218,494**	**884,209**	**693,717**	**648,908**	**270,905**
E	**LIABILITIES AND PROVISIONS**					
	Secured loans	11,852,831	11,870,435	11,264,025	10,070,084	-
	Unsecured loans	-	-	-	-	484
	Current liabilities	316,361	318,093	478,774	11,728	37
	Provisions	538,501	531,420	7,965	1,530	-
	Total	**12,707,693**	**12,719,948**	**11,750,764**	**10,083,342**	**521**
	Net worth (A+B+C+D-E)	**1,193,046**	**1,060,751**	**949,132**	**693,371**	**270,907**
	Net worth represented by					
F	Share capital	1,050,000	1,050,000	913,030	700,080	10,000
G	Share application money	-	-	-	-	261,090
H	Profit and loss balance	145,964	14,435	41,740	809	-
I	Miscellaneous expenditure (To the extent not written off or adjusted)	(2,918)	(3,684)	(5,638)	(7,518)	(183)
	Net worth (F+G+H+I)	**1,193,046**	**1,060,751**	**949,132**	**693,371**	**270,907**

The above statement should be read with the notes on adjustments to restated financial statements, significant accounting policies and notes to accounts as appearing in Annexure III & IIIA respectively

As per our report of even date

For S. R. BATLIBOI & CO.
Chartered Accountants

For and on behalf of the Board of Directors

per Vijay Bhatt
Partner
Membership No: 36647

V.D. Mhaiskar
Director

Place: Mumbai
Date: November 22, 2007

MHAISKAR INFRASTRUCTURE PRIVATE LIMITED
Annexure II: Summary Statement of Profits and Losses, as restated

(Amount INR Thousand)

Particulars	For the period from April 1 2007 to August 31, 2007	For the year ended March 31, 2007	For the year ended March 31, 2006	For the year ended March 31, 2005	For the period from January 28 2004 to March 31, 2004
INCOME					
Turnover	973,776	1,762,964	1,130,045	582,554	-
Other income	26,783	46,051	16,425	7,096	-
Total (A)	**1,000,559**	**1,809,015**	**1,146,470**	**589,650**	**-**
EXPENDITURE					
Direct expenses	139,051	317,539	259,554	39,764	-
Personnel expenses	13,938	40,539	-	-	-
Office administration and other expenses	16,978	34,231	21,733	9,666	-
Depreciation / amortisation	214,632	412,719	236,920	131,831	-
Finance expenses	467,364	926,713	558,125	404,208	-
Total (B)	**851,963**	**1,731,741**	**1,076,332**	**585,469**	**-**
PROFIT BEFORE TAX (A-B)	**148,596**	**77,274**	**70,138**	**4,181**	**-**
Provision for tax					
Current tax	16,836	35,500	23,515	1,530	-
Deferred tax	(119)	(3,554)	(136)	-	-
Fringe benefit tax	350	385	-	-	-
Total	**17,067**	**32,331**	**23,379**	**1,530**	**-**
NET PROFIT BEFORE ADJUSTMENTS	**131,529**	**44,943**	**46,759**	**2,651**	**-**
ADJUSTMENTS (refer note no. 1 of annexure III)	-	9,694	(7,852)	(1,842)	-
Current tax impact on adjustments (refer note no. 2(c) of annexure III)	-	401	(401)	-	-
Deferred tax impact on adjustments (refer note no. 2(c) of annexure III)	-	-	2,425	-	-
NET PROFIT, AS RESTATED	**131,529**	**55,038**	**40,931**	**809**	**-**
Profit and loss account, beginning of the year/period	14,435	41,740	809	-	-
Balance available for appropriation, as restated	**145,964**	**96,778**	**41,740**	**809**	**-**
APPROPRIATIONS					
Interim dividend on equity shares	-	72,215	-	-	-
Tax on interim dividend	-	10,128	-	-	-
Total	**-**	**82,343**	-	-	**-**
BALANCE CARRIED FORWARD, AS RESTATED	**145,964**	**14,435**	**41,740**	**809**	**-**

The above statement should be read with the notes on adjustments to restated financial statements, significant accounting policies and notes to accounts as appearing in Annexure III & III-A respectively

As per our report of even date

For S. R. BATLIBOI & CO.
Chartered Accountants

For and on behalf of the Board of Directors

per Vijay Bhatt
Partner
Membership No: 36647

V.D. Mhaiskar
Director

Place: Mumbai
Date: November 22, 2007

ANNEXURE III

Notes to Accounts for Restated Financial Statements

1. Below mentioned is the summary of results of restatement made in the audited accounts for the respective years/periods and its impact on the profits / losses of the Company.

(Amount INR Thousand)

Particulars	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005
ADJUSTMENTS			
Impact of changes in accounting policies			
Road work expenses	32,141	(32,141)	-
Road work income	(33,332)	33,332	-
(See note no. 2(a) below)			
Share issue expenses (See note no. 2(b) below)	3,685	(1,843)	(1,842)
Other adjustments			
Provision for stamp duty (See note no. 4(C) below)	7,200	(7,200)	-
Total	**9,694**	**(7,852)**	**(1,842)**

2. Adjustments

a) Change in accounting policy of construction contracts

Till the year ended March 31, 2006, the construction revenue and cost were capitalized on the basis of the Completion Contract method. During the year ended March 31, 2007, the Company has changed its accounting policy to record income and expenses based on the Percentage Completion method. Accordingly, the adjustments have been made to the Restated financial statements for the years ended March 31, 2007 and 2006.

b) Amortization of share issue expenses

Till the year ended March 31, 2006, share issue expenses were amortized over the entire period of the Built-Operate-Transfer project. From the year ended March 31, 2007, share issue expenses were adjusted in the same year against the Securities Premium Account as permitted by Section 78(2) of the Companies Act, 1956 and in case of insufficient balance in the Securities Premium Account, unadjusted share issue expenses are amortised over a period of 5 years. Accordingly, the figures have been restated for the years ended March 31, 2007, 2006 and 2005.

c) Income tax provision

Income tax (current tax and deferred tax) has been computed on adjustments made as detailed above and has been adjusted in the summary statement of profits and losses, as restated for the five months period ended August 31, 2007 and for the years ended March 31, 2007, 2006 and 2005.

3. Material Regroupings

Upto the year ended March 31, 2005, the toll collection rights of Rs 9,180,000 thousands was included under the head Current Assets, Loans and Advances. During the year ended March 31, 2007, the same has been classified as Intangible assets. In the statement of Assets and Liabilities, as restated for the years/periods ended August 31, 2007, March 31, 2007, March 31, 2006, March 31, 2005 and March 31, 2004, such toll collection rights have been regrouped and disclosed accordingly.

4. Auditors' Qualifications

A) Period ended August 31, 2007

During the period ended August 31, 2007, the Company has given certain loans which have not complied with the provisions of Section 295 of the Companies Act, 1956. All such loans have been confirmed by the respective parties and will be fully recovered subsequently.

The auditors have qualified their opinion on the financial statement for the period ended August 31, 2007 for loans given that have not complied with the provisions of section 295 of the Companies Act, 1956, the impact whereof has not been ascertainable.

B) Financial year ended March 31, 2007

During the year ended March 31, 2007, the Company entered into certain contracts which have not complied with the provision of Section 297 of the Companies Act, 1956. The Company has during the year, discontinued all the contracts with such entities. Those contracts were operational for part of the year ended March 31, 2007.

The auditors have qualified their opinion on the financial statements for the year ended March 31, 2007 for contract that have not complied with the provision of Section 297 of the Companies Act, 1956, the impact where of has not been ascertainable.

C) Financial year ended March 31, 2006

Provision for Stamp Duty Demand

During the year ended March 31, 2006, the Company received a demand of Rs 275,400 thousand from the Government of Maharashtra, under the Bombay Stamp Act, 1958 in respect of the stamp duty on the agreement entered between Maharashtra State Road Developers Corporation Limited, the Company and the Government of Maharashtra for the project under taken by the Company. This order is challenged by an appeal under Bombay Stamp Act, 1958.

The auditors had qualified their opinion on the financial statements for the year ended March 31, 2006 on account of non-provision for the demand. During the year ended March 31, 2007, the Company had made a provision of Rs 275,400 thousands and capitalized the cost. The prior period amortization charge of Rs 7,200 thousands was recognized in the profit and loss account for the year ended March 31, 2007. Accordingly, adjustments are made to the Restated Financial Statement for the year ended March 31, 2007 and March 31, 2006.

D) Other Audit qualifications, which do not require any corrective adjustment in the financial information are as follows:

Financial year ended March 31, 2007

CARO, 2007

The Company has an internal audit system, the scope and coverage of which, in our opinion requires to be enlarged to be commensurate with the size and nature of its business.

The Company is regular in depositing with appropriate authorities undisputed statutory dues including investor education and protection fund, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it. In case of provident fund, employees' state insurance and income tax, the dues have not been regularly deposited with the appropriate authorities and there have been delays in large number of cases.

5. The Company has started commercial operation during the year ended March 31, 2005 and thus, the Profit & Loss account for the period ended March 31, 2004 is not prepared

As per our report of even date

For S.R. BATLIBOI & CO.	**For and on behalf of the Board of Directors**
Chartered Accountants	
per Vijay Bhatt	**V.D. Mhaiskar**
Partner	**Director**
Membership No.36647	
Place: Mumbai	
Date: November 22, 2007	

ANNEXURE III-A:

Significant Accounting Policies for Restated Financial Statements

(a) Basis of preparation

The financial statements have been prepared to comply in all material respects with the Notified Accounting Standard by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis.

(b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(c) Fixed Assets and Intangibles

Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Intangibles

Toll Collection Rights

The Company has classified the Toll collection Rights for MPEW and NH-4 as intangibles.

(d) Depreciation and Amortisation

Depreciation

Depreciation is provided using the Written Down Value Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under schedule XIV of the Companies Act, 1956 whichever is higher.

Amortisation

Toll Collection Rights are amortized over 15 years which is the concession period for toll collection rights. The rights are amortized based on the pattern in which the assets economic benefits are consumed.

The projected total toll revenue is based on the latest available base case traffic volume projections. If there is significant change in the expected pattern of economic benefits from the asset the amortization would be revised accordingly.

(e) Borrowing Costs

Borrowing Costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relates to the period till such assets are ready to be put to use.

(f) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Toll Revenue

Toll revenue is recognised for as and when toll is chargeable for the usage of the roads.

Income from construction

Contract revenue associated with the construction of road are recognised as revenue and expenses respectively by reference to the stage of completion of the project at the balance sheet date. The stage of completion of project is determined by the proportion that contract costs incurred for work performed upto the balance sheet date bear to the estimated total contract costs.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(g) Miscellaneous Expenditure

Share issue expenses are adjusted in the same year against the Securities Premium Account as permitted by Section 78(2) of the Companies Act, 1956. In case of insufficient balance in the Securities Premium Account, unadjusted share issue expenses are amortised over a period of 5 years.

(h) Foreign currency translation

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount *the* exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign *currency* monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary *items* at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

(i) Retirement and other employee benefits

Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year.

The Company does not have any policy for leave encashment. However leave can be availed within one year. Accordingly, short term compensated absences are provided for based on estimates.

(j) Income taxes

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax are measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain that sufficient future taxable income will be available against which such deferred tax assets can be realised.

(k) Earning Per Share

Earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

(l) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(m) Resurfacing Expenses

Resurfacing costs are recognised and measured in accordance with Accounting Standards 29 “Provisions, Contingent Liabilities and Contingent Assets” i.e. at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

(n) Derivative Instruments

The Company uses derivative financial instruments such as currency swaps and interest rate swaps to hedge its risks associated with foreign currency fluctuations and interest rate. Any profit or loss arising on settlement or expiry of option contracts is recognized as income or expense for the year.

As per our report of even date

For S. R. BATLIBOI & CO. **For and on behalf of the Board of Directors**

Chartered Accountants

per Vijay Bhatt
Partner
Membership No.36647

V. D. Mhaiskar
Director

Place: Mumbai
Date: November 22, 2007

To,
The Board of Directors,
IRB Infrastructure Developers Limited,
IRB Complex, Chandivli Farm,
Chandivli Village, Andheri (E)
Mumbai – 400 072
India

Dear Sirs,

1) We have examined the attached financial information of **Modern Road Makers Private Limited,** as approved by the Board of Directors of the Company, prepared in terms of the requirements of Paragraph B, Part ii of Schedule ii of the Companies Act, 1956 ("the Act") and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 as amended to date (SEBI Guidelines) and in terms of our engagement agreed upon with you in accordance with the engagement letter dated 21.08.2007 in connection with the proposed issue of Equity shares of the Holding Company, IRB Infrastructure Developers Limited.

2) This information has been extracted by the Management from the financial statement for the years / period ended on August 31st 2007, March 31st 2007, March 31st 2006, March 31st 2005, March 31st 2004 and March 31st 2003 Audit for the financial years ended on March 31st 2006, 2005, 2004 and 2003 was conducted by previous auditors, J.M. Shah & Co., and accordingly reliance has been placed on the financial information examined by them for the said years'. The financial report included for these years, i.e. 2003, 2004, 2005, 2006 are based solely on the report submitted by them after incorporating :

   (a) Adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods.

   (b) Adjustments for the material amounts in the respective financial years to which they relate.

   (c) Adjustments if any for any extra-ordinary items that need to be disclosed separately in the accounts and qualification thereupon.

3) In accordance with the requirements of Paragraph B of part II of Schedule II of the Act, the SEBI Guidelines and terms of our engagement agreed with you, we further report that:

   (a) The Restated Summary Statement of Assets and Liabilities of the Company', for the years / period ended August 31st 2007, March 31st 2007, March 31st 2006, March 31st 2005, March 31st 2004 and March 31st 2003 examined by us, as set out in Annexure to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies, Note and Changes in Significant Accounting Policies (Refer Annexures):

   (b) The Restated Summary Statement of Profit or Loss of the Company for the years then ended**,** examined by us, as set out in Annexure as in our opinion were appropriate and more fully described in Significant Accounting Policies, Note and Changes in Significant Accounting Policies (Refer Annexure).

4) Based on above we are of the opinion that the restated financial information have been made after incorporating:

   (i) Adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods.

   (ii) Adjustments for the material amounts in the respective financial years to which they relate.

   (iii) Adjustments for extra-ordinary items that need to be disclosed separately in the accounts and qualification thereupon.

In our opinion the financial information contained in Annexure I and II of this report read along with the

Significant Accounting Policies, Changes in Significant Accounting policies and Notes (Refer Annexures) prepared after making adjustments and regrouping as considered appropriate have been prepared in accordance with Part IIB of Schedule II of the Act and the DIP Guidelines.

5) Our report is intended solely for use of the management and for inclusion in the offer document in connection with the proposed issue of equity shares of the Holding Company, IRB Infrastructure Developers Limited. Our report and should not be used for any other purpose except with our consent in writing.

For ***A. J. Kotwal & Co.***
Chartered Accountants

C.A. Ajay J. Kotwal
Partner
M. No: 35859

Place: Mumbai
Date: 22nd November 2007

Modern Road Makers Pvt. Ltd.

Annexure I: Summary Statement of Assets and Liabilities, as restated

(Amount INR Thousand)

	Particulars	As at August 31, 2007	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003
A.	**FIXED ASSETS**						
	Gross Block	1,033,859	921,078	675,203	172,391	139,471	114,716
	Less: Accumulated depreciation	(295,460)	(237,069)	(113,773)	(49,406)	(34,206)	(16,327)
	Net Block	**738,399**	**684,009**	**561,430**	**122,985**	**105,265**	**98,389**
B.	**CAPITAL WORK IN PROGRESS**	72,039	-	-	-	-	-
C.	**INVESTMENTS**	1,014	994	649,473	1,218,957	860,908	130,373
D.	**DEFERRED TAX ASSETS**	2,020	1,096	-	-	-	-
E.	**CURRENT ASSETS, LOANS AND ADVANCES**						
	Inventories	138,330	91,683	4,263	1,247	1,293	12,775
	Sundry debtors	1,433,346	1,487,835	992,415	21,325	80,865	55,673
	Cash and bank balance	386,495	54,614	60,613	46,185	89,452	51,746
	Loans and advances	1,451,280	1,104,589	76,382	106,117	152,701	197,799
	Total	**3,409,451**	**2,738,721**	**1,133,673**	**174,874**	**324,311**	**317,993**
F.	**LIABILITIES AND PROVISIONS**						
	Secured loans	506,829	597,223	362,116	60,942	58,718	99,573
	Unsecured loans	1,237,282	327,988	349,070	82,872	-	115
	Current liabilities	1,404,158	1,558,945	935,580	1,127,306	1,026,913	287,755
	Provisions	88,790	75,123	50,211	57,809	49,751	38,014
	Deferred tax liability, net	-	-	16,418	6,457	4,478	4,268
	Total	**3,237,059**	**2,559,279**	**1,713,395**	**1,335,386**	**1,139,860**	**429,725**
	Net worth (A+B+C+D+E-F)	**985,864**	**865,541**	**631,181**	**181,430**	**150,624**	**117,030**
	Net worth represented by -						
G.	Share capital	310,950	310,950	310,950	950	950	950
H.	**Reserves and Surplus**						
	Share Premium	700	700	700	700	700	700
	Profit and Loss Account	674,214	553,891	319,531	179,780	148,974	115,380
	Total	**674,914**	**554,591**	**320,231**	**180,480**	**149,674**	**116,080**
	Net worth (F+G)	**985,864**	**865,541**	**631,181**	**181,430**	**150,624**	**117,030**

The above statement should be read with the notes on adjustments to restated financial statements, significant accounting policies and notes to accounts as appearing in Annexure III & IV.

As per our report of even date

For A. J. KOTWAL & CO.	**For and on behalf of the Board of Directors**
Chartered Accountants	
CA Ajay J. Kotwal	**V.D. Mhaiskar**
Partner	**Director**
Membership No.35859	
Place: Mumbai	
Date: 22nd November 2007	

Modern Road Makers Pvt. Ltd.

Annexure II: Summary Statement of Profit and Losses, as restated

(Amount INR Thousand)

Particulars	For the period ended August 31, 2007	For the year ended March 31, 2007	For the year ended March 31, 2006	For the year ended March 31, 2005	For the year ended March 31, 2004	For the year ended March 31, 2003
INCOME						
Turnover	1,208,754	2,084,752	1,494,917	897,526	1,368,114	724,123
Other Income	47,534	36,878	5,204	9,026	4,217	12,333
Total (A)	**1,256,288**	**2,121,630**	**1,500,121**	**906,552**	**1,372,331**	**736,456**
EXPENDITURE						
Direct expenses	820,987	1,425,827	1,108,231	786,327	1,248,252	642,474
Employees' remuneration and benefits	89,003	108,219	17,363	4,168	7,832	13,274
Office administration and other expenses	55,898	83,887	86,181	40,544	25,580	15,613
Depreciation / amortisation on fixed asset	58,465	123,296	64,367	17,708	18,493	6,907
Finance expenses	47,239	32,809	18,481	8,801	11,724	11,032
Total (B)	**1,071,592**	**1,774,038**	**1,294,623**	**857,548**	**1,311,881**	**689,300**
PROFIT BEFORE PRIOR PERIOD ITEM AND TAX (A-B)	**184,696**	**347,592**	**205,498**	**49,004**	**60,450**	**47,156**
Prior period item - Road work expenses	-	(13,300)	-	-	-	-
Prior period item - Retention money receivable	-	33,664	-	-	-	-
Prior period item - Provision for gratuity	-	(8,284)	-	-	-	-
Prior period item - Provision for taxation	-	(2,603)	-	-	-	-
Prior period item - Deferred tax	-	2,816	-	-	-	(1,679)
PROFIT BEFORE TAX	**184,696**	**359,885**	**205,498**	**49,004**	**60,450**	**45,477**
Provision for tax						
Current tax	63,912	135,000	64,900	15,600	19,100	14,900
Deferred tax	(924)	(17,513)	10,170	2,158	2,819	2,589
Fringe benefit tax	1,386	2,600	1,350	-	-	-
Wealth tax for previous years	-	172	19	26	1	-
Income tax for previous years	-	-	218	137	110	-
TOTAL	**64,374**	**120,259**	**76,657**	**17,921**	**22,030**	**17,489**
NET PROFIT BEFORE ADJUSTMENTS	**120,322**	**239,626**	**128,841**	**31,083**	**38,420**	**27,988**
ADJUSTMENTS (refer note no. (I) (2) of annexure III)	-	(9,477)	17,708	(465)	(7,411)	(174)
Current Tax impact on adjustments (refer note no. (I) (3) (c) of annexure III)	-	6,855	(6,855)	-	-	-
Deferred tax impact of adjustments (refer note no. (I) (1) of annexure III)	-	(2,816)	209	180	2,608	1,679
Wealth tax impact of adjustments (refer note no. (I) (2) of annexure III)	-	173	(153)	7	(25)	(1)
NET PROFIT, AS RESTATED	**120,322**	**234,361**	**139,750**	**30,805**	**33,592**	**29,492**
Profit and loss account at the beginning of the year/period	553,892	319,531	179,780	148,974	115,380	85,888

BALANCE CARRIED FORWARD, AS RESTATED	**674,214**	**553,892**	**319,530**	**179,779**	**148,972**	**115,380**

The above statement should be read with the notes on adjustments to restated financial statements, significant accounting policies and notes to accounts as appearing in Annexure III & IV.

As per our report of even date

For A. J. KOTWAL & CO.
Chartered Accountants

CA Ajay J. Kotwal
Partner
Membership No.35859

Place: Mumbai
Date: 22nd November 2007

For and on behalf of the Board of Directors

V.D. Mhaiskar
Director

ANNEXURE III

Notes on Accounts

I) Adjustments for Restated Financial Statements

1. Deferred Tax

The Company adopted Accounting Standard 22, ('AS-22') 'Accounting for taxes on Income' issued by the Institute of Chartered Accountants of India ('ICAI') for the first time in preparing the financial statements for the year ended March 31, 2003. For the purpose of this statement, AS-22 has been applied for the year ended March 31, 2002, as if it was applicable since then. Accordingly, the deferred tax asset/liability has been recomputed in the respective years of origination.

Further, the Accumulated Profit and Loss balance as at March 31, 2002 has been appropriately adjusted to reflect the impact of deferred tax assets in the summary statement of profits and losses, as restated, and summary statement of assets and liabilities, as restated.

2. Below mentioned is the summary of results of restatement made in the audited accounts for the respective years and its impact on the profits / losses of the Company.

(Amount INR Thousand)

PARTICULARS	Period ended August 31,2007	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005	Year ended March 31, 2004	Year ended March 31, 2003
ADJUSTMENTS						
Impact of changes in accounting policies and estimates						
(See note no. 3(a) below)						
Operation and Maintenance Receipt	-	(33,664)	33,664	-	-	-
Prior period items						
(See note no. 3(b) below)						
Road Works Expenses	-	13,300	(13,300)	-	-	-
Provision for gratuity (See note no. 3(c) below)	-	8,284	(622)	(535)	(7,127)	
Short / Excess Provision for Tax (See note no. 3(c) below)	-	2,603	(2034)	70	(284)	(174)
Sub Total	**-**	**(9,477)**	**17,708**	**(465)**	**(7,411)**	**(174)**

3. Other adjustments

a. *Change in accounting policy*

Upto the year ended March 31, 2006, the Company has accounted its income from road works receipts after netting off retention money. During the current year, the Company has changed the method of accounting income on gross basis and such change has been recognised as a prior period item in the Profit and Loss Account. For the purpose of this statement, such prior period item has been appropriately adjusted in the respective years.

b. *Prior Period Items*

In the financial year ended March 31, 2007, certain items of expenses / incomes have been identified as prior period items. For the purpose of this statement, such prior period items have been appropriately adjusted in the respective years.

c. *Short / (Excess) provision for tax of earlier years*

The profit and loss account of some years includes amounts paid/provided for or written back, in respect of shortfall/excess income tax / wealth tax arising out of self-assessments, which has now been adjusted in the respective years. Also, income tax (current tax and deferred tax) has been computed on adjustments made as detailed above and has been adjusted in the summary statement of profits and losses, as restated for the year ended March 31, 2006, 2005, 2004 and 2003.

4. Profit & Loss account as at April 1,2002

(Rs. in 000)

Particulars	Amount
Profit and (loss) account as at April 1,2002	87,707
Provision for tax F.Y. 2000-01 (See note no. 3(c) above)	(110)
Provision for tax F.Y. 2001-02 (See note no. 3(c) above)	(137)
Income Tax Refund (See note no. 3(c) above)	108
Deferred Tax (See note no. 1 above)	(1,679)
Total	**85,889**

II) Provisions and contingencies:

A. For the financial year ended August 2007

a) Disclosure in respect of Contingent Liabilities: -

Rs. in 000.

Sr. No.	Contingent Liabilities	As on 31-08-2007
a)	Guarantees given to Banks in respect of Guarantees given by Banks to the suppliers of material at BS - BOT Site.	32,000

B. For the financial year ended March 2007

a. Disclosure in respect of Contingent Liabilities: -

Rs. in 000.

Sr. No.	Contingent Liabilities	As on 31-03-2007
a)	Counter guarantees given to concerns covered under register maintained u/s. 301 of the Companies Act, 1956 for guarantees given to bank.	30,000
b)	Guarantees given to Banks in respect of Guarantees given by Banks to the suppliers of material at BS - BOT Site.	22,000

C. For the financial year ended March 2006

a) Disclosure in respect of Contingent Liabilities:

Rs. in 000

Sr. No.	Contingent Liabilities	As on 31-03-2006
a)	Counter guarantees given to concerns covered under register maintained u/s. 301 of the Companies Act, 1956 for guarantees given to bank.	50,000

D. For the financial year ended March 2005

a) Disclosure in respect of Contingent Liabilities

Rs. in 000

Sr. No.	Contingent Liabilities	As on 31-03-2005
a)	Counter guarantees given to concerns covered under register maintained u/s. 301 of the Companies Act, 1956 for guarantees given to bank.	138,014

E. For the financial year ended March 2004

a) Disclosure in respect of Contingent Liabilities

Rs. in 000

Sr. No.	Contingent Liabilities	As on 31-03-2004
a)	Counter guarantees given to concerns covered under register maintained u/s. 301 of the Companies Act, 1956 for guarantees given to bank.	138,014
b)	Claims against company not acknowledged as debts	342

E. For the financial year ended March 2003

a) Disclosure in respect of Contingent Liabilities

Rs. in 000

Sr. No.	Contingent Liabilities	As on 31-03-2003
a)	Counter guarantees given to concerns covered under register maintained u/s. 301 of the Companies Act, 1956 for guarantees given to bank.	276,028

As per our report of even date

For A.J.Kotwal & Co.
Chartered Accountants

For and on behalf of the Board of Directors

CA Ajay J. Kotwal
Partner
Membership No.35859

V.D. Mhaiskar
Director

Place: Mumbai
Date: 22nd November 2007

ANNEXURE IV

Significant Accounting Policies for Restated Financial Statements

(a) **Basis of preparation**

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.

(b) **Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(c) **Changes in Accounting Policies**

Adopting of Accounting standard AS 15 (Revised 2005) Employee Benefits

During the year ended 31st March 2007, Gratuity of Rs. 8,284 thousand has been recognized on actuarial basis and shown in Profit and loss account as a prior period item. In the current year, the Company has gone early adoption of the Accounting Standard 15 (Revised 2005) which is mandatory for accounting period commencing on or after December 7, 200. Accordingly the company has changed method of providing short term leave benefits from actuarial valuation to estimate basis. The change is not having material impact on the profit for the current year.

(d) **Fixed Assets**

Fixed assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

(e) **Depreciation**

Depreciation is provided using the Written Down Value Method as per the rates prescribed under schedule XIV of the Companies Act, 1956 whichever is higher.

(f) **Investments**

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary, in the value of the investments.

(g) **Inventories**

Inventories are valued as follows:

Raw materials, components, stores and spares

Lower of cost and net realizable value. Cost is determined on first in first out basis.

Work-in-progress and finished goods

Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of overheads based on normal operating capacity.
Net realizable value is the estimated contract price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to complete the contract.

(h) **Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

<u>*Income from Construction Contracts*</u>
Revenues from construction & maintenance contracts are recognised on percentage completion method. Stage of completion is determined with reference to physical measurement of work done as compared to the total work done. In case of any unmeasured work done at the Balance Sheet date revenue is recognised as work-in-progress at cost.

<u>*Interest*</u>
Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

<u>*Dividends*</u>
Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date. Dividend from group company is recognised even if same are declared after the balance sheet date but pertains to period on or before the date of balance sheet as per the requirement of schedule VI of the Companies Act, 1956

(i) **Retirement and other employee benefits**

i. Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable under the Provident Fund Scheme.

ii. Gratuity liability are defined benefit obligations and are provided for on the basis of an actuarial valuation made at the end of each financial year.

iii. Short term compensated absences are provided for, based on estimates.

iv. Actuarial gains/losses are immediately taken to profit and loss account and are not deferred

(j) **Income taxes**

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

(k) **Segment Reporting Policies**

Identification of segments:
The Company's operating businesses are organized and managed separately according to the nature of services provided, with each segment representing a strategic business unit that serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Intersegment Transfers:
The Company generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

Allocation of common costs:
Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items:
The Corporate and Other segment includes general corporate income and expense items which are not allocated to any business segment.

(l) **Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilution of potential equity shares.

(m) **Provisions**
A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(n) **Cash and Cash equivalents**
Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

As per our report of even date

For A.J.Kotwal & Co.

Chartered Accountants

CA Ajay J. Kotwal
Partner
Membership No.35859

For and on behalf of the Board of Directors

V.D. Mhaiskar
Director

Place: Mumbai
Date:

Auditor's Report on
Financial Information in Relation to Prospectus

To

The Board of Directors
IRB Infrastructure Developers Limited
IRB Complex, Chandivli Farm
Chandivli Village, Andheri (E)
Mumbai – 400 072
India

Dear Sirs,

1) We have examined the attached financial information of ATR Infrastructure Private Limited, as approved by the Board of Directors of the Company, prepared in terms of the requirements of Paragraph B, Part ii of Schedule ii of the Companies Act, 1956 ("the Act") and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 as amended to date ("SEBI Guidelines") and in terms of our engagement agreed upon with you in accordance with the engagement letter dated 21.08.2007 in connection with the proposed issue of Equity shares of the Holding Company, IRB Infrastructure Developers Limited.

2) This information has been extracted, by the Management, from the financial statements for the years/period ended, March 31, 2004, March 31,2005, March 31, 2006, March 31,2007 and August 31,2007

3) In accordance with the requirements of Paragraph B of part II of Schedule II of the Act, the SEBI Guidelines and terms of our engagement agreed with you, we further report that:

(a) The Restated Summary Statement of Assets and Liabilities of the Company, as at March 31, 2004, March 31, 2005, March 31, 2006, March 31, 2007 and August 31, 2007 examined by us, as set out in the Annexure to this report, are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes and Changes in Significant Accounting Policies (Refer Annexures):

(b) The Restated Summary Statement of Profit or Loss of the Company for the years/period then ended, examined by us, as set out in Annexure as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes and Changes in Significant Accounting Policies (Refer Annexures).

4) Based on the above we are of the opinion that the restated financial information has been made after incorporating:

(i) Adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods.

(ii) Adjustments for the material amounts in the respective financial years to which they relate.

(iii) And there are no extra-ordinary items that need to be disclosed separately in the accounts and qualification requiring adjustments.

In our opinion the financial information contained in Annexures I and II of this report read along with the Significant Accounting Policies, Changes in Significant Accounting policies and Notes (Refer Annexures) prepared after making adjustments and regrouping as considered appropriate have been prepared in accordance with Part IIB of Schedule II of the Act and the DIP Guidelines.

5) Our report is intended solely for use of the Management and for inclusion in the offer document in connection with the proposed issue of equity shares of the Holding Company, IRB Infrastructure Developers Limited. Our report should not be used for any other purpose except with our consent in writing.

For Parikh Joshi & Kothare
Chartered Accountants

CA. Yatin R. Vyavaharkar
Partner
Membership Number: 33915

Place: Mumbai
Date:22nd November,2007

(Amount INR Thousand)

	PARTICULARS	As at August 31, 2007	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004
A.	**FIXED ASSETS**					
	Gross Block	14,647	14,390	14,395	13,229	1,406
	Less: Accumulated depreciation and impairment	(5,038)	(4,441)	(2,993)	(1,479)	(11)
	Net Block	**9,609**	**9,949**	**11,402**	**11,750**	**1,395**
	Capital work in progress (including capital advances)	-	-	898	-	11,482
	Total	**9,609**	**9,949**	**12,300**	**11,750**	**12,877**
B.	**INTANGIBLE ASSETS**	761,047	771,603	808,377	554,529	338,857
C.	**INVESTMENTS**	187,660	224,628	100,154	-	-
D.	**CURRENT ASSETS, LOANS AND ADVANCES**					
	Sundry debtors	3,308	-	-	-	3
	Cash and bank balance	5,592	4,024	4,600	3,826	2,855
	Loans and advances	368,106	406,157	488,902	207,382	247,622
	Total	**377,006**	**410,181**	**493,502**	**211,208**	**250,480**
E.	***LIABILITIES AND PROVISIONS***					
	Secured loans	-	696,938	727,551	261,328	263,953
	Unsecured loans	619,100	10	-	1,832	1,832
	Current liabilities	682	3,527	2,007	1,018	2,945
	Provisions	160,119	160,714	151,711	-	-
	Deffered tax liability, net	229	230	350	-	-
	Total	**780,130**	**861,419**	**881,619**	**264,178**	**268,730**
	Net worth (A+B+C+D-E)	**555,192**	**554,942**	**532,714**	**513,309**	**333,484**
	Net worth represented by					
F.	Share capital	517,500	517,500	517,500	517,500	298,725
G.	Share application money pending allotment	-	-	-	-	37,240
H.	Reserves and Surplus	37,692	37,442	15,290	-	-
I.	Miscellaneous expenditure (To the extent not written off or adjusted)	-	-	(76)	(4,191)	(2,481)
	Net worth (F+G+H-I))	**555,192**	**554,942**	**532,714**	**513,309**	**333,484**

The above statement should be read with the notes on adjustments to restated financial statements, significant accounting policies and notes to accounts to appearing in Annexure-III & IV.

As per our report of even date

For and on behalf of the Board of Directors

For Parikh Joshi & Kothare
Chartered Accountants

CA Yatin Vyavaharkar
Partner
Membership No. 33915
Place: Mumbai
Date: 22nd November 2007

V.D.Mhaiskar
Director

ATR Infrastructure Private Limited

Annexure II: Summary Statement of Profit and Losses, as restated

(Amount INR Thousand)

PARTICULARS	For the period ended August 31, 2007	For the year ended March 31, 2007	For the year ended March 31, 2006	For the year ended March 31, 2005	For the period from June 23, 2003 to March 31, 2004
INCOME					
Turnover	66,752	154,912	29,520	-	-
Other Income	(12,512)	(13,690)	23,156	-	-
Total Income (A)	**54,240**	**141,222**	**52,676**	**-**	**-**
EXPENDITURE					
Direct expenses	4,220	10,695	-	-	-
Office administration and other expenses	1,354	2,623	4,225	-	-
Depreciation / Amortisation on Fixed Asset	11,152	25,125	14,442	-	-
Finance expenses	36,892	65,626	24,236	-	-
Total Expenditure (B)	**53,618**	**104,069**	**42,903**	**-**	**-**
PROFIT BEFORE PRIOR PERIOD ITEM (A-B)	**622**	**37,153**	**9,773**	**-**	**-**
Pror period expences	-	5,883	-	-	-
PROFIT BEFORE TAX	**622**	**43,036**	**9,773**	**-**	**-**
Provision for tax					
Current Tax (including short / excess) provision for current tax of earlier years)	264	15,000	19	-	-
Deffered Tax	-	(120)	350	-	-
Fringe Benefit Tax	108	118	-	-	-
TOTAL	**372**	**14,998**	**369**	**-**	**-**
NET PROFIT BEFORE ADJUSTMENTS	**250**	**28,038**	**9,404**	**-**	**-**
ADJUSTMENTS	-	(8,872)	8,872	-	-
(refer note no. 1 of annexure III)	-	-	-	-	-
Current tax impact on adjustments	-	2,986	(2,986)	-	-
(refer note no. 2 (c) of annexure III)	-				
NET PROFIT, AS RESTATED	**250**	**22,152**	**15,290**	**-**	**-**
Profit and loss amount at the beginning of the year	37,442	15,290	-	-	-
BALANCE CARRIED FORWARD, AS RESTATED	**37,692**	**37,442**	**15,290**	**-**	**-**

The above statement should be read with the notes on adjustmets to restated financial statements, significant accounting policies and notes to accounts as apearing in Annexure III & IV.

For and on behalf of the Board of Directors

For Parikh Joshi & Kothare
Chartered Accountants

CA Yatin Vyavaharkar
Partner
Membership No. 33915
Place: Mumbai
Date: 22nd November 2007

V.D. Mhaiskar
Director

ANNEXURE III

Notes on Accounts

1. Adjustments for Restated Financial Statements

Below mentioned is the summary of results of restatement made in the audited accounts for the respective years and its impact on the profits / losses of the Company.

(Amount INR Thousand)

PARTICULARS	For the period ended August 31,2007	For the year ended March 31,2007	For the year ended March 31,2006
ADJUSTMENTS			
Impact of changes in accounting policies and estimates			
(See note no. 2(a) below)			
Excess amortization of Toll Collection Rights	-	(9674)	9674
Prior Period items			
(See note no. 2(b) below)			
Amortisation of upfront charges	-	792	(792)
Professional Charges	-	10	(10)
Sub Total	-	**(8872)**	**8,872**

2. Other adjustments

a) Change in accounting policy

Upto financial year 2005-06, the Company was following accounting on Equal basis. In the financial year 2006-07, the Company has changed its accounting policy from Equal basis to Toll Revenue Projection basis. Due to change in accounting policy, the Company has identified prior period items in the financial year 2006-2007. For the purpose of restatement, such prior period items have been appropriately adjusted in the respective years.

b) Prior Period Items

In the financial year ended March 31, 2007, certain items of expenses incomes have been identified as prior period items. For the purpose of this statement, such prior period items have been appropriately adjusted in the respective years.

c) Short / (Excess) provision for tax of earlier years

The income tax (current tax) has been computed on adjustments made as detailed above and has been adjusted in the summary statement of profits and losses, as restated for the years/periods ended March 31, 2007 and March31, 2006.

3. Material regroupings

a) Intangible Assets

Upto financial year 2005-06, the Company has shown intangible assets including upfront maintenance charges. In the statement of Assets and Liabilities as restated, upfront maintenance charges, which incurred upto December 19, 2005, has been regrouped under Loan & Advance. Due to above change, there was no impact on the profit of the Company.

During the year ended March 31, 2007, the Company has recognized and measured resurfacing costs in accordance with AS 29 “Provisions, Contingent Liabilities and Contingent Assets” and shown as addition under the head Intangible Assets. The same has been amortized on the basis of percentage of Toll Collection with retrospective effect from the year ended March 31, 2006. For the purpose of this statement, such recognition as liability and addition to Intangible Assets have been appropriately adjusted from the financial year ended 2004-05.

As per our report of even date

For Parikh Joshi & Kothare	**For and on behalf of the Board of Directors**
Chartered Accountants	
CA. Yatin R. Vyavaharkar **Partner** Membership No. 33915 Place: Mumbai Date: 22nd November, 2007	**V.D. Mhaiskar** **Director**

ANNEXURE IV

Significant accounting policies for Restated Financial Statements

(a) Basis of Preparation:
The financial statements have been prepared to comply in all material respects with the notified Accounting Standards by Companies Accounting Standards Rules,2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

(b) Use of estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(c) Changes in accounting policy
Change in method of amortization of share issue expenses
In the financial year 2006-07, the Company changed its accounting policy of amortising Toll Collection Right from Equal basis to percentage of Toll Collection basis. Therefore Income of Prior period Rs. 8,882 thousand and corresponding tax thereof Rs.2,990 thousand shown as Prior period Items in Profit & Loss A/c. /c.

(d) Fixed Assets and Intangibles
Fixed Assets
Fixed assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.
Intangibles
Toll Collection *Rights*
The Company has classified the Toll collection Rights for Pune-Nasik (N.H.50) as intangibles.

(e) Depreciation and Amortisation
Depreciation is provided using the Written Down Value Method at the rates prescribed under Schedule XIV of Companies Act, 1956.

Amortisation
Toll Collection Rights are amortised over the concession period. The rights are amortised based on the pattern in which the assets economic benefits are consumed.

The projected total toll revenue is based on the latest available base case traffic volume projections. If there is significant change in the expected pattern of economic benefits from the asset the amortization would be revised accordingly.

(f) Investments
Investments that are readily realizable and intended to be held for not more than a year are Classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost.

(g) Borrowing Costs
Borrowing Costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relates to the period till such assets are ready to be put to use.

(h) Revenue Recognition
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and

the revenue can be reliably measured.

Toll Revenue

Toll revenue is recognised for as and when toll is chargeable for the usage of the roads.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(i) Income taxes

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

(j) Earning Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

(k) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(l) Resurfacing Expenses

Resurfacing costs are recognised and measured in accordance with AS 29 “Provisions, Contingent Liabilities and Contingent Assets” i.e. at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

As per our report of even date

For Parikh Joshi & Kothare

Chartered Accountants

CA. Yatin R. Vyavaharkar
Partner
Membership No. 33915
Place: Mumbai
Date:22nd November,2007

For and on behalf of the Board of Directors

V.D. Mhaiskar
Director

Auditor's Report on
Financial Information in Relation to Prospectus

To
The Board of Directors
IRB Infrastructure Developers Limited
IRB Complex, Chandivli Farm
Chandivli Village, Andheri (E)
Mumbai – 400 072
India

Dear Sirs,

1) We have examined the attached financial information of ARYAN Toll Road Private Limited, as approved by the Board of Directors of the Company, prepared in terms of the requirements of Paragraph B, Part ii of Schedule ii of the Companies Act, 1956 ("the Act") and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 as amended to date ("SEBI Guidelines") and in terms of our engagement agreed upon with you in accordance with the engagement letter dated 21.08.2007 in connection with the proposed issue of Equity shares of the Holding Company, IRB Infrastructure Developers Limited.
2) This information has been extracted, by the Management, from the financial statements for the years/period ended March 31,2003, March 31, 2004, March 31,2005, March 31,2006, March 31,2007 and August 31,2007
3) In accordance with the requirements of Paragraph B of part II of Schedule II of the Act, the SEBI Guidelines and terms of our engagement agreed with you, we further report that:

    (a) The Restated Summary Statement of Assets and Liabilities of the Company, as at March 31,2003, March 31, 2004, March 31, 2005, March 31, 2006, March 31,2007 and August 31,2007 examined by us, as set out in the Annexure to this report, are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes and Changes in Significant Accounting Policies (Refer Annexures):

    (b) The Restated Summary Statement of Profit or Loss of the Company for the years/period then ended, examined by us, as set out in Annexure as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes and Changes in Significant Accounting Policies (Refer Annexures).

4) Based on the above we are of the opinion that the restated financial information has been made after incorporating:
    (i) Adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods.
    (ii) Adjustments for the material amounts in the respective financial years to which they relate.
    (iii) And there are no extra-ordinary items that need to be disclosed separately in the accounts and qualification requiring adjustments.

    In our opinion the financial information contained in Annexures I and II of this report read along with the Significant Accounting Policies, Changes in Significant Accounting policies and Notes (Refer Annexures) prepared after making adjustments and regrouping as considered appropriate have been prepared in accordance with Part IIB of Schedule II of the Act and the DIP Guidelines.
5) Our report is intended solely for use of the Management and for inclusion in the offer document in connection with the proposed issue of equity shares of the Holding Company, IRB Infrastructure Developers Limited. Our report should not be used for any other purpose except with our consent in writing.

For Parikh Joshi & Kothare
Chartered Accountants

CA. Yatin R. Vyavaharkar
Partner
Membership Number: 33915

Place: Mumbai
Date:22nd November,2007

ARYAN TOLL ROAD PRIVATE LIMITED

Annexure I: Summary Statement of Assets and Liabilities, as restated

(Amount INR Thousand)

	PARTICULARS	As at August 31, 2007	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003
A.	**FIXED ASSETS**						
	Gross Block	13,621	13,383	13,383	13,383	1,491	-
	Less: Accumulated depreciation and impairment	(5,636)	(5,107)	(3,681)	(1,992)	(322)	-
	Net Block	**7,985**	**8,276**	**9,702**	**11,391**	**1,169**	**-**
	Capital work in progress (including capital advances)	-	-	-	-	11,478	-
	Total	**7,985**	**8,276**	**9,702**	**11,391**	**12,647**	**-**
B.	**INTANGIBLE ASSETS**	447,606	456,446	462,485	494,459	196,435	-
C.	**INVESTMENTS**	149,240	299,642	169,340	-	-	-
D.	**CURRENT ASSETS, LOANS AND ADVANCES**						
	Sundry debtors	-	-	-	29,677	-	-
	Cash and bank balance	11,400	16,041	(918)	5,355	7,340	97
	Loans and advances	539,067	422,174	569,384	474,730	477,697	19,460
	Total	**550,467**	**438,215**	**568,466**	**509,762**	**485,037**	**19,557**
E.	**LIABILITIES AND PROVISIONS**						
	Secured loans	384,752	577,528	628,340	460,105	310,982	-
	Unsecured loans	166,387	2,211	2,079	315	310	10,289
	Current liabilities	3,637	1,572	307	57	3,727	8
	Provisions	102,323	109,586	105,007	102,252	-	-
	Deffered tax liability, net	765	847	920	989	-	-
	Total	**657,864**	**691,744**	**736,653**	**563,718**	**315,019**	**10,297**
	Net worth (A+B+C+D-E)	**497,434**	**510,835**	**473,340**	**451,894**	**379,100**	**9,260**
	Net worth represented by						
F.	Share capital	450,000	450,000	450,000	450,000	381,516	-
G.	Share application money pending allotment	-	-	-	-	-	10,000
H.	Reserves and Surplus	47,434	60,835	23,416	2,008	-	-
I.	Miscellaneous expenditure (To the extent not written off or adjusted)	-	-	(76)	(114)	(2,416)	(740)
	Net worth (F+G+H-I))	**497,434**	**510,835**	**473,340**	**451,894**	**379,100**	**9,260**

The above statement should be read with the notes on adjustments to restated financial statements, significant accounting policies and notes to accounts to appearing in Annexure-III & IV.

As per our report of even date

For Parikh Joshi & Kothare
Chartered Accountants

For and on behalf of the Board of Directors

CA Yatin Vyavaharkar
Partner
Membership No. 33915

V.D. Mhaiskar
Director

Place: Mumbai
Date: 22nd November 2007

ARYAN TOLL ROAD PRIVATE LIMITED

Annexure II: Summary Statement of Profit and Losses, as restated

(Amount INR Thousand)

PARTICULARS	For the period ended August 31, 2007	For the year ended March 31, 2007	For the year ended March 31, 2006	For the year ended March 31, 2005	For the year ended March 31, 2004	For the period from January 23, 2003 to March 31, 2003
INCOME						
Turnover	53,903	119,680	98,550	29,709	-	-
Other Income	(32,550)	31,666	18,487	6	-	-
Total Income (A)	**21,353**	**151,346**	**117,037**	**29,715**	**-**	**-**
EXPENDITURE						
Direct expenses	5,045	10,695	-	-	-	-
Office administration and other expenses	599	1,088	6,856	15,265	-	-
Depreciation / Amortisation on Fixed Asset	9,370	21,416	46,130	489	-	-
Finance expenses	26,508	75,187	51,848	14,792	-	-
Total Expenditure (B)	**41,522**	**108,386**	**104,834**	**30,546**	**-**	**-**
PROFIT BEFORE PRIOR PERIOD ITEM (A-B)	**(20,169)**	**42,960**	**12,203**	**(831)**	**-**	**-**
Income tax of prevoius year	-	-	-	-	-	-
Pror period expences	-	13,433	-	-	-	-
PROFIT BEFORE TAX	**(20,169)**	**56,393**	**12,203**	**(831)**	**-**	**-**
Provision for tax						
Current Tax	(6,811)	5,500	264	27	-	-
Deffered Tax	(83)	(73)	-	989	-	-
Fringe Benefit Tax	125	113	(69)	-	-	-
TOTAL	**(6,769)**	**5,540**	**195**	**1,016**	**-**	**-**
NET PROFIT BEFORE ADJUSTMENTS	**(13,400)**	**50,853**	**12,008**	**(1,847)**	**-**	**-**
ADJUSTMENTS (refer note no. 2 of annexure III)	-	(20,250)	14,170	6,080	-	-
Current tax impact on adjustments (refer note no. 2 (c) of annexure III)	-	6,816	(4,770)	(2,225)	-	-
NET PROFIT, AS RESTATED	**(13,400)**	**37,419**	**21,408**	**2,008**	**-**	**-**
Profit and loss amount at the beginning of the year	60,834	23,416	2,008	-	-	-
BALANCE CARRIED FORWARD, AS RESTATED	**47,434**	**60,835**	**23,416**	**2,008**	**-**	**-**

The above statement should be read with the notes on adjustments to restated financial statements, significant accounting policies and notes to accounts to appearing in Annexure-III & IV.

As per our report of even date

For Parikh Joshi & Kothare
Chartered Accountants

For and on behalf of the Board of Directors

CA Yatin Vyavaharkar
Partner
Membership No. 33915
Place: Mumbai
Date: 22nd November 2007

V.D. Mhaiskar
Director

ANNEXURE III:

Notes on Accounts

1. Adjustments for Restated Financial Statements

Below mentioned is the summary of results of restatement made in the audited accounts for the respective years/period and its impact on the profits / losses of the Company.

(Amount INR Thousand)

PARTICULARS	Period ended August 31, 2007	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005
ADJUSTMENTS				
Impact of changes in accounting policies and estimates				
(See note no. 2(a) below)				
Excess amortization of Toll Collection Rights	-	(32,188)	25,400	6,788
Prior period items				
(See note no. 2(b) below)				
Amortisation of upfront charges	-	11,938	(11,230)	(708)
Total	**-**	**(20,250)**	**14,170**	**6,080**

2. Other adjustments

a) Change in accounting policy

Upto financial year 2005-06, the Company was following accounting on Equal basis. In the financial year 2006-07, the Company has changed its accounting policy from Equal basis to Toll Revenue Projection basis. Due to change in accounting policy, the Company has identified prior period items in the financial year 2006-2007.For the purpose of restatement, such prior period items have been appropriately adjusted in the respective years.

b) Prior Period Items

In the financial year ended March 31, 2007, certain items of expenses have been identified as prior period items. For the purpose of this statement, such prior period items have been appropriately adjusted in the respective years

c) Short / (Excess) provision for tax of earlier years

Income tax (current tax and deferred tax) has been computed on adjustments made as detailed above and has been adjusted in the summary statement of profits and losses, as restated for the years/periods ended March 31, 2007, March31, 2006 and March31, 2005.

3. Material regroupings

a) Intangible Assets

Upto financial year 2005-06, the Company has shown intangible assets including upfront maintenance charges. In the statement of Assets and Liabilities as restated, upfront maintenance charges, which incurred upto December 27, 2004, has been regrouped under Loan & Advance. Due to above change, there was no impact on the profit of the Company.

During the year ended March 31, 2007, the Company has recognized and measured resurfacing costs in accordance with AS 29 “Provisions, Contingent Liabilities and Contingent Assets” and shown as addition under the head Intangible Assets. The same has been amortized on the basis of percentage of Toll Collection with retrospective effect from the year ended March 31, 2004. For the purpose of this statement, such recognition as liability and addition to Intangible Assets have been appropriately adjusted from the financial year ended 2004-05.

4. Contingent liabilities:

a) For the financial year ended March 2006

During the year the Company has given guarantees / counter guarantees of Rs. 50,000 thousands to banks, in connection with sister concerns.

As per our report of even date

For Parikh Joshi & Kothare **Chartered Accountants**	**For and on behalf of the Board of Directors**
CA Yatin Vyavaharkar **Partner** Membership No. 33915 Place: Mumbai Date: 22nd November, 2007	**V. D. Mhaiskar** **Director**

ANNEXURE IV

Significant accounting policies for Restated Financial Statements

(a) Basis of Preparation:
The financial statements have been prepared to comply in all material respects with the notified Accounting Standards by Companies Accounting Standards Rules,2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

(b) Use of estimates
The preparation of financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(c) Changes in accounting policy
In the financial year 2006-07, the company changed its accounting policy of amortising Toll Collection Rights from Equal basis to percentage of Toll Collection basis. Therefore Income of Prior period Rs. 20,249 thousands and corresponding tax thereof Rs.6,815 thousands shown as Prior Period Items in Profit & Loss A/c.

(d) Fixed Assets and Intangibles
Fixed Assets
Fixed assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Intangibles
Toll Collection Rights
The Company has classified the Toll collection Rights for Pune-Solapur (N.H.9) as intangibles.

(e) Depreciation and Amortisation
Depreciation
Depreciation is provided using the Written Down Value Method at the rates prescribed under Schedule XIV of Companies Act, 1956.
Amortisation
The Toll Collection Rights are amortised over the entire concession period. The rights are amortised based on the pattern in which the assets economic benefits are consumed.

The projected total revenue is based on the latest available base case traffic volume projections. If there is significant change in the expected pattern of economic benefits from the asset the amortisation would be revised accordingly.

(f) Investments
Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost.

(g) Borrowing Costs
Borrowing Costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relates to the period till such assets are ready to be put to use.

(h) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Toll Revenue

Toll revenue is recognized for as and when toll is chargeable for the usage of the roads.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(i) Income taxes

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

(j) Earning Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

(k) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(l) Resurfacing Expenses

Resurfacing costs are recognised and measured in accordance with AS 29 “Provisions, Contingent Liabilities and Contingent Assets” i.e. at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

As per our report of even date

For Parikh Joshi & Kothare
Chartered Accountants

For and on behalf of the Board of Directors

CA Yatin Vyavaharkar
Partner
Membership No. 33915
Place: Mumbai
Date: 22nd November, 2007

V. D. Mhaiskar
Director

Auditor's Report on
Financial Information in Relation to Prospectus

To
The Board of Directors
IRB Infrastructure Developers Limited
IRB Complex, Chandivli Farm
Chandivli Village, Andheri (E)
Mumbai – 400 072
India

Dear Sirs,

1) We have examined the attached financial information of IDAA Infrastructure Private Limited, as approved by the Board of Directors of the Company, prepared in terms of the requirements of Paragraph B, Part ii of Schedule ii of the Companies Act, 1956 ("the Act") and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 as amended to date ("SEBI Guidelines") and in terms of our engagement agreed upon with you in accordance with the engagement letter dated 21.08.2007 in connection with the proposed issue of Equity shares of the Holding Company, IRB Infrastructure Developers Limited.

2) This information has been extracted, by the Management, from the financial statements for the years/period ended on August 31,2007and March 31, 2007.

3) In accordance with the requirements of Paragraph B of part II of Schedule II of the Act, the SEBI Guidelines and terms of our engagement agreed with you, we further report that:

    (a) The Restated Summary Statement of Assets and Liabilities of the Company, as at August 31,2007 and March 31 2007 examined by us, as set out in the Annexure to this report, are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes and Changes in Significant Accounting Policies (Refer Annexures):

4) Based on the above we are of the opinion that the restated financial information has been made after incorporating:

    (i) Adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods.

    (ii) Adjustments for the material amounts in the respective financial years to which they relate.

    (iii) And there are no extra-ordinary items that need to be disclosed separately in the accounts and qualification requiring adjustments.

    In our opinion the financial information contained in Annexures I and II of this report read along with the Significant Accounting Policies, Changes in Significant Accounting policies and Notes (Refer Annexures) prepared after making adjustments and regrouping as considered appropriate have been prepared in accordance with Part IIB of Schedule II of the Act and the DIP Guidelines.

5) Our report is intended solely for use of the Management and for inclusion in the offer document in connection with the proposed issue of equity shares of the Holding Company, IRB Infrastructure Developers Limited. Our report should not be used for any other purpose except with our consent in writing.

For Parikh Joshi & Kothare
Chartered Accountants

CA. Yatin R. Vyavaharkar
Partner
Membership Number: 33915

Place: Mumbai
Date: 22nd November, 2007

IDAA INFRASTRUCTURE PRIVATE LIMITED

Annexure I: Summary Statement of Assets and Liabilities, as restated

(Amount INR Thousand)

	Particulars	As at August 31, 2007	As at March 31, 2007
A.	**FIXED ASSETS**		
	Gross Block	3,465	3,465
	Less: Accumulated depreciation	-	-
	Net Block	**3,465**	**3,465**
B.	**INTANGIBLE ASSETS**	6,361,908	5,507,100
C.	**INVESTMENTS**	10	10
D.	**DEFERRED TAX ASSETS**	-	-
E.	**CURRENT ASSETS, LOANS AND ADVANCES**		
	Inventories	-	-
	Sundry debtors	-	-
	Cash and bank balance	75,579	17,622
	Loans and advances	544,238	600,187
	Total	**619,817**	**617,809**
F.	**LIABILITIES AND PROVISIONS**		
	Secured loans	5,914,074	5,376,831
	Unsecured loans	-	-
	Current liabilities	256,578	70,864
	Provisions	12,698	689
	Deferred tax liability, net	-	-
	Total	**6,183,350**	**5,448,384**
	Net worth (A+B+C+D+E-F)	**801,850**	**680,000**
	Net worth represented by		
	-		
G.	Share capital	801,850	680,000
	Net worth (G)	**801,850**	**680,000**

The above statement should be read with the notes on adjustments to restated financial statements, significant accounting policies and notes to accounts as appearing in Annexure-III & IV.

As per our report of even date

For Parikh Joshi & Kothare.
Chartered Accountants

For and on behalf of the Board of Directors

CA. Yatin Vyavaharkar
Partner
Membership No. 33915
Place: Mumbai
Date: 22nd November 2007

V.D. Mhaiskar
Director

ANNEXURE II:

Notes to accounts

1. The Company has Prepared Schedule "3A" Surat-Bharuch Toll Collection Rights instead of a Profit & Loss Account. The necessary details as per Part-II of Schedule VI to the Companies Act, 1956, have been disclosed in that Schedule

2. **Segment Information**
   The Company does not have more than one segment to be reported and hence, the Accounting Standard 17 for Segment Reporting as prescribed by Institute of Chartered Accountants of India is not applicable to the Company.

3. There are no Small Scale Industries, to whom the Company owes dues, which are outstanding for more than 30 days at the Balance Sheet date. There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days at the Balance Sheet date. The above information and that given in "Current Liabilities – Schedule 7" regarding Small Scale Industrial Undertaking has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

4. **Commitment & Contingent Liabilities**
   <u>Commitment:-</u>

   Estimated amount of contracts remaining unexecuted on capital account and not provided for Rs.505.15 crores.

   <u>Contingent Liabilities:-</u>
   In respect of Performance guarantee of Rs.100,000 thousands given to NHAI by bankers of Ideal Road Builders Pvt. Ltd.

As per our report of even date

For Parikh Joshi & Kothare **Chartered Accountants**	**For and behalf of the Board of Directors**
CA. Yatin R. Vyavaharkar **Partner**	**V.D. Mhaiskar** **Director**

Membership No. 33915

Place: Mumbai
Date: 22nd November, 2007

ANNEXURE III:

Significant Accounting Policies for Restated Financial Statements

(a) **Basis of Preparation:**

The financial statements have been prepared to comply in all material respects with the notified Accounting Standards by Companies Accounting Standards Rules,2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year

(b) **Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(c) **Fixed Assets and Intangibles**

Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Intangibles

Toll Collection Rights

The Company has classified the Toll collection Rights for Surat-Bharuch (N.H.8), as intangibles.

(d) **Depreciation**

Depreciation is provided using the Written Down Value Method at the rates prescribed under Schedule XIV of Companies Act, 1956.

(e) **Borrowing Costs**

Borrowing Costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relates to the period till such assets are ready to be put to use.

(f) **Revenue Recognition**

The project is under construction phase during the year. Therefore no income has accrued and hence not recognized during the year.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(g) **Income taxes**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year. As this is first year of the company reversal of timing differences has not arisen.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

(h) **Provisions**

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

As per our report of even date

For Parikh Joshi & Kothare **Chartered Accountants**	**For and behalf of the Board of Directors**
CA. Yatin R. Vyavaharkar **Partner**	**V.D. Mhaiskar** **Director**

Membership No. 33915

Place: Mumbai
Date: 22nd November, 2007

Auditor's Report on
Financial Information in Relation to Prospectus

To
The Board of Directors
IRB Infrastructure Developers Limited
IRB Complex, Chandivli Farm
Chandivli Village, Andheri (E)
Mumbai – 400 072
India

Dear Sirs,

1) We have examined the attached financial information of IRB Infrastructure Private Limited, as approved by the Board of Directors of the Company, prepared in terms of the requirements of Paragraph B, Part ii of Schedule ii of the Companies Act, 1956 ("the Act") and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 as amended to date ("SEBI Guidelines") and in terms of our engagement agreed upon with you in accordance with the engagement letter dated 21.08.2007 in connection with the proposed issue of Equity shares of the Holding Company, IRB Infrastructure Developers Limited.

2) This information has been extracted, by the Management, from the financial statements for the years/period ended March 31, 2003, March 31, 2004, March 31,2005, March 31,2006, March 31,2007 and August 31, 2007.

3) In accordance with the requirements of Paragraph B of part II of Schedule II of the Act, the SEBI Guidelines and terms of our engagement agreed with you, we further report that:

   (a) The Restated Summary Statement of Assets and Liabilities of the Company, as at March 31, 2003, March 31, 2004, March 31, 2005, March 31, 2006, March 31, 2007 and August 31, 2007, examined by us, as set out in the Annexure to this report, are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes and Changes in Significant Accounting Policies (Refer Annexures):

   (b) The Restated Summary Statement of Profit or Loss of the Company for the years/period then ended, examined by us, as set out in Annexure as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes and Changes in Significant Accounting Policies (Refer Annexures).

4) Based on the above we are of the opinion that the restated financial information has been made after incorporating:

   (i) Adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods.

   (ii) Adjustments for the material amounts in the respective financial years to which they relate.

   (iii) And there are no extra-ordinary items that need to be disclosed separately in the accounts and qualification requiring adjustments.

In our opinion the financial information contained in Annexures I and II of this report read along with the Significant Accounting Policies, Changes in Significant Accounting policies and Notes (Refer Annexures) prepared after making adjustments and regrouping as considered appropriate have been prepared in accordance with Part IIB of Schedule II of the Act and the DIP Guidelines.

5) Our report is intended solely for use of the Management and for inclusion in the offer document in connection with the proposed issue of equity shares of the Holding Company, IRB Infrastructure Developers Limited. Our report should not be used for any other purpose except with our consent in writing.

For Parikh Joshi & Kothare
Chartered Accountants

CA. Yatin R. Vyavaharkar
Partner
Membership Number: 33915

Place: Mumbai
Date: 22nd November, 2007

IRB INFRASTRUCTURE PRIVATE LIMITED
Annexure I: Summary Statement of Assets and Liabilities, as restated

(Amount INR Thousand)

	Particulars	As at August 31, 2007	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003
A.	**FIXED ASSETS**						
	Gross Block	4,966	4,966	4,966	4,966	4,966	4,881
	Less: Accumulated depreciation	(1,907)	(1,890)	(1,838)	(1,763)	(1,656)	(1,497)
	Net Block	**3,059**	**3,076**	**3,128**	**3,203**	**3,310**	**3,384**
B.	**INTANGIBLE ASSETS**	224,380	233,757	254,625	274,046	292,112	308,912
C	**INVESTMENTS**	1	1	1	1	1	-
D	**CURRENT ASSETS, LOANS AND ADVANCES**						
	Sundry debtors	28,533	-	27,880	5,212	3,983	5,674
	Cash and bank balance	26,216	1,619	1,940	6,415	3,970	85,821
	Loans and advances	196	29,750	44,247	33,677	27,034	18,134
	Total	**54,945**	**31,369**	**74,067**	**45,304**	**34,987**	**109,629**
E	**LIABILITIES AND PROVISIONS**						
	Secured loans	-	-	22,000	76,781	122,000	242,196
	Unsecured loans	-	-	-	1,000	1,000	1,390
	Current liabilities	1,469	4,316	152	417	231	200
	Provisions	45,523	44,154	51,460	48,768	47,804	46,129
	Deferred tax liability, net	21	23	42	58	80	114
	Total	**47,013**	**48,493**	**73,654**	**127,024**	**171,115**	**290,029**
	Net worth (A+B+C+D-E)	**235,372**	**219,710**	**258,167**	**195,530**	**159,295**	**131,896**
	<u>Net worth represented by</u> -						
F	Share capital	100,000	100,000	100,000	100,000	100,000	100,000
G	Reserves and Surplus	135,372	119,710	158,228	95,651	59,477	32,138
H	Miscellaneous expenditure (To the extent not written off or adjusted)	-	-	(61)	(121)	(182)	(242)
	Net worth (F+G+H)	**235,372**	**219,710**	**258,167**	**195,530**	**159,295**	**131,896**

The above statement should be read with the notes on adjustments to restated financial statements, significant accounting policies and notes to accounts

For Parikh Joshi & Kothare.
Chartered Accountants
CA. Yatin Vyavaharkar
Partner
Membership No. 33915
Place: Mumbai
Date: 22nd November 2007

For and on behalf of the Board of Directors

V.D. Mhaiskar
Director

IRB INFRASTRUCTURE PRIVATE LIMITED

Annexure II: Summary Statement of Profit and Loss, as restated

(Amount INR Thousand)

PARTICULARS	For the period ended August 31, 2007	For the year ended March 31, 2007	For the year ended March 31, 2006	For the year ended March 31, 2005	For the year ended March 31, 2004	For the year ended March 31, 2003
INCOME						
Turnover	32,612	86,786	96,000	-	-	-
Other Income	139	1,630	-	49	237	776
Total (A)	**32,751**	**88,416**	**96,000**	**49**	**237**	**776**
EXPENDITURE						
Direct expenses	2,034	2,100	2,100	-	-	-
Personnel Expenses	1,409	4,975	797	-	-	-
Office administration and other expenses	793	3,327	621	173	115	139
Depreciation / amortisation on fixed asset	9,393	20,921	21,420	-	-	-
Finance expenses	1,433	1,195	4,669	-	-	-
Total (B)	**15,062**	**32,518**	**29,607**	**173**	**115**	**139**
PROFIT BEFORE PRIOR PERIOD ITEM AND TAX (A-B)	**17,689**	**55,898**	**66,393**	**(124)**	**122**	**637**
Prior period item - Income /(expenses)	-	(13)	87,159	-	-	(13)
Prior period item - Amortisations	-	23,892	-	-	-	-
Prior period item - Provision for income tax	-	-	(13,015)	1	-	-
PROFIT BEFORE TAX	**17,689**	**79,777**	**140,537**	**(123)**	**122**	**624**
Provision for tax						
Current tax	2,005	6,300	5,590	-	45	235
Deferred tax	(2)	(19)	37	-	-	-
Fringe benefit tax	24	51	-	-	-	-
TOTAL	**2,027**	**6,332**	**5,627**	**-**	**45**	**235**
NET PROFIT BEFORE ADJUSTMENTS	**15,662**	**73,445**	**134,910**	**(123)**	**77**	**389**
ADJUSTMENTS	**-**	**(36,002)**	**(72,224)**	**37,474**	**28,858**	**18,537**
(refer note no. 2 of annexure III)	**-**	**-**	**-**	**-**	**-**	**-**
Current tax impact on adjustments	**-**	**4,039**	**(162)**	**(1,199)**	**(1,630)**	**(2,102)**
(refer note no. 3 (c) of annexure III)	**-**	**-**	**-**	**-**	**-**	**-**
Deferred tax impact (refer note no. 1 & 3 (c) of annexure III)	**-**	**-**	**53.00**	**22**	**34**	**42**
NET PROFIT, AS RESTATED	**15,662**	**41,482**	**62,577**	**36,174**	**27,339**	**16,866**
Profit and loss account at the beginning of the year	**119,710**	158,228	95,651	59,477	32,138	15,272
Balance available for appropriation, as restated	**135,372**	**199,710**	**158,228**	**95,651**	**59,477**	**32,138**
APPROPRIATIONS						
Proposed dividend on equity shares	-	68,776	-	-	-	-
Tax on proposed dividend	-	11,224	-	-	-	-

TOTAL	-	**80,000**	-	-	-	-
BALANCE CARRIED FORWARD, AS RESTATED	135,372	119,710	158,228	95,651	59,477	32,138

The above statement should be read with the notes on adjustments to restated financial statements, significant accounting policies and notes to accounts as appearing in Annexure – IV

For Parikh Joshi & Kothare.
Chartered Accountants

For and on behalf of the Board of Directors

CA. Yatin Vyavaharkar
Partner
Membership No. 33915
Place: Mumbai
Date: 22nd November 2007

V.D. Mhaiskar
Director

For Parikh Joshi & Kothare
Chartered Accountants

CA. Yatin R. Vyavaharkar
Partner
Membership Number: 33915

Place: Mumbai
Date: 22nd November, 2007

ANNEXURE III:

Notes on Accounts

1. Deferred Tax

The Company adopted Accounting Standard 22, ('AS-22') 'Accounting for taxes on Income' issued by the Institute of Chartered Accountants of India ('ICAI') for the first time in preparing the financial statements for the year ended March 31, 2003. For the purpose of this statement, AS-22 has been applied for the year ended March 31, 2002, as if it was applicable since then. Accordingly, the deferred tax asset/liability has been recomputed in the respective years of origination.

Further, the Accumulated Profit and Loss balance as at April 1, 2002 has been appropriately adjusted to reflect the impact of deferred tax liability as on that date and on account of first-time application of the standard has been reversed appropriately in the summary statement of profits and losses, as restated, and summary statement of assets and liabilities, as restated.

2. Adjustments for Restated Financial Statements

Below mentioned is the summary of results of restatement made in the audited accounts for the respective years/period and its impact on the profits / losses of the Company.

(Amount INR Thousand)

PARTICULARS	Period ended August 31,2007	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005	Year ended March 31, 2004	Year ended March 31, 2003
ADJUSTMENTS						
Impact of changes in accounting policies and estimates						
(See note no. 3(a) below)						
Road Work Expenses	-	-	32,407	(3,441)	(3,321)	(9,573)
Interest & Finance Charges	-	-	139,928	(9,413)	(14,918)	(24,364)
Toll Collection Income	-	-	(381,081)	68,400	63,900	68,100
Amortization of toll collection right	-	-	121,587	(21,347)	(21,347)	(21,347)
Short/ Excess amortization of toll right	-	(36,015)	1,925	3,281	4,546	5,720
Prior period items						
(See note no. 3(b) below)						
Professional Tax	-	13	(5)	(6)	(2)	-
Other Adjustments						
(See note no. 3(c) below)						
Short/ excess provision for tax	-	-	13,015	-	-	1
Total	-	**(36,002)**	**(72,224)**	**37,474**	**28,858**	**18,537**

3. Other adjustments

a) Change in accounting policy

Upto financial year 2004-05, the Company was following accounting on Percentage basis and for the financial year 2005-06 on Equal basis. In the financial year 2006-07, the Company has changed its accounting policy from Equal basis to Toll Revenue Projection basis. Due to change in accounting policy, the Company has identified prior period items in the financial year 2005-2006 and 2006-2007.For the purpose of restatement, such prior period items have been appropriately adjusted in the respective years.

b) Prior period items

In the financial statements for the years ended March 31, 2007, professional tax has been identified as prior period items. For the purpose of this statement, such prior period items have been appropriately adjusted in the respective years

c) Short / (Excess) provision for tax of earlier years

The profit and loss account of some years includes amounts paid/provided for or written back, in respect of shortfall/excess income tax arising out of self-assessments, appeal etc. which has now been adjusted in the respective years. Also, income tax (current tax and deferred tax) has been computed on adjustments made as detailed above and has been adjusted in the summary statement of profits and losses, as restated for the years/periods ended March 31, 2007, March 31,2006, March 31,2005,March 31,2004 and March 31, 2003. The effect of adjustments relating to financial years ending prior to March 31, 2002 has been adjusted against the Accumulated Profit and Loss balance as at April 1, 2002.

4. Profit & Loss account as at April 1, 2002

(Rs. INR Thousand)

PARTICULARS	Year ended March 31, 2002	Year ended March 31, 2001	Year ended March 31, 2000	Total
Audited Loss as at April 01.2002 (A)	-	-	-	2,849
ADJUSTMENTS				
Impact of changes in accounting policies and estimates				
(See note no. 3(a) above)				
Road Work Expenses	(2,963)	(8,164)	(4,946)	(16,073)
Interest & Finance Charges	(28,075)	(28,841)	(34,316)	(91,232)
Amortization of toll collection right	(21,347)	(21,347)	(14,855)	(57,549)
Toll Collection Income	67,500	71,600	41,581	180,681
Short/ (Excess) amortization of toll right	6,808	7,823	5,911	20,542
Other Adjustments				
(See note no. 3(c) above)				
Short provision of income tax	-	(4)	-	(4)
Short provision of sales tax	-	(9)	-	(9)
Short provision of income tax for various years	-	-	(13,015)	(13,015)
Deferred tax liability	-	-	(155)	(155)
Sub Total – Expense/(Income) - (B)	**21,923**	**21,058**	**(19,795)**	**23,186**
Current Tax Impact of Adjustments (C)	(2,430)	(8333)	-	**(10763)**
Restated profit as at April 01'2002 (A-B-C)	-	-	-	**15,272**

5. Material regroupings

a) Intangible Assets

Upto financial year 2005-06, the Company has shown infrastructure facility development cost incurred including attributable borrowing cost after deducting amortization cost and toll collection income under current assets. In the statement of Assets and Liabilities as restated, such infrastructure facility development cost, which has been, incurred upto 21st July'1999 has been regrouped under Intangible assets. Due to above change, there was no impact on the profit of the Company.

During the year ended March 31, 2007, the Company has recognized and measured resurfacing costs in accordance with AS 29 “Provisions, Contingent Liabilities and Contingent Assets” and shown as addition under the head Intangible Assets. The same has been amortized on the basis of percentage of Toll Collection with retrospective effect from the year ended March 31, 2000. For the purpose of this statement, such recognition as liability and addition to Intangible Assets have been appropriately adjusted from the financial year ended 1999-2000.

6. Capital commitments and Contingent liabilities:

A. Financial period ended August 2007

i. The Company has given corporate guarantee to Kalyan Janata Sahakari Bank in respect of loan taken by Anuya Enterprises, an enterprises listed in register u/s 301.

B. Financial year ended March 2006

i. The Company has given corporate guarantee to Kalyan Janata Sahakari Bank in respect of loan taken by Anuya Enterprises, an enterprises listed in register u/s 301.

ii. The Company has created second charge on all assets in favour of ICICI bank in respect of loan of Rs. 775,000 thousand taken by ATR Infrastructure Private Limited, a company listed in register u/s 301.

C. Financial year ended March 2005

i. The Company has given corporate guarantee to Kalyan Janata Sahakari Bank in respect of loan taken by Anuya Enterprises, an enterprises listed in register u/s 301.

ii. The Company has created second charge on all assets in favour of ICICI bank in respect of loan of Rs. 775,000 thousand taken by AR Infrastructure Private Limited, a company listed in register u/s 301.

iii. The Company has disputed the demand by Income Tax Department of Rs. 7,510 thousand for Assessment Year 2001-02 by going into appeal against he said order.

D. Financial year ended March 2004

i. The Company has given corporate guarantee to Kalyan Janata Sahakari Bank in respect of loan taken by Anuya Enterprises, an enterprises listed in register u/s 301.

ii. The Company has disputed the demand by Income Tax Department of Rs. 7,510 thousand for Assessment Year 2001-02 by going into appeal against he said order.

As per our report of even date

For Parikh Joshi & Kothare

Chartered Accountants

CA Yatin Vyavharkar
Partner
Membership No. 33915
Place: Mumbai
Date:22nd November,2007

For and on behalf of the Board of Directors

V.D. Mhaiskar
Director

ANNEXURE IV

Significant Accounting Policies for Restated Financial Statements

(a) Basis of preparation

The financial statements have been prepared to comply in all material respects with the notified Accounting Standards by Companies Accounting Standards Rules,2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

(b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(c) Changes in accounting policy

Change in method of amortization of share issue expenses

In the financial year 2006-07, the Company changed its accounting policy of amortising Toll Collection Right from Equal basis to percentage of Toll Collection basis. Therefore Income of Prior period Rs. 36,015 thousand and corresponding tax thereof Rs.12,123 thousand shown as Prior period Items in Profit & Loss A/c .

(d) Fixed Assets and Intangibles

Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Intangibles

Toll Collection Rights

The Company has classified the Toll collection Rights for Kharpada (N.H. 17) as intangibles.

(e) Depreciation and Amortisation

Depreciation

Depreciation is provided using the Written Down Value Method at the rates prescribed under Schedule XIV of Companies Act, 1956.

Amortisation

Toll Collection Rights are amortised over the concession period. The rights are amortised based on the pattern in which the assets economic benefits are consumed.

The projected total toll revenue is based on the latest available base case traffic volume projections. If there is significant change in the expected pattern of economic benefits from the asset the amortization would be revised accordingly.

(f) Borrowing Costs

Borrowing Costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relates to the period till such assets are ready to be put to use.

(g) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Toll Revenue

Toll revenue is recognised for as and when toll is chargeable for the usage of the roads.

Interest
Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(h) Retirement and other employee benefits

(i) In the financial year 2006-07, the Company has early adopted Accounting Standard 15 (AS-15) (Revised) “Employee Benefits” which is mandatory from accounting periods starting from December 7, 2006. Accordingly, the Company has provided leave encashment on estimated basis and gratuity based on actuarial valuation done as per Projected Unit Credit Method.

(ii) Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

(iii) Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year.

(iv) Short term compensated absences are provided for based on estimates.

(v) The Company does not have any policy for leave encashment. Accordingly, no provision has been made.

(i) Income taxes

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax are measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

(j) Earning Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

(k) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(l) Resurfacing Expenses

Resurfacing costs are recognised and measured in accordance with AS 29 “Provisions, Contingent Liabilities and Contingent Assets” i.e. at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

As per our report of even date

For Parikh Joshi & Kothare	**For and on behalf of the Board of Directors**
Chartered Accountants	
CA Yatin Vyavharkar	**V.D. Mhaiskar**
Partner	**Director**
Membership No. 33915	
Place: Mumbai	
Date: 22nd November, 2007	

To,

The Board of Directors,
IRB Infrastructure Developers Limited,
IRB Complex, Chandivli Farm,
Chandivli Village, Andheri (E)
Mumbai – 400 072
India

Dear Sirs,

1) We have examined the attached financial information of **MMK Toll Road Private Limited,** as approved by the Board of Directors of the Company, prepared in terms of the requirements of Paragraph B, Part ii of Schedule ii of the Companies Act, 1956 ("the Act") and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 as amended to date (SEBI Guidelines) and in terms of our engagement agreed upon with you in accordance with the engagement letter dated 21.08.2007 in connection with the proposed issue of Equity shares of the Holding Company, IRB Infrastructure Developer Limited.

2) This information has been extracted by the Management from the financial statement for the years / period ended August 31st 2007, March 31st 2007, March 31st 2006, March 31st 2005, March 31st 2004 and March 31st 2003. Audit for the financial year ended on March 31 in 2003, 2004, 2005 and 2006, was conducted by previous auditors, J.M. Shah & Co., and accordingly reliance has been placed on the financial information examined by them for the said years'. The financial report included for these years, i.e., 2003, 2004, 2005 and 2006, are based solely on the report submitted by them after incorporating :

3) (a) Adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods.

(b) Adjustments for the material amounts in the respective financial years to which they relate.

(c) Adjustments if any for any extra-ordinary items that need to be disclosed separately in the accounts and qualification thereupon.

4) In accordance with the requirements of Paragraph B of part II of Schedule II of the Act, the SEBI Guidelines and terms of our engagement agreed with you, we further report that:

(a) The Restated Summary Statement of Assets and Liabilities of the Company', for the years / period ended August 31st 2007, March 31st 2007, March 31st 2006, March 31st 2005, March 31st 2004 and March 31st 2003 examined by us, as set out in Annexure to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies, Note and Changes in Significant Accounting Policies (Refer Annexures):

(b) The Restated Summary Statement of Profit or Loss of the Company for the years then ended**,** examined by us, as set out in Annexure as in our opinion were appropriate and more fully described in Significant Accounting Policies, Note and Changes in Significant Accounting Policies (Refer Annexures).

5) Based on above we are of the opinion that the restated financial information have been made after incorporating:

(i) Adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods.

(ii) Adjustments for the material amounts in the respective financial years to which they relate.

(iii) Adjustments for extra-ordinary items that need to be disclosed separately in the accounts and qualification thereupon.

In our opinion the financial information contained in Annexure I and II of this report read along with the

Significant Accounting Policies, Changes in Significant Accounting policies and Notes (Refer Annexures) prepared after making adjustments and regrouping as considered appropriate have been prepared in accordance with Part IIB of Schedule II of the Act and the DIP Guidelines.

6) Our report is intended solely for use of the management and for inclusion in the offer document in connection with the proposed issue of equity shares of the Holding Company, IRB Infrastructure Developers Limited. Our report and should not be used for any other purpose except with our consent in writing.

For ***A. J. Kotwal & Co.***
Chartered Accountants

C.A. Ajay J. Kotwal
Partner
Membership Number: 35859

Place: Mumbai
Date: 22nd November 2007

MMK Toll Road Pvt.Ltd

Annexure I: Summary Statement of Assets and Liabilities, as restated

(Amount INR Thousands)

	PARTICULARS	As at August 31, 2007	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003
A.	**FIXED ASSETS**						
	Gross Block	976	976	976	976	976	239
	Less: Accumulated depreciation	(304)	(278)	(203)	(117)	(17)	-
	Net Block	**672**	**698**	**773**	**859**	**959**	**239**
B.	**INTANGIBLE ASSETS**	214,089	218,355	177,311	183,343	188,736	93,473
C.	**INVESTMENTS**	100	100	100	100	100	100
D.	**DEFERRED TAX ASSETS**	232	56	-	-	-	-
E.	**CURRENT ASSETS, LOANS AND ADVANCES**						
	Sundry debtors	-	-	115	-	-	-
	Cash and bank balance	21,877	18,416	24,098	14,534	10,849	171
	Loans and advances	19,489	4,449	39,518	48	36	15,640
	Total	**41,366**	**22,865**	**63,731**	**14,582**	**10,885**	**15,811**
F.	**LIABILITIES AND PROVISIONS**						
	Secured loans	122,008	128,296	139,455	99,497	107,497	20,458
	Unsecured loans	17,971	7,352	4,310	4,310	4,310	4,996
	Current liabilities	5,640	6,917	5,382	1,245	54	15,838
	Provisions	27,036	23,926	21,266	20,432	20,028	-
	Deferred tax liability, net	-	-	274	223	147	59
	Total	**172,655**	**166,491**	**170,687**	**125,707**	**132,036**	**41,351**
	Net worth (A+B+C+D+E-F)	**83,804**	**75,583**	**71,228**	**73,177**	**68,644**	**68,272**
	Net worth represented by						
G	Share capital	70,000	70,000	70,000	70,000	70,000	70,000
H.	Reserves and Surplus	13,804	5,583	2,218	4,333	(35)	(242)
I.	Miscellaneous expenditure	-	-	(990)	(1,156)	(1,321)	(1,486)

MMK Toll Road Pvt.Ltd

Annexure I: Summary Statement of Assets and Liabilities, as restated

(Amount INR Thousands)

PARTICULARS		As at August 31, 2007	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003
	(To the extent not written off or adjusted)						
	Net worth (G+H+I)	**83,804**	**75,583**	**71,228**	**73,177**	**68,644**	**68,272**

The above statement should be read with the notes on adjustments to restated financial statements, significant accounting policies and notes to accounts as appearing in Annexure III & IV

As per our report of even date

For and on behalf of the Board of Directors

For A. J. KOTWAL & CO.
Chartered Accountants

CA. AJAY J. KOTWAL
Partner
Membership No. 35859
Place: Mumbai
Date: 22nd November 2007

V.D. Mhaiskar
Director

MMK Toll Road Pvt.Ltd.

Annexure II: Summary Statement of Profits and Losses, as restated

(Amount INR Thousand)

PARTICULARS	For the year ended August 31, 2007	For the year ended March 31, 2007	For the year ended March 31, 2006	For the year ended March 31, 2005	For the year ended March 31, 2004	For the year ended March 31, 2003
INCOME						
Turnover	23,300	37,423	30,500	-	-	-
Other Income	370	3,737	3,280	708	195	-
Total (A)	**23,670**	**41,160**	**33,780**	**708**	**195**	**-**
EXPENDITURE						
Direct expenses	1,262	9,532	17,470	-	-	-
Employees' remuneration and benefits	191	265	-	108	-	-
Office administration and other expenses	672	1,616	394	244	228	183
Depreciation / Amortisation of Fixed asset	4,292	8,363	11,660	-	-	-
Finance expenses	6,110	14,044	10,975	-	-	-
Total (B)	**12,527**	**33,820**	**40,499**	**352**	**228**	**183**
PROFIT BEFORE PRIOR PERIOD ITEM AND TAX (A-B)	**11,143**	**7,340**	**(6,719)**	**356**	**(33)**	**(183)**
Prior period Incomes / (expenses)	-	-	(4,985)	-	-	-
Net excess Prior period amortisation	-	10,206	-	-	-	-
PROFIT BEFORE TAX	**11,143**	**17,546**	**(11,704)**	**356**	**(33)**	**(183)**
Provision for tax						
Current tax	3,084	850	-	52	11	-
Deferred tax	(176)	(330)	107	-	-	-
Fringe benefit tax	14	3	-	-	-	-
TOTAL	**2,922**	**523**	**107**	**52**	**11**	**-**
NET PROFIT BEFORE ADJUSTMENTS	**8,221**	**17,023**	**(11,811)**	**304**	**(44)**	**(183)**
ADJUSTMENTS (refer note no. 2 of annexure III)	-	(15,384)	10,526	4,492	366	-
Current Tax (refer note no. 2(b) of annexure III)	-	1,726	(886)	(352)	(28)	-
Deferred Tax impact on adjustments (refer note no.1 and 2 (b) of annexure III)	-	-	56	(76)	(87)	(59)
NET PROFIT, AS RESTATED					**207**	**(242)**

	8,221	**3,365**	**(2,115)**	**4,368**		
Profit and loss account, at the beginning of the year	5,583	2,218	4,333	(35)	(242)	-
Balance available for appropriation, as restated	**13,804**	**5,583**	**2,218**	**4,333**	**(35)**	**(242)**
BALANCE CARRIED FORWARD, AS RESTATED	**13,804**	**5,583**	**2,218**	**4,333**	**(35)**	**(242)**

The above statement should be read with the notes on adjustments to restated financial statements, significant accounting policies and notes to accounts as appearing in Annexure III & IV

As per our report of even date

For A. J. KOTWAL & CO.
Chartered Accountants

CA. AJAY J. KOTWAL
Partner
Membership No. 35859
Place: Mumbai
Date: 22nd November 2007

For and on behalf of the Board of Directors

V.D. Mhaiskar
Director

ANNEXURE III:

Notes on Accounts

1. Deferred Tax

The Company adopted Accounting Standard 22, ('AS-22') 'Accounting for taxes on Income' issued by the Institute of Chartered Accountants of India ('ICAI') for the first time in preparing the financial statements for the year ended March 31, 2003. For the purpose of this statement, AS-22 has been applied for the year ended March 31, 2002, as if it was applicable since then. Accordingly, the deferred tax asset/liability has been recomputed in the respective years of origination.

Further, the Accumulated Profit and Loss balance as at March 31, 2002 has been appropriately adjusted to reflect the impact of deferred tax liability as on that date and on account of first-time application of the standard has been reversed appropriately in the summary statement of profits and losses, as restated, and summary statement of assets and liabilities, as restated.

2. Adjustments for Restated Financial Statements

Below mentioned is the summary of results of restatement made in the audited accounts for the respective years and its impact on the profits / losses of the Company.

(Amount INR Thousand)

PARTICULARS	Period ended August 31,2007	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005	Year ended March 31, 2004
ADJUSTMENTS					
Impact of changes in accounting policies and estimates					
(See note no. 3(a) below)					
Interest & Finance Charges	-	-	19132	(12468)	(6844)
Road Work Expenses	-	-	4238	(2147)	(2091)
Toll Collection Income	-	-	(36068)	24500	11568
Amortization of toll collection right	-	-	17503	(11574)	(5929)
Short/ (Excess) amortization of toll right	-	(15384)	5541	6181	3662
Total	-	**(15384)**	**10526**	**4492**	**366**

3. Other adjustments

a) Change in significant accounting policy of earlier year

Upto financial year 2004-05, the Company was following accounting on Completed contract basis and for the financial year 2005-06 on Equal basis. In the financial year 2006-07, the Company has changed its accounting policy from Equal basis to Toll Revenue Projection basis. Due to change in accounting policy, the Company has identified prior period items in the financial year 2005-2006 and 2006-2007.For the purpose of restatement, such prior period items have been appropriately adjusted in the respective years.

b) Short / (Excess) provision for tax of earlier years

The profit and loss account of some years includes amounts paid/provided for or written back, in respect of shortfall/excess income tax arising out of assessments etc., which has now been adjusted in the respective years. Also, income tax (current tax and deferred tax) has been computed on adjustments made as detailed above and has been adjusted in the summary statement of profits and losses, as restated for the years/periods ended March 31, 2007, March31, 2006, March 31,2005 , March 2004 and March 31,2003.

As per our report of even date

For A. J. Kotwal & Co. Chartered Accountants	For and on behalf of the Board of Directors
CA. Ajay J. Kotwal **Partner** Membership No. 35859	**V.D. Mhaiskar** **Director**

Place: Mumbai
Date: 22nd November 2007

ANNEXURE IV

Significant Accounting Policies for Restated Financial Statements

a. Basis of Preparation:

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.

b. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c. Changes in accounting policy

Change in method of amortization of Toll collection Rights

In the year ended 31st March 2007, the Company changed its accounting policy of amortising Toll Collection Right from Equal basis to percentage of Bid Toll Collection basis. Therefore Income of Prior period Rs. 15,384 thousands and corresponding tax thereof Rs.5,178 thousands shown as Prior period Items in Profit & Loss A/c .

d. Fixed Assets and Intangibles

Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Intangibles

Toll Collection Rights

The Company has classified the Toll collection Rights for Mohol-Mandrup-Kamti (N.H.13) as intangibles

e. Depreciation and Amortisation

Depreciation

Depreciation is provided using the Written Down Value Method at the rates prescribed under Schedule XIV of Companies Act, 1956.

Amortisation

Toll Collection Rights are amortised over the concession period. The rights are amortised based on the pattern in which the assets economic benefits are consumed.

The projected total toll revenue is based on the latest available base case traffic volume projections. If there is significant change in the expected pattern of economic benefits from the asset the amortization would be revised accordingly.

f. Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost.

g. Borrowing Costs

Borrowing Costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relates to the period till such assets are ready to be put to use.

h. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Toll Revenue

Toll revenue is recognised for as and when toll is chargeable for the usage of the roads.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

i. Income taxes

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

j. Earning Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

k. Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

l. Resurfacing Expenses

Resurfacing costs are recognised and measured in accordance with AS 29 “Provisions, Contingent Liabilities and Contingent Assets” i.e. at the best estimate of the expenditure required to settle the present obligation at the balance sheet date

For A. J. Kotwal & Co. Chartered Accountants	For and on behalf of the Board of Directors
CA. Ajay J. Kotwal **Partner** Membership No.35859	**V.D. Mhaiskar** **Director**

Place: Mumbai
Date: 22nd November 2007

To,

The Board of Directors,
IRB Infrastructure Developers Limited,
IRB Complex, Chandivli Farm,
Chandivli Village, Andheri (E)
Mumbai – 400 072
India

Dear Sirs,

1) We have examined the attached financial information of **NKT Road & Toll Private Limited,** as approved by the Board of Directors of the Company, prepared in terms of the requirements of Paragraph B, Part ii of Schedule ii of the Companies Act, 1956 ("the Act") and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 as amended to date (SEBI Guidelines) and in terms of our engagement agreed upon with you in accordance with the engagement letter dated 21.08.2007 in connection with the proposed issue of Equity shares of the Holding Company, IRB Infrastructure Developers Limited.

2) This information has been extracted by the Management from the financial statement for the years / period ended August 31st 2007, March 31st 2007, March 31st 2006, March 31st 2005, March 31st 2004 and March 31st 2003. Audit for the financial year ended on March 31 in 2003, 2004, 2005 and 2006, was conducted by previous auditors, J.M. Shah & Co., and accordingly reliance has been placed on the financial information examined by them for the said years'. The financial report included for these years, i.e., 2003, 2004, 2005 and 2006, are based solely on the report submitted by them after incorporating :

   (a) Adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods.

   (b) Adjustments for the material amounts in the respective financial years to which they relate.

   (c) Adjustments if any for any extra-ordinary items that need to be disclosed separately in the accounts and qualification thereupon.

3) In accordance with the requirements of Paragraph B of part II of Schedule II of the Act, the SEBI Guidelines and terms of our engagement agreed with you, we further report that:

   (a) The Restated Summary Statement of Assets and Liabilities of the Company', for the years / period August 31st 2007, March 31st 2007, March 31st 2006, March 31st 2005, March 31st 2004 and March 31st 2003 examined by us, as set out in Annexure to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies, Note and Changes in Significant Accounting Policies (Refer Annexure):

   (b) The Restated Summary Statement of Profit or Loss of the Company for the years then ended**,** examined by us, as set out in Annexure as in our opinion were appropriate and more fully described in Significant Accounting Policies, Note and Changes in Significant Accounting Policies (Refer Annexures).

4) Based on above we are of the opinion that the restated financial information have been made after incorporating:

   (i) Adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods.

   (ii) Adjustments for the material amounts in the respective financial years to which they relate.

   (iii) Adjustments for extra-ordinary items that need to be disclosed separately in the accounts and qualification thereupon.

   In our opinion the financial information contained in Annexure I and II of this report read along with the Significant Accounting Policies, Changes in Significant Accounting policies and Notes (Refer Annexures) prepared after making adjustments and regrouping as considered appropriate have been prepared in accordance with Part IIB of Schedule II of the Act and the DIP Guidelines.

5) Our report is intended solely for use of the management and for inclusion in the offer document in connection with the proposed issue of equity shares of the Holding Company, IRB Infrastructure Developers Limited. Our report and should not be used for any other purpose except with our consent in writing.

For A. J. Kotwal & Co.
Chartered Accountants

C.A. Ajay J. Kotwal
Partner
M. No: 35859

Place: Mumbai
Date: 22nd November 2007

NKT Road & Toll Private Limited

Annexure I: Summary Statement of Assets and Liabilities, as restated

(Amount INR Thousand)

	Particulars	As at August 31, 2007	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003
A.	**FIXED ASSETS**						
	Gross Block	2,304	2,304	2,271	2,271	2,271	491
	Less: Accumulated depreciation	(802)	(739)	(570)	(374)	(146)	-
	Net Block	**1,502**	**1,565**	**1,701**	**1,897**	**2,125**	**491**
B.	**INTANGIBLE ASSETS**	339,427	348,199	366,860	382,042	396,163	219,065
C.	**CURRENT ASSETS, LOANS AND ADVANCES**						
	Sundry debtors	-	-	2,988	-	-	-
	Cash and bank balance	103,396	85,121	45,304	24,458	7,436	97
	Other current assets	-	-	-	-	-	-
	Loans and advances	116,185	112,366	100,006	173	15	138,741
	Total	**219,581**	**197,487**	**148,298**	**24,631**	**7,451**	**138,838**
D.	**LIABILITIES AND PROVISIONS**						
	Secured loans	268,850	278,817	292,000	204,900	208,900	208,811
	Unsecured loans	-	-	-	1,718	368	340
	Current liabilities	1,226	44,724	520	9,441	10,335	701
	Provisions	53,828	12,502	44,912	40,371	39,895	-
	Deferred tax liability, net	119	133	66	267	202	61
	Total	**324,023**	**336,176**	**337,498**	**256,697**	**259,700**	**209,913**
	Net worth (A+B+C-D)	**236,487**	**211,075**	**179,361**	**151,873**	**146,039**	**148,481**
	<u>Net worth represented by</u> -						
E.	Share capital	150,000	150,000	150,000	150,000	150,000	150,000
			-	-	-	-	-
F.	Reserves and Surplus	86,487	61,075	29,361	2,629	(3,086)	(523)
G.	Miscellaneous expenditure (To the extent not written off or adjusted)	-	-	-	(756)	(875)	(996)
	Net worth (E+F-G)	**236,487**	**211,075**	**179,361**	**151,873**	**146,039**	**148,481**

The above statement should be read with the notes on adjustments to restated financial statements, significant accounting policies and notes to accounts as appearing in Annexure III & IV

As per our report of even date
For A. J. KOTWAL & CO.
Chartered Accountants

CA. AJAY J. KOTWAL
Partner
Membership No. 35859
Place: Mumbai
Date: 22nd November 2007

For and on behalf of the Board of Directors

V.D. Mhaiskar
Director

NKT Road & Toll Private Limited

Annexure II: Summary Statement of Profit and Losses, as restated

(Amount INR Thousand)

Particulars	For the year ended August 31, 2007	For the year ended March 31, 2007	For the year ended March 31, 2006	For the year ended March 31, 2005	For the year ended March 31, 2004	For the year ended March 31, 2003
INCOME						
Turnover	45,746	89,053	71,300	-	-	-
Other Income	7,151	12,736	1,110	656	62	66
Total (A)	**52,897**	**101,789**	**72,410**	**656**	**62**	**66**
EXPENDITURE						
Direct expenses	1,291	1,500	1,723	-	-	-
Personnel Expenses	1,051	5,600	306	-	-	-
Office administration and other expenses	760	1,742	2,235	201	175	182
Depreciation / amortisation on fixed asset	8,835	18,830	29,655	-	-	-
Finance expenses	12,289	27,141	21,552	-	-	-
Total (B)	**24,226**	**54,813**	**55,471**	**201**	**175**	**182**
PROFIT BEFORE PRIOR PERIOD ITEM AND TAX (A-B)	**28,671**	**46,976**	**16,939**	**455**	**(113)**	**(116)**
Prior period item - Amortisations	-	27,925	(51,927)	-	-	-
Prior period item - Income tax paid	-	-	(6)	-	-	-
Prior period item - Road maintenance charges	-	-	(3,788)	-	-	-
Prior period item - Employees' remuneration	-	-	(592)	-	-	-
Prior period item - Finance charges	-	-	(45,490)	-	-	-
Prior period item - Professional fee	-	-	(27)	-	-	-
Prior period item - Insurance charges	-	-	(19)	-	-	-
Prior period item - Toll collections	-	-	77,400	-	-	-
PROFIT BEFORE TAX	**28,671**	**74,901**	**(7,510)**	**455**	**(113)**	**(116)**
Current tax	3,248	5,700	1,426	84	-	-
Deferred tax	(14)	(10)	(14)	-	-	-
Fringe benefit tax	25	51	-	-	-	-
TOTAL	**3,259**	**5,741**	**1,412**	**84**	**-**	**-**
NET PROFIT BEFORE ADJUSTMENTS	**25,412**	**69,160**	**(8,922)**	**371**	**(113)**	**(116)**
ADJUSTMENTS (refer note no. 2 of annexure III)	-	(42,094)	38,726	5,869	(2,501)	-
Current tax impact on adjustments (refer note no. 3(b) of annexure III)	-	4,723	(3,259)	(460)	192	-
Deferred tax impact on adjustments (refer note no. 1 and 3 (b) of annexure III)	-	(75)	187	(65)	(141)	(31)
NET PROFIT, AS RESTATED	**25,412**	**31,714**	**26,732**	**5,715**	**(2,563)**	**(147)**
Profit and loss account at the beginning of the year	61,075	29,361	2,629	(3,086)	(523)	(376)
BALANCE CARRIED FORWARD, AS RESTATED	**86,487**	**61,075**	**29,361**	**2,629**	**(3,086)**	**(523)**

The above statement should be read with the notes on adjustments to restated financial statements, significant accounting policies and notes to accounts as appearing in Annexure III & IV

As per our report of even date

For and on behalf of the Board of Directors

For A. J. KOTWAL & CO.
Chartered Accountants

CA AJAY J. KOTWAL
Partner
Membership No. 35859

V.D.Mhaiskar
Director

Place: Mumbai
Date: 22nd November 2007

ANNEXURE III:

Notes on Accounts

1. Deferred Tax

The Company adopted Accounting Standard 22, ('AS-22') 'Accounting for taxes on Income' issued by the Institute of Chartered Accountants of India ('ICAI') for the first time in preparing the financial statements for the year ended March 31, 2003. For the purpose of this statement, AS-22 has been applied for the year ended March 31, 2002, as if it was applicable since then. Accordingly, the deferred tax asset/liability has been recomputed in the respective years of origination.

Further, the Accumulated Profit and Loss balance as at April 1, 2002 has been appropriately adjusted to reflect the impact of deferred tax liability as on that date and on account of first-time application of the standard has been reversed appropriately in the summary statement of profits and losses, as restated, and summary statement of assets and liabilities, as restated.

2. Adjustments for Restated Financial Statements

Below mentioned is the summary of results of restatement made in the audited accounts for the respective years/period and its impact on the profits / losses of the Company.

(Amount INR Thousand)

PARTICULARS	Period ended August 31,2007	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005	Year ended March 31, 2004
ADJUSTMENTS					
Impact of changes in accounting policies and estimates					
See note no. 3(a) below)					
Interest & Finance Charges	-	-	45,190	(25,682)	(19,508)
Road Work Expenses	-	-	5,100	(2,322)	(2,778)
Toll Collection Income	-	-	(77,400)	48,000	29,400
Amortization of toll collection right	-	-	51,553	(29,459)	(22,094)
Short/ (Excess) amortization of toll right	-	(42,094)	14,277	15,338	12,479
Other Adjustments					
(See note no. 3(b) below)					
Short/Excess provision for tax	-	-	6	(6)	-
Total	**-**	**(42,094)**	**38,727**	**5869**	**(2501)**

3. Other adjustments

a) Change in accounting policy

Upto financial year 2004-05, the Company was following accounting on Completed contract basis and for the financial year 2005-06 on Equal basis. In the financial year 2006-07, the Company has changed its accounting policy from Equal basis to Toll Revenue Projection basis. Due to change in accounting policy, the Company has identified prior period items in the financial year 2005-2006 and 2006-2007.For the purpose of restatement, such prior period items have been appropriately adjusted in the respective years.

b) Short / (Excess) provision for tax of earlier years

The profit and loss account of some years includes amounts paid/provided for or written back, in respect of shortfall/excess income tax arising out of self-assessments, appeal etc., which has now been adjusted in the respective years. Also, income tax (current tax and deferred tax) has been computed on adjustments made as detailed above and has been adjusted in the summary statement of profits and losses, as restated for the years ended March 31, 2007, March 31,2006, March 31,2005, March,31,2004 and March 31,2003.

4. Profit & Loss account as at April 1, 2002

(Amount INR Thousand)

Particulars	Amount
Profit and (loss) account as at April 1,2002	(350)
Deferred tax liability (See note no. 1 above)	(30)
Total	**(380)**

As per our report of even date

For A.J.Kotwal & Co.
Chartered Accountants

For and on behalf of the Board of Directors

CA. Ajay J. Kotwal
Partner
Membership No 35859

V.D.Mhaiskar
Director

Place: Mumbai
Date: 22nd November 2007

ANNEXURE IV

Significant Accounting Policies for Restated Financial Statements

a) Basis of Preparation:
The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.

b) Use of estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c) Changes in accounting policy

Change in method of amortization of Toll collection Rights

In the year ended 31st March 2007, the Company changed its accounting policy of amortising Toll Collection Right from Equal basis to percentage of Bid Toll Collection basis. Therefore Income of prior period Rs. 42,094 thousand and corresponding tax thereof Rs. 14,169 thousand shown as Prior period Items in Profit & Loss A/c.

d) Fixed Assets and Intangibles

Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Intangibles
Toll Collection Rights
The Company has classified the Toll collection Rights for Nagar- Kermala -Tembhurni (S.H.141) as intangibles.

e) Depreciation and Amortisation

Depreciation
Depreciation is provided using the Written Down Value Method at the rates prescribed under Schedule XIV of Companies Act, 1956.

Amortisation

Toll Collection Rights are amortised over the concession period. The rights are amortised based on the pattern in which the assets economic benefits are consumed.

The projected total toll revenue is based on the latest available base case traffic volume projections. If there is significant change in the expected pattern of economic benefits from the asset the amortization would be revised accordingly.

f) Borrowing Costs
Borrowing Costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relates to the period till such assets are ready to be put to use.

g) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Toll Revenue

Toll revenue is recognised for as and when toll is chargeable for the usage of the roads.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

h) Retirement and other employee benefits

(i) In the current year, the Company has early adopted Accounting Standard 15 (AS-15) (Revised) "Employee Benefits" which is mandatory from accounting periods starting from December 7, 2006. Accordingly, the Company has provided leave encashment on estimated basis and gratuity based on actuarial valuation done as per Projected Unit Credit Method.

(ii) Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

(iii) Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year.

(iv) Short term compensated absences are provided for based on estimates.

(v) The Company does not have any policy for leave encashment. Accordingly, no provision has been made.

i) Income taxes

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

j) Earning Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

k) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

l) Resurfacing Expenses

Resurfacing costs are recognised and measured in accordance with AS 29 "Provisions, Contingent Liabilities and Contingent Assets" i.e. at the best estimate of the expenditure required to settle the present obligation at the balance sheet date

As per our report of even date

For A.J.Kotwal & Co.	For and on behalf of the Board of Directors
Chartered Accountants	
CA. Ajay J. Kotwal	**V.D.Mhaiskar**
Partner	**Director**
Membership No.35859	

Place: Mumbai
Date: 22nd November 2007

Auditor's Report on
Financial Information in Relation to Prospectus

To
The Board of Directors
IRB Infrastructure Developers Limited
IRB Complex, Chandivli Farm
Chandivli Village, Andheri (E)
Mumbai – 400 072
India

Dear Sirs,

1) We have examined the attached financial information of THANE Godhbunder Toll Road Private Limited, as approved by the Board of Directors of the Company, prepared in terms of the requirements of Paragraph B, Part ii of Schedule ii of the Companies Act, 1956 ("the Act") and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 as amended to date ("SEBI Guidelines") and in terms of our engagement agreed upon with you in accordance with the engagement letter dated **21.08.2007** in connection with the proposed issue of Equity shares of the Holding Company, IRB Infrastructure Developers Limited.

2) This information has been extracted, by the Management, from the financial statements for the years/period ended March 31,2006, March 31,2007 and August 31,2007,

3) In accordance with the requirements of Paragraph B of part II of Schedule II of the Act, the SEBI Guidelines and terms of our engagement agreed with you, we further report that:

   (a) The Restated Summary Statement of Assets and Liabilities of the Company, as at March 31,2006, March 31,2007 and August 31,2007, examined by us, as set out in the Annexure to this report, are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes and Changes in Significant Accounting Policies (Refer Annexures):

   (b) The Restated Summary Statement of Profit or Loss of the Company for the years/period then ended, examined by us, as set out in Annexure as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes and Changes in Significant Accounting Policies (Refer Annexures).

4) Based on the above we are of the opinion that the restated financial information has been made after incorporating:

   (i) Adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods.
   (ii) Adjustments for the material amounts in the respective financial years to which they relate.

   (iii) And there are no extra-ordinary items that need to be disclosed separately in the accounts and qualification requiring adjustments.

In our opinion the financial information contained in Annexures I and II of this report read along with the Significant Accounting Policies, Changes in Significant Accounting policies and Notes (Refer Annexures) prepared after making adjustments and regrouping as considered appropriate have been prepared in accordance with Part IIB of Schedule II of the Act and the DIP Guidelines.

5) Our report is intended solely for use of the Management and for inclusion in the offer document in connection with the proposed issue of equity shares of the Holding Company, IRB Infrastructure Developers Limited. Our report should not be used for any other purpose except with our consent in writing.

For Parikh Joshi & Kothare
Chartered Accountants

CA. Yatin R. Vyavaharkar
Partner
Membership Number: 33915

Place: Mumbai
Date: 22nd November,2007

Thane Godhbunder Toll Road Pvt Ltd

Annexure I: Summary Statement of Assets and Liabilities, as restated

(Amount INR Thousand)

	PARTICULARS	As at August 31, 2007	As at March 31, 2007	As at March 31, 2006
A.	**FIXED ASSETS**			
	Gross Block	1,127	1,014	-
	Less: Accumulated depreciation	(277)	(186)	-
	Net Block	**850**	**828**	**-**
	Capital work in progress (including capital advances)	10,241	10,391	-
	Total	**11,091**	**11,219**	**-**
B.	**INTANGIBLE ASSETS**	2,292,381	2,004,611	1,469,606
C.	**DEFERRED TAX ASSETS**	477	430	-
D.	**CURRENT ASSETS, LOANS AND ADVANCES**			
	Sundry debtors	-	-	5,133
	Cash and bank balance	130,474	121,606	87,866
	Loans and advances	9,022	36,256	121,938
	Total	**139,496**	**157,862**	**214,937**
E.	**LIABILITIES AND PROVISIONS**			
	Secured loans	2,128,264	1,863,265	1,529,669
	Unsecured loans	5	5	5
	Current liabilities	5,269	80,163	11,758
	Provisions	4,307	(4,401)	(433)
	Deferred tax liability, net	-	-	-
	Total	**2,137,845**	**1,939,032**	**1,540,999**
	Net worth (A+B+C+D-E)	**305,600**	**235,090**	**143,544**
	Net worth represented by			
F.	Share capital	300,000	237,536	148,450
G.	Reserves and Surplus	6,981	(1,214)	(1,766)
		-	-	-
H.	Miscellaneous expenditure (To the extent not written off or adjusted)	(1,381)	(1,232)	(3,140)
	Net worth (F+G+H)	**305,600**	**235,090**	**143,544**

The above statement should be read with the notes on adjustments to restated financial statements, significant accounting policies and notes to accounts

As per our report of even date
For Parikh Joshi & Kothare.
Chartered Accountants

For and on behalf of the Board of Directors

CA. Yatin Vyavaharkar
Partner
Membership No. 33915
Place: Mumbai
Date: 22nd November 2007

V.D. Mhaiskar
Director

Thane Godhbunder Toll Road Pvt Ltd

Annexure II: Summary Statement of Profit and Losses, as restated

(Amount INR Thousand)

PARTICULARS	For year ended August 31, 2007	For year ended March 31, 2007	For the period from August 16, 2005 to March 31, 2006
INCOME			
Income from Operations	111,945	212,771	57,224
Other Income	3,373	5,617	1,929
Total (A)	**115,318**	**218,388**	**59,153**
EXPENDITURE			
Direct expenses	4,368	8,782	13,156
Personnel Expenses	3,078	10,456	-
Office administration and other expenses	1,750	5,391	2,013
Depreciation / amortisation on fixed asset	29,763	64,973	10,265
Financial Expenses	63,973	128,795	35,074
Total (B)	**102,932**	**218,397**	**60,508**
PROFIT BEFORE TAX (A-B)	**12,386**	**(9)**	**(1,355)**
Provision for tax			
Current tax	4,210	245	-
Deffered tax	(47)	(430)	-
Fringe Benefit tax	28	35	-
TOTAL	**4,191**	**(150)**	**-**
NET PROFIT BEFORE ADJUSTMENTS	**8,195**	**141**	**(1,355)**
ADJUSTMENTS (refer note no. 1(i) of annexure III)	**-**	**411**	**(411)**
NET PROFIT, AS RESTATED	**8,195**	**552**	**(1,766)**
Profit and loss account at the beginning of the year	(1,214)	(1,766)	-
BALANCE CARRIED FORWARD, AS RESTATED	**6,981**	**(1,214)**	**(1,766)**

The above statement should be read with the notes on adjustments to restated financial statements, significant accounting policies and notes to accounts

As per our report of even date

For Parikh Joshi & Kothare.
Chartered Accountants

For and on behalf of the Board of Directors

CA. Yatin Vyavaharkar
Partner
Membership No. 33915
Place: Mumbai
Date: 22nd November 2007

V.D. Mhaiskar
Director

ANNEXURE III: Summary of significant accounting policies

Notes on Account's

1. Adjustments for Restated Financial Statements

(i). Below mentioned is the summary of results of restatement made in the audited accounts for the respective years and its impact on the profits / losses of the Company.

(Amount INR Thousand)

PARTICULARS	Period ended August 31,2007	Year ended March 31, 2007	Year ended March 31, 2006
ADJUSTMENTS			
Change in Accounting Policy			
Share issue expenses (See note no. 3 (a) below)	-	411	(411)
Total	**-**	**411**	**(411)**

(ii). Other adjustments

Change in accounting policy

In the financial year ended March 31, 2007, the Company changed its accounting policy from amortisiong share issue expenses over the entire concession period of the BOT project to amortising over a period of 5 years. As a result of this change, an amount pertaining to earlier years has been adjusted in the Profit and Loss Account and Fixed Assets in the respective years.

(iii). Material regroupings

Intangible Assets

Upto financial year 2005-06, the Company has shown infrastructure facility development cost incurred including attributable borrowing cost after deducting amortization cost and toll collection income under current assets. In the statement of Assets and Liabilities as restated, such infrastructure facility development cost, which has been, incurred upto 24th December'2005 has been regrouped under Intangible assets. Due to above change, there was no impact on the profit of the Company.

2. Capital commitments and Contingent liabilities:

A. For the financial period ended August 2007

i. Estimated amount of contracts remaining unexecuted on capital account and not provided for Rs. 0.06 crores

B. For the financial period ended March 2007

i. The total estimated amount of contract remaining to be executed on capital account and not provided for by the Company is Rs. 280,840 thousands.

C. For the financial year ended March 2006

i. The total estimated amount of contract remaining to be executed on capital account and not provided for by the Company is Rs. 845,200 thousands.

As per our report of even date

For Parikh Joshi & Kothare

Chartered Accountants

For and on behalf of the Board of Directors

CA. Yatin Vyavaharkar
Partner
Membership No. 33915
Place: Mumbai
Date: 22nd November, 2007

V.D. Mhaiskar
Director

ANNEXURE IV

(a) Basis of preparation

The financial statements have been prepared to comply in all material respects with the notified Accounting Standards by Companies Accounting Standards Rules,2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

(b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(c) Changes in accounting policy

Change in method of *amortization of share issue expenses*

In the financial year 2006-07, the Company changed its accounting policy from amortising share issue expenses over the entire concession period of the BOT project to amortising over a period of 5 years. As a result of this change, an amount of Rs.411 thousands pertaining to prior period has been recognized in the Profit and Loss Account.

(d) Fixed Assets and Intangibles

Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Intangibles

Toll Collection *Rights*

The Company has classified the Toll collection Rights for Thane Ghodbunder Road as intangibles

(e) Depreciation and Amortisation

Depreciation

Depreciation is provided using the Written Down Value Method at the rates prescribed under Schedule XIV of Companies Act, 1956.

Amortisation

Toll Collection Rights are amortised over the concession period. The rights are amortised based on the pattern in which the assets economic benefits are consumed.

The projected total toll revenue is based on the latest available base case traffic volume projections. If there is significant change in the expected pattern of economic benefits from the asset the amortization would be revised accordingly.

(f) Borrowing Costs

Borrowing Costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relates to the period till such assets are ready to be put to use.

(g) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Toll Revenue

Toll revenue is recognised for as and when toll is chargeable for the usage of the roads.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(h) Miscellaneous Expenditure

Share issue expenses are adjusted in the same year against the Securities Premium Account as permitted by Section 78(2) of the Companies Act, 1956. In case of insufficient balance in the Securities Premium Account, unadjusted share issue expenses are amortised over a period of 5 years.

(i) Foreign currency translation

Foreign currency *transaction*

(i) *Initial Recognition*

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) *Conversion*

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) *Exchange Differences*

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise. Exchange differences arising in respect of fixed assets acquired from outside India are capitalized as a part of fixed asset. Exchange differences on liability relating to fixed assets acquired within India arising out of transactions entered on or before March 31, 2004 are added to the cost of such assets in line with Old AS 11 (1994).

(j) Retirement and other employee benefits

i. In the financial year 2006-07, the Company has early adopted Accounting Standard 15 (AS-15) (Revised) "Employee Benefits" which is mandatory from accounting periods starting from December 7, 2006. Accordingly, the Company has provided leave encashment on estimated basis and gratuity based on actuarial valuation done as per Projected Unit Credit Method.
ii. Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.
iii. Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year.
iv. Short term compensated absences are provided for based on estimates.
v. The Company does not have any policy for leave encashment. Accordingly, no provision has been made.

(k) Income taxes

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax are measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

(l) Earning Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

(m) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(n) Resurfacing Expenses

Resurfacing costs are recognised and measured in accordance with AS 29 “Provisions, Contingent Liabilities and Contingent Assets” i.e. at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

As per our report of even date

For Parikh Joshi & Kothare.	For and on behalf of the Board of Directors
Chartered Accountants	
CA. Yatin Vyavaharkar	**V.D. Mhaiskar**
Partner	**Director**
Membership No. 33915	
Place: Mumbai	
Date: 22nd November, 2007	

Auditor's Report on
Financial Information in Relation to Prospectus

To,
The Board of Directors,
IRB Infrastructure Developers Limited,
IRB Complex, Chandivli Farm,
Chandivli Village, Andheri (E)
Mumbai – 400 072
India

Dear Sirs,

1) We have examined the attached financial information of **M/s. Aryan Infrastructure Investment Private Limited,** as approved by the Board of Directors of the Company, prepared in terms of the requirements of Paragraph B, Part ii of Schedule ii of the Companies Act, 1956 ("the Act") and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 as amended to date (SEBI Guidelines) and in terms of our engagement agreed upon with you in accordance with the engagement letter dated 21.08.2007 in connection with the proposed issue of Equity shares of the Holding Company, IRB Infrastructure Developers Limited.

2) This information has been extracted by the Management from the financial statement for the years / period ended August 31st 2007 and March 31st 2007
These financial reports are after incorporating

(a) Adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods.

(b) Adjustments for the material amounts in the respective financial Years to which they relate.

(c) Adjustments if any for any extra-ordinary items that need to be disclosed separately in the accounts and qualification thereupon.

3) In accordance with the requirements of Paragraph B of part II of Schedule II of the Act, the SEBI Guidelines and terms of our engagement agreed with you, we further report that:

(a) The Restated Summary Statement of Assets and Liabilities of the Company for the years / period ended August 31st 2007 and March 31st 2007 examined by us, as set out in Annexure to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies, Note and Changes in Significant Accounting Policies (Refer Annexures):

4) Based on above we are of the opinion that the restated financial information have been made after incorporating:

(i) Adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods.

(ii) Adjustments for the material amounts in the respective financial years to which they relate.

(iii) Adjustments for extra-ordinary items that need to be disclosed separately in the accounts and qualification thereupon.

In our opinion the financial information contained in Annexure I of this report read along with the Significant Accounting Policies, Changes in Significant Accounting policies and Notes (Refer Annexures II and III) prepared after making adjustments and regrouping as considered appropriate have been prepared in accordance with Part IIB of Schedule II of the Act and the DIP Guidelines.

5) Our report is intended solely for use of the management and for inclusion in the offer document in connection with the proposed issue of equity shares of the Holding Company, IRB Infrastructure Developers Limited. Our report and should not be used for any other purpose except with our consent in writing.

For **A. J. Kotwal & Co.**
Chartered Accountants

C.A. Ajay J. Kotwal
Partner
Membership Number: 35859

Place: Mumbai
Date: 22nd November 2007

ARYAN INFRASTRUCTURE INVESTMENT PRIVATE LIMITED

Annexure I: Summary Statement of Assets and Liabilities, as restated

(Amount INR Thousand)

	Particulars	As at August 31, 2007	As at March 31, 2007
A.	**INVESTMENTS**	20,000	-
B.	**DEFERRED TAX ASSETS**	-	-
C.	**CURRENT ASSETS, LOANS AND ADVANCES**		
	Inventories	146,622	139,012
	Sundry debtors	-	-
	Cash and bank balance	216,384	50,113
	Loans and advances	441,990	91,990
	Total	**804,996**	**281,115**
D.	**LIABILITIES AND PROVISIONS**		
	Secured loans	-	-
	Unsecured loans	40	-
	Current liabilities	5,343	280
	Provisions	-	-
	Deferred tax liability, net	-	-
	Total	**5,383**	**280**
	Net worth (A+B+C-D)	**819,613**	**280,835**
	Net worth represented by -		
E.	Share capital	826,765	281,100
F.	Miscellaneous expenditure (To the extent not written off or adjusted)	(7,152)	(265)
	Net worth (E+F)	**819,613**	**280,835**

The above statement should be read with the notes on adjustments to restated financial statements, significant accounting policies and notes to accounts as appearing in Annexure-II & III.

As per our report of even date

For A.J Kotwal & Co.
Chartered Accountants

For and on behalf of the Board of Directors

CA. Ajay J. Kotwal
Partner
Membership No.35859

V.D Mhaiskar
Director

Place: Mumbai
Date: 22nd November 2007

ARYAN INFRASTRUCTURE INVESTMENT PRIVATE LIMITED

ANNEXURE II.

NOTES TO ACCOUNTS

1. Nature of Operations

   Aryan Infrastructure Investment Private Limited (‘the Company’) is incorporated on August 19, 2006 under Companies Act, 1956. The Company has been formed for carrying out construction and infrastructure activities. During the period, it has acquired a land for the purpose of development.

   The Company is a subsidiary of IRB Infrastructure Developers Limited (IRBIDL). Effective November 25, 2006, IRBIDL became a public company and in accordance with the provisions of Companies Act, 1956, the Company has also become a public company.

2. Segment Information

   The Company does not have more than one segment to be reported and hence, the Accounting Standard 17 for Segment Reporting as prescribed by the Institute of Chartered Accountants of India is not applicable to the Company.

3. There are no Small Scale Industries, to whom the Company owes dues, which are outstanding at the Balance Sheet date. There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding at the Balance Sheet date. The above information and that given in “Current Liabilities – Schedule F” regarding Small Scale Industrial Undertaking has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

As per our report of even date

For A.J. Kotwal & Co. Chartered Accountants	**For and on behalf of the Board of Directors**
C.A. Ajay J. Kotwal Partner Membership No.35859	**V.D.Mhaiskar** Director

Place: Mumbai
Date: 22nd November 2007

ANNEXURE III.

4. Significant Accounting Policies

a. Basis of preparation

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company.

b. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c. Borrowing Costs

Borrowing Costs relating to acquisition of Land which takes substantial period of time to get ready for its intended use are also included to the extent they relates to the period till such assets are ready to be put to use.

d. Investments

The Company has entered into an agreement with Kotak Securities to invest a sum of INR 20,000 thousand under a Cash Corpus Fund scheme The investment under the scheme have been disclosed as current investments and valued accordingly.

e. Inventory

The Company is in the process of development of land which has been shown as Inventories and is valued as follows:

Raw materials, components, stores and spares

Lower of cost and net realizable value. Cost is determined on first in first out basis.

Work-in-progress and finished goods

Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

As per our report of even date

For A.J. Kotwal & Co.
Chartered Accountants

For and on behalf of the Board of Directors

C.A. Ajay J. Kotwal
Partner
Membership No.35859
Place: Mumbai
Date: 22nd November 2007

V.D.Mhaiskar
Director

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS AS PER CONSOLIDATED FINANCIAL STATEMENTS

You should read the following discussion of the financial condition and results of operations of the Company together with its restated consolidated and unconsolidated financial statements as well as the restated financial statements of the Company's various subsidiaries, prepared in accordance with paragraph B(1) of Part II of Schedule II to the Companies Act, Indian GAAP and the SEBI Guidelines, including the schedules, annexures and notes thereto and the reports thereon, which appear in this Red Herring Prospectus. Unless otherwise stated, the financial information used in this section is derived from the Company's and certain of its subsidiaries' restated consolidated and unconsolidated financial statements.

In this section, a reference to the "Company" means IRB Infrastructure Developers Limited, a reference to "IRBPL" means Ideal Road Builders Private Limited, a reference to "MIPL" means Mhaiskar Infrastructure Private Limited, and a reference to "MRM" means Modern Road Makers Private Limited. Unless the context otherwise requires, references to "the IRB Group", "we", "us", or "our" refers to the Company and its various Subsidiaries, taken as a whole. The fiscal year of each of the Company, IRBPL, MIPL and MRM ends on March 31 of each year. Accordingly, all references to a particular fiscal year are to the twelve-month period ended March 31 of that year.

Indian GAAP differs in certain material respects from U.S.GAAP. For more information on these differences, see the section "Summary of Significant Differences between Indian GAAP and U.S. GAAP" beginning on page 399 of this Red Herring Prospectus.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the section "Risk Factors" beginning on page xi of this Red Herring Prospectus.

Overview

We are an infrastructure development and construction company in India with significant experience in the roads and highways sector. Recently, we have also diversified our business into the real estate development sector.

Our infrastructure development business involves the construction, development and operation of infrastructure development projects. We are an established infrastructure company in the roads sector in India and have a large portfolio of completed and operational BOT projects in the Indian road infrastructure sector. As of the date of this Red Herring Prospectus, we have been involved in 12 infrastructure development projects, all in the roads sector.

Our construction business complements our infrastructure development business and involves engineering, procurement and construction work for construction projects on contract basis, including in the roads sector. We have participated in various construction projects funded by state governments, the International Bank for Reconstruction and Development, the Asian Development Bank as well as the NHAI. We are currently involved in four funded construction projects.

We have recently diversified our business into the real estate development sector, which business is operated through our subsidiary Aryan Infrastructure Investments Private Limited (Aryan), in which the Company has a 66% shareholding that was acquired on June 20, 2007 and July 18, 2007. The rest of the shareholding in Aryan is owned by various entities in the Promoter Group.

In our real estate business, we are in the process of acquiring land in the Pune district in the State of Maharashtra on which we propose to develop an integrated township. Our proposed township project is in its preliminary stages of planning and development and will be the first real estate development project undertaken by us. We intend to develop residential and commercial projects within the proposed township project. Currently, our Land Reserves consist of approximately 925 acres of land in the Mauje Taje and Mauje Pimploli Taluka in Pune district, and we intend to acquire an additional approximately 475 acres of land in this area for our proposed township project. We have engaged Stup Design Forum in association with Stup Consultants Private Limited in connection with the development of the proposed township project and have also entered into agreements with certain Promoter Group entities for the construction and development of the proposed township project.

In fiscal 2007, our consolidated total income was Rs. 3,250,840 thousand, including consolidated turnover of Rs. 3,057,157 thousand, and we earned consolidated net profit, as restated of Rs. 299,599 thousand. Income from BOT projects, i.e., toll revenue from various infrastructure development BOT projects undertaken by the IRB Group, of Rs. 1,778,689 thousand represented 54.71% of our consolidated total income in fiscal 2007, while income from contract revenue of Rs. 1,221,183 thousand, relating to construction work on funded construction projects as well as construction work on the various BOT projects undertaken by the IRB Group, represented 37.57% of our consolidated total income in fiscal 2007. Operation and maintenance income of Rs. 37,114 thousand pursuant to operation and maintenance agreements relating to our BOT projects represented 1.14% of our consolidated total income in fiscal 2007.

In the five months ended August 31, 2007, our consolidated total income was Rs. 2,852,628 thousand, including consolidated turnover of Rs. 2,618,812 thousand, and we earned consolidated net profit, as restated of Rs. 363,779 thousand in this period. Income from BOT projects, i.e., toll revenue from various infrastructure development BOT projects undertaken by the IRB Group, of Rs. 1,505,340 thousand represented 52.77% of our consolidated total income in the five months ended August 31, 2007, while income from contract revenue of Rs. 1,082,478 thousand, relating to construction work on funded construction projects as well as construction work on the various BOT projects undertaken by the IRB Group, represented 37.95% of our consolidated total income in the five months ended August 31, 2007. Operation and maintenance income of Rs. 28,463 thousand pursuant to operation and maintenance agreements relating to our BOT projects represented 1.00% of our consolidated total income in the five months ended August 31, 2007.

The Company is primarily a holding company. In the past, the Company carried on certain maintenance operations for road projects constructed by other entities in the IRB Group. Ideal Road Builders Private Limited (IRBPL) and Mhaiskar Infrastructure Private Limited (MIPL) are our two largest subsidiaries in the infrastructure development and construction business, and collectively contributed 88.10% and 92.59% of the consolidated turnover of the IRB Group in fiscal 2007 and in the five months ended August 31, 2007, respectively (calculated on the basis of unconsolidated turnover of IRBPL and MIPL for the relevant periods expressed as a percentage of consolidated turnover of the IRB Group in such periods). MIPL is involved in the Mumbai – Pune Expressway and NH 4 BOT project, which is the largest BOT project undertaken by the IRB Group, and contributed 37.17% of the consolidated turnover of the IRB Group in the five months ended August 31, 2007 (calculated on the basis of unconsolidated turnover of MIPL for the relevant period expressed as a percentage of consolidated turnover of the IRB Group in such period). IRBPL is involved in various BOT projects as well as funded construction projects from government entities and contributed 55.41% of the consolidated turnover of the IRB Group in the five months ended August 31, 2007 (calculated on the basis of unconsolidated turnover of IRBPL for the relevant period expressed as a percentage of consolidated turnover of the IRB Group in such period).

Almost all construction work undertaken by the IRB Group in the roads and highways sector, for BOT projects or funded construction contracts, is currently executed through MRM; other entities in the IRB Group, including Project SPVs, typically sub-contract almost all of the construction work undertaken by them, for both funded construction projects as well as for construction work on BOT projects, to MRM, either through IRBPL, or directly. Accordingly, turnover of MRM is eliminated on consolidation.

IRBPL first commenced operation in the infrastructure development and construction sector in 1977. Between 1977 until 1995, we completed several projects in the roads and highways sector, including projects funded by various international agencies. In 1995, we entered into a concession agreement with respect to the Thane Bhiwandi Bypass Phase I project which was one of the early BOT projects in India. We completed the Thane Bhiwandi Bypass Phase I project in March 1997. In the years following, we were awarded a number of BOT projects as well as funded construction projects. In March 2004, we were awarded the Mumbai – Pune Expressway and the NH 4 BOT project. In July 2006, we were awarded the Bharuch – Surat section of NH 8 BOT project; we achieved financial closure for this project in December 2006. We have been granted “pre-qualified” status that entitles us to submit request for proposals for certain NHDP Phase V road infrastructure projects, namely, the Chennai-Tada project on NH 5, the Gurgaon – Kotputli - Jaipur project on NH 8, the Surat - Dahisar project on NH 8, the Chilkaluripet - Vijayawada project on NH 5 and the Panipat - Jalandhar project on NH 1. We have on November 29, 2007 submitted our bids for Gurgaon – Kotputli – Jaipur project on NH 8 and the Surat – Dahisar project on NH 8. For further information, see “Business – Our BOT Infrastructure Development Projects – Recent Developments” on page 84 of this Red Herring Prospectus. We have also recently submitted our bid for a BOT project relating to the Integrated Road Development Program in Kolhapur.

Restructuring of the IRB Group and presentation of Financial Information

The IRB Group has undergone significant restructuring in fiscal 2007 and subsequently. Pursuant to the restructurings of the IRB Group in fiscal 2007, IRBPL, MIPL, MRM, ATR Infra, ATRPL, MMK, IDAA, NKT, IRB Infra and TGTRPL became direct or indirect subsidiaries of the Company with effect from various dates during fiscal 2007. The following table sets forth certain information relating to the subsidiaries of the Company as of March 31, 2007 and the dates on which such entities became direct or indirect subsidiaries of the Company:

Name	Relationship	Direct or indirect shareholding percentage as on March 31, 2007
Ideal Road Builders Limited (with effect from September 11, 2006)	Subsidiary	61.88%
Mhaiskar Infrastructure Private Limited (with effect from September 11, 2006)	Subsidiary	50.44%
Modern Road Makers Private Limited (with effect from August 19, 2006)..............	Subsidiary	100.00%
Aryan Toll Road Private Limited (with effect from August 19, 2006).......................	Subsidiary	100.00%
ATR Infrastructure Private Limited (with effect from August 19, 2006)...................	Subsidiary	100.00%
IRB Infrastructure Private Limited (with effect from August 19, 2006)....................	Subsidiary	69.18%
Thane Ghodbunder Toll Road Private Limited (with effect from September 11, 2006)	Subsidiary	52.71%
IDAA Infrastructure Private Limited (with effect from June 21, 2006).....................	Subsidiary	95.91%
MMK Toll Road Private Limited (with effect from September 11, 2006).................	Indirect subsidiary	32.44%
NKT Road and Toll Private Limited (with effect from September 11, 2006)............	Indirect subsidiary	61.88%
Mudjaya - IRB joint venture (joint venture of IRBPL)	Joint venture of subsidiary	40.00%

Prior to the restructuring of the IRB Group during fiscal 2007, the Company did not have any subsidiaries. Since the various subsidiaries of the Company became direct or indirect subsidiaries of the Company at various points of time between June 21, 2006 and September 11, 2006 as described above, and since such subsidiaries were consolidated from the date on which effective control of each such subsidiary was transferred to the Company, the consolidated restated financial statements of the Company for fiscal 2007 reflect the results of operations for each subsidiary above from the date that such entity became a subsidiary of the Company. The consolidated restated financial statements of the Company for fiscal 2007 therefore do not reflect a full fiscal year of consolidated results of operations of the Company as constituted on 31 March 2007.

We have included in this Red Herring Prospectus (i) historical financial statements of the various Subsidiaries for the last five completed fiscal years (to the extent applicable) and for the five months ended August 31, 2007, restated in accordance with the SEBI Guidelines, (ii) discussions on the results of operations of the Company on an unconsolidated basis for fiscal 2005, 2006 and 2007 and for the five months ended August 31, 2007 and (iii) discussions on the results of operations of each of IRBPL, MIPL and MRM (the three largest subsidiaries of the Company, based on unconsolidated turnover for the period ended March 31, 2007 and for the five months ended August 31, 2007) for fiscal 2005, 2006 and 2007 and for the five months ended August 31, 2007. Unless otherwise stated, the financial information relating to the Company, IRBPL, MIPL and MRM on an unconsolidated basis is derived from the Company's and such subsidiaries' restated unconsolidated financial statements, included in this Red Herring Prospectus.

However, please note that as a result of various inter-company transactions among the Company and/or its Subsidiaries, there are significant consolidation adjustments that are reflected in the consolidated restated financial statements of the Company for fiscal 2007 and the five months ended August 31, 2007 included in this Red Herring Prospectus. Accordingly, an aggregation of unconsolidated financial information relating to the various Subsidiaries in any fiscal period is not reflective of the consolidated results of operations of the Company for such period, had the relevant subsidiaries been direct or indirect subsidiaries of the Company at the outset of such period. For further information on our accounting policies and principles of consolidation relating to our restated consolidated financial statements included in this Red Herring Prospectus, see Annexure IV-A "Significant Accounting Policies" relating to the consolidated financial statements included in section "Financial Statements" beginning on page 171 of this Red Herring Prospectus and "- Critical Accounting Policies of the Company on a Consolidated Basis" below.

The consolidated restated financial statements of the Company for fiscal 2007 also do not take into account the various restructurings in the IRB Group subsequent to March 31, 2007. Since the IRB Group underwent certain additional restructurings between April 1, 2007 and August 31, 2007, and the consolidated restated financial statements of the Company for the five months ended August 31, 2007 reflect such transactions, the consolidated restated financial statements of the Company for the five months ended August 31, 2007 reflects a different structure of the IRB Group from that reflected in the consolidated restated financial statements of the Company for fiscal 2007.

Between April 1, 2007 and August 31, 2007, the IRB Group underwent the following restructuring:

- The Company subscribed to 66.00% of the shareholding in Aryan on June 20, 2007 and July 18, 2007 at par value; and

- The Company and certain Subsidiaries of the Company subscribed to additional equity shares of IDAA at par value on various dates as specified below:

Date of allotment	Number of equity shares of IDAA (par value Rs. 10 each) allotted	Names of allottees	Paid up capital post allotment (Rupees)
April 30, 2007	1,430,000	Company	694,300,000
May 30, 2007	2,620,000	Company, ATRPL and ATR Infra	720,500,000
June 30, 2007	2,465,000	Company and ATR Infra	745,150,000
July 30, 2007	2,820,000	IRBPL and ATR Infra	773,350,000
August 31, 2007	2,850,000	IRBPL and ATR Infra	801,850,000
Total	12,185,000		

The consolidated restated financial statements of the Company for the five months ended August 31, 2007 reflects the transactions described above, and Aryan became a subsidiary of the Company with effect from July 18, 2007. However, since IDAA and Aryan have not yet commenced commercial operation, no profit and loss account has been prepared for either IDAA or Aryan for the five months ended August 31, 2007 or any prior period. Accordingly, the restated consolidated profit and loss account for fiscal 2007 and the five months ended August 31, 2007 do not reflect any income with respect to IDAA or Aryan. However, the Company's entire Land Reserves for its real estate business are held through Aryan, and the investment in Aryan resulted in an increase in the consolidated current assets of the Company by way of land acquired for its real estate business. The investments in IDAA also resulted in an increase in fixed assets (intangible assets) in the form of toll collection rights on the Bharuch Surat NH 8 BOT project being constructed by IDAA. See " – Results of Operations of the Company on a Restated Consolidated Basis – Five months ended August 31, 2007" below. Also see Annexure IV-A "Significant Accounting Policies" relating to the consolidated financial statements included in "Financial Statements" beginning on page 171 of this Red Herring Prospectus and "- Critical Accounting Policies of the Company on a Consolidated Basis" below.

The restated consolidated profit and loss account for the five months ended August 31, 2007, however, do not reflect the various restructurings in the IRB Group subsequent to August 31, 2007, namely:

- The acquisition by the Company of an additional 38.24% shareholding in IRBPL from various Promoter Group entities with effect from September 8, 2007 at par value;

- The acquisition by the Company of an additional 39.65% shareholding in MIPL from various Promoter Group entities with effect from September 8, 2007 at par value;

- The acquisition by the Company of an additional 39.34% shareholding in TGTRPL from various Promoter Group entities with effect from September 8, 2007 at par value;

- The acquisition by the Company of an additional 23.25% shareholding in IRB Infra from various Promoter Group entities with effect from September 8, 2007 at par value;

- The acquisition by the Company of an additional 53.33% shareholding in NKT (consisting of 36.67% shareholding issued to the Company and 16.66% shareholding from various Promoter Group entities) with effect from September 8, 2007 at par value;

- The subscription to additional equity shares of IDAA by the Company and various other Subsidiaries at par value on various dates as specified below:

Date of allotment	Number of equity shares of IDAA (par value Rs. 10 each) allotted	Names of allottees	Paid up capital post allotment (Rupees)
September 29, 2007	2,995,000	Company and IRBPL and ATR Infra	831,800,000
October 31, 2007	4,710,000	Company and IRBPL	878,900,000
November 30, 2007	1,410,000	IRBPL, ATR Infra and ATRPL	893,000,000
December 13, 2007	4,360,000	Company and ATR Infra	936,600,000
Total	**13,475,000**		

- The acquisition by IRBPL, a subsidiary of the Company, of an additional 47.57% shareholding in MMK from shareholders other than Promoter Group entities with effect from December 6, 2007 at Rs. 26.94 per share.

As a result of these additional acquisitions of shares in existing subsidiaries of the Company subsequent to August 31, 2007, assuming no change in the structure of the IRB Group, the minority interest in the consolidated profit after tax of the Company will decrease in future accounting periods compared to what would have been reflected absent such acquisitions.

Accordingly, any consolidated financial statements of the Company for any period subsequent to August 31, 2007 which may be published by the Company will reflect a different structure of the IRB Group from that reflected in, and will not be directly comparable to, the consolidated restated financial statements of the Company for fiscal 2007 or the consolidated restated financial statements as of and for the five months ended August 31, 2007 included in this Red Herring Prospectus.

In general, then, no financial statements are available which describe the consolidated results or condition of the Company and its current subsidiaries (reflecting the current structure of the IRB Group) for any particular period, and investors will have to base their assessment of the Company and the IRB Group as a whole on financial statements which are not directly comparable with each other or reflective of the current structure of the IRB Group.

For detailed information relating to the restructuring of the IRB Group and the various Subsidiaries, see "History and Certain Corporate Matters" beginning on page 104 of this Red Herring Prospectus.

Factors affecting our Results of Operations

Our business, prospects, results of operations and financial condition are affected by a number of factors, including the following key factors:

Level of investment and activity in the infrastructure development and construction sector. Demand for our infrastructure development and construction services is primarily dependent on sustained economic development in the regions that we operate in and government policies relating to infrastructure development. It is also significantly dependent on budgetary allocations made by governments for this sector as well as funding provided by international and multilateral development finance institutions for infrastructure projects. Investment by the private sector in infrastructure projects is dependent on the potential returns from such projects and is therefore linked to government policies relating to private sector participation and sharing of risks and returns from such projects. We believe that the Government of India's and state governments' focus on, and sustained increases in budgetary allocation for, infrastructure, and the development of comprehensive infrastructure policies that encourage greater private sector participation and funding for infrastructure projects from international and multilateral development financial institutions, should further result in large infrastructure projects in India. We believe our infrastructure development and construction businesses are likely to benefit from this significant investment in infrastructure by the Government of India and state governments and, as investment in infrastructure by the private sector gains momentum, by the private sector. Since we intend to continue to focus on the roads and highway sector, macroeconomic factors in India relating to this sector will have a significant impact on our prospects and results of operations.

Performance of the real estate sector in India. Our proposed real estate business is dependent on the performance of the real estate market in Maharashtra, particularly in the Mumbai-Pune corridor, and could be adversely affected if market conditions deteriorate. The real estate market is significantly affected by, among other factors, changes in government policies, economic conditions, demographic trends, employment and income levels and interest rates. Lower interest rates on financing from India's retail banks and housing finance companies, particularly for residential real estate, and favourable tax treatment of loans, have helped fuel the recent growth of the Indian real estate market. However, rising interest rates in the recent past could discourage consumers from borrowing to finance real estate purchases and this could adversely affect the real estate market. Additionally, stricter provisioning and risk weightage norms imposed by the RBI in relation to real estate loans by banks and housing finance companies could reduce the attractiveness of property or developer financing and the RBI or the Government of India may take further measures designed to reduce or having the effect of reducing credit to the real estate sector. The fallout of the U.S. sub-prime mortgage crisis in recent months may exacerbate the situation in India with respect to rising interest rates and reducing credit to the real estate sector. If the demand for, or supply of, real estate financing at attractive rates were to diminish, our business and results of operations could be adversely affected. General economic conditions could also affect the financial stability of our prospective tenants and/or the demand for our commercial and retail real estate.

Timing and terms of contracts awarded. Our revenues are derived primarily from contracts awarded to us on a project-by-project basis, and our results of operations and cash flows can fluctuate materially from period to period depending on the timing of contract awards. Generally, it is very difficult to predict whether or when we will be awarded a new contract since many potential contracts involve a lengthy and complex bidding and selection process that may be affected by a number of factors, including changes in existing or assumed market conditions, financing arrangements, governmental approvals and environmental matters. While service quality, technological capacity and performance, health and safety records as well as reputation and experience are important considerations in client decisions, price is a major factor in most tender awards. The ability to win contracts may also be dependent on our ability to partner and collaborate with other joint venture partners or co-sponsors and maintain a continuing relationship with our significant clients, including governmental entities such as NHAI and the MSRDC. In addition, our ability to negotiate standard form government contracts is limited. The uncertainty associated with the timing of contract awards may increase our cost of doing business over a short period or a comparatively longer term. Because of the nature of our contracts, we sometimes commit resources to projects prior to receiving advances or other payments from the client in amounts sufficient to cover expenditures on projects as they are incurred by us. We account for the expenditure incurred in respect of any additional costs, deviations and delays with respect to a project in the fiscal year in which they are incurred. In case of a client default, or a project being delayed or cancelled, our results of operations and financial condition may be adversely affected.

We had a large Order Book of Rs. 2,324.90 crores as of October 31, 2007. Our Order Book as of any particular date consists of unbilled revenue from the uncompleted portions of our "existing contracts", i.e., the total contract value of the "existing contracts" secured by the IRB Group as reduced by the value of construction work billed until the date of such Order Book. For purposes of our Order Book, we define "existing contracts" as (i) construction contracts, including EPC contracts and (ii) operation and maintenance contracts, whether relating to funded construction projects or part of a BOT project, that have been awarded to us and for which all pre-conditions to entry into force have been met. For further information on our Order Book as of October 31, 2007, please see "Business – Order Book" on page 91 of this Red Herring Prospectus. Our Order Book amount does not necessarily indicate future earnings related to the performance of that work and if we do not achieve our expected margins or if we suffer losses on one or more of these contracts, this could reduce our income or cause us to incur a loss. Although projects in the Order Book represent business that we consider firm, cancellations or scope adjustments may occur. Due to changes in project scope and schedule, we cannot predict with any certainty when or if the projects in our Order Book will be performed and will generate revenue.

Project and construction risks. Our infrastructure development and construction projects are subject to various execution risks including an inability to complete the project construction on time, within budget or to the standards specified; delays in meeting project milestones or achieving commercial operation by the scheduled completion date resulting in increased financing costs, delayed payments from the client, the invocation of liquidated damages or penalty clauses by the client, or even in termination of the contract; an inability to arrange for adequate working capital or other financing on favourable terms as and when required to complete such projects; an inability to recover the targeted return on investment if the assumptions contained in the feasibility studies for these projects do not materialise; unforeseen site and geological conditions which may make the site unsuitable for the project; and delays associated with the inability of the clients to complete acquisition of private land or securing rights of way over private land for such projects. Timely completion of these projects is subject to various execution risks as well as other matters, including securing financing and government approvals for such projects. Delays may also result in cost overruns, lower returns on capital and reduced revenue for the Project SPV as well as failure to meet scheduled debt service payment dates. Moreover, any loss of goodwill could adversely affect our ability to pre-qualify for projects.

Some of our construction projects are performed on a fixed-price or lump-sum basis. Under the terms and conditions of such fixed-price or lump-sum contracts, we generally agree for a fixed price for providing engineering, procurement and construction services for the part of the project contracted to us or, in the case of turnkey contracts, completed facilities which are delivered in a ready to operate condition, subject, however, to contract variations pursuant to changes in the client's project requirements and escalation clauses relating to increases in the prices of raw materials. The actual expense to us for such contracts may, however, vary from the assumptions underlying our bid for various project uncertainties, including unanticipated changes in engineering design of the project; inaccurate drawings and technical information provided by clients on which bids were based; unforeseen design and engineering construction conditions, site and geological conditions, resulting in delays and increased costs; inability by the client to obtain requisite environmental and other approvals; delays associated with the delivery of equipment and materials to the project site; unanticipated increases in equipment costs; delays caused by local and seasonal weather conditions; and suppliers' or sub-contractors' failure to perform their obligations in a timely manner. In addition, severe weather conditions and natural disasters may result in significant interruption to our operations, disruption to our project sites and damage to such sites that could adversely affect our results of operations and financial condition.

Fluctuating revenues from toll road projects. Our long-term infrastructure development projects restrict our and the relevant Project SPV's operational and financial flexibility. Toll collection terms for our BOT infrastructure development projects are typically pre-determined with the relevant government entity and we may not modify such toll rates to reflect prevailing circumstances. As the revenue structure for the Project SPVs under each project is generally predetermined for the life of the project (and fluctuates subject to the built-in adjustment mechanisms contained in the relevant concession agreements), a Project SPV's profitability is largely a function of how effectively the Project SPV manages costs during the term of those agreements. In the case of the tollway road projects whose revenues are not fixed, the relevant Project SPVs' profitability and its ability to meet debt service payments is also a function of traffic volumes and the toll levied on users of the road. These toll roads may also be subject to competition from new roads developed in these stretches and toll may or may not be charged on such roads, which could potentially result in a diversion of vehicular traffic to such new roads.

Success of the proposed township project. The proposed township project will require significant capital investment, in connection with the acquisition of the land required for such project as well as the construction and development of such project. Currently, our Land Reserves consist of approximately 925 acres of land in the Mauje Taje and Mauje Pimploli Taluka in Pune district, and we intend to acquire an additional approximately 475 acres of land for our proposed township project.

We will be required to obtain various permits, licences and other regulatory approvals in connection with the proposed township project. Additionally, we may find it difficult to attract sufficient buyers to ensure the success of the township. Further, the success of the project could be hampered by a delay in or lack of infrastructure development in and around the proposed township. The success of our residential property business will be dependent on our ability to anticipate and respond to consumer requirements. Our focus on the development of quality residential accommodation as part of the proposed township project requires us to satisfy these demanding consumer expectations. Similarly, our commercial real estate business will depend on the provision of quality office space to attract and retain clients who are willing and able to pay rent at suitable levels and on our ability to anticipate the future needs and expansion plans of these clients. We will incur significant costs for the integration of modern fittings, contemporary architecture and landscaping. In addition, the telecommunications, broadband and wireless systems that our clients require involve additional costs associated with installation and maintenance by third parties.

Aryan has entered into certain agreements with respect to the development of the proposed township, including an agreement dated March 7, 2007 with MRM pursuant to which MRM has purchased, for an aggregate consideration of Rs. 5,040,000 thousand, 1,260,000 sq.ft. of commercial space in the proposed township and has agreed to pay 50% of such consideration amount to Aryan within six months of the date of such agreement. The remaining amounts are payable by MRM to Aryan in proportion to the completion of Aryan's work in the proposed township. Aryan has also entered into another agreement dated March 9, 2007 with Aryan Constructions, a proprietary concern of V.D. Mhaiskar HUF, a Promoter Group entity, pursuant to which Aryan has awarded Aryan Constructions the lump sum turn key contract for the development of the proposed township in accordance with the terms of such agreement, for an aggregate consideration of Rs. 22,596,600 thousand. Aryan had also agreed to pay an advance of Rs. 2,520,000 thousand to Aryan Constructions within six months of the date of such agreement for the mobilization of various resources for preliminary site preparation activities. Pursuant to such agreement, Aryan has made payment of Rs. 1,839,091 thousand as mobilization advance to Aryan Constructions until October 31, 2007.

Interest rate and exchange rate fluctuations. As our infrastructure development and construction business and our real estate business are capital intensive, we are exposed to interest rate risks. Our infrastructure development and construction projects are funded to a large extent by debt and any increase in interest expense may have an adverse effect on our results of operations and financial condition. Our current debt facilities carry interest at variable rates as well as fixed rates with the provision for periodic reset of interest rates. As of August 31, 2007, almost all our indebtedness was subject to variable interest rates. In view of the high debt to equity ratios for our infrastructure development projects, an increase in interest expense at the Project SPV level is likely to have a significant adverse effect on our financial results. We may decide to engage in interest rate hedging transactions from time to time to protect us against interest rate risks. We have entered into interest and principal swap transactions with respect to our Rupee borrowings in respect of MIPL, whereby adverse movements in international interest rates in the Dollar and Yen may adversely impact our results of operations. Similarly in respect of the principal swaps any depreciation of the Rupee against the Dollar and other currencies such as Yen may impact us adversely. Accordingly, our operating and financial results would be negatively affected if the Rupee depreciates against the Dollar and the Yen and interest rates in Dollar and Yen increase.

Changes in tax laws and regimes. The Indian Income Tax Act provides certain tax benefits to companies engaged in infrastructure development and construction, including (i) a deduction of 100% of the profits (for a period of 10 consecutive assessment years) derived from the business of developing an infrastructure facility; (ii) a deduction of 100% of the profits derived from developing and building housing projects approved before March 31, 2007; and (iii) tax-free status on certain income by way of dividends, interest on long-term finance and long-term capital gains from investments/long-term loans, subject to specified conditions. We have claimed certain tax credits under Section 80 IA of the I.T. Act, relating to infrastructure development projects which decrease the effective tax rates compared to the statutory tax rates. Some of these benefits are available only for a specified period of time and others are available only in respect of specific projects. Any amendments to these provisions to our detriment or a non-extension of these tax benefits may also affect our tax liabilities and profits. Further, any changes in the incidence or rates of property taxes or stamp duties may affect the results of operations of our real estate business.

Critical Accounting Policies of the Company on a Consolidated Basis

Our restated consolidated financial statements included in this Red Herring Prospectus have been prepared in accordance with Indian GAAP. The Company's significant accounting policies on a consolidated basis are set forth in Annexure IV-A to its restated consolidated financial statements as of and for the fiscal years ended March 31, 2007 and as of and for the five months ended August 31, 2007 included in the section "Financial Information" beginning on page 171 of this Red Herring Prospectus. Preparation of financial statements in accordance with Indian GAAP, the applicable accounting standards issued by the ICAI and the relevant provisions of the Companies Act requires the Company's management to make judgments, estimates and assumptions that it believes are most appropriate in the circumstances for the purpose of giving a true and fair view of the Company's results of operations and an understanding of its financial condition and results of operations. The preparation of the Company's financial statements requires it to often make difficult, complex and subjective judgments in selecting the appropriate estimates and assumptions that affect the amounts reported in its financial statements. By their nature, these judgments are subject to a degree of uncertainty. These judgments are based on the Company's historical experience, terms of existing contracts, and its observance of trends in the industry, information provided by its customers and information available from other third party sources, as appropriate. There can be no assurance that the Company's judgments will prove correct or that actual results reported in future periods will not differ from our expectations reflected in the Company's accounting treatment of certain items.

While all aspects of our financial statements should be read and understood in assessing our current and expected financial condition and results, we believe that the following critical accounting policies warrant particular attention:

Principles of consolidation

The consolidated financial statements comprise the financial statements the Company, its various subsidiaries and its joint venture entity as described below have been prepared in accordance with historical cost convention, the applicable accounting standards issued by the Institute of Chartered Accountants of India (the "ICAI") and the relevant provisions of the Companies Act, 1956, as amended.

The consolidated financial statements of the IRB Group have been prepared in accordance with the Accounting Standard 21 "Consolidated Financial Statements", Accounting Standard 23, "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard 27, "Financial Reporting of Interest in Joint Ventures" issued by the ICAI.

Subsidiary undertakings are those companies in which the Company, directly or indirectly, has an interest of more than one half of voting power or otherwise has the power to exercise control over the operations of such entities. Subsidiaries are consolidated from the date on which effective control is transferred to the IRB Group and continues until the date such control exists. The consolidated financial statements are prepared using uniform accounting policy for like transactions and other events in similar circumstances to the extent possible. The consolidated financial statements are presented to the extent possible, in the same format as that adopted by the Company for its standalone financial statements.

Other than as discussed below, all inter-company transactions, balances and unrealised surpluses and deficits on transactions between group companies are eliminated.

Accounting for BOT contracts. In the absence of specific accounting standards or interpretative guidelines relating to accounting for BOT contracts under Indian GAAP or accounting standards issued by the ICAI, we have relied on certain accounting principles provided by the International Financial Reporting Interpretations Committee ("IFRIC") under IFRIC Interpretation 12 – IFRS 12: Service Concession Agreements ("IFRIC 12") issued on November 30, 2006.

IFRIC 12 contemplates that:

- Pursuant to a service concession agreement between the operator of a concession agreement project (the service provider) and the grantor, i.e., the government entity that has granted the service concession agreement, the operator constructs or upgrades infrastructure (construction or upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) for a specified period of time.

- In cases where the operator provides more than one service (i.e. construction /upgrade service and operation service) under a single contract or arrangement, the total consideration received or receivable shall be allocated by reference to the relative fair values of the services rendered, when the amounts for each service are separately identifiable. This is because each separate service calls for distinct skills, requirements and risks. The fair value of the services rendered during construction phase has to be accounted in accordance with the standard on construction contracts and that during operation phase in terms of revenue recognition standard.

- The consideration received or receivable for the construction segment accrues as the work progresses and results in commensurate accumulation of license or right to collect charges from users of the facility. The consideration for the work done therefore is realized as the work progresses, in the form of an intangible asset.

- Therefore, for the purpose of consolidation of group accounts, revenue or profits of work done up to the consolidation date are considered as realized.

Our BOT contracts are governed by concession agreements with various government authorities under which we are granted certain "toll collection rights". We do not have any ownership or associated right over the road constructed for such BOT project but are granted such "toll collection rights" as consideration for the cost incurred by us in connection with the construction of the project infrastructure. Since the construction cost incurred by us represents consideration for the "toll collection rights" under the concession agreements, consistent with the accounting principles enunciated in IFRIC 12, profit generated under such BOT contracts is considered as "realized" profit.

Consolidation under Accounting Standard 21 contemplates that unrealized turnover / profits must be eliminated under consolidation. However, for BOT contracts awarded to IRB Group entities that are subcontracted to other entities in the IRB Group, the inter-group transactions on BOT contracts and the profits arising thereon are, consistent with the accounting principles enunciated in IFRIC 12 discussed above, recognized as "realized" profit and therefore are not eliminated on consolidation under Accounting Standard 21. Revenue and profit in respect of such transactions during fiscal 2007 that have not been eliminated on consolidation was Rs. 391,724 thousand and Rs. 88,402 thousand, respectively. Revenue and profit in respect of such transactions during the five months ended August 31, 2007 that have not been eliminated on consolidation was Rs. 928,783 thousand and Rs. 449,909 thousand, respectively.
For further information on, please see paragraph (b) (Principles of Consolidation) in Annexure IV-A (Significant Accounting Policies) to our restated consolidated financial statements and Note 11 (Intra-group Turnover and Profits on BOT Construction Contracts) of Annexure IV (Notes to Accounts) to our restated consolidated financial statements for fiscal 2007 and for the five months ended August 31, 2007 on beginning on page 171 of this Red Herring Prospectus.

Fair value determination. For purposes of such accounting principles, the value of the intangible asset, i.e., the value of the toll collection right is to be ascertained at fair value. However, IFRIC 12 does not provide any specific guideline on the manner in which fair value in this context is to be determined. Indian accounting standards contemplate "fair value" as "the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction". Accordingly, we have determined fair value with reference to the amount of construction cost as stated in the bid document submitted for such construction work, since in the event of an exchange of such asset in the future, the construction cost stated in such bid document is typically taken as the basis of such determination.

Amortisation of intangible asset. In addition, the final value of the intangible asset must be amortised over the useful life of the asset in a method which shall reflect the pattern in which the asset's future economic benefits are consumed by the entity.

Consolidation issues relating to BOT contracts. Consolidation issues relating to accounting policies followed with respect to our BOT contracts are briefly discussed below:

- In contracts where the grantor (i.e., the government entity) does not assure any payment to the operator of a BOT project but grants such operator a right (a licence) to charge users of the public service, two sets of inflows and outflows are involved. In the first set, the construction services are exchanged for the intangible asset in a barter transaction. Determining fair value, as discussed above, is necessary, as such fair value is the revenue of this set. The costs attributable to construction activity of this set including borrowing costs during construction are set off against this revenue. In the second set, the intangible asset received is used up to generate cash flows from users of the public service. The revenue generated each year is the proportion in which the intangible asset is used up every year. Against this, costs of operation, maintenance, interest and amortization of value of intangible asset generated in the first set are set off. The total revenue and costs of the project therefore is a total for both the sets.

- The progressive fair value of construction work done which should be treated as the consideration received or receivable for providing construction services measured at the fair value of the rights attributable to the construction segment must be distinguished from the cost incurred to render the construction service to the grantor which is reflected in the EPC contract awarded to the IRB Group entity as part of a BOT project.

In view of the accounting policies followed by us as discussed above, we recognise, measure, amortise and disclose intangible asset in terms of Accounting Standard 26 (Intangible Assets) issued by the ICAI and Accounting Standard 7 (Construction Contracts) issued by the ICAI. We recognize revenue during the operation and maintenance phase in accordance with Accounting Standard 9 (Revenue Recognition) issued by the ICAI.

Jointly controlled entities. Interest in a jointly controlled entity is reported using proportionate consolidation.

Goodwill and reserves and surplus. The excess of cost to the Company of its investments in subsidiary companies over its share of the equity of the subsidiary companies at the dates on which the investments in the subsidiary companies are made, is recognised as "goodwill" being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Company, it is recognised as "capital reserve" and shown under the head "reserves and surplus" in the consolidated financial statements.

Amortisation of goodwill. Goodwill arising out of acquisition of subsidiary companies is amortised over a period of ten years from the date of acquisition/investment.

Minority interest. Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments.

Other Significant Accounting Policies

Fixed Assets. Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Intangible Assets. The Company has classified the toll collection rights as intangibles.

Depreciation. Depreciation is provided using the written down value method at the rates base on the estimated useful life of the respective assets as determined by the management or as per the rates prescribed under schedule XIV of the Companies Act, 1956, whichever is higher.

Amortisation. Toll collection rights are amortised over the concession period ranging from nine years to 18 years. The rights are amortised based on the projected toll revenue which reflects the pattern in which the assets economic benefits are consumed. The projected total toll revenue is based on the latest available base case traffic volume projections. If there is material change in the expected pattern of economic benefits, the amortization is revised.

Impairment. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances.

Borrowing costs. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relates to the period till such assets are ready to be put to use.

Investments. Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

Inventories. Inventories are valued as follows:

- *Raw materials, components, stores and spares.* Lower of cost and net realizable value. Cost is determined on first in first out basis.

- *Work-in-progress and finished goods*. Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of overheads based on normal operating capacity.

- *Land and plots*. Land and plots at the commencement of construction are valued at cost.

- Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Revenue Recognition. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- *Construction contracts*. Contract revenue associated with the construction of road are recognised as revenue and expenses respectively by reference to the stage of completion of the projects at the balance sheet date. The stage of completion of project is determined by the proportion that contract cost incurred for work performed up to the balance sheet date bears to the estimated total contract costs.

- *Operation and maintenance contracts*. Revenue from maintenance contracts are recognised pro-rata over the period of the contract as and when services are rendered.

- *Income from toll contracts*. The net income from toll contracts on agency basis as well as on BOT basis are recognised on actual collection of toll revenue.

- *Interest*. Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

- *Dividends*. Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date. Dividend from subsidiaries is recognised even if same are declared after the balance sheet date but pertains to period on or before the date of balance sheet as per the requirement of Schedule VI of the Companies Act, 1956.

Foreign currency translation

- *Initial recognition*. Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

- *Conversion*. Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

- *Exchange differences*. Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise. Exchange differences arising in respect of fixed assets acquired from outside India are capitalized as a part of fixed asset. Exchange differences on liability relating to fixed assets acquired within India arising out of transactions entered on or before March 31, 2004 are added to the cost of such assets in line with old Accounting Standard 11 (1994).

Retirement and other employee benefits. In fiscal 2007, the Company has early adopted Accounting Standard 15 (AS-

15) (Revised 2005) “Employee Benefits” which is mandatory for accounting periods starting from December 7, 2006. Accordingly, the Company has provided gratuity based on actuarial valuation done as per the “projected unit credit method”. Retirement benefits in the form of provident fund are a defined contribution scheme and the contributions are charged to the profit and loss account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts. Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year. The Company does not have any policy for leave encashment. However leave can be availed within one year. Accordingly, short term compensated absences are provided for based on estimates.

Income taxes. Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax are measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. At each balance sheet date the Group re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Earning per share. Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Provisions, contingent liabilities and contingent assets. A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but disclosed by way of notes to the accounts. Contingent assets are neither recognised nor disclosed in financial statements. Resurfacing costs are recognised and measured in accordance with AS 29 (Provisions, Contingent Liabilities and Contingent Assets”, at the best estimate of the expenditure required to settle the present obligation as at the balance sheet date.

Miscellaneous expenditure. Debenture / Share issue expenses are adjusted in the same year against the Securities Premium Account as permitted by Section 78(2) of the Companies Act, 1956. In case of insufficient balance in the Securities Premium Account, unadjusted share issue expenses are amortised over a period of 5 years and debenture issue expenses over the period of redemption / conversion.

Derivative instruments. The Company uses derivative financial instruments such as currency swaps and interest rate swaps to hedge its risks associated with foreign currency fluctuations and interest rate. Any profit or loss arising on settlement or expiry of option contracts is recognized as income or expense for the year.

Results of Operations of the Company on a Restated Consolidated Basis

Five months ended August 31, 2007

As discussed above, our restated consolidated financial statements for the five months ended August 31, 2007 do not reflect the various restructurings of the IRB Group subsequent to August 31, 2007. See “- Restructuring of the IRB Group and presentation of Financial Information” above.

The following table sets forth for the five months ended August 31, 2007, certain items derived from the Company's restated consolidated financial statements, in each case stated in absolute terms and as a percentage of total income. Amounts have been rounded to ensure percentages total to 100.00% as appropriate:

	Five months ended August 31, 2007	
	Amount	Percentage of Total Income
	(Rs. in thousands)	(%)
Income		
Turnover	2,618,812	91.80
Other income	233,816	8.20

	Five months ended August 31, 2007	
	Amount	Percentage of Total Income
	(Rs. in thousands)	(%)
Total Income	**2,852,628**	**100.00**
Expenditure		
Direct expenses	859,240	30.12
Personnel expenses	126,064	4.42
Office administration and other expenses	150,386	5.27
Depreciation and amortisation	420,234	14.73
Financial expenses	844,971	29.62
Total expenditure	**2,400,895**	**84.16**
Profit before tax	451,733	15.84
Provision for tax	-	-
- Current tax	88,163	3.09
- Deferred tax	(2,654)	(0.09)
- Fringe benefit tax	2,445	0.09
Net profit before adjustments	**363,779**	**12.75**
Adjustments	-	-
Net profit as restated	**363,779**	**12.75**
Less: Minority Interest	(124,097)	(4.35)
Net profit, as restated, after minority interest	**239,682**	**8.40**

The summary restated financial statements of the IRB Group for the five months ended August 31, 2007 included in this Red Herring Prospectus have been restated in compliance with SEBI Guidelines. Consistent with Indian GAAP, the effects of restatement are shown as a cumulative effect in the consolidated net profit, as restated rather as restatements of individual line items in our consolidated profit and loss account. There were no adjustments to the consolidated net profit in the five months ended August 31, 2007 on account of restatements required to be carried out in accordance with SEBI Guidelines.

Income. Our consolidated income consists of:

(i) turnover income, that includes:

- income from BOT projects, i.e. toll revenue from various infrastructure development BOT projects undertaken through the Project SPVs;

- contract revenue from construction work on various funded construction projects as well as construction work on BOT projects undertaken by the IRB Group, net of any value added tax on such construction work;

- operation and maintenance income pursuant to operation and maintenance agreements relating to various BOT projects operated by us;

- hire charges received, relating to income from leasing of construction equipment, primarily through MRM;

- income from agency toll and octroi collection arrangements from various BOT projects undertaken by the IRB Group as well as toll collection agency agreements with various government agencies independent of our BOT projects; and

(ii) other income, that includes income from fixed deposits, interest on loans, dividend income and certain miscellaneous income, adjusted for gains or losses on sale of mutual funds and gains or losses on foreign exchange.

Our consolidated total income in the five months ended August 31, 2007 was Rs. 2,852,628 thousand, of which turnover income was Rs. 2,618,812 thousand, representing 91.80% of the total income during such period. Income from BOT projects of Rs. 1,505,340 thousand undertaken through various Project SPVs represented 52.77% of our total income in such period, while income from contract revenue of Rs. 1,082,478 thousand, relating to construction work on funded construction projects as well as construction work on the various BOT projects undertaken by the IRB Group, represented 37.95% of our total income in August 2007. Operation and maintenance income of Rs. 28,463 thousand pursuant to operation and maintenance agreements related to our BOT projects represented 1.00% of our total income while hire charges of Rs. 1,918 thousand and income from agency toll collection of Rs. 613 thousand, represented 0.07% and 0.02%, respectively, of our consolidated total income in the five months ended August 31, 2007.

In the five months ended August 31, 2007, other income was Rs. 233,816 thousand and represented 8.20% of our total income in such period. Interest income of Rs. 224,277 thousand, primarily relating to interest income on loans to certain Promoter Group entities and deposits in banks and financial institutions, contributed 95.92% of our other income in the five months ended August 31, 2007. During this period we recorded dividend income of Rs. 684 thousand, representing 0.29% of our other income in such period.

Expenditure. Our expenditure consists of (i) direct expenses, (ii) personnel expenses, (iii) office administration and other expenses, (iv) depreciation and amortization and (v) finance expenses.

Direct expenses. Direct expenses include (i) contract expenses relating to payments to sub-contractors for construction works sub-contracted, (ii) operation and maintenance expenses i.e. expenses incurred in connection with construction activities and maintenance work, (iii) cost of materials consumed, i.e. expenses relating to raw materials and other consumables used in construction and maintenance work, (iv) stores, spares and tools consumed, (v) other direct expenses including temporary contract labour engaged for various projects and sundry expenses on sites, (vi) technical consultancy and supervision charges paid to third party consultants, (vii) royalty charges paid to government entities for stone quarrying and (vi) hire charges paid for machinery, equipment and/or construction vehicles hired from external sources used in our construction activities.

We incurred direct expenses of Rs. 859,240 thousand in the five months ended August 31, 2007; expressed as a percentage of total income, direct expenses represented 30.12% in the five months ended August 31, 2007.
Cost of material consumed of Rs. 553,580 thousand represented the largest component of direct expenses in the five months ended August 31, 2007, and represented 64.43% of direct expenses in this period. In the five months ended August 31, 2007, we also incurred contract expenses of Rs. 175,490 thousand relating to payments to external sub-contractors, operation and maintenance expenses of Rs. 20,703 thousand, expenses relating to stores, spares and tools of Rs. 10,501 thousand and other miscellaneous direct expenses of Rs. 98,966 thousand.

Personnel expenses. Personnel expenses include salaries, wages and bonus paid to employees, contribution towards gratuity and provident fund as well as other staff welfare expenses. Expressed as a percentage of total income, personnel expenses of Rs. 126,064 thousand represented 4.42% of total income, of which salaries, wages and bonus expenses amounted to Rs. 112,834 thousand.

Office administration and other expenses. Office administration and other expenses include various administration costs such as power and fuel costs, rates and taxes, bank charges, insurance costs, advertisement expenses, travelling and conveyance expenses, communications cost, printing and stationery, legal and auditor expenses as well as other miscellaneous expenses including repairs and maintenance. In the five months ended August 31, 2007, we incurred office administration and other expenses of Rs. 150,386 thousand, which, expressed as a percentage of total income, represented 5.27%. We incurred rent, rates and taxes of Rs. 12,651 thousand and travelling and conveyance expenses of Rs. 7,521 thousand in the five months ended August 31, 2007. We also incurred miscellaneous expenses of Rs. 18,923 thousand in this period, primarily relating to construction site related miscellaneous expenses.

Depreciation and amortisation. Depreciation is provided using the written down value method at the rates based on the estimated useful life of the respective assets as determined by the management or as per the rates prescribed under schedule XIV of the Companies Act, 1956, whichever is higher. The value of toll collection rights under BOT contracts are recognised as intangible assets. Toll collection rights are amortised over the concession period. The rights are amortised based on the pattern in which the assets' economic benefits are consumed. The projected total toll revenue is based on the latest available base case traffic volume projections. If there is significant change in the expected pattern of economic benefits from the asset the amortization would be revised accordingly.

Expressed as a percentage of total income, depreciation and amortisation costs of Rs. 420,234 thousand in the five months ended August 31, 2007 represented 14.73%.

Financial expenses. Financial expenses of Rs. 844,971 thousand in the five months ended August 31, 2007 represented 29.62% of total income. Interest expense on loans from banks and financial institutions of Rs. 741,894 thousand, primarily relating to borrowings for various BOT projects undertaken by us and overdraft facilities for our construction business operations, was the largest component of financial expenses incurred in the five months ended August 31, 2007.

Profit before taxes. We recorded consolidated profit before taxes of Rs. 451,733 thousand in the five months ended August 31, 2007.

Provision for taxes. Provision for taxes include current tax liabilities and deferred tax liabilities, as well as certain fringe benefit taxes. Total tax expenses in the five months ended August 31, 2007 was Rs. 87,954 thousand, with current tax expense of Rs. 88,163 thousand and fringe benefit tax of Rs. 2,445 thousand, as adjusted for deferred tax credits of Rs. 2,654 thousand resulting primarily from timing differences arising out of depreciation.

Net profit before adjustments. Due to the reasons discussed above, net profit before adjustments in the five months ended August 31, 2007 was Rs. 363,779 thousand.

Net profit, as restated. Consolidated profit after taxes as restated in the five months ended August 31, 2007 was Rs.363,779 thousand; there were no adjustments to the consolidated net profit in the five months ended August 31, 2007 on account of restatements required to be carried out in accordance with the SEBI Guidelines.

Fiscal 2007

The restated consolidated financial statements for fiscal 2007 do not reflect the various restructurings of the IRB Group subsequent to March 31, 2007, including the subscription by the Company of 66% of the equity shares of Aryan Infrastructure Investments Private Limited on June 20, 2007 and July 18, 2007.

The following table sets forth for fiscal 2007, certain items derived from the Company's restated consolidated financial statements, in each case stated in absolute terms and as a percentage of total income. Amounts have been rounded to ensure percentages total to 100.00% as appropriate:

	Fiscal 2007	
	Amount	**Percentage of Total Income**
	(Rs. in thousands)	**(%)**
Income		
Turnover	3,057,157	94.04
Other income	193,683	5.96
Total Income	**3,250,840**	**100.00**
Expenditure		
Direct expenses	1,078,186	33.17
Personnel expenses	148011	4.55
Office administration and other expenses	176,650	5.43
Depreciation and amortisation	525,830	16.18
Financial expenses	876,698	26.97
Total expenditure	**2,805,375**	**86. 30**
Profit before tax	445,465	13.70
Provision for tax		
- Current tax	162,275	4.99
- Deferred tax	(17,349)	(0.53)
- Fringe benefit tax	2,653	0.08
Net profit before adjustments	**297,886**	**9.16**
Adjustments	1,713	(0.05)
Net profit as restated	**299,599**	**9.22**
Less: Minority Interest	(72,331)	(2.22)
Net profit, as restated, after minority interest	**227,268**	**6.99**

The summary restated financial statements of the IRB Group for fiscal 2007 included in this Red Herring Prospectus has been restated in compliance with SEBI Guidelines. Consistent with Indian GAAP, the effects of restatement are shown as a cumulative effect in the consolidated net profit, as restated rather as restatements of individual line items in our consolidated profit and loss account. The table below provides certain information with respect to the adjustments resulting from restatements of our consolidated financial statements in compliance with SEBI Guidelines:

Particulars of Adjustments	**Fiscal 2007 (Rs. in thousand)**
Amortisation of share issue expenses	(948)
Excess / (Short) provision for tax	2,661
Total	**1,713**

Income

Our total income in fiscal 2007 was Rs. 3,250,840 thousand, of which turnover income was Rs. 3,057,157 thousand, representing 94.04% of the total income in fiscal 2007. Income from BOT projects of Rs. 1,778,689 thousand undertaken through various Project SPVs represented 54.71% of our total income in fiscal 2007, while income from contract revenue of Rs. 1,221,183 thousand, relating to construction work on funded construction projects as well as construction work on the various BOT projects undertaken by the IRB Group, represented 37.57% of our total income in fiscal 2007. Operation and maintenance income of Rs. 37,114 thousand pursuant to operation and maintenance agreements related to our BOT projects represented 1.14% of our total income while hire charges of Rs. 12,060 thousand and income from agency toll and octroi collection of Rs. 8,111 thousand, represented 0.37% and 0.25%, respectively, of our consolidated total income in fiscal 2007.

Interest income of Rs. 112,598 thousand, primarily relating to interest income on loans to certain Promoter Group entities and deposits in banks and financial institutions, contributed 58.13% of our other income in fiscal 2007 and represented 3.46% of our total income in fiscal 2007. In fiscal 2007, we recorded dividend income of Rs. 64,115 thousand, which constituted 33.10% of our other income representing 1.97% of our total income in fiscal 2007.

Expenditure

Direct expenses. We incurred direct expenses of Rs. 1,078,186 thousand in fiscal 2007; expressed as a percentage of total income, direct expenses represented 33.17% in fiscal 2007.

Cost of material consumed of Rs. 530,957 thousand represented the largest component of direct expenses in fiscal 2007. As a percentage of total income, cost of material consumed represented 16.33%. In fiscal 2007, we also incurred contract expenses of Rs. 244,054 thousand relating to payments to external sub-contractors, other miscellaneous direct expenses of Rs. 70,278 thousand and expenses relating to stores, spares and tools of Rs. 90,894 thousand.

Personnel expenses. Expressed as a percentage of total income, personnel expenses of Rs. 148,011 thousand represented 4.55%, of which salaries, wages and bonus expenses amounted to Rs. 141,837 thousand.

Office administration and other expenses. In fiscal 2007, we incurred office administration and other expenses of Rs. 176,650 thousand, which, expressed as a percentage of total income, represented 5.43%. We incurred rent, rates and taxes of Rs. 17,967 thousand and travelling and conveyance expenses of Rs. 11,930 thousand in fiscal 2007. We also incurred miscellaneous expenses of Rs. 37,193 thousand in this period, primarily relating to construction site related miscellaneous expenses.

Depreciation and amortisation. Expressed as percentage of total income, depreciation and amortisation costs of Rs. 525,830 thousand in fiscal 2007 represented 16.18%.

Financial expenses. Financial expenses of Rs. 876,698 thousand in fiscal 2007 represented 26.97% of total income. Interest expense on loans from banks and financial institutions of Rs. 890,068 thousand, primarily relating to borrowings for various BOT projects undertaken by us and overfacilities for our construction business operations, was the largest component of financial expenses incurred in fiscal 2007.

Profit before tax. We recorded consolidated profit before taxes of Rs. 445,465 thousand in fiscal 2007.

Provision for taxes. Total tax expenses in fiscal 2007 was Rs. 147,579 thousand, primarily because of current tax expense of Rs. 162,275 thousand as adjusted for deferred tax credits of Rs. 17,349 thousand resulting primarily from timing differences arising out of depreciation.

Net profit before adjustments. Due to the reasons discussed above, net profit before adjustments in fiscal 2007 was Rs. 297,886 thousand.

Net profit, as restated. The profit after tax has been restated on account of, among other things, changes in accounting policies as well as certain items attributable to prior periods. As a result of these adjustments, our net profit, as restated for fiscal 2007 was Rs. 299,599 thousand. The main adjustments for restatement for fiscal 2007 are described below:

Particulars of Adjustments	**Fiscal 2007 (Rs. in thousand)**
Amortisation of share issue expenses..	(948)
Excess / (Short) provision for tax	2,661
Total...	**1,713**

Change in accounting policy for amortization of share issue expenses. Until fiscal 2004, share issue expenses were amortised over a period of 10 years. From fiscal 2005, share issue expenses are adjusted in the same year against the securities premium account as permitted by Section 78(2) of the Companies Act, 1956, as amended, and in case of insufficient balance in the securities premium account, unadjusted share issue expenses are amortised over a period of five years. Accordingly, these have been restated for fiscal 2006, 2005 and 2004. This has resulted in a decrease in consolidated net profit, as restated of Rs. 948 thousand in fiscal 2007.

Short / excess provision for tax. The profit and loss account of some years includes amounts paid/provided for or written back, in respect of shortfall/excess income tax arising out of assessments, appeals, etc. which have now been adjusted in the respective years. Also, income tax (current tax and deferred tax) has been computed on adjustments made as detailed above and has been adjusted in the summary statement of profits and losses, as restated for fiscal 2007, 2006, 2005, 2004 and 2003. The effect of adjustments relating to fiscal years ended prior to March 31, 2003 has been adjusted against the accumulated profit and loss balance as at April 1, 2002. This has resulted in an increase in consolidated net profit, as restated of Rs. 2,661 thousand in fiscal 2007.

Liquidity and Capital Resources

We operate in a capital intensive industry and our principal liquidity requirements have been to finance our working capital needs and our capital expenditures. Our construction operations requires a significant amount of working capital to finance the purchase of materials and the performance of construction and other work on projects before payment is received from clients. Our BOT infrastructure business also requires high levels of financing to fund such projects. To fund these costs, we have relied on equity contributions, short term and long term borrowings including working capital financing, advances from clients and cash from operating activities.

With respect to our real estate business, our liquidity requirements have been primarily to fund our purchases of land for the proposed township project. We acquired a 66.00% shareholding in Aryan Infrastructure Investments Private Limited, which operates our real estate business, on June 20, 2007 and July 18, 2007. Currently, our Land Reserves, held through Aryan, consist of approximately 925 acres of land in the Mauje Taje and Mauje Pimploli Taluka in Pune district. These have been funded primarily through equity contributions in Aryan. We intend to acquire an additional 475 acres of land in this area for our proposed township project.

We have also recently engaged Stup Design Forum in association with Stup Consultants Private Limited in connection with the development of the proposed township project and have also entered into an agreement dated March 9, 2007 with Aryan Constructions, a proprietary concern of V.D. Mhaiskar HUF, a Promoter Group entity, pursuant to which Aryan has awarded Aryan Constructions the lump-sum turn key contract for the site development of the proposed township in accordance with the terms of such agreement, for an aggregate consideration of Rs. 22,596,600 thousand. Aryan had also agreed to pay an advance of Rs. 2,520,000 thousand to Aryan Constructions within six months of the date of such agreement for the mobilization of various resources for preliminary site preparation activities. Pursuant to such agreement, Aryan has made payment of Rs. 1,839,091 thousand as mobilization advance to Aryan Constructions until October 31, 2007.

Our funding and treasury activities are conducted consistent with corporate policies designed to enhance investment returns while maintaining appropriate liquidity for our requirements. Our short-term liquidity requirements relate to servicing our debt and funding working capital requirements. Sources of short-term liquidity include cash balances, receipts from our operations and working capital loans. Our long-term liquidity requirements include partial funding of investments in new projects, funding equity contributions in Project SPVs, investments in the real estate business, funding acquisition of our Land Reserves, and repayment of long-term debt under our credit facilities. Sources of funding for our long-term liquidity requirements include new loans, equity or debt issues. Our principal uses of cash have been, and are expected to continue to be, construction and development and implementation costs of our BOT projects and funded construction projects as well as the acquisition of our Land Reserves and the development and construction of our proposed township project.

We intend to use part of the Net Proceeds from the Issue as an equity contribution in IDAA Infrastructure Private Limited as well as the prepayment and repayment of various existing indebtedness of the Company and various subsidiaries. For further information, please see "Objects of the Issue" on page 34 of this Red Herring Prospectus. Please note that the fund requirements and the intended use of the Net Proceeds as described in this Red Herring Prospectus are based on management estimates and our current business plan. The fund requirements and intended use of Net Proceeds have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs, or in other financial conditions, business or strategy. This may entail rescheduling, revising or cancelling the planned expenditure and fund requirements and increasing or decreasing the planned expenditure for a particular purpose at the discretion of our management.

Cash Flows of the Company on a Consolidated Basis

The following table sets forth certain information relating to our cash flows on a consolidated basis for the periods indicated:

	Five months ended August 31, 2007	Fiscal 2007
	(Rs. in thousand)	(Rs. in thousand)
Net cash provided by/(used in) operating activities	1,259,013	2,471,829
Net cash provided by/(used in) investing activities....................................	(1,652,564)	(11,679,974)
Net cash provided by/(used in) financing activities	990,767	8,790,101
Net increase/(decrease) in cash and cash equivalents.................................	597,216	(418,045)

Operating Activities

Net cash provided by operating activities was Rs. 1,259,013 thousand in the five months ended August 31, 2007, but profit before taxes for such period was Rs. 451,733 thousand. The difference was attributable to depreciation and amortization of Rs. 420,234 thousand relating to various fixed assets, including amortization of toll collection rights, interest payments of Rs.839,824 thousand relating to interest payments on the 7.5% (net of tax) unsecured fully convertible debentures issued by the Company in fiscal 2007 to Deutsche Bank AG, acting through its Hong Kong Branch, CPI Ballpark Investments Limited and Jade Dragon (Mauritius) Limited in March 2007 and on overdraft facilities from banks and financial institutions secured by fixed deposits with such banks and financial institutions, a decrease in sundry creditors of Rs. 171,905 thousand and an increase in inventory of Rs. 54,240 thousand, which includes an increase of Rs. 46,647 thousand in inventory relating to our construction business due to an increase in construction activity on our projects as well as an increase of inventory of Rs.7,593 thousand on account of cost of acquisition of our Land Reserves for our real estate business following the acquisition in July 2007 of Aryan, which conducts our real estate business. These were partially offset by a decrease in other loans and advances of Rs. 2,944 thousand and a decrease in debtors of Rs. 14,433 thousand and income tax payments of Rs. 67,492 thousand.

Net cash provided by operating activities was Rs. 2,471,829 thousand in fiscal 2007, but profit before taxes for such period was Rs. 445,465 thousand. The difference was attributable to depreciation and amortization of Rs. 525,830 thousand relating to various fixed assets, including amortization of toll collection rights, interest payments of Rs. 865,813 thousand relating to interest payments on loans availed from Promoter Group entities and associate companies and on the 7.5% (net of tax) unsecured fully convertible debentures issued by the Company in fiscal 2007 to Deutsche Bank AG, acting through its Hong Kong Branch, CPI Ballpark Investments Limited and Jade Dragon (Mauritius) Limited in March 2007, and a decrease in sundry creditors of Rs. 536,059 thousand and decrease in other liabilities of Rs. 111,608 thousand primarily due to better cash flows. These were partially offset by a decrease in other loans and advances of Rs. 1,629,939 thousand and a decrease in debtors of Rs. 116,000 thousand and income tax payments of Rs. 231,227 thousand.

Investing Activities

Net cash used in investing activities in the five months ended August 31, 2007 was Rs. 1,652,564 thousand. Our expenditure for investment activities primarily related to purchase of fixed assets of Rs. 1,361,904 thousand relating to intangible assets (including toll collection rights), plant and machinery, purchase of investments of Rs. 243,007 thousand relating to marketable securities, investment in fixed deposits with banks and financial institutions of Rs. 366,186 thousand. This was partially offset by sale of investments of Rs. 264,589 thousand recorded in the five months ended August 31, 2007.

Net cash used in investing activities in fiscal 2007 was Rs. 11,679,974 thousand. Our expenditure for investment activities primarily related to purchase of fixed assets of Rs. 6,664,129 thousand relating to intangible assets, plant and machinery, purchase of investments of Rs. 2,185,690 thousand relating to marketable securities, purchase of shares in various subsidiaries of Rs. 1,507,944 thousand, investment in fixed deposits with banks and financial institutions of Rs. 2,948,802 thousand. This was partially offset by sale of investments of Rs. 2,437,348 thousand recorded in fiscal 2007.

Financing Activities

Net cash from financing activities in the five months ended August 31, 2007 was Rs. 990,767 thousand, resulting from proceeds of long term borrowings of Rs. 10,451,526 thousand and Rs. 24,517 thousand from minority shareholders for issuance of shares in subsidiaries in real estate subsidiary, Aryan Investment Infrastructure Pvt. Ltd, offset by repayment of long term borrowings of Rs. 10,750,816 thousand.

Net cash from financing activities in fiscal 2007 was Rs. 8,790,101 thousand, resulting from net proceeds from long term borrowings Rs. 5,534,488 thousand relating primarily to ongoing BOT projects, from issuance of share capital of Rs. 1,616,090 thousand and from issue of 7.5% (net of tax) unsecured fully convertible debentures in March 2007 of Rs. 2,639,856 thousand, partially offset by interest payments of Rs. 860,418 thousand and shares and debenture issue expenses of Rs. 34,357 thousand.

Financial Condition

Based on our restated consolidated financial statements, our net worth increased by 6.46% from Rs. 3,585,242 thousand as of March 31, 2007 to Rs. 3,816,951 thousand as of August 31, 2007, primarily reflecting the increase in net profit from Rs. 445,801 thousand as at March 31,2007 to Rs. 685,483 thousand as at August 31,2007.

Assets

Our total assets as of March 31, 2007 and August 31, 2007 were Rs. 32,206,086 thousand and Rs. 34,540,182 thousand, respectively. As of August 31, 2007, the principal components of our total assets were fixed assets of Rs. 1,038,969 thousand, intangible assets of toll collection rights relating to our BOT projects of Rs. 24,320,315 thousand, investments of Rs. 144,454 thousand, inventories of Rs. 284,952 thousand, sundry debtors of Rs. 1,422,067 thousand, cash and bank balances of Rs. 466,945 thousand, loans and advances of Rs. 2,651,555 thousand and deferred tax asset of Rs. 10,925 thousand.

The increase in the value of our fixed assets from Rs. 917,154 thousand as of March 31, 2007 to Rs. 1,038,969 thousand as of August 31, 2007 reflected the increase in plant and machinery and vehicles for our construction and BOT projects under operation. The increase in our inventories to Rs. 284,952 thousand as of August 31, 2007 from Rs. 91,683 thousand as of March 31, 2007 were on account increased inventories in our construction operations as well as on account of cost of acquisition of our Land Reserves for our real estate business following the acquisition in July 2007 of Aryan, which conducts our real estate business. The decrease in our investments from Rs. 413,477 thousand as of March 31, 2007 to Rs. 144,454 thousand as of August 31, 2007 reflected the redemption of marketable securities that we had previously invested in. The increase in our loans and advances from Rs. 2,134,515 thousand as of March 31, 2007 to Rs. 2,651,555 thousand as of August 31, 2007 was primarily due to advances to suppliers paid in the course of our construction operations as well as advances paid in connection with the acquisition of additional land for our proposed township project. As of August 31, 2007, Aryan had paid an aggregate amount of Rs. 441,990 thousand as advances for purchase of additional land.

Liabilities and Provisions

Our liabilities and provisions were Rs. 29,178,487 thousand as of August 31, 2007. Of this, the principal components were Rs. 24,182,026 thousand in secured loans and Rs. 2,801,852 thousand in unsecured loans availed in connection with our BOT projects, for acquisition of fixed assets and other construction and project related expenses, and current liabilities and provisions of Rs. 2,194,609 thousand, primarily reflecting current liabilities in respect of our construction business, as well as provisions for taxes, gratuity and road resurfacing obligations to be discharged at the end of each BOT project. Our liabilities and provisions increased by 6.08% from Rs. 27,505,535 thousand as of March 31, 2007 to Rs. 29,178,487 thousand as of August 31, 2007. The principal components of the increase were an increase in secured loans (from Rs. 22,403,539 thousand to Rs. 24,182,026 thousand) and an increase in unsecured loans (from Rs. 2,776,044 thousand to Rs. 2,801,852 thousand), offset by a decrease in current liabilities (from Rs. 1,029,531 thousand to Rs. 867,075 thousand).

Loans and Advances

As of August 31, 2007, our loans and advances were Rs. 2,651,555 thousand. Of this, the principal components were loans to Directors and certain Promoter Group entities aggregating to Rs. 1,739,347 thousand, Rs.555,643 thousand as advances to suppliers and Rs.166,469 thousand as advances recoverable in cash or in kind in the ordinary course of business such as advances to staff and other vendors.

Capital Expenditure

Our purchase of fixed assets for fiscal 2007 was Rs. 6,664,129 thousand on a consolidated basis, and consisted primarily of acquiring intangible assets by way of toll concession rights in BOT projects and purchase of plant and machinery used in our construction operations. Our purchase of fixed assets for the five months ended August 31, 2007 also included capital for the acquisition of the Land Reserves. For further information on our Land Reserves, see "Business – Our Real Estate Business – Land Reserves" on page 92 of this Red Herring Prospectus. As of December 25, 2007, our Land Reserves amounted to 935 acres of land in the Mauje Taje and Mauje Pimploli Taluka in Pune district.

We intend to pursue a strategy of continued investment in infrastructure development projects. We anticipate that our capital expenditures in the next 12 months will increase significantly due to our commitment to develop and fund new BOT infrastructure development projects and funded construction projects, as well as in connection with the acquisition of additional land in connection with our proposed township project and the development of such township project, including capital expenditure commitments to Aryan Constructions with respect to the site development of the proposed township project.

We have in the past relied principally on internal cash flow and other funds, affiliate loans, bank borrowings, advances from clients and equity contributions. Infrastructure projects are typically capital intensive and require high levels of debt financing. Our available financial resources for implementing these projects, based on our internal studies and estimates, may be inadequate and the project development may face cost overruns. We have in the past been able to arrange for debt financing for our infrastructure development projects on acceptable terms at the Project SPV level. Our ability to continue to arrange for financing on a substantially non-recourse basis for our infrastructure development projects and the costs of such capital is dependent on numerous factors, including general economic and capital market conditions, availability of credit from banks and financial institutions, investor confidence, the success of our current infrastructure development projects and other factors outside our control. We propose to finance these expenditures through debt, the net proceeds of the Issue and internal accruals or any combination thereof.

Indebtedness

As of March 31, 2007 and August 31, 2007, we had secured loans of Rs. 22,403,539 thousand and Rs. 2,4182,026 thousand, respectively, and unsecured loans of Rs. 2,776,044 thousand and Rs.2,801,852 thousand, respectively. Most of our financing arrangements are secured by our movable and immovable assets, including a charge on our equipment as well as on our intangible assets relating to toll collection rights under the various BOT projects undertaken by us. In addition, the Company and our Promoters and Promoter Group entities have given guarantees as collateral security for amounts borrowed under many of the financing agreements for funding our Project SPVs.

Many of our financing agreements also include various conditions and covenants that require the Company and/or the Project SPVs to obtain lender consents prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. Specifically, the Company and/or the Project SPVs require, and may be unable to obtain, lender consents to incur additional debt, issue equity, change their respective capital structure, increase or modify their respective capital expenditure plans, undertake any expansion, provide additional guarantees, change their respective management structure, or merge with or acquire other companies, whether or not there is any failure by such entities to comply with the other terms of such agreements. Under certain of these financing agreements, the Company and/or the relevant Project SPV are also required to obtain the consent of the relevant lender to pay dividends. Further, under our financing arrangements relating to MIPL and TGTRPL, the relevant lenders have the right to nominate directors to the board of directors of these entities.

We believe that our relationships with our lenders are good, and we have in the past obtained consents from them to undertake various actions and have informed them of our activities from time to time. Compliance with the various terms of our financing arrangements is, however, subject to interpretation and we cannot assure you that we have requested or received all consents from our lenders that are required by our financing documents. As a result, it is possible that a lender could assert that we have not complied with all terms under our existing financing documents. Any failure to comply with the requirement to obtain a consent, or other condition or covenant under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may lead to a termination of our credit facilities, acceleration of all amounts due under such facilities and trigger cross default provisions under certain of our other financing agreements, and may adversely affect our ability to conduct our business and operations or implement our business plans.

For more information regarding our indebtedness, see “Our Indebtedness” beginning on page 404 of this Red Herring Prospectus.

We propose to use Rs. 723 crores from the proceeds of the Issue for the prepayment and repayment of various existing loans of the Company and its Subsidiaries. For further information on such proposed prepayment and repayment of our indebtedness, please see “Objects of the Issue” on page 34 of this Red Herring Prospectus.

Contractual Obligations and Commitments

The following table summarises our contractual obligations and commitments to make future payments as of August 31, 2007 on a consolidated basis:

	As of August 31, 2007				
	Payment Due by Period				
	Total	**Less than 1 year**	**1-3 years**	**3 -5 years**	**More than 5 years**
			(Rs. in thousand)		
Long term debt	21,325,402	664,460	2,376,480	3,115,928	15,168,534
Working capital loan	2,856,624	2,856,624	-	-	-
Commitments (including capital commitments)	3,316	-	-	-	-
Estimated value of contracts remaining to be executed on capital account, not provided for (net of advances)	-	-	-	-	-
Outstanding Bank Guarantees	1,398,414	-	-	-	-
Guarantees issued by bankers, financial institutions on behalf of the Company toward performance obligations	113,674	-	-	-	-
Total Contractual Obligations	**25,697,430**	**3,521,084**	**2,376,480**	**3,115,928**	**15,168,534**

Contingent Liabilities and other Off-Balance Sheet Arrangements

Our off-balance sheet liabilities consist primarily of performance guarantees given to our clients, including various governmental entities, in connection with execution of work under our BOT projects and funded construction projects. As of August 31, 2007, we had contingent liabilities in the following amounts, as disclosed in our restated consolidated financial statements:

Particulars	**As of August 31, 2007**
	(Rs. in thousand)
Claims against the company not acknowledged as debts	292,364
Guarantees to banks for loans taken by others	1,398,414
Guarantees and Counter Guarantees given by the company	113,674
Total	**1,804,452**

Except as disclosed above, there are no other off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

Related Party Transactions

We enter into a number of related party transactions. For further information on transactions entered into with related parties, see the disclosures concerning transactions with related parties in our restated consolidated financial statements beginning on page 171 of this Red Herring Prospectus.

Quantitative and Qualitative Disclosure about Market Risk

Market risk is the risk of loss related to adverse changes in market prices, including interest rates. We are exposed to various types of market risks in the normal course of business. For instance, we are exposed to market interest rates and exchange rate movements on foreign currency denominated borrowings and operating expenses. We have from time to time entered into derivative transactions for the purpose of minimising its exposure to interest rate and foreign exchange risks. The following discussion and analysis, which constitute “forward-looking statements” summarises exposure of the Company to various market risks.

Credit Risk

In our infrastructure development and construction business, we currently derive most of our turnover from contracts with government entities as the counter-party. Payments by such entities are typically not secured by any form of credit support such as letters of credit, performance guarantees or escrow arrangements.

Interest Rate Risk

As our infrastructure development and construction businesses and our real estate business are capital intensive, we are exposed to interest rate risk. Interest rates for borrowings have increased in India in recent periods. Our infrastructure development and construction projects are funded to a large extent by debt and increases in interest expense may have an adverse effect on our results of operations and financial condition. Our current debt facilities carry interest at variable rates as well as fixed rates with the provision for periodic reset of interest rates. As of August 31, 2007, almost all of our total indebtedness was subject to variable rates.

Although we may decide to engage in interest rate hedging transactions or exercise any right available to us under our financing arrangements to terminate the existing debt financing arrangement on the respective reset dates and enter into new financing arrangements, there can be no assurance that we will be able to do so on commercially reasonable terms, that our counterparties will perform their obligations, or that these agreements, if entered into, will protect us adequately against interest rate risks. For information on certain interest rate hedging transactions that we have entered into, please see note 10 (Derivative Instruments and Unhedged Foreign Currency Exposure) of Annexure IV (Notes to Accounts) of the restated consolidated financial statements of the Company beginning on page 171 of this Red Herring Prospectus.

Foreign Currency Exchange Rate Risk

We have entered into interest and principal swap transactions with respect to our Rupee borrowings in respect of MIPL and IDAA whereby adverse movements in international interest rates in the Dollar and Yen may adversely impact our results of operations. Similarly in respect of the principal swaps any depreciation of the Rupee against the Dollar and other currencies such as Yen may impact us adversely. Accordingly, our operating and financial results would be negatively affected when the Rupee depreciates against the Dollar and the Yen and interest rates in Dollar and Yen increase. We cannot assure you that we will be able to effectively mitigate the adverse impact of currency fluctuations and increases in international interest rates on our results of operation. For information on certain derivative instruments that we have entered into and certain unhedged foreign currency exposure, please see note 10 (Derivative Instruments and Unhedged Foreign Currency Exposure) of Annexure IV (Notes to Accounts) of the restated consolidated financial statements of the Company beginning on page 171 of this Red Herring Prospectus.

Commodity Price Risk

We are exposed to upward fluctuations in the price and availability of the primary raw materials we require for implementation of our projects, such as cement, bitumen, steel and other construction materials. While some of the contracts we enter into contain price escalation provisions, allowing for an adjustment to the contract value in the event of any increase in the prices of raw materials, adjustments to the contract price may not adequately cover the entire increase in raw material prices. We do not currently use any derivative instruments, or enter into any other hedging arrangements so as to manage our exposure to price increases in raw materials.

Inflation

In recent years, although India has experienced fluctuation in inflation rates, inflation has not had material impact on our business and results of operations.

Known Trends or Uncertainties

Other than as described in this Red Herring Prospectus, particularly in the sections "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page xi and 346, respectively, of this Red Herring Prospectus, to our knowledge, there are no trends or uncertainties that have or had or are expected to have a material adverse impact on our income from continuing operations.

Unusual or Infrequent Events or Transactions

Except as described in this Red Herring Prospectus, to our knowledge, there have been no events or transactions that may be described as "unusual" or "infrequent".

Seasonality of Business

Our operations may be adversely affected by difficult working conditions during the summer months and during monsoon season that restrict our ability to carry on construction activities and fully utilise our resources. During periods of curtailed activity due to adverse weather conditions, we may continue to incur operating expenses but our revneus from construction activities may be delayed or reduced.

Competitive Conditions

We expect competition in the construction and infrastructure development industry from existing and potential competitors to intensify. For further details regarding our competitive conditions and our competitors, see the sections "Risk Factors" and "Business" beginning on pages xi and 67, respectively, of this Red Herring Prospectus.

Significant Developments after August 31, 2007 that may affect our Future Results of Operations

Except as disclosed in this Red Herring Prospectus, to our knowledge no circumstances have arisen since the date of the last financial statements as disclosed in this Red Herring Prospectus which materially and adversely affects or is likely to affect, our operations or profitability or the value of our assets or our ability to pay our material liabilities within the next 12 months.

Future Relationship between Costs and Income

Other than as described in the sections "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages xi and 346, respectively, of this Red Herring Prospectus, to our knowledge, there are no known factors which will have a material adverse impact on our operations and finances.

Significant Dependence on a Single or Few Customers

For details, please refer to the sections "Risk Factors" and "Business" beginning on pages xi and 67, respectively, of this Red Herring Prospectus.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS AS PER UNCONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND CERTAIN SUBSIDIARIES

You should read the following discussion of the financial condition and results of operations of the Company and certain of the Company's subsidiaries, together with their respective restated unconsolidated financial statements prepared in accordance with paragraph B(1) of Part II of Schedule II to the Companies Act, Indian GAAP and the SEBI Guidelines, including the schedules, annexures and notes thereto and the reports thereon, which appear in this Red Herring Prospectus. Unless otherwise stated, the financial information used in this section is derived from the Company's and certain of its subsidiaries' restated unconsolidated financial statements, included in this Red Herring Prospectus.

In this section, a reference to the "Company" means IRB Infrastructure Developers Limited, a reference to "IRBPL" means Ideal Road Builders Private Limited, a reference to "MIPL" means Mhaiskar Infrastructure Private Limited, and a reference to "MRM" means Modern Road Makers Private Limited. Unless the context otherwise requires, references to "the IRB Group", "we", "us", or "our" refers to the Company and its Subsidiaries, taken as a whole. The fiscal year of each of the Company, IRBPL, MIPL and MRM ends on March 31 of each year. Accordingly, all references to a particular fiscal year are to the twelve-month period ended March 31 of that year.

Indian GAAP differs in certain material respects from U.S.GAAP. For more information on these differences, see the section "Summary of Significant Differences between Indian GAAP and U.S. GAAP" beginning on page 399 of this Red Herring Prospectus.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the section "Risk Factors" beginning on page xi of this Red Herring Prospectus.

IRB INFRASTRUCTURE DEVELOPERS LIMITED

Result of Operations of the Company on a Standalone Basis

The following table sets forth for the periods indicated, certain items derived from the Company's restated unconsolidated financial statements, in each case stated in absolute terms and as a percentage of total income. Amounts have been rounded to ensure percentages total to 100.00% as appropriate.

	Five months ended August 31, 2007		**Fiscal 2007**		**Fiscal 2006**		**Fiscal 2005**	
	Amount	**Percentage of Total Income**	**Amount**	**Percentage of Total Income**	**Amount**	**Percentage of Total Income**	**Amount**	**Percentage of Total Income**
	(Rs. in thousands)	**(%)**	**(Rs. in thousands)**	**(%)**	**(Rs. in thousands)**	**(%)**	**(Rs. in thousands)**	**(%)**
Income								
Turnover	-	-	10,204	8.95	79,877	44.60	24,916	99.97
Other income	127,959	100.00	103,849	91.05	99,220	55.40	7	0.03
Total Income	127,959	100.00	114,053	100	179,097	100	24,923	100
Expenditure								
Direct expenses	-	-	9,689	8.50	77,369	43.20	22,974	92.18
Personnel expenses	8,581	6.71	775	0.68	-	-	-	-
Office administration and other expenses	14,521	11.35	12,793	11.22	18,024	10.06	1,690	6.78
Finance expenses	143,813	112.39	5,536	4.85	-	-	-	-
Total expenditure	166,915	130.44	28,793	25.25	95,393	53.26	24,664	98.96
Profit (Loss) before tax	(38,956)	(30.44)	85,260	74.75	83,704	46.74	259	1.04
Provision for tax								
- Current tax	(15,585)	(12.18)	17,310	15.18	2,100	1.17	(596)	(2.39)
- Deferred tax	(38)	(0.03)	(333)	(0.29)	-	-	-	-
- Fringe benefit tax	29	0.02	-	-	-	-	-	-
Net Profit (Loss) before Adjustments	**(23,362)**	**(18.26)**	**68,283**	**59.87**	**81,604**	**45.56**	**855**	**3.43**
Adjustments	-	-	(850)	(0.75)	5,090	2.84	(409)	(1.64)
Net Profit (Loss), as restated	**(23,362)**	**(18.26)**	**67,433**	**59.12**	**86,694**	**48.41**	**446**	**1.79**

The financial statements of the Company for fiscal 2003, 2004, 2005, 2006 and 2007 and for the five months ended August 31, 2007 included in this Red Herring Prospectus has been restated in compliance with SEBI Guidelines. In accordance with Indian GAAP, the effects of restatement are shown as a cumulative effect on the Company's adjusted profits after tax rather as restatements of individual line items in our profit and loss account. Consistent with this presentation, in the comparison of the results of operations of the Company from fiscal period to fiscal period, we have provided for a discussion of the effects of the restatement on the Company's net profit, as restated, at the end of each fiscal period to fiscal period comparison. The following table sets forth certain information with respect to the adjustments in the relevant fiscal periods pursuant to such restatement:

Particulars of Adjustments	**Five months ended August 31, 2007**	**Fiscal 2007**	**Fiscal 2006**	**Fiscal 2005**	**Fiscal 2004**	**Fiscal 2003**
	(Rs. in thousands)					
Maintenance charges received	-	-	-	-	(12,324)	5,859
Maintenance expenses	-	-	-	-	6,943	(3,982)
Amortisation of share issue expenses	-	(948)	4,952	145	(356)	-
Short / (Excess) provision for tax	-	98	138	(554)	3,064	(1,591)
Total...	**-**	**(850)**	**5,090**	**(409)**	**(2,673)**	**286**

Five months ended August 31, 2007

Income. The Company's income on an unconsolidated basis consists of turnover and other income. The Company did not have any operations in the five months ended August 31, 2007 and accordingly did not record any turnover income, i.e. income from operations, in the five months ended August 31, 2007, and its income in such period consists only of other income. See discussions on the unconsolidated results of operations of the Company in fiscal 2007 and prior years below that include discussion on turnover income of the Company in fiscal 2007 and prior years.

Other income of the Company is derived from interest income from bank deposits and loans to subsidiaries, dividend income from investments in subsidiaries as well as from current investments in marketable securities, as adjusted for profits or losses on sale of investment.

The Company's total income in the five months ended August 31, 2007 was Rs. 127,959 thousand, including interest income of Rs. 124,009 thousand from bank deposits and loans given to certain Subsidiaries and certain Promoter Group entities, income from dividend on long term investments of Rs. 291 thousand and profit on sale of current investments of Rs. 3,068 thousand.

Expenditure. The Company's expenditure in the five months ended August 31, 2007 consists of personnel expenses, office administration and other expenses and finance expenses. In the five months ended August 31, 2007, the Company incurred total expenditure of Rs. 166,915 thousand; expressed as a percentage of total income in such period, total expenditure of the Company represented 130.44%.

In the five months ended August 31, 2007, the Company incurred personnel expenses of Rs. 8,581 thousand, primarily on account of transfer of key management personnel to the Company from certain Subsidiaries as a result of the reorganization of the management structure following the restructuring of the IRB Group. The Company incurred office administration and other expenses of Rs. 14,521 thousand in the five months ended August 31, 2007, including advertisement expense of Rs. 8,954 thousand.

The Company incurred finance expenses of Rs. 143,813 thousand in the five months ended August 31, 2007, including interest of Rs. 107,349 thousand paid on 7.5% (net of tax) unsecured fully convertible debentures issued in March 2007 which were subsequently converted into Equity Shares in September 2007. The Company also incurred interest expense of Rs. 35,096 thousand on overdraft facilities against fixed deposits with banks and financial institutions.

Profit (Loss) before tax. Due to the reasons discussed above, the Company incurred loss before taxes for the five months ended August 31, 2007 of Rs. 38,956 thousand.

Provision for taxes. Total tax expenses for the five months ended August 31, 2007, was a credit of Rs.15,585 thousand on account of setting off the tax on losses incurred in the five months ended August 31, 2007 against tax arising for the year ending March 31, 2008 based on estimated income from fixed deposits with banks and financial institutions. There was a deferred tax credit of Rs. 38 thousand for the five months ended August 31, 2007 arising from the diminution in value of current investments in marketable securities.

Net Profit (Loss) before adjustments. Due to the reasons discussed above, net loss before adjustments was Rs. 23,362 thousand for the five months ended August 31, 2007.

Net profit (loss), as restated. The Company's net loss as restated in the five months ended August 31, 2007 was Rs.23,362 thousand; there were no adjustments to the net loss of the Company in the five months ended August 31, 2007 on account of restatements required to be carried out in accordance with SEBI Guidelines.

Fiscal 2007 compared to fiscal 2006

Income. The Company's income on an unconsolidated basis consists of turnover and other income. Turnover includes (i) maintenance charges received from operation and maintenance arrangements entered into by the Company for the maintenance of three BOT projects undertaken by IRBPL, relating to the Kaman - Paygaon Bhiwandi road BOT project, the Bhiwandi Wada road BOT project and the NH 4 Khambatki Ghat BOT project; and (ii) toll charges received from various infrastructure development BOT projects undertaken by certain IRB Group entities.

The maintenance contracts entered into for the three BOT projects discussed above with other IRB Group entities expired in March 2007. The Company received income from toll charges until March 2006 pursuant to toll collection agreements with various Project SPVs which were terminated in March 2006. In fiscal 2007, the Project SPVs commenced toll collection operations for the relevant BOT projects at the Project SPV level.

Other income of the Company is derived from interest income from bank deposits and loans to subsidiaries, dividend income from investments in subsidiaries in the long term as well as from current investments in marketable securities, as adjusted for profits or losses on sale of investment.

Total income decreased by Rs. 65,044 thousand, or 36.32%, from Rs. 179,097 thousand in fiscal 2006 to Rs. 114,053 thousand in fiscal 2007, primarily due to a Rs. 69,673 thousand, or 87.23%, decrease in turnover from Rs. 79,877 thousand in fiscal 2006 to Rs. 10,204 thousand in fiscal 2007. Other income remained relatively steady at Rs. 103,849 thousand as compared to Rs. 99,220 thousand in fiscal 2006.

The decrease in turnover in fiscal 2007 was because the Company did not record any income from toll charges in fiscal 2007. The Company received toll charges of Rs. 65,640 thousand in fiscal 2006 as compared to no such income from toll charges in fiscal 2007 as the toll collection agreements were terminated in March 2006 as discussed above. Maintenance charges also decreased by 15.66% from Rs. 11,489 thousand in fiscal 2006 to Rs. 9,689 thousand in fiscal 2007, primarily due to lower value of maintenance works undertaken during fiscal 2007 under the maintenance contracts discussed above.

Other income increased in fiscal 2007 primarily due to dividend income from investments in subsidiaries of Rs. 63,939 thousand as compared to no such dividend income in fiscal 2006. This was due to the restructuring of the IRB Group in fiscal 2007, pursuant to which the Company acquired its shareholding in various subsidiaries and the declaration of dividend by MIPL and IRB Infrastructure Private Limited during fiscal 2007. The Company did not have any subsidiaries during fiscal 2006 and no such dividend income was recorded in fiscal 2006. Dividend income from current investments relating to marketable securities decreased by 69.94% from Rs. 99,220 thousand in fiscal 2006 to Rs. 29,830 thousand in fiscal 2007 due to the sale of certain investments in fiscal 2007, the proceeds of which were partly used for investments in subsidiaries and partly for other longer term portfolio investments.

Expenditure. The Company's expenditure consists of (i) direct expenses, (ii) personnel expenses, (iii) office administration and other expenses and (iv) finance expenses. Total expenditure decreased by 69.82% from Rs. 95,393 thousand in fiscal 2006 to Rs. 28,793 thousand in fiscal 2007 because of an 87.48% decrease in direct expenses from Rs. 77,369 thousand in fiscal 2006 to Rs. 9,689 thousand in fiscal 2007.

Direct expenses include toll collection charges incurred in connection with toll collection operations undertaken by the Company as well as maintenance charges incurred in connection with maintenance operations undertaken as discussed above. The Company had sub-contracted its toll collection operations to certain Promoter Group entities. Since the toll collection agreements with various IRB group entities were terminated in March 2006, the Company did not incur any expenses relating to toll charges paid during full fiscal 2007, whereas in fiscal 2006 the Company incurred expenses relating to toll charges paid of Rs. 65,880 thousand. The Company incurred maintenance charges paid of Rs. 9,689 thousand in fiscal 2007 as compared to Rs. 11,489 thousand in fiscal 2006. As a percentage of total income, direct expenses decreased to 8.50% in fiscal 2007 from 43.20% in fiscal 2006.

The Company did not employ any employees for its operations in fiscal 2006 as its entire operations were sub-contracted to certain entities in the Promoter Group. In fiscal 2007, the Company employed certain personnel and incurred personnel expenses of Rs. 775 thousand. In fiscal 2007, personnel expenses represented 0.68% expressed as a percentage of total income.

Office administration and other expenses include various administration costs such as rates and taxes, bank charges, insurance costs, advertisement expenses, communications cost, printing and stationery, legal and auditor expenses, share and debenture issue expenses as well as other miscellaneous expenses including repairs and maintenance. Office administration and other expenses decreased by 29.02% from Rs. 18,024 thousand in fiscal 2006 to Rs. 12,793 thousand in fiscal 2007, primarily because of a loss on sale of investments in marketable securities of Rs. 10,254 thousand as well as preliminary expenses written off of Rs. 6,138 thousand in fiscal 2006. We incurred share issue expenses of Rs. 3,785 thousand in connection with the increase in the Company's paid up share capital in fiscal 2007. We incurred debenture issue expenses of Rs. 2,004 thousand in fiscal 2007 in connection with the issue of the 7.5% (net of tax) unsecured fully convertible debentures issued to Deutsche Bank AG, acting through its Hong Kong Branch, CPI Ballpark Investments Limited and Jade Dragon (Mauritius) Limited in March 2007. We also incurred advertisement expenses of Rs. 2,693 thousand in fiscal 2007 as compared to no such expenses incurred in fiscal 2006. As a percentage of total income, office administration and other expenses increased to 11.22% in fiscal 2007 from 10.06% in fiscal 2006.

Finance expenses include interest on debentures and interest on loans. While the Company did not incur any interest expenses in fiscal 2006 as the Company did not have any borrowings in fiscal 2006, in fiscal 2007, the Company incurred interest payments on its 7.5% (net of tax) unsecured fully convertible debentures of Rs. 5,395 thousand and interest on loans of Rs. 141 thousand relating to overfacilities availed by the Company.

Profit before tax. Due to the reasons discussed above, profit before taxes increased from Rs. 83,704 thousand in fiscal 2006 to Rs. 85,260 thousand in fiscal 2007.

Provision for taxes. Total tax expenses increased by 708.43% from Rs. 2,100 thousand in fiscal 2006 to Rs. 16,977 thousand in fiscal 2007. Current tax liabilities increased from Rs. 2,100 thousand in fiscal 2006 to Rs. 17,310 thousand in fiscal 2007 primarily due to disallowances. There was a deferred tax credit of Rs. 333 thousand in fiscal 2007 arising out of diminution in value of current investments in marketable securities.

Net profit before adjustments. Due to the reasons discussed above, net profit before adjustments decreased from Rs. 81,604 thousand in fiscal 2006 to Rs. 68,283 thousand in fiscal 2007.

Net profit, as restated. The Company's profit after tax has been restated on account of, among other things, changes in accounting policies as well as certain items attributable to prior periods. As a result of these adjustments, the Company's net profit, as restated for fiscal 2007 was Rs. 67,433 thousand, as compared to its net profit, as restated of Rs. 86,694 thousand in fiscal 2006. The main adjustments to the Company's net profit, as restated are described below:

Particulars of Adjustments	**Five months ended August 31, 2007**	**Fiscal 2007**	**Fiscal 2006**	**Fiscal 2005**	**Fiscal 2004**	**Fiscal 2003**
	(Rs. in thousands)					
Maintenance charges received	-	-	-	-	(12,324)	5,859
Maintenance expenses	-	-	-	-	6,943	(3,982)
Amortisation of share issue expenses	-	(948)	4,952	145	(356)	-
Short / (Excess) provision for tax	-	98	138	(554)	3,064	(1,591)
Total..	**-**	**(850)**	**5,090**	**(409)**	**(2,673)**	**286**

- *Change in accounting policy for maintenance contracts affecting maintenance charges received and maintenance expenses.* Until fiscal 2003, maintenance contracts have been accounted for on the "completion of contract" method. From fiscal 2004, to reflect tax assessment recommendations the Company changed its accounting policy for such maintenance contracts to the "percentage completion" method. Accordingly, the adjustments have been made to the restated financial statements for fiscal 2004 and 2003 and the brought forward balance in profit and loss account as at April 1, 2002. These adjustments did not have any effect on the profit before adjustments of the Company in fiscal 2007 or fiscal 2006.

- *Change in accounting policy for amortization of share issue expenses.* Until fiscal 2004, share issue expenses were amortised over a period of 10 years. From fiscal 2005, share issue expenses are adjusted in the same year against the securities premium account as permitted by Section 78(2) of the Companies Act, 1956, as amended, and in case of insufficient balance in the securities premium account, unadjusted share issue expenses are amortised over a period of five years. Accordingly, these have been restated for the respective years. This has resulted in a decrease in profit by Rs. 948 thousand in fiscal 2007 and an increase in profit by Rs. 4,952 thousand in fiscal 2006.

- *Shortfall / excess provision for tax.* The profit and loss account of some years includes amounts paid/provided for or written back, in respect of shortfall/excess income tax arising out of assessments, appeals, etc. which has now been adjusted in the respective years. Also, income tax (current tax and deferred tax) has been computed on adjustments made as detailed above and has been adjusted in the summary statement of profits and losses, as restated for fiscal 2007, 2006, 2005, 2004 and 2003. The effect of adjustments relating to financial years ended prior to March 31, 2003 has been adjusted against the accumulated profit and loss balance as at April 1, 2002. This has resulted in an increase in profit by Rs. 98 thousand in fiscal 2007 and an increase in profit by Rs. 138 thousand in fiscal 2006.

Fiscal 2006 compared to fiscal 2005

Income. Total income increased by Rs. 154,174 thousand, or 618.60%, from Rs. 24,923 thousand in fiscal 2005 to Rs. 179,097 thousand in fiscal 2006, due to a Rs. 54,961 thousand, or 220.59%, increase in turnover from Rs. 24,916 thousand in fiscal 2005 to Rs. 79,877 thousand in fiscal 2006 and a Rs. 99,213 thousand, or 1,417,328.57%, increase in other income from Rs. 7 thousand in fiscal 2005 to Rs. 99,220 thousand in fiscal 2006.

The increase in turnover in fiscal 2006 was primarily due to a 514.78% increase in toll charges received from Rs. 10,677 thousand in fiscal 2005 to Rs. 65,640 thousand in fiscal 2006 resulting from toll collected on the three BOT projects undertaken by IRBPL and sub-contracted to the Company for the entire fiscal 2006 period as compared to toll collections under such agreements for only part of fiscal 2005. Toll collection also increased in fiscal 2006 due to a rise in vehicular traffic in fiscal 2006. Maintenance charges received in fiscal 2006 remained relatively steady at Rs. 14,237 thousand as compared to Rs. 14, 239 thousand in fiscal 2005.

Other income increased significantly in fiscal 2006 primarily due to dividend income of Rs. 99,220 thousand from current investments in marketable securities as compared to no such dividend income from current investments in fiscal 2005 as the Company had not invested in any such marketable securities in fiscal 2005.

Expenditure. Total expenditure increased by 286.77% from Rs. 24,664 thousand in fiscal 2005 to Rs. 95,393 thousand in fiscal 2006 because of a 236.77% increase in direct expenses from Rs. 22,974 thousand in fiscal 2005 to Rs. 77,369 thousand in fiscal 2006 and a 996.51% increase in office administration and other expenses from Rs. 1,690 thousand in fiscal 2005 to Rs. 18,024 thousand in fiscal 2006.

Direct expenses increased in fiscal 2006 due to a 616.09% increase in toll charges paid by the Company to certain Promoter Group entities to which the toll collection operations were sub-contracted, from Rs. 9,200 thousand in fiscal 2005 to Rs. 65,880 thousand in fiscal 2006. The increase in toll collection charges resulted from toll collection charges paid for the entire fiscal 2006 period as compared to toll charges paid for only a part of fiscal 2005. Maintenance charges decreased by Rs. 2,285 thousand, or 16.59% from Rs. 13,774 thousand to Rs. 11,489 thousand due to relatively lower maintenance work required to be carried out in fiscal 2006. As a percentage of total income, direct expenses decreased to 53.26% in fiscal 2005 from 98.96% in fiscal 2006.

The Company did not employ any employees for its operations in fiscal 2005 and fiscal 2006 as its entire operations was sub-contracted to certain Promoter Group companies and accordingly did not incur any personnel expenses.

Office administration and other expenses in fiscal 2006 was significantly greater in fiscal 2006 than in fiscal 2005 because of certain losses on disposal of long term investments of Rs. 10,254 thousand relating to current investments in fiscal 2006 as well as preliminary expenses relating to share issue expenses being written off in fiscal 2006 in an amount of Rs. 6,138 thousand as compared to Rs. 1,626 thousand in fiscal 2005, as a result of the change in accounting policy effected in fiscal 2005, whereby share issue expenses were adjusted in the same year against the securities premium account as permitted by Section 78(2) of the Companies Act, 1956, as amended, and in case of insufficient balance in the securities premium account, unadjusted share issue expenses are amortised over a period of five years.

The Company had no borrowings during fiscal 2005 and fiscal 2006 and accordingly did not incur any finance expenses during such periods.

Profit before tax. Due to the reasons discussed above, profit before taxes increased from Rs. 259 thousand in fiscal 2006 to Rs. 83,704 thousand in fiscal 2006.

Provision for taxes. Total tax expenses increased by 452.35% from Rs. 596 thousand in fiscal 2005 to Rs. 2,100 thousand in fiscal 2006 due to an increase in current tax liabilities resulting from an increase in taxable income.

Net profit before adjustments. Due to the reasons discussed above, net profit before adjustments increased by 9,444.33% from Rs. 855 thousand in fiscal 2005 to Rs. 81,604 thousand in fiscal 2006.

Net profit, as restated. The Company's net profit, as restated for fiscal 2006 was Rs. 86,694 thousand, as compared to its net profit, as restated of Rs. 446 thousand in fiscal 2005. The main adjustments are described below:

Particulars of Adjustments	**Five months ended August 31, 2007**	**Fiscal 2007**	**Fiscal 2006**	**Fiscal 2005**	**Fiscal 2004**	**Fiscal 2003**
	(Rs. in thousands)					
Maintenance charges received	-	-	-	-	(12,324)	5,859
Maintenance expenses	-	-	-	-	6,943	(3,982)
Amortisation of share issue expenses	-	(948)	4,952	145	(356)	-
Short / (Excess) provision for tax	-	98	138	(554)	3,064	(1,591)
Total...	**-**	**(850)**	**5,090**	**(409)**	**(2,673)**	**286**

- *Change in accounting policy for maintenance contracts affecting maintenance charges received and maintenance expenses.* Until fiscal 2003, maintenance contracts have been accounted for on the "completion of contract" method. From fiscal 2004, to reflect tax assessment recommendations the Company changed its accounting policy for such maintenance contracts to the "percentage completion" method. Accordingly, the adjustments have been made to the restated financial statements for fiscal 2004 and 2003 and the brought forward balance in profit and loss account as at April 1, 2002. These adjustments did not have any effect on the profit before adjustments of the Company in fiscal 2006 or fiscal 2005.

- *Change in accounting policy for amortization of share issue expenses.* Until fiscal 2004, share issue expenses were amortised over a period of 10 years. From fiscal 2005, share issue expenses are adjusted in the same year against the securities premium account as permitted by Section 78(2) of the Companies Act, 1956, as amended, and in case of insufficient balance in the securities premium account, unadjusted share issue expenses are amortised over a period of five years. Accordingly, the figures have been restated for the respective years. This has resulted in an increase in profit by Rs. 145 thousand in fiscal 2005 and an increase in profit by Rs. 4,952 thousand in fiscal 2006.

- *Shortfall / excess provision for tax.* The profit and loss account of some years includes amounts paid/provided for or written back, in respect of shortfall/excess income tax arising out of assessments, appeals, etc. which has now been adjusted in the respective years. Also, income tax (current tax and deferred tax) has been computed on adjustments made as detailed above and has been adjusted in the summary statement of profits and losses, as restated for fiscal 2007, 2006, 2005, 2004 and 2003. The effect of adjustments relating to financial years ended prior to March 31, 2003 has been adjusted against the accumulated profit and loss balance as at April 1, 2002. This has resulted in a decrease in profit by Rs. 554 thousand in fiscal 2005 and an increase in profit by Rs. 138 thousand in fiscal 2006.

Cash Flows of the Company on a Standalone Basis

The table below summarises the Company's unconsolidated cash flows for the periods presented, as derived from the restated unconsolidated financial statements of the Company for fiscal 2005, 2006 and 2007 and the restated unconsolidated financial statements of the Company for the five months ended August 31, 2007:

	Five months ended August 31, 2007	Fiscal 2007	Fiscal 2006	Fiscal 2005
	(Rs. in thousand)	(Rs. in thousand)	(Rs. in thousand)	(Rs. in thousand)
Net cash provided by/(used in) operating activities	(16,397)	135,955	869,333	(418,737)
Net cash provided by/(used in) investing activities.......	(1,941,046)	(3,892,535)	(1,031,297)	(48,162)
Net cash provided by/(used in) financing activities	1,957,437	3,662,873	259,585	415,524
Net increase/(decrease) in cash and cash equivalents....	(6)	(93,707)	97,621	(51,375)

Operating Activities

Net cash used in operating activities was Rs. 16,397 thousand in the five months ended August 31, 2007 while loss before taxes for such period was Rs. 38,956 thousand. The difference was primarily attributable to an increase in loans and advances of Rs. 23,918 thousand.

Net cash provided by operating activities was Rs. 135,955 thousand in fiscal 2007, but profit before taxes for such period was Rs. 84,312 thousand. The difference was primarily attributable to an increase in sundry creditors of Rs. 135,370 thousand relating to debenture issue expenses and an increase in other current liabilities of Rs. 10,007 thousand, primarily relating to tax deductible at source payable in connection with debenture issue expenses and interest payments. These were partially offset by dividend from subsidiaries of Rs. 63,939 thousand, dividend income from current investments in marketable securities of Rs. 29,830 thousand and interest income on bank deposits of Rs.7,428 thousand.

Net cash provided by operating activities was Rs. 869,333 thousand in fiscal 2006, but profit before taxes for such period was Rs. 83,704 thousand. The difference was primarily attributable to a decrease in loans and advances of Rs.878,800 thousand and loss on sale of investments of Rs.10,254 thousand, partially offset by dividend income from investments in marketable securities of Rs. 99,220 thousand and a decrease in other liabilities of Rs. 14,266 thousand.

Net cash used in operating activities was Rs. 418,737 thousand in fiscal 2005; however profit before taxes for such period was Rs. 259 thousand. The difference was primarily attributable to increase in loans and advances Rs.398,600 thousand, increase in sundry debtors Rs.10,677 thousand and decrease in other liabilities Rs.11,653 thousand.

Investing Activities

Net cash used in investing activities in the five months ended August 31, 2007 was Rs. 1,941,046 thousand, resulting primarily from purchase of shares in subsidiaries of Rs. 598,525 thousand relating to Aryan, purchase of investments in marketable securities of Rs. 18,187 thousand and loan to subsidiaries Rs. 1,563,506 thousand, offset by sale of investments relating to marketable securities of Rs. 67,957 thousand.

Net cash used in investing activities in fiscal 2007 was Rs. 3,892,535 thousand, resulting primarily from investment in fixed deposits of Rs. 2,637,000 thousand, purchase of shares in subsidiaries of Rs. 1,827,615 thousand relating to the restructuring of the IRB Group during fiscal 2007, purchase of investments in marketable securities of Rs. 1,844,864 thousand, partially offset by sale of investments relating to marketable securities of Rs. 2,341,410 thousand.

Net cash used in investing activities in fiscal 2006 was Rs. 1,031,297 thousand, resulting primarily from purchase of shares in various then associate companies (that are currently subsidiaries) of Rs. 541,898 thousand, purchase of marketable securities of Rs.1,832,084 thousand, partially offset by sale of investments relating to marketable securities of Rs. 1,246,574 thousand, and dividend income from marketable securities of Rs.91,765 thousand.

Net cash used in investing activities in fiscal 2005 was Rs. 48,162 thousand, primarily due to loan to subsidiaries of Rs. 41,012 thousand and purchase of investments in marketable securities of Rs. 7,150 thousand.

Financing Activities

Net cash from financing activities in the five months ended August 31, 2007 was Rs. 1,957,437 thousand, resulting primarily from increase in overdraft facilities from banks of Rs.2,305,259 thousand, partially offset by repayment of loans taken from certain Subsidiaries of Rs.93,275 thousand, debenture issue expenses of Rs. 149,137 thousand and interest paid of Rs. 106,035 thousand.

Net cash from financing activities in fiscal 2007 was Rs. 3,662,873 thousand, resulting from proceeds from issue of debentures of Rs. 2,639,856 thousand relating to the issue of the 7.5% (net of tax) unsecured fully convertible debentures issued to Deutsche Bank AG, acting through its Hong Kong Branch, CPI Ballpark Investments Limited and

Jade Dragon (Mauritius) Limited in March 2007, proceeds of issuance of shares of Rs. 1,068,680 thousand issued to the Promoters pursuant to the restructuring of the IRB Group in fiscal 2007, and loans from IRB Infrastructure Private Limited and MIPL of Rs. 126,495 thousand, as adjusted for share issuance and debenture issuance expenses.

Net cash from financing activities in fiscal 2006 was Rs. 259,585 thousand in fiscal 2006, resulting from issuance of shares to the Promoters of Rs.261,000 thousand, as adjusted for share issuance expenses.

Net cash from financing activities in fiscal 2005 was Rs. 415,524 thousand in fiscal 2005, resulting from issuance of shares of Rs. 423,000 thousand, as adjusted for share issuance expenses of Rs. 4,553 thousand and repayment of loans of Rs.2,923 thousand.

MODERN ROAD MAKERS PRIVATE LIMITED

Result of Operations of Modern Road Makers Private Limited

Almost all construction work undertaken by the IRB Group in the roads and highways sector, for BOT projects or funded construction contracts, is currently executed through MRM. The construction component of any infrastructure development project awarded to the IRB Group and implemented through the relevant Project SPV as well as any funded construction project awarded to the IRB Group are generally sub-contracted by the relevant entity in the IRB Group to MRM, either directly or through IRBPL. We intend to continue the execution of construction works relating to the roads and highways sector through MRM.

MRM recorded turnover of Rs. 2,084,752 thousand and Rs.1,208,754 thousand, respectively, in fiscal 2007 and in the five months ended August 31, 2007. However, because of the arrangements discussed above, the turnover of MRM is eliminated on consolidation.

The following table sets forth for the periods indicated, certain items derived from MRM's restated unconsolidated financial statements, in each case stated in absolute terms and as a percentage of total income. Amounts have been rounded to ensure percentages total to 100.00% as appropriate:

	Five months ended August 31, 2007		**Fiscal 2007**		**Fiscal 2006**		**Fiscal 2005**	
	Amount	**Percentage of Total Income**	**Amount**	**Percentage of Total Income**	**Amount**	**Percentage of Total Income**	**Amount**	**Percentage of Total Income**
	(Rs. in thousands)	**(%)**	**(Rs. in thousands)**	**(%)**	**(Rs. in thousands)**	**(%)**	**(Rs. in thousands)**	**(%)**
Income								
Turnover	1,208,754	96.22	2,084,752	98.26	1,494,917	99.65	897,526	99.00
Other income	47,534	3.78	36,878	1.74	5,204	0.35	9,026	1.00
Total Income	1,256,288	100.00	2,121,630	100	1,500,121	100	906,552	100
Expenditure								
Direct expenses	820,987	65.35	1,425,827	67.20	1,108,231	73.88	786,327	86.74
Personnel expenses	89,003	7.08	108,219	5.10	17,363	1.16	4,168	0.46
Office administration and other expenses	55,898	4.45	83,887	3.95	86,181	5.74	40,544	4.47
Depreciation and amortisation	58,465	4.65	123,296	5.81	64,367	4.29	17,708	1.95
Finance expenses	47,239	3.76	32,809	1.55	18,481	1.23	8,801	0.97
Total expenditure	1,071,592	85.30	1,774,038	83.62	1,294,623	86.30	857,548	94.59
Prior Period Income			12,293	0.58				
Profit before tax	184,696	14.70	359,885	16.96	205,498	13.70	49,004	5.41
Provision for tax								
- Current tax	63,912	5.09	135,000	6.36	64,900	4.33	15,600	1.72
- Deferred tax	(924)	(0.07)	(17,513)	(0.83)	10,170	0.68	2,158	0.24
- Fringe benefit tax	1,386	0.11	2,600	0.12	1,350	0.09	-	-
- Wealth tax for previous years	-	-	172	0.01	19	0	26	0
- Income tax for previous years	-	-	-	-	218	0.01	137	0.02
Net profit before adjustments	**120,322**	**9.58**	**239,626**	**11.29**	**128,841**	**8.59**	**31,083**	**3.43**
Adjustments			(9,477)	(0.45)	17,708	(1.18)	(465)	(0.05)

Current tax impact on adjustments...................	-	-	6,855	0.32	(6,855)	(0.46)	-	-
Deferred tax impact on adjustments...................	-	-	(2,816)	(0.13)	209	0.01	180	0.02
Wealth tax impact on adjustments...................	-	-	173	0.01	(153)	(0.01)	7	0.00
Net profit, as restated	**120,322**	**9.58**	**234,361**	**11.05**	**139,750**	**9.32**	**30,805**	**3.40**

The financial statements of MRM for fiscal 2003, 2004, 2005, 2006 and 2007 and for the five months ended August 31, 2007 included in this Red Herring Prospectus has been restated in compliance with SEBI Guidelines. In accordance with Indian GAAP, the effects of restatement are shown as a cumulative effect on MRM's adjusted profits after tax rather as restatements of individual line items in our profit and loss account. Consistent with this presentation, in the comparison of the results of operations of MRM from fiscal period to fiscal period, we have provided for a discussion of the effects of the restatement on MRM's adjusted profit at the end of each fiscal period to fiscal period comparison. The following table sets forth certain information with respect to the adjustments in the relevant fiscal periods pursuant to such restatement:

Particulars of Adjustments	**Five months ended August 31, 2007**	**Fiscal 2007**	**Fiscal 2006**	**Fiscal 2005**	**Fiscal 2004**	**Fiscal 2003**
	(Rs. in thousand)					
Operation and maintenance receipt...........................	-	(33, 664)	33,664	-	-	-
Road works expenses..	-	13,300	(13,300)	-	-	-
Provision for gratuity..	-	8,284	(622)	(535)	(7,127)	-
Short / (Excess) provision for tax	-	2,603	(2,034)	70	(284)	(174)
Total Adjustments	**-**	**(9,477)**	**17,708**	**(465)**	**(7,411)**	**(174)**
Current tax impact of adjustments	-	6,855	(6,855)	-	-	-
Deferred tax impact of adjustments	-	(2,816)	209	180	2,608	1,679
Wealth tax impact of adjustments.............................	-	173	(153)	7	(25)	(1)

Five months ended August 31, 2007

Income. MRM's income includes (i) turnover, that includes (a) revenue from construction works carried out for other members of the IRB Group for infrastructure development projects as well as funded construction projects, (b) revenues from operation and maintenance services provided to Project SPVs in the IRB Group, and (c) hire charges received for equipment hired to certain Promoter Group entities from time to time, expressed as net of any value added tax applicable on such revenue; and (ii) other income, consisting of interest income, dividend income or non-recurring extraordinary income recorded in any fiscal period.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to MRM and the revenue can be reliably measured. Revenues from construction contracts and operation and maintenance agreements are recognised on the "percentage completion method". The stage of completion is determined with reference to physical measurement of work done as compared to the total work done. In case of any unmeasured work done as of the balance sheet date, revenue is recognised as work-in-progress at cost.

MRM's total income in the five months ended August 31, 2007 was Rs. 1,256,288 thousand. Turnover of Rs.1,208,754 thousand and other income of Rs.47,534 thousand represented 96.22% and 3.78%, respectively, of MRM's total income in this period.

Turnover income resulted primarily from works carried out for (i) the Thane – Ghodbunder road BOT project for Thane Ghodbunder Toll Road Private Limited, (ii) the Bharuch to Surat section of NH 8 BOT project undertaken by IDAA Infrastructure Private Limited, and (iii) three funded construction projects for IRBPL, the Ahmedabad -Vadodara section of NH 8 construction project and the Nagpur Hyderabad section of NH 7 (Package NS-59 and Package NS – 61). Revenues from construction work receipts were Rs. 1,045,207 thousand, representing 86.47% of the total turnover. Operation and maintenance receipts of Rs. 161,629 thousand represented 13.37% of the total turnover in this period, while hire charges from equipment of Rs. 1,918 thousand represented 0.16% of the total turnover in this period.

MRM derives other income from interest earned from fixed deposits with banks and financial institutions and interest on loans to subsidiaries, as well as from dividend income from its investments in marketable securities and other miscellaneous income. Some of these income streams are not recurring in nature, may be extraordinary items, and may fluctuate from year to year. Other income in the five months ended August 31, 2007 was Rs. 47,534 thousand and represented 3.78% of total income in this period.

Expenditure. MRM's expenditure consists of (i) direct expenses, (ii) personnel expenses, (iii) office administration and other expenses, (iv) depreciation and amortisation and (v) finance expenses.

- Direct expenses consists of (i) contract and operation and maintenance expenses, that includes road work expenses relating to certain work sub-contracted to external contractors on labour and / or material basis including metal crushing charges and feeding and laying charges paid to sub-contractors, (ii) cost of material consumed relating to expenditure for construction materials used in these projects including cement, bitumen etc., (iii) stores and spares consumed, (iv) direct expenses at site including temporary contract labour engaged for various projects and sundry expenses on sites, (v) vehicle expenses relating to fuel, maintenance, vehicle taxes, insurance charges for owned vehicles used at the construction site, (vi) hire charges relating to equipment, plant and machinery hired from external sources from to time, (vii) repairs and maintenance costs relating to equipment and machinery at the construction site as well as for heavy construction vehicles and (viii) other miscellaneous charges and expenses including technical, security and supervision charges.

- Personnel expenses include salaries, wages and bonus paid to employees, contribution towards gratuity and provident fund as well as other staff welfare expenses.

- Office administration and other expenses include various administration costs such as insurance costs, advertisement expenses, travelling and conveyance expenses, communications cost, printing and stationery, legal and auditor expenses as well as other miscellaneous expenses including repairs and maintenance and other non-recurring miscellaneous expenses.

- Depreciation of fixed assets is provided using the written down value method at the rates prescribed under Schedule XIV of the Companies Act, 1956.

- Finance expenses represent interest paid on term loans as well as miscellaneous charges paid to banks and financial institutions as well as to other IRB Group entities and Promoter Group entities.

In the five months ended August 31, 2007, total expenditure of Rs.1,071,592 thousand, expressed as a percentage of total income in such period, represented 85.30%.

Expressed a percentage of total income, direct expenses of Rs.820,987 thousand represented 65.35%. Cost of materials consumed of Rs. 553,057 thousand represented 67.36% of direct expenses incurred in this period, while sub-contracting expenses of Rs. 169,809 thousand represented 20.68%.

Personnel expenses of Rs. 89,003 thousand represented 7.08% expressed as a percentage of total income in this period. Salary, wages and bonus of Rs. 79,646 represented 89.49% of total personnel expenses in this period.

Office administration and other expenses of Rs. 55,898 thousand represented 4.45% expressed as a percentage of total income. Rent, rates and taxes of Rs.7,600 thousand represented 13.60% of the total office administration and other expenses in this period while vehicle expenses relating to vehicles at construction sites as well as for business use of Rs. 13,442 thousand represented 24.05% of the total office administration and other expenses in this period.

Depreciation and amortisation costs of Rs. 58,465 thousand represented 4.65% expressed as a percentage of total income.

MRM incurred finance expenses of Rs. 47,239 thousand in the five months ended August 31, 2007, of which interest on loans from banks and financial institutions was Rs. 23,682 thousand is and interest on loans from IRB Group entities was Rs. 22,012 thousand.

Profit before taxes. Due to the reasons discussed above, profit before taxes was Rs. 184,696 thousand. Expressed as a percentage of total income, profit before taxes were 14.70% of total income in the five months ended August 31, 2007.

Provision for taxes. Provision for taxes include current tax liabilities and deferred tax liabilities, as well as fringe benefit taxes and for income tax and wealth tax payable relating to previous years. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where MRM has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. At each balance sheet date MRM re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Total tax expenses in the five months ended August 31, 2007, were Rs. 64,374 thousand, consisting of current tax expense of Rs. 63,912 thousand and fringe benefit tax Rs.1,386 thousand offset by deferred tax credit of Rs. 924 thousand.

Net profit before adjustments. Due to the reasons discussed above, net profit before adjustments was Rs. 120,322 thousand in the five months ended August 31, 2007.

Net profit, as restated. MRM's profit after taxes as restated in the five months ended August 31, 2007 was Rs. 120,322 thousand; there were no adjustments to the net profit of MRM in the five months ended August 31, 2007 on account of restatements required to be carries out in accordance with SEBI Guidelines.

Fiscal 2007 compared to fiscal 2006

Income. MRM's total income increased by Rs. 621,509 thousand, or 41.43%, from Rs. 1,500,121 thousand in fiscal 2006 to Rs. 2,121,630 thousand in fiscal 2007.

Turnover increased by Rs. 589,835 thousand, or 39.46%, from Rs. 1,494,917 thousand in fiscal 2006 to Rs. 2,084,752 thousand in fiscal 2007. This was primarily due to a Rs. 1,012,611 thousand, or 116.08%, increase in revenues from construction work receipts from Rs. 872,326 thousand in fiscal 2006 to Rs. 1,884,937 thousand in fiscal 2007, resulting primarily from works carried out for (i) the Thane – Ghodbunder road BOT project for Thane Ghodbunder Toll Road Private Limited, (ii) the Bharuch to Surat section of NH 8 BOT project undertaken by IDAA Infrastructure Private Limited, and (iii) three funded construction projects for IRBPL, the Ahmedabad -Vadodara section of NH 8 construction project and the Nagpur Hyderabad section of NH 7 (Package NS-59 and Package NS – 61). Revenues from construction work receipts were higher in fiscal 2007 because of increased work due to the commencement of work on the Thane – Ghodbunder road BOT project, the Ahmedabad -Vadodara section of NH 8 project and the Nagpur Hyderabad section of NH 7 (Package NS-59 and Package NS – 61) project towards the end of fiscal 2006 and the commencement of work on the Bharuch to Surat section of NH 8 BOT project in fiscal 2007.

However, operation and maintenance receipts decreased by Rs. 205,430 thousand, or 49.53%, from Rs. 414,733 thousand in fiscal 2006 to Rs. 209,303 thousand in fiscal 2007, primarily due to the completion of works during fiscal 2007 on certain funded operation and maintenance contracts granted by NHAI to IRBPL, namely the Mumbai – Manor stretch on NH8 project, Gujarat stretch on NH8 project and the Bangalore – Hosur stretch on NH 4 project.

Hire charges from equipment also decreased by 57.86% from Rs. 117,827 thousand to Rs. 49,651 thousand due to a decrease in equipment hired to Promoter Group concerns resulting from an increase in the use of such equipment for MRM's own construction projects.

MRM also derives other income from interest earned from fixed deposits with banks and financial institutions and interest on loans to subsidiaries, as well as from dividend income from its investments in marketable securities and other miscellaneous income. Some of these income streams are not recurring in nature, may be extraordinary items, and may fluctuate from year to year. Other income increased by 608.65% from Rs. 5,204 thousand in fiscal 2006 to Rs. 36,878 thousand in fiscal 2007, primarily due to an increase in interest income from other entities in the IRB Group and certain Promoter Group entities, from Rs. 3,236 thousand in fiscal 2006 to Rs. 35,107 thousand in fiscal 2007, as we commenced charging interest on loans to such entities from fiscal 2007.

Expenditure. MRM's total expenditure increased by Rs. 479,415 thousand, or 37.03%, from Rs. 1,294,623 thousand in fiscal 2006 to Rs. 1,774,038 thousand in fiscal 2007 primarily due to an increase in direct expenses of Rs. 317,596 thousand, or 28.66%, from Rs. 1,108,231 thousand in fiscal 2006 to Rs. 1,425,827 thousand in fiscal 2007 and an increase in employees' remuneration and benefit related expenses of Rs. 90,856 thousand, or 523.27%, from Rs. 17,363 thousand in fiscal 2006 to Rs. 108,219 thousand in fiscal 2007. Depreciation and amortisation expenses also increased significantly from Rs. 64,367 thousand in fiscal 2006 to Rs. 123,296 thousand in fiscal 2007.

The increase in direct expenses resulted from the increase in construction work undertaken in fiscal 2007. Cost of materials consumed increased by Rs. 327,085 thousand, or 72.37%, from Rs. 451,950 thousand in fiscal 2006 to Rs. 779,035 thousand in fiscal 2007. Direct expenses at site also increased by Rs. 18,710 thousand, or 21.53%, from Rs. 86,885 thousand in fiscal 2006 to Rs. 105,595 thousand in fiscal 2007, primarily due to an increase in the number of temporary contract labour engaged in MRM's construction projects. However, as a percentage of total income, direct expenses decreased to 67.20% in fiscal 2007 from 73.88% in fiscal 2006, due to the increase in the value of construction projects executed by MRM in fiscal 2007 as compared to that in fiscal 2006.

Employees remuneration and benefits increased significantly in fiscal 2007 due to recruitment of additional personnel for the various projects undertaken by MRM and an increase in salaries in order to attract and retain skilled employees. As a percentage of total income, employees' remuneration and benefits increased to 5.10% in fiscal 2007 from 1.16% in fiscal 2006.

Office administration and other expenses decreased marginally by 2.66%, from Rs. 86,181 thousand in fiscal 2006 to Rs. 83,887 thousand in fiscal 2007, primarily due to a decrease in miscellaneous expenses by Rs. 15,371 thousand, or 44.03%, from Rs. 34,907 thousand in fiscal 2006 to Rs. 19,536 thousand in fiscal 2007 due to a decrease in welfare expenses. Rents, rates and taxes however increased by Rs. 13,337 thousand, or 132.00%, from Rs. 10,104 thousand in fiscal 2006 to Rs. 23,441 thousand in fiscal 2007 primarily due to additional premises leased at construction sites. As a percentage of total income, office administration and other expenses decreased to 3.95% in fiscal 2007 from 5.74% in fiscal 2006.

Depreciation and amortisation on fixed assets increased by 91.55%, from Rs. 64,367 thousand in fiscal 2006 to Rs. 123,296 thousand in fiscal 2007 primarily due to addition of new construction equipment. As a percentage of total income, depreciation and amortisation expenses increased to 5.81% in fiscal 2007 from 4.29% in fiscal 2006.

Finance expenses increased by Rs. 14,328 thousand, or 77.53% from Rs. 18,481 thousand to Rs. 32,809 thousand due to an increase in borrowings to fund the capital expenditure on machinery and equipment, interest paid to other IRB Group entities and Promoter Group concerns and interest paid on bank overdrafts availed in fiscal 2007. As a percentage of total income, finance expenses increased to 1.55% in fiscal 2007 from 1.23% in fiscal 2006.

Profit before tax. Due to the reasons discussed above, profit before taxes increased by 75.13% from Rs. 205,498 thousand in fiscal 2006 to Rs. 359,885 thousand in fiscal 2007.

Provision for taxes. Total tax expenses increased by 56.88% from Rs. 76,657 thousand in fiscal 2006 to Rs. 120,259 thousand in fiscal 2007 due to an increase in current tax liabilities of 108.01% from Rs. 64,900 thousand in fiscal 2006 to Rs. 135,000 thousand in fiscal 2007 resulting from an increase in taxable income. However, MRM recorded a deferred tax credit of Rs. 17,513 thousand in fiscal 2007, as compared to deferred tax liabilities of Rs. 10,170 thousand in fiscal 2006. MRM also paid fringe benefit tax of Rs.2,600 thousand in fiscal 2007 as compared to Rs. 1,350 thousand in fiscal 2006.

Net profit before adjustments. Due to the reasons discussed above, net profit before adjustments increased by 85.99% from Rs.128,841 thousand in fiscal 2006 to Rs. 239,625 thousand in fiscal 2007.

Net profit, as restated. MRM's profit after tax has been restated on account of, among other things, changes in accounting policies as well as certain items attributable to prior periods. As a result of these adjustments, MRM's net profit as restated for fiscal 2007 was Rs. 234,360 thousand, as compared to its net profit as restated of Rs. 139,750 thousand in fiscal 2006. The main adjustments are described below:

Particulars of Adjustments	**Five months ended August 31, 2007**	**Fiscal 2007**	**Fiscal 2006**	**Fiscal 2005**	**Fiscal 2004**	**Fiscal 2003**
	(Rs. in thousand)					
Operation and maintenance receipt............................	-	(33, 664)	33,664	-	-	-
Road works expenses..	-	13,300	(13,300)	-	-	-
Provision for gratuity..	-	8,284	(622)	(535)	(7,127)	-

Short / (Excess) provision for tax	-	2,603	(2,034)	70	(284)	(174)
Total Adjustments	**-**	**(9,477)**	**17,708**	**(465)**	**(7,411)**	**(174)**
Current tax impact of adjustments	-	6,855	(6,855)	-	-	-
Deferred tax impact of adjustments	-	(2,816)	209	180	2,608	1,679
Wealth tax impact of adjustments.............................	-	173	(153)	7	(25)	(1)

- *Change in accounting policy affecting road work expenses and operation and maintenance receipts.* Construction and operation and maintenance contracts typically provide for deduction of retention money by the client to meet any expenses that may arise during the defect liability period following completion of construction work on such project. Until fiscal 2006, MRM accounted for its revenue from construction works and revenue from operation and maintenance services after deducting retention money from the gross completed contract value. Similarly, MRM accounted for payments to be made by MRM under its contracts with sub-contractors net off retention moneys retained by MRM under such contracts. Accordingly, retention money received by MRM or paid by MRM under contracts with sub-contractors were reflected in the profit and loss account in the fiscal period in which such amounts were actually received or paid, as the case may be. In fiscal 2007, MRM has changed this method of accounting for revenue from construction works and revenue from operation and maintenance services to recognise such income and expenses on gross basis (i.e., without deduction of retention money) in accordance with Accounting Standard 7 "Construction Contracts" issued by the Institute of Chartered Accountants of India. This has been given retrospective effect and has been appropriately adjusted as a prior period item in the respective years. In the restated accounts of MRM, this has resulted in a decrease in net profit, as restated of Rs. 20,364 thousand in fiscal 2007 and an increase in net profit, as restated of Rs. 20,364 thousand in fiscal 2006.

- *Early adoption of AS-15 relating to provision for gratuity.* During fiscal 2007, MRM has early adopted the Accounting Standard 15 (Revised 2005) "Employee Benefits" issued by the Institute of Chartered Accountants of India, which is mandatory for accounting periods commencing on or after December 7, 2006. In accordance with Accounting Standard 15, gratuity has been recognised on actuarial basis and is reflected in the profit and loss account as a prior period item. This has resulted in an increase in net profit, as restated of Rs. 8,284 thousand in fiscal 2007 and a decrease in net profit, as restated of Rs. 622 thousand in fiscal 2006.

  In accordance with Accounting Standard 15, MRM has also changed the method of providing short term leave benefits from actuarial valuation to estimate basis. This change has not had any material impact on the profit for fiscal 2007 or 2006.

- *Shortfall / excess provision for tax.* The profit and loss account of some years includes amounts paid/provided for or written back, in respect of shortfall/excess income tax arising out of assessments, appeals, etc. which has now been adjusted in the respective years. The effect of adjustments relating to financial years ended prior to March 31, 2003 has been adjusted against the accumulated profit and loss balance as at April 1, 2002. This has resulted in an increase in net profit, as restated of Rs. 2,603 thousand in fiscal 2007 and a decrease in net profit, as restated of Rs. 2,034 thousand in fiscal 2006.

- *Income tax and wealth tax provision.* Income tax (current tax and deferred tax) and wealth tax has been computed on adjustments made as detailed above and has been adjusted in the summary statement of profits and losses, as restated for fiscal 2007, 2006, 2005, 2004 and 2003.

Fiscal 2006 compared to fiscal 2005

Income. MRM's total income increased by Rs. 593,569 thousand, or 65.48%, from Rs. 906,552 thousand in fiscal 2005 to Rs. 1,500,121 thousand in fiscal 2006.

Turnover increased by Rs. 597,391 thousand, or 66.56%, from Rs. 897,526 thousand in fiscal 2005 to Rs. 1,494,917 thousand in fiscal 2006. This was primarily due to a Rs. 93,341 thousand, or 11.98%, increase in revenues from construction works receipts from Rs. 778,985 thousand in fiscal 2005 to Rs. 872,326 thousand in fiscal 2006, resulting primarily from construction works carried out for (i) the Mumbai – Pune Express Highway and NH 4 BOT project for MIPL and IRBPL, (ii) the Thane – Ghodbunder road BOT project for Thane Ghodbunder Toll Road Private Limited and (iii) three funded construction projects for IRBPL, the Ahmedabad -Vadodara section of NH 8 construction project and the Nagpur Hyderabad section of NH 7 (Package NS-59 and Package NS – 61). Revenues from construction work receipts were higher in fiscal 2006 because of increased work due to the commencement of work on the Thane – Ghodbunder road BOT project, the Ahmedabad -Vadodara section of NH 8 project and the Nagpur Hyderabad section of NH 7 (Package NS-59 and Package NS – 61) project during fiscal 2006. In addition, as work on the Mumbai – Pune

Expressway and NH 4 BOT project commenced in August 2004, fiscal 2006 reflected full year of operations for this project as compared to part year of operations in fiscal 2005.

Operation and maintenance receipts from the Project SPVs in the IRB Group increased by Rs. 344,618 thousand, or 491.50%, from Rs. 70,115 thousand in fiscal 2005 to Rs. 414,733 thousand in fiscal 2006, primarily due to operation and maintenance receipts relating to the Mumbai – Pune Express Highway and NH 4 BOT project for the full fiscal 2006 and the Bhiwandi Wada road BOT project for which certain maintenance work was executed in fiscal 2006.

Hire charges from equipment also increased from Rs. 20,226 thousand in fiscal 2005 to Rs. 117,827 thousand in fiscal 2006 due to an increase in MRM's equipment base and increased hiring out of owned equipment to certain Promoter Group concerns in fiscal 2006.

Other income decreased by Rs. 3,822 thousand, or 42.34%, from Rs. 9,026 thousand in fiscal 2005 to Rs. 5,204 thousand in fiscal 2006, due to a decrease in interest income from fixed deposits.

Expenditure. MRM's total expenditure increased by Rs. 437,075 thousand, or 50.97%, from Rs. 857,548 thousand in fiscal 2005 to Rs. 1,294,623 thousand in fiscal 2006 primarily due to an increase in direct expenses of Rs. 321,904 thousand, or 40.94%, from Rs. 786,327 thousand in fiscal 2005 to Rs. 1,108,231 thousand in fiscal 2006.

The increase in direct expenses resulted from an increase in operating expenses relating to the various additional construction projects undertaken in fiscal 2006, particularly with respect to material consumed and increased road work expenses. Cost of materials consumed increased by Rs. 222,256 thousand, or 96.76% from Rs. 229,694 thousand in fiscal 2005 to Rs. 451,950 thousand in fiscal 2006, while direct expenses at site increased by Rs. 42,501 thousand, or 95.76%, from Rs. 44,384 thousand in fiscal 2005 to Rs. 86,885 thousand in fiscal 2006, primarily relating to increase in contract labour as well as lease related expenses. Toll payments for roads leading to the relevant construction sites also increased by Rs. 68,873 thousand, or 232.08%, from Rs. 29,677 thousand in fiscal 2005 to Rs. 98,550 thousand in fiscal 2006. However, as a percentage of total income, direct expenses decreased by 73.88% in fiscal 2006 from 86.74% in fiscal 2005 primarily due to the increased value of construction projects undertaken by MRM in fiscal 2006 as compared to that in fiscal 2005.

Personnel expenses increased by Rs. 13,195 thousand, or 316.58%, from Rs. 4,168 thousand in fiscal 2005 to Rs.17,363 thousand in fiscal 2006 due to recruitment of additional personnel for the various projects undertaken by MRM. As a percentage of total income, employees' remuneration and benefits increased to 1.16% in fiscal 2006 from 0.46% in fiscal 2005.

Office administration and other expenses increased by Rs. 45,637 thousand, or by 112.56%, from Rs. 40,544 thousand in fiscal 2005 to Rs. 86,181 thousand in fiscal 2006 primarily due to an increase in miscellaneous expenses by Rs. 16,745 thousand, or 92.20%, from Rs. 18,162 thousand in fiscal 2005 to Rs. 34,907 thousand in fiscal 2006 due to an increase in welfare and registration and filing fees. Rents, rates and taxes increased by Rs. 6,102 thousand, or 152.47%, from Rs. 4,002 thousand in fiscal 2005 to Rs. 10,104 thousand in fiscal 2006 primarily due to additional premises leased at construction sites. However, as a percentage of total income, office administration and other expenses decreased from 5.74% in fiscal 2006 from 4.47% in fiscal 2005.

Depreciation and amortisation on fixed assets increased by 263.49%, from Rs. 17,708 thousand in fiscal 2005 to Rs. 64,367 thousand in fiscal 2006 primarily due to acquisition of new plant, machinery and equipment. As a percentage of total income, depreciation and amortisation increased to 4.29% in fiscal 2006 from 1.95% in fiscal 2005.

Finance expenses increased by 109.99% from Rs. 8,801 thousand to Rs. 18,481 thousand due to an increase in borrowings to fund the capital expenditure on machinery and equipment. As a percentage of total income, finance expenses increased to 1.23% in fiscal 2006 from 0.97% in fiscal 2005.

Profit before tax. For the reasons discussed above, profit before taxes increased by 319.35% from Rs. 49,004 thousand in fiscal 2005 to Rs. 205,498 thousand in fiscal 2006.

Provision for taxes. Total tax expenses increased by 327.75% from Rs. 17,921 thousand in fiscal 2005 to Rs. 76,657 thousand in fiscal 2006 due to an increase in current tax liabilities of 316.03% from Rs. 15,600 thousand in fiscal 2005 to Rs. 64,900 thousand in fiscal 2006. This increase was due to an increase in taxable income. Deferred tax liability increased from Rs. 2,158 thousand in fiscal 2005 to Rs. 10,170 thousand in fiscal 2006 because of an increase in timing differences arising out of an increase in capital expenditure. MRM also paid fringe benefit tax of Rs.1,350 thousand in fiscal 2006 while there was no such fringe benefit tax liability in fiscal 2005 as such tax was levied with effect from fiscal 2006.

Net Profit before adjustments. Due to the reasons discussed above, net profit before adjustments increased from Rs. 31,083 thousand in fiscal 2005 to Rs. 128,841 thousand in fiscal 2006.

Net profit, as restated. MRM's profit after tax has been restated on account of, among other things, changes in accounting policies as well as certain items attributable to prior periods. As a result of these adjustments, MRM's net profit, as restated for fiscal 2006 was Rs. 139,750 thousand, as compared to its net profit, as restated of Rs. 30,805 thousand in fiscal 2005. The main adjustments are described below:

Particulars of Adjustments	**Five months ended August 31, 2007**	**Fiscal 2007**	**Fiscal 2006**	**Fiscal 2005**	**Fiscal 2004**	**Fiscal 2003**
	(Rs. in thousand)					
Operation and maintenance receipt	-	(33, 664)	33,664	-	-	-
Road works expenses	-	13,300	(13,300)	-	-	-
Provision for gratuity	-	8,284	(622)	(535)	(7,127)	-
Short / (Excess) provision for tax	-	2,603	(2,034)	70	(284)	(174)
Total Adjustments	**-**	**(9,477)**	**17,708**	**(465)**	**(7,411)**	**(174)**
Current tax impact of adjustments	-	6,855	(6,855)	-	-	-
Deferred tax impact of adjustments	-	(2,816)	209	180	2,608	1,679
Wealth tax impact of adjustments	-	173	(153)	7	(25)	(1)

- *Change in accounting policy affecting road work expenses and operation and maintenance receipts.* Construction and operation and maintenance contracts typically provide for deduction of retention money by the client to meet any expenses that may arise during the defect liability period following completion of construction work on such project. Until fiscal 2006, MRM accounted for its revenue from construction works and revenue from operation and maintenance services after deducting retention money from the gross completed contract value. Similarly, MRM accounted for payments to be made by MRM under its contracts with sub-contractors net off retention moneys retained by MRM under such contracts. Accordingly, retention money received by MRM or paid by MRM under contracts with sub-contractors were reflected in the profit and loss account in the fiscal period in which such amounts were actually received or paid, as the case may be. In fiscal 2007, MRM has changed this method of accounting for revenue from construction works and revenue from operation and maintenance services to recognise such income and expenses on gross basis (i.e., without deduction of retention money) in accordance with Accounting Standard 7 "Construction Contracts" issued by the Institute of Chartered Accountants of India. This has been given retrospective effect and has been appropriately adjusted as a prior period item in the respective years. In the restated accounts of MRM, this has resulted in an increase in net profit, as restated of Rs. 20,364 thousand in fiscal 2006. There was no effect of such adjustment in fiscal 2005.

- *Early adoption of AS-15 relating to provision for gratuity.* During fiscal 2007, MRM has early adopted the Accounting Standard 15 (Revised 2005) "Employee Benefits" issued by the Institute of Chartered Accountants of India, which is mandatory for accounting periods commencing on or after December 7, 2006. In accordance with Accounting Standard 15, gratuity has been recognised on actuarial basis and is reflected in the profit and loss account as a prior period item. This has resulted in a decrease in net profit, as restated of Rs. 622 thousand in fiscal 2006 and a decrease in net profit, as restated of Rs. 535 thousand in fiscal 2005.

  In accordance with Accounting Standard 15, MRM has also changed the method of providing short term leave benefits from actuarial valuation to estimate basis. This change has not had any material impact on MRM's net profit in fiscal 2006 or fiscal 2005.

- *Shortfall / excess provision for tax.* The profit and loss account of some years includes amounts paid/provided for or written back, in respect of shortfall/excess income tax arising out of assessments, appeals, etc. which has now been adjusted in the respective years. The effect of adjustments relating to financial years ended prior to March 31, 2003 has been adjusted against the accumulated profit and loss balance as at April 1, 2002. This has resulted in a decrease in net profit, as restated of Rs. 2,034 thousand in fiscal 2006 and an increase in net profit, as restated of Rs. 70 thousand in fiscal 2005.

- *Income tax and wealth tax provision.* Income tax (current tax and deferred tax) and wealth tax has been computed on adjustments made as detailed above and has been adjusted in the summary statement of profits and losses, as restated for fiscal 2007, 2006, 2005, 2004 and 2003.

IDEAL ROAD BUILDERS PRIVATE LIMITED

Result of Operations for Ideal Road Builders Private Limited

IRBPL is currently involved in four BOT projects, including (i) the Thane – Bhiwandi Bypass BOT project, (ii) the NH 4, Khambatki Ghat (between Pune and Satara) BOT project, (iii) the Kaman Paygaon (Bhiwandi Road) BOT project and (iv) the Bhiwandi Wada road BOT project.

IRBPL has also been involved in the following funded construction projects: (i) the Nagpur – Hyderabad NH7 construction project (Package NS – 59), (ii) the Nagpur – Hyderabad NH 7 construction project (Package NS – 61) and (iii) the improvement to Ahmedabad Vadodara section of NH8 construction project. In addition, IRBPL has been recently awarded the following funded construction projects by the Ahmedabad Municipal Corporation: (i) the Janmarg (B.R.T.S. Project) to be constructed in the Pirana – Danilimada – Maninagar stretch and the Danilimada – Chandola – Narol stretch and (ii) the Janmarg (B.R.T.S. Project) to be constructed in the Narol Circule and Naroda Patiya stretch.

In addition, IRBPL undertook the following funded construction projects with respect to BOT projects granted to other IRB Group entities: the Mumbai – Pune Expressway and NH4 project undertaken by MIPL, the Thane Ghodbunder Road BOT project undertaken by Thane Ghodbunder Toll Road Private Limited and the Bharuch – Surat section of NH 8 project undertaken by IDAA Infrastructure Private Limited. IRBPL also undertook operation and maintenance contracts in connection with these projects sub-contracted by the relevant Project SPVs.

While IRBPL has undertaken certain construction works in the past, IRBPL has in the past, and currently continues to, sub-contract almost all of the construction works as well as operation and maintenance work on its projects to MRM. IRBPL also carried on toll collection on an agency basis until fiscal 2007.

The following table sets forth for the periods indicated, certain items derived from IRBPL's restated unconsolidated financial statements, in each case stated in absolute terms and as a percentage of total income. Amounts have been rounded to ensure percentages total to 100.00% as appropriate:

	Five months ended August 31, 2007		**Fiscal 2007**		**Fiscal 2006**		**Fiscal 2005**	
	Amount	**Percentage of Total Income**	**Amount**	**Percentage of Total Income**	**Amount**	**Percentage of Total Income**	**Amount**	**Percentage of Total Income**
	(Rs. in thousands)	(%)	**(Rs. in thousands)**	(%)	**(Rs. in thousands)**	(%)	**(Rs. in thousands)**	(%)
Income								
Turnover	1,451,125	97.36	2,730,897	95.54	2,456,095	98.38	1,846,643	98.53
Other income	39,315	2.64	127,584	4.46	40,431	1.62	27,604	1.47
Total Income	1,490,440	100.00	2,858,481	100	2,496,526	100	1,874,247	100
Expenditure								
Direct expenses	1,230,082	82.53	2,286,826	80.00	2,307,703	92.44	1,684,554	89.88
Personnel expenses	8,813	0.59	35,253	1.23	13,969	0.56	10,345	0.55
Office administration and other expenses	16,696	1.12	51,668	1.81	25,428	1.02	34,059	1.82
Depreciation and amortization	73,974	4.96	164,894	5.77	23,222	0.93	26,495	1.41
Financial expenses	53,460	3.59	140,729	4.92	28,021	1.12	24,636	1.31
Total expenditure	1,383,025	92.79	2,679,370	93.73	2,398,343	96.07	1,780,089	94.98
Profit before tax	107,415	7.21	179,111	6.27	98,183	3.93	94,158	5.02
Provision for tax								
- Current tax	17,000	1.14	64,250	2.25	35,610	1.43	32,355	1.73
- Deferred tax	(1,250)	(0.08)	(6,896)	(0.24)	(1,285)	(0.05)	3,967	0.21
- Fringe benefit tax	357	0.02	860	0.03	600	0.02	-	-
PROFIT AFTER TAX AND BEFORE PRIOR PERIOD ITEM	**91,308**	**6.13**	**120,897**	**4.23**	**63,258**	**2.53**	**57,836**	**3.09**
Prior period income/(expense) (net of current and deferred tax)	-	-	180,407	**6.31**				

Net Profit before Adjustments	**91,308**	**6.13**	**301,304**	**10.54**	**63,258**	**2.53**	**57,836**	**3.09**
Adjustments.....................		-	(265,038)	(9.27)	100,945	4.04	47,240	2.52
Current tax impact of adjustments	-	-	84,842	2.97	(26,080)	(10.45)	(13,261)	0.71
Deferred tax impact of adjustments	-	-	(962)	(0.03)	92	0.00	92	0.00
Net profit, as restated	**91,308**	**6.13**	**120,146**	**4.20**	**138,215**	**5.54**	**91,907**	**4.90**

The financial statements of IRBPL for fiscal 2003, 2004, 2005, 2006 and 2007 and for the five months ended August 31, 2007 included in this Red Herring Prospectus has been restated in compliance with SEBI Guidelines. In accordance with Indian GAAP, the effects of restatement are shown as a cumulative effect on IRBPL's profits after tax rather than as restatements of individual line items in our profit and loss account. Consistent with this presentation, in the comparison of the results of operations of IRBPL from fiscal period to fiscal period, we have provided for a discussion of the effects of the restatement on IRBPL's profit after tax at the end of each fiscal period to fiscal period comparison. The following table sets forth certain information with respect to the adjustments in the relevant fiscal periods pursuant to such restatement:

Particulars of Adjustments	**Five months ended August 31, 2007**	**Fiscal 2007**	**Fiscal 2006**	**Fiscal 2005**	**Fiscal 2004**	**Fiscal 2003**
	(Rs. in thousand)					
Net revenue recognition for BOT projects	-	(267,020)	100,980	46,324	(47,205)	(6,262)
Retention Money	-	(125)	(58)	182	**-**	**-**
Provision for gratuity..	-	2,857	(272)	(272)	(272)	(264)
Miscellaneous Expenditure...	-	-	-	-	-	64
Excess / (Short) provision for tax of earlier years	-	(750)	295	1,006	4,187	(706)
Total Adjustments	**-**	**(265,038)**	**100,945**	**47,240**	**(43,290)**	**(7,168)**
Current tax impact of adjustments	-	84,842	(26,080)	(13,261)	16,900	2,000
Deferred tax impact of adjustments	-	(962)	92	92	100	95

Five months ended August 31, 2007

Income. IRBPL is currently involved in various infrastructure development projects and also undertakes construction work for funded construction projects. IRBPL was also involved in toll collection activities on an agency basis for various governmental entities until fiscal 2007. IRBPL's income consists of (i) turnover, that includes (a) contract revenue, i.e. income from construction work related to BOT projects as well as funded construction projects, (b) operation and maintenance income from maintenance work carried out for BOT projects as well as funded construction projects and (c) income from agency toll collection relating to contracts other than on BOT basis with government agencies and local authorities; and (ii) other income, primarily consisting of interest income, dividends on long term non-trade investments, any foreign exchange gains as well as any miscellaneous non-recurring income during the relevant fiscal period. Turnover is presented as adjusted for any value added tax on construction.

IRBPL's total income was Rs. 1,490,440 thousand in the five months ended August 31, 2007, consisting of turnover of Rs. 1,451,125 thousand representing 97.36% of total income in this period and other income of Rs. 39,315 thousand representing 2.64% of total income in this period.

Contract revenue from construction works of Rs. 1,101,107 thousand represented 75.88% of turnover in this period, while operation and maintenance income of Rs. 148,491 thousand and toll collection from IRBPL's own BOT projects of Rs. 200,913 thousand represented 10.23% and 13.85%, respectively, of turnover of IRBPL in this period.

Other income in the five months ended August 31, 2007 consisted of interest income from Group companies and certain Promoter Group entities of Rs. 27,232 thousand, interest from banks and financial institutions of Rs. 3,997 thousand and foreign exchange gains of Rs. 7,180 thousand relating to repayment of certain foreign currency loans.

Expenditure. IRBPL's expenditure consists of (i) direct expenses, (ii) personnel expenses, (iii) office administration and other expenses, (iv) depreciation and amortisation and (v) finance expenses.

- Direct expenses include (i) contract expenses, i.e. payments made to MRM and other sub-contractors for construction works sub-contracted to them, (ii) operation and maintenance expenses i.e. expenses relating to maintenance operations under BOT projects for other IRB Group entities, (iii) BOT maintenance expenses i.e. expenses relating to maintenance operations under IRBPL' BOT projects, (iv) cost of materials consumed by IRBPL relating to a certain funded construction project that was executed by IRBPL through third party sub-contractors and (v) supervision and other charges relating to various BOT infrastructure development projects undertaken by IRBPL.

- Personnel expenses include salaries, wages and bonus paid to employees, contribution towards gratuity and provident fund as well as other staff welfare expenses.

- Office administration and other expenses include various administration costs such as power and fuel costs, rates and taxes, bank charges, insurance costs, advertisement expenses, travelling and conveyance expenses, communications cost, printing and stationery, legal and auditor expenses as well as other miscellaneous expenses including repairs and maintenance.

- Depreciation is provided using the written down value method as per the useful life of the assets estimated by the management or at the rates prescribed under Schedule XIV of Companies Act, 1956 whichever is higher. Toll collection rights are amortised over the concession period ranging from 9 years to 18 years. The rights are amortised based on the projected toll revenue which reflects the pattern in which the assets economic benefits are consumed. The projected total toll revenue is based on the latest available base case traffic volume projections. If there is material change in the expected pattern of economic benefits, the amortization is revised.

- Finance expenses include interest paid on term loans or other loans paid to banks and financial institutions, subsidiaries and other entities in the IRB Group as well as third parties.

IRBPL's total expenditure in the five months ended August 31, 2007 was Rs. 1,383,025 thousand. Direct expenses of Rs. 1,230,082 thousand, represented 88.94% of IRBPL's total expenditure in this period. Construction contract expenses of Rs. 1,069,516 thousand represented 86.95% of direct expenses incurred by IRBPL in the five months ended August 31, 2007, while operation and maintenance expenses of Rs. 152,732 thousand represented 12.42% of direct expenses incurred in this period.

IRBPL incurred personnel expenses of Rs. 8,813 thousand in the five months ended August 31, 2007, while it incurred Rs. 16,696 thousand of office administration and other expenses and depreciation and amortisation costs of Rs. 73,975 thousand in this period.

IRBPL also incurred finance expenses of Rs. 53,460 thousand in this period. Interest on term loans taken from banks and financial institutions of Rs. 39,822 thousand, represented 74.49% of finance expenses incurred by IRBPL in this period, while interest on other loans from Group entities and Promoter Group entities of Rs. 13,638 thousand represented 25.51% of finance expenses incurred by IRBPL in this period.

Profit before tax. Due to the reasons discussed above, profit before taxes was Rs. 107,415 thousand in this period.

Provision for taxes. Provision for taxes include current tax liabilities and deferred tax liabilities, as well as certain fringe benefit taxes. Current income tax and fringe benefit tax are measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. At each balance sheet date IRBPL reassesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Total tax expenses were Rs. 16,107 thousand in the five months ended August 31, 2007, comprising of current taxes Rs. 17,000 thousand and fringe benefit tax expenses of Rs.357 thousand offset by deferred tax credit of Rs. 1,250 thousand.

Net profit before adjustments. Due to the reasons discussed above, net profit before adjustments of IRBPL in the five months ended August 31, 2007 was Rs .91,308 thousand, and expressed as a percentage of total income in this period, represented 6.13%.

Net profit, as restated. IRBPL's profit after taxes as restated in the five months ended August 31, 2007 was Rs. 91,308 thousand; there were no adjustments to the net profit of IRBPL in the five months ended August 31, 2007 on account of restatements required to be carried out in accordance with SEBI Guidelines.

Fiscal 2007 compared to fiscal 2006

Income. IRBPL's total income increased by Rs. 361,955 thousand, or 14.50%, from Rs. 2,496,526 thousand in fiscal 2006 to Rs. 2,858,481 thousand in fiscal 2007, due to a Rs. 274,802 thousand, or 11.19%, increase in turnover from Rs. 2,456,095 thousand in fiscal 2006 to Rs. 2,730,897 thousand in fiscal 2007.

Turnover increased in fiscal 2007 primarily due to income from toll revenue from BOT projects of Rs. 414,074 thousand considered as revenue in fiscal 2007 due to the change in accounting policy effected in fiscal 2007. Until fiscal 2006, income from BOT projects and BOT related expenses for BOT projects undertaken by IRBPL were capitalized on the basis of the "completed contract" method. The project was treated as incomplete until completion of the concession period, and consequently, the toll income was credited to project cost and expenses added to the project cost. Further, amortization of intangible assets, i.e. toll collection rights under the various concession agreements relating to such BOT projects were not accounted for in the financial statements. In fiscal 2007, the Company changed its accounting policy to record toll income in the profit and loss account and corresponding expenses on completion of construction phase. The construction cost incurred is considered as exchanged against the toll collection rights and disclosed as intangible assets. Accordingly, no such income was considered as revenue in fiscal 2006. Income from construction and operation and maintenance projects remained relatively steady at Rs. 1,979,870 thousand in fiscal 2007 as compared to Rs. 1,981,739 thousand in fiscal 2006 due to the lag time between completion of work orders in hand and commencement of new construction project. Operation and maintenance income decreased by Rs. 135,364 thousand or 32.07% from Rs.422,059 thousand in fiscal 2006 to Rs.286,695 thousand in fiscal 2007. IRBPL also recorded income from agency toll and octroi collection of Rs. 50,259 thousand in fiscal 2007 as compared to Rs. 52,297 thousand in fiscal 2006.

Other income increased by Rs. 87,152 thousand, or 215.56%, from Rs. 40,431 thousand in fiscal 2006 to Rs. 127,583 thousand in fiscal 2007 due to a significant increase in interest income from loans to IRB Group entities and certain Promoter Group concerns, from Rs. 23,824 thousand in fiscal 2006 to Rs. 75,203 thousand in fiscal 2007 due to interest being charged to such entities from fiscal 2007 as well as due to dividends of Rs. 32,450 thousand from MIPL and IRB Infrastructure Private Limited in fiscal 2007 as compared to Rs. 69 thousand in fiscal 2006.

Expenditure. IRBPL's total expenditure increased by Rs. 281,027 thousand, or 11.72%, from Rs. 2,398,343 thousand in fiscal 2006 to Rs. 2,679,370 thousand in fiscal 2007 primarily due to significant increases in interest expenses and depreciation and amortization costs.

Direct expenses decreased marginally by Rs. 20,877 thousand, or 0.90%, from Rs. 2,307,703 thousand in fiscal 2006 to Rs. 2,286,826 thousand in fiscal 2007. As a percentage of total income, direct expenses decreased to 80% in fiscal 2007 from 92.44% in fiscal 2006. This was due to a increase in contract expenses from Rs. 1,887,874 thousand in fiscal 2006 to Rs. 1,905,094 thousand in fiscal 2007 resulting from variable margins on construction works executed in the respective fiscal periods. IRBPL however incurred BOT maintenance expenses of Rs. 85,180 thousand and supervision and other charges of Rs. 7,307 thousand in fiscal 2007, as compared to no such expenses relating to BOT projects being recognised as revenue expenses in fiscal 2006. This was because until fiscal 2006, BOT related expenses for BOT projects undertaken by IRBPL were capitalized on the basis of the "completed contract" method, and the project was treated as incomplete until completion of the concession period, and consequently, expenses were added to the project cost. In fiscal 2007, the Company changed its accounting policy to record BOT expenses on completion of construction phase. The construction cost incurred is considered as exchanged against the toll collection rights and disclosed as intangible assets based on the "percentage completion method". Operation and maintenance expenses decreased by Rs. 130,909 thousand, or 31.97%, from Rs. 409,496 thousand in fiscal 2006 to Rs. 278,587 thousand in fiscal 2007.

Personnel expenses increased significantly in fiscal 2007 due to inclusion of BOT related expenses as revenue expenses from fiscal 2007 since under the "completed contract method" of accounting until fiscal 2006, BOT related expenses were added to the project cost. Personnel expenses also increased in fiscal 2007 due to an increase in salary levels to attract and retain qualified and skilled personnel. As a percentage of total income, personnel expenses increased to 1.23% in fiscal 2007 from 0.56% in fiscal 2006.

Office administration and other expenses increased by Rs. 26,240 thousand, or by 103.19%, from Rs. 25,428 thousand in fiscal 2006 to Rs. 51,668 thousand in fiscal 2007 primarily due to inclusion of BOT related expenses as revenue expenses from 2007, reflected in an increase in power and fuel costs from Rs. 513 thousand in fiscal 2006 to Rs. 4,344 thousand in fiscal 2007, bad debts written off of Rs. 13,742 thousand in fiscal 2007 compared to bad debts of Rs. 4,193 thousand in fiscal 2006. Security charges also increased significantly in fiscal 2007. As a percentage of total income, office administration and other expenses increased to 1.81% in fiscal 2007 from 1.02% in fiscal 2006.

Depreciation and amortisation increased significantly by Rs. 141,673 thousand, or 610.08%, from Rs. 23,222 thousand in fiscal 2006 to Rs. 164,895 thousand in fiscal 2007 primarily due to the fact that prior to fiscal 2007, under the "completed contract" method of accounting, amortization of intangible assets, i.e. toll collection rights under the various concession agreements relating to IRBPL's BOT projects were not accounted for in the financial statements. As a percentage of total income, depreciation and amortisation costs increased to 5.77% in fiscal 2007 from 0.93% in fiscal 2006.

Finance expenses increased significantly by 402.23% from Rs. 28,021 thousand in fiscal 2006 to Rs. 140,729 thousand in fiscal 2007 primarily due to an increase in interest on term loans taken for the various BOT projects, from Rs. 27,781 thousand in fiscal 2006 to Rs. 108,703 thousand in fiscal 2007. In addition, interest payments to IRB Group entities and Promoter Group concerns increased from Rs. 240 thousand in fiscal 2006 to Rs. 32,026 thousand in fiscal 2007 compared to no such expenses being incurred in fiscal 2006 and incurred in fiscal 2007 in accordance with the introduction of an IRB Group policy to charge interest on inter-company loans. As a percentage of total income, finance expenses increased to 4.92% in fiscal 2007 from 1.12% in fiscal 2006.

Profit before tax. Profit before taxes increased by 82.42% from Rs. 98,183 thousand in fiscal 2006 to Rs. 179,110 thousand in fiscal 2007.

Provision for taxes. Total tax expenses increased by 66.68% from Rs. 34,925 thousand in fiscal 2006 to Rs. 58,213 thousand in fiscal 2007. Although current tax liabilities increased by 80.43% from Rs. 35,610 thousand in fiscal 2006 to Rs. 64,250 thousand in fiscal 2007, deferred tax credits increased by 436.65% from Rs. 1,285 thousand in fiscal 2006 to Rs. 6,896 thousand in fiscal 2007. We also paid fringe benefit tax of Rs. 860 thousand in fiscal 2007 compared to Rs. 600 thousand in fiscal 2006.

Net profit before adjustments. Due to the reasons discussed above, net profit before adjustments increased from Rs. 63,258 thousand in fiscal 2006 to Rs. 301,304 thousand in fiscal 2007.

Net profit, as restated. IRBPL's profit after tax has been restated on account of, among other things, changes in accounting policies as well as certain items attributable to prior periods. As a result of these adjustments, our net profit, as restated for fiscal 2007 was Rs. 120,146 thousand, as compared to our net profit, as restated of Rs. 138,215 thousand in fiscal 2006. The main adjustments are described below:

Particulars of Adjustments	**Five months ended August 31, 2007**	**Fiscal 2007**	**Fiscal 2006**	**Fiscal 2005**	**Fiscal 2004**	**Fiscal 2003**
	(Rs. in thousand)					
Net revenue recognition for BOT projects	-	(267,020)	100,980	46,324	(47,205)	(6,262)
Retention Money	-	(125)	(58)	182	-	-
Provision for gratuity	-	2,857	(272)	(272)	(272)	(264)
Miscellaneous Expenditure	-	-	-	-	-	64
Excess / (Short) provision for tax of earlier years	-	(750)	295	1,006	4,187	(706)
Total Adjustments	**-**	**(265,038)**	**100,945**	**47,240**	**(43,290)**	**(7,168)**
Current tax impact of adjustments	-	84,842	(26,081)	(13,261)	16,900	2,000
Deferred tax impact of adjustments	-	(962)	92	92	100	95

- *Change in accounting policy for BOT projects.* Until fiscal 2006, income from BOT projects and BOT related expenses for BOT projects undertaken by IRBPL were capitalized on the basis of the "completed contract" method. The project was treated as incomplete until completion of the concession period, and consequently, the toll income was credited to project cost and expenses added to the project cost. Further, amortization of intangible assets, i.e. toll collection rights under the various concession agreements relating to such BOT projects were not accounted for in the financial statements. In fiscal 2007, the Company changed its accounting policy to record toll income in the profit and loss account and corresponding expenses based on the "percentage completion method". The construction cost incurred is considered as exchanged against toll collection rights and disclosed as intangible assets. Accordingly, the adjustments have been made to the restated financial statements for the years ended March 31, 2007, 2006, 2005, 2004 and 2003. In the restated accounts of IRBPL, this has resulted in a decrease in net profit, as restated of Rs. 267,020 thousand in fiscal 2007 and an increase in net profit, as restated of Rs. 100,980 thousand in fiscal 2006.

- *Change in accounting policy affecting retention money*. Construction and operation and maintenance contracts typically provide for deduction of retention money by the client to meet any expenses that may arise during the defect liability period following completion of construction work on such project. Until fiscal 2006, IRBPL accounted for its revenue from construction works and revenue from operation and maintenance services after deducting retention money from the gross completed contract value. Similarly, IRBPL accounted for payments to be made by IRBPL under its contracts with sub-contractors, including MRM, net off retention moneys retained by IRBPL under such contracts. Accordingly, retention money received by IRBPL or paid by IRBPL under contracts with sub-contractors, including MRM, were reflected in the profit and loss account in the fiscal period in which such amounts were actually received or paid, as the case may be. In fiscal 2007, IRBPL has changed this method of accounting for revenue from construction works and revenue from operation and maintenance services to recognise such income and expenses on gross basis (i.e., without deduction of retention money) in accordance with Accounting Standard 7 "Construction Contracts" issued by the Institute of Chartered Accountants of India. This has been given retrospective effect and has been appropriately adjusted as a prior period item in the respective years. In the restated accounts of IRBPL, this has resulted in a decrease in net profit, as restated of Rs. 125 thousand in fiscal 2007 and a decrease in net profit, as restated of Rs. 58 thousand in fiscal 2006.

- *Provision of gratuity*. During fiscal 2007, provision for gratuity was made on the basis of the actuarial valuation in compliance of the Accounting Standard 15 (Revised 2005) "Employee Benefits" issued by the Institute of Chartered Accountants of India, which was earlier accounted for on cash basis. Accordingly, provision for gratuity has been recomputed for each preceding year and consequently the adjustments have been made in the expense for gratuity for fiscal 2006, 2005, 2004 and 2003 and the brought forward balance in the profit and loss account as at April 1, 2002. In the restated accounts of IRBPL, this has resulted in an increase in net profit, as restated of Rs. 2,857 thousand in fiscal 2007 and a decrease in net profit, as restated of Rs. 272 thousand in fiscal 2006.

- *Excess/short provision for tax of earlier years*. The profit and loss account of some years includes amounts paid/provided for or written back, in respect of shortfall/excess income tax arising out of assessments, appeals etc., which has now been adjusted in the respective years. Also, income tax (current tax and deferred tax) has been computed on adjustments made as detailed above and has been adjusted in the summary statement of profits and losses, as restated for fiscal 2007 and fiscal 2006. In the restated accounts of IRBPL, this has resulted in a decrease in net profit, as restated of Rs. 750 thousand in fiscal 2007 and an increase in net profit, as restated of Rs. 295 thousand in fiscal 2006.

- *Income tax provision*. Income tax (current tax and deferred tax) has been computed on adjustments made as detailed above and has been adjusted in the summary statement of profits and losses, as restated for fiscal 2007, 2006 and 2005. In the restated accounts of IRBPL, this has resulted in an increase in net profit, as restated of Rs. 83,880 thousand in fiscal 2007 and a decrease in net profit, as restated of Rs. 25,989 thousand in fiscal 2006.

Fiscal 2006 compared to fiscal 2005

Income. IRBPL's total income increased by Rs. 622,279 thousand, or 33.20%, from Rs. 1,874,247 thousand in fiscal 2005 to Rs. 2,496,526 thousand in fiscal 2006, due to a Rs. 609,452 thousand, or 33%, increase in turnover from Rs. 1,846,643 thousand in fiscal 2005 to Rs. 2,456,095 thousand in fiscal 2006.

Turnover increased in fiscal 2006 primarily due to increase in contract revenue by Rs. 555,932 thousand, or 38.99%, from Rs. 1,425,807 thousand in fiscal 2005 to Rs. 1,981,739 thousand in fiscal 2006 primarily as work on the Mumbai – Pune Expressway and NH 4 BOT project, which was sub-contracted to MRM and Aryan Constructions, a Promoter Group entity, commenced in August 2004, and fiscal 2006 reflected full year of operations for this project as compared to part year of operations in fiscal 2005. IRBPL also recorded income from agency toll and octroi collection of Rs. 52,297 thousand in fiscal 2006 as compared to Rs. 41,855 thousand in fiscal 2005. Operation and maintenance income also increased by Rs. 43,078 thousand, or 11.37% from Rs. 378,981 thousand in fiscal 2005 to Rs. 422,059 thousand in fiscal 2006.

Other income increased by Rs. 12,827 thousand, or 46.47%, from Rs. 27,604 thousand in fiscal 2005 to Rs. 40,431 thousand in fiscal 2006 due to a significant increase in interest income from deposits with bank and loans extended to other IRB Group companies and Promoter Group entities from Rs. 23,757 thousand in fiscal 2005 to Rs. 38,255 thousand in fiscal 2006.

Expenditure. IRBPL's total expenditure increased by Rs. 618,254 thousand, or 34.73%, from Rs. 1,780,089 thousand in fiscal 2005 to Rs. 2,398,343 thousand in fiscal 2006 primarily due to significant increases in interest expenses and depreciation and amortization costs.

Direct expenses increased by Rs. 623,149 thousand, or 36.99%, from Rs. 1,684,554 thousand in fiscal 2005 to Rs. 2,307,703 thousand in fiscal 2006 due to an increase in contract expenses by Rs. 568,471 thousand, or 43.09%, from Rs. 1,319,403 thousand in fiscal 2005 to Rs. 1,887,874 thousand in fiscal 2006 resulting from increased construction works in fiscal 2006 as well as varying cost component in different construction contracts. Operation and maintenance expenses increased by Rs. 99,708 thousand, or 32.19%, from Rs. 309,788 thousand in fiscal 2005 to Rs. 409,496 thousand in fiscal 2006 corresponding to an increase in operation and maintenance income. As a percentage of total income, direct expenses increased to 92.44% in fiscal 2006 from 89.88% in fiscal 2005.

Personnel expenses increased marginally by Rs. 3,624 thousand, or 35.03% from Rs. 10,345 thousand in fiscal 2005 to Rs. 13,969 thousand in fiscal 2006 due to a general increment in salary levels. As a percentage of total income, personnel expenses increased to 0.56% in fiscal 2006 from 0.55% in fiscal 2005.

Office administration and other expenses decreased by Rs. 8,632 thousand, or by 25.34%, from Rs. 34,060 thousand in fiscal 2005 to Rs. 25,428 thousand in fiscal 2006 primarily due to the sharing of common expenses in the new office complex at Mumbai by IRBPL with other entities within the IRB Group. Electricity costs decreased from Rs. 2,471 thousand in fiscal 2005 to Rs. 513 thousand in fiscal 2006, although security charges increased from Rs.1,323 thousand in fiscal 2005 to Rs.261 thousand in fiscal 2006. As a percentage of total income, office administration and other expenses decreased to 1.02% in fiscal 2006 from 1.82% in fiscal 2005.

Interest and finance charges. Interest and finance charges increased by 13.74% from Rs. 24,635 thousand in fiscal 2005 to Rs. 28,021 thousand in fiscal 2006 primarily due to an increase in interest on term loans from Rs. 20,802 thousand in fiscal 2005 to Rs. 27,781 thousand in fiscal 2006 resulting from increased borrowings related to the various BOT projects. Interest payments to other entities in the IRB group and certain Promoter Group entities however decreased from Rs. 3,833 thousand in fiscal 2005 to Rs. 240 thousand in fiscal 2006. As a percentage of total income, interest and finance charges decreased to 1.12% in fiscal 2006 from 1.31% in fiscal 2005.

Depreciation and amortisation. Depreciation and amortisation on fixed assets decreased by Rs. 3,273 thousand, or 12.35%, from Rs. 26,495 thousand in fiscal 2005 to Rs. 23,222 thousand in fiscal 2006 due to a reduction in written down value of fixed assets. As a percentage of total income, depreciation and amortisation costs decreased to 0.93% in fiscal 2006 from 1.41% in fiscal 2005.

Profit before tax. Profit before taxes increased marginally by 4.27% from Rs. 94,158 thousand in fiscal 2005 to Rs. 98,183 thousand in fiscal 2006.

Provision for taxes. Total tax expenses decreased by 3.85% from Rs. 36,322 thousand in fiscal 2005 to Rs. 34,925 thousand in fiscal 2006. Although current tax liabilities increased by 10.06% from Rs. 32,355 thousand in fiscal 2005 to Rs. 35,610 thousand in fiscal 2006, deferred tax credits increased by 132.39% from a debit of Rs. 3,967 thousand in fiscal 2005 to a credit of Rs. 1,285 thousand in fiscal 2006. We also paid fringe benefit tax of Rs. 600 thousand in fiscal 2006 compared to no such taxes being paid in fiscal 2005 as such tax was only levied in fiscal 2006.

Net profit after adjustments. Due to the reasons discussed above, net profit before adjustments increased from Rs. 57,836 thousand in fiscal 2005 to Rs. 63,258 thousand in fiscal 2006.

Net Profit, as restated. IRBPL's profit after tax has been restated on account of, among other things, changes in accounting policies as well as certain items attributable to prior periods. As a result of these adjustments, IRBPL's net profit, as restated for fiscal 2006 was Rs. 138,215 thousand, as compared to its net profit, as restated, of Rs. 91,907 thousand in fiscal 2006. The main adjustments are described below:

Particulars of Adjustments	Five months ended August 31, 2007	Fiscal 2007	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2003
	(Rs. in thousand)					
Net revenue recognition for BOT projects	-	(267,020)	100,980	46,324	(47,205)	(6,262)
Retention Money	-	(125)	(58)	182	-	-
Provision for gratuity	-	2,857	(272)	(272)	(272)	(264)
Miscellaneous Expenditure	-	-	-	-	-	64
Excess / (Short) provision for tax of earlier years	-	(750)	295	1,006	4,187	(706)
Total Adjustments	**-**	**(265,038)**	**100,945**	**47,240**	**(43,290)**	**(7,168)**
Current tax impact of adjustments	-	84,842	(26,080)	(13,261)	16,900	2,000
Deferred tax impact of adjustments	-	(962)	92	92	100	95

- *Change in accounting policy for BOT projects.* Until fiscal 2006, income from BOT projects and BOT related expenses for BOT projects undertaken by IRBPL were capitalized on the basis of the "completed contract" method. The project was treated as incomplete until completion of the concession period, and consequently, the toll income was credited to project cost and expenses added to the project cost. Further, amortization of intangible assets, i.e. toll collection rights under the various concession agreements relating to such BOT projects were not accounted for in the financial statements. In fiscal 2007, the Company changed its accounting policy to record toll income in the profit and loss account and corresponding expenses based on the "percentage completion method". The construction cost incurred is considered as exchanged against toll collection rights and disclosed as intangible assets. Accordingly, the adjustments have been made to the restated financial statements for the years ended March 31, 2007, 2006, 2005, 2004 and 2003. In the restated accounts of IRBPL, this has resulted in an increase in net profit, as restated of Rs. 100,980 thousand in fiscal 2006 and an increase in net profit, as restated of Rs. 46,324 thousand in fiscal 2005.

- *Change in accounting policy affecting retention money.* Construction and operation and maintenance contracts typically provide for deduction of retention money by the client to meet any expenses that may arise during the defect liability period following completion of construction work on such project. Until fiscal 2006, IRBPL accounted for its revenue from construction works and revenue from operation and maintenance services after deducting retention money from the gross completed contract value. Similarly, IRBPL accounted for payments to be made by IRBPL under its contracts with sub-contractors, including MRM, net off retention moneys retained by IRBPL under such contracts. Accordingly, retention money received by IRBPL or paid by IRBPL under contracts with sub-contractors, including MRM, were reflected in the profit and loss account in the fiscal period in which such amounts were actually received or paid, as the case may be. In fiscal 2007, IRBPL has changed this method of accounting for revenue from construction works and revenue from operation and maintenance services to recognise such income and expenses on gross basis (i.e., without deduction of retention money) in accordance with Accounting Standard 7 "Construction Contracts" issued by the Institute of Chartered Accountants of India. This has been given retrospective effect and has been appropriately adjusted as a prior period item in the respective years. In the restated accounts of IRBPL, this has resulted in a decrease in net profit, as restated of Rs. 58 thousand in fiscal 2006 and a increase in net profit, as restated of Rs. 182 thousand in fiscal 2005.

- *Provision of gratuity*. During fiscal 2007, provision for gratuity was made on the basis of the actuarial valuation in compliance of the Accounting Standard 15 (Revised 2005) "Employee Benefits" issued by the Institute of Chartered Accountants of India, which was earlier accounted for on cash basis. Accordingly, provision for gratuity has been recomputed for each preceding year and consequently the adjustments have been made in the expense for gratuity for fiscal 2006, 2005, 2004 and 2003 and the brought forward balance in the profit and loss account as at April 1, 2002. In the restated accounts of IRBPL, this has resulted in a decrease in net profit, as restated of Rs. 272 thousand in fiscal 2006 and a decrease in net profit, as restated of Rs. 272 thousand in fiscal 2005.

- *Excess/short provision for tax of earlier years*. The profit and loss account of some years includes amounts paid/provided for or written back, in respect of shortfall/excess income tax arising out of assessments, appeals etc., which has now been adjusted in the respective years. Also, income tax (current tax and deferred tax) has been computed on adjustments made as detailed above and has been adjusted in the summary statement of profits and losses, as restated for fiscal 2007 and fiscal 2006. In the restated accounts of IRBPL, this has resulted in a increase in net profit, as restated of Rs. 295 thousand in fiscal 2006 and an increase in net profit, as restated of Rs. 1,006 thousand in fiscal 2005.

- *Income tax provision*. Income tax (current tax and deferred tax) has been computed on adjustments made as detailed above and has been adjusted in the summary statement of profits and losses, as restated for fiscal 2007, 2006 and 2005. In the restated accounts of IRBPL, this has resulted in an decrease in net profit, as restated of Rs. 25,988 thousand in fiscal 2006 and a decrease in net profit, as restated of Rs. 13,169 thousand in fiscal 2005.

MHAISKAR INFRASTRUCTURE PRIVATE LIMITED

Result of Operations for Mhaiskar Infrastructure Private Limited

MIPL has been awarded, together with IRBPL, the Mumbai – Pune Express Highway and NH 4 BOT project. MIPL has also been involved in the following funded construction projects: (i) improvement of Kalyan – Shil road awarded by MSRDC.

The following table sets forth for the periods indicated, certain items derived from MIPL's restated unconsolidated financial statements, in each case stated in absolute terms and as a percentage of total income. Amounts have been rounded to ensure percentages total to 100.00% as appropriate:

	Five months ended August 31, 2007		**Fiscal 2007**		**Fiscal 2006**		**Fiscal 2005**	
	Amount	**Percentage of Total Income**	**Amount**	**Percentage of Total Income**	**Amount**	**Percentage of Total Income**	**Amount**	**Percentage of Total Income**
	(Rs. in thousands)	**(%)**	**(Rs. in thousands)**	**(%)**	**(Rs. in thousands)**	**(%)**	**(Rs. in thousands)**	**(%)**
Income								
Turnover	973,776	97.32	1,762,964	97.45	1,130,045	98.57	582,554	98.80
Other income	26,783	2.68	46,051	2.55	16,425	1.43	7,096	1.20
Total Income	1,000,559	100.00	1,809,015	100	1,146,470	100	589,650	100
Expenditure								
Direct expenses	139,051	13.90	317,539	17.55	259,554	22.64	39,764	6.74
Personnel expenses	13,938	1.39	40,539	2.24	-	-	-	-
Office administration and other expenses	16,978	1.70	34,231	1.89	21,733	1.90	9,666	1.64
Depreciation and amortization	214,632	21.45	412,719	22.81	236,920	20.67	131,831	22.36
Finance expenses	467,364	46.71	926,713	51.23	558,125	48.68	404,208	68.55
Total expenditure	851,963	85.15	1,731,741	95.73	1,076,332	93.88	585,469	99.29
Profit before tax	148,596	14.85	77,274	4.27	70,138	6.12	4,181	0.71
Provision for tax								
- Current tax	16,836	1.68	35,500	1.96	23,515	2.05	1,530	0.26
- Deferred tax	(119)	-0.01	(3,554)	(0.20)	(136)	(0.01)	-	-
- Fringe benefit tax	350	0.03	385	0.02	-	-	-	-
Net Profit before Adjustments	**131,529**	**13.15**	**44,943**	**2.48**	**46,759**	**4.08**	**2,651**	**0.45**
Adjustments	-	-	9,694	0.54	(7,852)	(0.68)	(1,842)	(0.31)
Current tax impact on adjustments	-	-	401	0.02	(401)	(0.03)	-	-
Deferred tax impact on adjustments	-	-	-	-	2,425	0.21	-	-
Net profit, as restated	**131,529**	**13.15**	**55,038**	**3.04**	**40,931**	**3.57**	**809**	**0.14**

The financial statements of MIPL for fiscal 2004, 2005, 2006 and 2007 and for the five months ended August 31, 2007 included in this Red Herring Prospectus has been restated in compliance with SEBI Guidelines. In accordance with Indian GAAP, the effects of restatement are shown as a cumulative effect on MIPL's adjusted profits after tax rather as restatements of individual line items in our profit and loss account. Consistent with this presentation, in the comparison of the results of operations of MIPL from fiscal period to fiscal period, we have provided for a discussion of the effects of the restatement on MIPL's adjusted profit at the end of each fiscal period to fiscal period comparison. The following table sets forth certain information with respect to the adjustments in the relevant fiscal periods pursuant to such restatement:

Particulars of Adjustment	Five months ended August 31, 2007	Fiscal 2007	Fiscal 2006	Fiscal 2005	Fiscal 2004
	(Rs. in thousand)				
Road work expenses	-	32,141	(32,141)	-	-
Road work income	-	(33,332)	33,332	-	-
Share issue expenses	-	3,685	(1,843)	(1,842)	-
Provision for stamp duty demand	-	7,200	(7,200)	-	-
Total adjustments	**-**	**9,694**	**(7,852)**	**(1,842)**	**-**
Current tax impact of adjustments	-	401	(401)	-	-
Deferred tax impact of adjustments	-	-	2,425	-	-

Five months ended August 31, 2007

Income. MIPL's income consists of (i) turnover, that includes income from toll collection as well as from road work construction and (ii) other income primarily consisting of interest income. MIPL, incorporated on January 28, 2004, was awarded, together with IRBPL, the work of four laning and improving the Mumbai – Pune section of NH4 together with the toll collection as well as the operation and maintenance work for the Mumbai – Pune section of the NH4 and the existing Mumbai – Pune Expressway. For further information on such BOT project, please see "Business" on page 67 of this Red Herring Prospectus.

MIPL's total income in the five months ended August 31, 2007 was Rs. 1,000,559 thousand. Turnover of Rs. 973,776 thousand represented 97.32% of total income generated in the five months ended August 31, 2007, entirely from toll collection on both NH4 and on the Mumbai - Pune Expressway. During this period there was no turnover income on account of road work construction work.

MIPL derives other income from interest earned from fixed deposits with banks and financial institutions as well as interest on loans to certain IRB Group and Promoter Group entities. Some of these income streams are not recurring in nature, may be extraordinary items, and may fluctuate from year to year. Other income was Rs. 26,783 thousand, or 2.68% of total income in the five months ended August 31, 2007. Interest income from fixed deposits with banks was Rs. 13,964 thousand or 52.14% of other income and interest income from loans to various IRB Group and Promoter Group entities was Rs. 12,726 thousand, or 47.51% of other income in this period.

Expenditure. MIPL's expenditure consists of (i) direct expenses, (ii) personnel expenses, (iii) office administration and other expenses, (iv) depreciation and amortisation and (v) finance expenses.

- Direct expenses include expenses incurred in connection with the toll collection operations and the maintenance of the tolling booths and related equipment. Direct expenses also include road work expenses, that is expenses incurred in connection with the repair and maintenance work undertaken under the Mumbai – Pune Expressway and NH 4 BOT project as well as for MIPL's funded construction projects, as well as monitoring charges, i.e., charges paid to MSRDC in accordance with the terms of the concession agreement with MSRDC.

- Personnel expenses include salaries, wages and bonus paid to employees, contribution towards gratuity and provident fund as well as other staff welfare expenses.

- Office administration and other expenses include various administration costs such insurance costs, advertisement expenses, travelling and conveyance expenses, power and fuel costs, communications cost, printing and stationery, legal and auditor expenses as well as other miscellaneous expenses including repairs and maintenance.

- Depreciation/ amortization charges relate to tangible assets including furniture and fittings and vehicles. MIPL has also classified its toll collection rights obtained under the concession agreements for the BOT project relating to the Mumbai Pune Expressway and the NH4 as intangible assets. Depreciation is provided using the written down value method at the rates prescribed under Schedule XIV of the Companies Act, 1956. Toll collection rights are amortised over the concession period. The rights are amortised based on the pattern in which the assets' economic benefits are consumed. The projected toll revenue is based on the latest available base case traffic volume projections. If there is significant change in the expected pattern of economic benefits from the asset the amortization is revised accordingly.

- Finance expenses include interest paid on term loans as adjusted for gains in any interest swap arrangements entered into by MIPL as well as miscellaneous bank charges. MIPL uses derivative financial instruments such as interest rate swaps and options to hedge its risks associated with foreign currency and interest rate fluctuations. Derivative transactions are considered as off-balance sheet items and cash flows arising therefrom are recognized in the books of account as and when settlements take place in accordance with the terms of the respective contracts over the tenor thereof.

MIPL's total expenditure in the five months ended August 31, 2007 was Rs. 851,963 thousand; expressed as a percentage of total income in this period, total expenditure represented 85.15%.

In this period, MIPL incurred direct expenses of Rs. 139,051 thousand, of which operation and maintenance expenses of Rs. 127,342 thousand represented 91.58%. Monitoring charges paid to MSRDC were Rs. 11,709 thousand, or 8.42% of direct expenses incurred in this period.

MIPL incurred personnel expenses of Rs. 13,938 thousand. Salaries, wages and bonus in this period amounted to Rs. 11,883 thousand.

Office administration and other expenses in the five months ended August 31, 2007 was Rs. 16,978 thousand. Depreciation and amortisation expenses of Rs. 214,632 thousand incurred in this period was 21.45% expressed as a percentage of total income in this period.

MIPL incurred Rs. 467,364 thousand as finance expenses in the five months ended August 31, 2007, which represented 46.71% expressed as a percentage of total income. Interest paid on loans from banks and financial institutions was Rs. 489,003 thousand in this period, which was partially offset by interest income of Rs. 22,274 thousand from interest swap transactions.

Profit before tax. Due to the reasons discussed above, profit before taxes for MIPL in this period was Rs. 148,596 thousand, representing 14.85% expressed as a percentage of total income.

Provision for taxes. Provision for taxes include current tax liabilities and deferred tax liabilities, as well as certain fringe benefit taxes. Current income tax and fringe benefit tax are measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. At each balance sheet date MIPL reassesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

MIPL incurred total tax expenses of Rs. 17,067 thousand in this period. Current tax expense was Rs. 16,836 thousand and fringe benefit tax expenses was Rs.350 thousand , partially offset by deferred tax credits of Rs. 119 thousand.

Net profit before adjustments. As a result of the above, net profit before adjustments of MIPL was Rs. 131,529 thousand in the five months ended August 31, 2007.

Net profit, as restated. MIPL's profit after taxes as restated in the five months ended August 31, 2007 was Rs. 131,529 thousand; there were no adjustments to the net profit of MIPL in the five months ended August 31, 2007 on account of restatements required to be carried out in accordance with SEBI Guidelines.

Fiscal 2007 compared to fiscal 2006

Income. MIPL's total income increased by Rs. 662,545 thousand, or 57.79%, from Rs. 1,146,470 thousand in fiscal 2006 to Rs. 1,809,015 thousand in fiscal 2007, due to Rs. 632,919 thousand, or 56.01%, increase in turnover from Rs. 1,130,045 thousand in fiscal 2006 to Rs. 1,762,964 thousand in fiscal 2007. Turnover increased in 2007 due to an increase in income from toll collection as a result of introduction of toll revenue on NH4 as well as due to an increase in vehicular traffic on the Mumbai - Pune Expressway. Toll revenue is recognised as and when toll is chargeable for the usage of the roads. Turnover also increased due to certain income from road work construction of Rs. 38,015 thousand carried out by MIPL in fiscal 2007 relating to the Kalyan – Shil road funded road construction contract from MSRDC. MIPL did not have any income from road work construction in fiscal 2006.

MIPL also derives other income from interest earned from fixed deposits with banks and financial institutions as well as interest on loans to certain IRB Group and Promoter Group entities. Some of these income streams are not recurring in nature, may be extraordinary items, and may fluctuate from year to year. Other income increased by Rs. 29,626 thousand, or 180.37%, from Rs. 16,425 thousand in fiscal 2006 to Rs. 46,051 thousand in fiscal 2007 due to an increase in interest income from fixed deposits from Rs. 16,425 thousand in fiscal 2006 to Rs.26,388 thousand in fiscal 2007 due to increase in bank deposits as well as due to interest income from loans to various IRB Group and Promoter Group entities in an amount of Rs. 19,663 thousand.

Expenditure. MIPL's total expenditure increased by Rs. 655,409 thousand, or 60.89%, from Rs. 1,076,332 thousand in fiscal 2006 to Rs. 1,731,741 thousand in fiscal 2007 primarily due to an increase in financial expenses of Rs. 368,588 thousand, or 66.04%, from Rs.558,125 thousand in fiscal 2006 to Rs. 926,713 thousand in fiscal 2007 and an increase in depreciation/amortisation charges on fixed assets of Rs. 175,799 thousand, or 74.20%, from Rs.236,920 thousand in fiscal 2006 to Rs. 412,719 thousand in fiscal 2007.

Direct expenses increased by Rs. 57,985 thousand, or 22.34%, from Rs. 259,554 thousand in fiscal 2006 to Rs. 317,539 thousand in fiscal 2007. The increase in direct expenses in fiscal 2007 was primarily due to certain road work expenses incurred by MIPL in fiscal 2007 in an amount of Rs. 36,012 thousand incurred on the funded construction project from MSRDC relating to the Kalyan – Shil road. In addition, operation and maintenance expenses increased from Rs. 247,554 thousand in fiscal 2006 to Rs. 266,172 thousand in fiscal 2007, primarily due to commencement of operation and maintenance work on NH4 during fiscal 2007. Monitoring charges paid to MSRDC also increased from Rs. 12,000 thousand in fiscal 2006 to Rs. 15,355 thousand in fiscal 2007 due to the commencement of the operations on NH4 under the BOT project during fiscal 2007. As a percentage of total income, however, direct expenses decreased to 17.55% in fiscal 2007 from 22.64% in fiscal 2006.

During fiscal 2006 and until August 31, 2006 in fiscal 2007, MIPL had outsourced the toll collection operations to IRBPL within the IRB Group, and therefore did not have any direct employees until August 31, 2006. Since September 1, 2006, MIPL employed its own staff for the collection of toll on the Mumbai – Pune Expressway and NH 4 BOT project. Accordingly, MIPL did not incur any personnel expenses in fiscal 2006 while it incurred personnel expenses of Rs. 40,539 thousand in fiscal 2007. As a percentage of total income, personnel expenses were 2.24% in fiscal 2007.

Office administration and other expenses increased by Rs. 12,498 thousand, or by 57.51%, from Rs. 21,733 thousand in fiscal 2006 to Rs. 34,231 thousand in fiscal 2007 primarily due to costs relating to toll operations of Rs.13,615 thousand in fiscal 2007 relating to commencement of toll operations on NH4 from September 2006. As a percentage of total income, office administration and other expenses was 1.89% in fiscal 2007 compared to 1.90% in fiscal 2006.

Depreciation and amortisation increased by 74.20%, from Rs.236,920 thousand in fiscal 2006 to Rs. 412,719 thousand in fiscal 2007 primarily due to the amortisation of construction cost of NH4 which was completed in fiscal 2007 and the commencement of toll collection operations in fiscal 2007. Depreciation and amortisation increased to 22.81% in fiscal 2007 from 20.67% in fiscal 2006.

Finance expenses increased by 66.04% from Rs.558,125 thousand in fiscal 2006 to Rs. 926,713 thousand in fiscal 2007. This increase was primarily due to an increase in interest on term loans from Rs. 744,673 thousand in fiscal 2006 to Rs.1,014,502 thousand in fiscal 2007 since on the completion of the construction work on the NH4 and commencement of toll collection operations in September 2006, the interest on borrowings from various lender banks to the project, relating to construction work on NH4 was charged to the profit and loss account. In addition, adjustments for gains from interest rate swaps of Rs.189,457 thousand in fiscal 2006 were significantly higher than adjustments for gains from interest rate swaps of Rs.90,139 thousand in fiscal 2007. As a percentage of total income, financial expenses increased to 51.23% in fiscal 2007 from 48.68% in fiscal 2006.

Profit before tax. Due to the reasons discussed above, profit before taxes increased by 10.17% from Rs. 70,138 thousand in fiscal 2006 to Rs. 77,274 thousand in fiscal 2007.

Provision for taxes.
Total tax expenses increased by 38.29% from Rs. 23,379 thousand in fiscal 2006 to Rs. 32,331 thousand in fiscal 2007 due to an increase in current tax liabilities of 50.97% from Rs. 23,515 thousand in fiscal 2006 to Rs. 35,500 thousand in fiscal 2007 due to an increase in taxable income. However deferred tax credits increased in fiscal 2007 to Rs.3,554 thousand from Rs. 136 thousand in fiscal 2006. We also paid fringe benefit tax of Rs.385 thousand in fiscal 2007.

Net profit before adjustments. As a result of the above, net profit before adjustments decreased from Rs.46,759 thousand in fiscal 2006 to Rs. 44,943 thousand in fiscal 2007.

Net profit, as restated. MIPL's profit after tax has been restated on account of, among other things, changes in accounting policies as well as certain items attributable to prior periods. As a result of these adjustments, MIPL's net profit, as restated for fiscal 2007 was Rs. 55,038 thousand, as compared to MIPL's net profit, as restated of Rs. 40,931thousand in fiscal 2006. The main adjustments are described below:

Particulars of Adjustment	Five months ended August 31, 2007	Fiscal 2007	Fiscal 2006	Fiscal 2005	Fiscal 2004
	(Rs. in thousand)				
Road work expenses	-	32,141	(32,141)	-	-
Road work income	-	(33,332)	33,332	-	-
Share issue expenses	-	3,685	(1,843)	(1,842)	-
Provision for stamp duty demand	-	7,200	(7,200)	-	-
Total adjustments	**-**	**9,694**	**(7,852)**	**(1,842)**	**-**
Current tax impact of adjustments	-	401	(401)	-	-
Deferred tax impact of adjustments	-	-	2,425	-	-

- *Change in accounting policy of construction contracts affecting road work expenses and road work income*. Until fiscal 2006, the construction revenue and cost were capitalized on the basis of the "completion contract" method. During fiscal 2007, the Company has changed its accounting policy to record income and expenses based on the "percentage completion" method. Accordingly, the adjustments have been made to the restated financial statements for fiscal 2007 and 2006. In the restated accounts of MIPL, this has resulted in a decrease in net profit, as restated of Rs. 1,191 thousand in fiscal 2007 and an increase in net profit, as restated of Rs. 1,191 thousand in fiscal 2006.

- *Amortization of share issue expenses*. Until fiscal 2006, share issue expenses were amortized over the entire period of the BOT project. From fiscal 2007, share issue expenses are adjusted in the same year against the securities premium account as permitted by Section 78(2) of the Companies Act, 1956 and in case of insufficient balance in the securities premium account, unadjusted share issue expenses are amortised over a period of 5 years. Accordingly, the figures have been restated for fiscal 2007, 2006 and 2005. In the restated accounts of MIPL, this has resulted in an increase in net profit, as restated of Rs. 3,685 thousand in fiscal 2007 and a decrease in net profit, as restated of Rs. 1,843 thousand in fiscal 2006.

- *Provision for stamp duty demand*. During fiscal 2006, MIPL received a demand of Rs. 275,400 thousand from the Government of Maharashtra under the Bombay Stamp Act, 1958, as amended, in respect of stamp duty payable on the concession agreement entered among MSRDC, MIPL and the Government of Maharashtra for the Mumbai – Pune Expressway and NH 4 BOT project undertaken by MIPL. This order has been appealed under the Bombay Stamp Act, 1958, as amended. MIPL has however made provision for such stamp duty demand in fiscal 2007. The auditors have qualified their opinion on the financial statements for fiscal 2006 on account of non-provision for the demand. During fiscal 2007, MIPL has made a provision of Rs. 275,400 thousand and capitalized the cost and the prior period (fiscal 2006) amortization charge of Rs 7,200 thousand was recognized in the profit and loss account for fiscal 2007. Accordingly, adjustments have been made to the summary statements of assets and liabilities, as restated and the summary statements of profits and losses, as restated for fiscal 2007 and 2006. In the restated accounts of MIPL, this has resulted in an increase in net profit, as restated of Rs. 7,200 thousand in fiscal 2007 and a decrease in net profit, as restated of Rs. 7,200 thousand in fiscal 2006.

- *Income tax provision*. Income tax (current tax and deferred tax) has been computed on adjustments made as detailed above and has been adjusted in the summary statement of profits and losses, as restated for fiscal 2007 and 2006.

Fiscal 2006 compared to fiscal 2005

Income. MIPL's total income increased by Rs. 556,820 thousand, or 94.43%, from Rs. 589,650 thousand in fiscal 2005 to Rs. 1,146,470 thousand in fiscal 2006, due to a Rs. 547,491 thousand, or 93.98%, increase in turnover from Rs. 582,554 thousand in fiscal 2005 to Rs. 1,130,045 thousand in fiscal 2006. Toll collection under the Mumbai – Pune Expressway and NH 4 BOT project commenced in August 2004; accordingly, revenues from toll collection in fiscal 2005 reflects toll collected for the period between August 2004 and March 31, 2005 as compared to the full year of toll collection operations in fiscal 2006. Further, toll collection also increased in fiscal 2006 due to an increase in the tolling rates levied in fiscal 2006. MIPL did not have any income from road work construction in fiscal 2006 or fiscal 2005.

Other income increased by Rs. 9,329 thousand, or 131.47%, from Rs. 7,096 thousand in fiscal 2005 to Rs. 16,425 thousand in fiscal 2006 due to an increase in interest income from fixed deposits with banks and financial institutions from Rs. 6,845 thousand in fiscal 2005 to Rs. 16,425 thousand in fiscal 2006.

Expenditure. MIPL's total expenditure increased by Rs. 490,863 thousand, or 83.84%, from Rs. 585,469 thousand in fiscal 2005 to Rs. 1,076,332 thousand in fiscal 2006.

Direct expenses increased by Rs. 219,790 thousand, or 552.74%, from Rs. 39,764 thousand in fiscal 2005 to Rs. 259,554 thousand in fiscal 2006 primarily due to the operation of the BOT facilities for the period between August 2004 and March 31, 2005 compared to a full year of operations in fiscal 2006. In addition, operation and maintenance expenses relating to such project increased by 552.74% from Rs. 39,764 thousand in fiscal 2005 to Rs. 259,554 thousand in fiscal 2006, primarily due to commencement of maintenance operations and related expenditure only during fiscal 2006. Monitoring charges also increased from Rs. 7,710 thousand in fiscal 2005 to Rs. 12,000 thousand in fiscal 2006, due to the longer operational period in fiscal 2006. As a percentage of total income, direct expenses increased to 22.64% in fiscal 2006 from 6.74% in fiscal 2005.

During fiscal 2005 and fiscal 2006 MIPL had sub-contracted all its operations including construction, maintenance and toll collection operations, to other entities within the IRB Group. Accordingly, MIPL did not incur any personnel expenses either in fiscal 2005 or in fiscal 2006.

Office administration and other expenses increased by Rs. 12,067 thousand, or by 124.84%, from Rs. 9,666 thousand in fiscal 2005 to Rs. 21,733 thousand in fiscal 2006 primarily due to an increase in professional fees relating to certain interest swap transactions entered into by MIPL. In addition, insurance charges, trusteeship charges, travelling and conveyance costs and other administrative expenses also increased due to the full year of operations in fiscal 2006 compared to operations during only a part of fiscal 2005. As a percentage of total income, office administration and other expenses increased to 1.90% in fiscal 2006 from 1.64% in fiscal 2006.

Depreciation and amortisation increased by 79.71%, from Rs. 131,831 thousand in fiscal 2005 to Rs. 236,920 thousand in fiscal 2006 primarily because of operations for only a part of fiscal 2005 as compared to a full year of operation in fiscal 2006. As a percentage of total income, depreciation and amortisation however decreased to 20.67% in fiscal 2006 from 22.36% in fiscal 2005.

Financial expenses increased by 38.08% from Rs. 404,208 thousand in fiscal 2005 to Rs. 558,125 thousand in fiscal 2006 primarily due to interest payable on term loans for the entire fiscal 2006 as compared to only a part of fiscal 2005 as well as increase in term loans commensurate with the progress of construction work from Rs. 10,070,084 thousand in fiscal 2005 to Rs. 11,264,025 thousand in fiscal 2006. In addition, adjustments for gains from interest rate swaps of Rs. 189,456 thousand in fiscal 2006 were significantly higher than adjustments for gains from interest rate swaps of Rs. 98,949 thousand in fiscal 2005. As a percentage of total income, financial expenses decreased to 48.68 % in fiscal 2006 from 68.55% in fiscal 2005.

Profit before tax. Profit before taxes increased significantly by 1,577.54% from Rs. 4,181 thousand in fiscal 2005 to Rs. 70,138 thousand in fiscal 2006.

Provision for taxes. Provision for taxes include current tax liabilities and deferred tax liabilities. Total tax expenses increased by 1,428.04% from Rs. 1,530 thousand in fiscal 2005 to Rs. 23,379 thousand in fiscal 2006 due to an increase in current tax liabilities of 1,436.93% from Rs. 1,530 thousand in fiscal 2005 to Rs. 23,515 thousand in fiscal 2006. This increase was due to an increase in taxable income. While there was a deferred tax credit in fiscal 2006 of Rs. 136 thousand, there was no deferred tax credit in fiscal 2005, the first operating year for MIPL.

Net Profit before adjustments. Due to the reasons discussed above, net profit before adjustments increased from Rs. 2,651 thousand in fiscal 2005 to Rs. 46,759 thousand in fiscal 2006.

Net profit, as restated. MIPL’s profit after tax has been restated on account of, among other things, changes in accounting policies as well as certain items attributable to prior periods. As a result of these adjustments, net profit, as restated for fiscal 2006 was Rs. 40,931 thousand, as compared to net profit, as restated of Rs. 809 thousand in fiscal 2005. The main adjustments are described below:

Particulars of Adjustment	Five months ended August 31, 2007	Fiscal 2007	Fiscal 2006	Fiscal 2005	Fiscal 2004
	(Rs. in thousand)				
Road work expenses	-	32,141	(32,141)	-	-
Road work income	-	(33,332)	33,332	-	-
Share issue expenses	-	3,685	(1,843)	(1,842)	-
Provision for stamp duty demand	-	7,200	(7,200)	-	-
Total adjustments	**-**	**9,694**	**(7,852)**	**(1,842)**	**-**
Current tax impact of adjustments	-	401	(401)	-	-
Deferred tax impact of adjustments	-	-	2,425	-	-

- *Change in accounting policy of construction contracts affecting road work expenses and road work income*. Until fiscal 2006, the construction revenue and cost were capitalized on the basis of the "completion contract" method. During fiscal 2007, the Company has changed its accounting policy to record income and expenses based on the "percentage completion" method. Accordingly, the adjustments have been made to the restated financial statements for fiscal 2007 and 2006. In the restated accounts of MIPL, this has resulted in an increase in net profit, as restated of Rs. 1,191 thousand in fiscal 2006. There was no effect relating to such change in accounting policy in net profit, as restated in fiscal 2005.

- *Amortization of share issue expenses*. Until fiscal 2006, share issue expenses were amortized over the entire period of the BOT project. From fiscal 2007, share issue expenses are adjusted in the same year against the securities premium account as permitted by Section 78(2) of the Companies Act, 1956 and in case of insufficient balance in the securities premium account, unadjusted share issue expenses are amortised over a period of 5 years. Accordingly, the figures have been restated for fiscal 2007, 2006 and 2005. In the restated accounts of MIPL, this has resulted in a decrease in net profit, as restated of Rs. 1,843 thousand in fiscal 2006 and a decrease in net profit, as restated of Rs. 1,842 thousand in fiscal 2005.

- *Provision for stamp duty demand*. During fiscal 2006, MIPL received a demand of Rs. 275,400 thousand from the Government of Maharashtra under the Bombay Stamp Act, 1958, as amended, in respect of stamp duty payable on the concession agreement entered among MSRDC, MIPL and the Government of Maharashtra for the Mumbai – Pune Expressway and NH 4 BOT project undertaken by MIPL. This order has been appealed under the Bombay Stamp Act, 1958, as amended. MIPL has however made provision for such stamp duty demand in fiscal 2007. The auditors have qualified their opinion on the financial statements for fiscal 2006 on account of non-provision for the demand. During fiscal 2007, MIPL has made a provision of Rs. 275,400 thousand and capitalized the cost and the prior period (fiscal 2006) amortization charge of Rs 7,200 thousand was recognized in the profit and loss account for fiscal 2007. Accordingly, adjustments have been made to the summary statements of assets and liabilities, as restated and the summary statements of profits and losses, as restated for fiscal 2007 and 2006. In the restated accounts of MIPL, this has resulted in a decrease in net profit, as restated of Rs. 7,200 thousand in fiscal 2006. There was no effect relating to such amortization of toll collection rights in MIPL's net profit, as restated in fiscal 2005.

- *Income tax provision*. Income tax (current tax and deferred tax) has been computed on adjustments made as detailed above and has been adjusted in the summary statement of profits and losses, as restated for fiscal 2006 and 2005.

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND U.S. GAAP

Our financial statements are prepared in conformity with Indian GAAP, which differs in certain significant respects from U.S. GAAP. Such differences involve methods for measuring the amounts shown in the financial statements of the Issuer, as well as additional disclosures required by U.S. GAAP, which we have not made.

The following table summarizes significant differences between Indian GAAP and U.S. GAAP that we believe are relevant to our financial statements. However, they should not be construed as exhaustive as no attempt has been made by our management to quantify the effects of those differences, nor has a complete reconciliation been made of Indian GAAP to U.S. GAAP. Had any such quantification or reconciliation been undertaken by our management, other potential significant accounting and disclosure differences may have come to its attention, which are not identified below. No attempt has been made to identify all disclosure, presentation or classification differences that would affect the manner in which transactions and events are presented in the financial statements and the notes thereto.

We have not prepared financial statements in accordance with U.S. GAAP. Therefore, the Company cannot presently estimate the net effect of applying U.S. GAAP on its results of operations or financial position. Further, no attempt has been made to identify future differences between Indian GAAP and U.S. GAAP as a result of prescribed changes in accounting standards. Regulatory bodies that promulgate Indian GAAP and U.S. GAAP have significant projects ongoing that could affect future comparisons such as this one. Finally, no attempt has been made to identify future differences between Indian GAAP and U.S. GAAP that may affect the financial information as a result of transactions or events that may occur in the future. Potential investors should consult their own advisors for an understanding of the principal differences between Indian GAAP and U.S. GAAP and how these differences might affect the financial statements appearing in the section "Financial Information" beginning on page 171 of this Red Herring Prospectus.

Sr. No.	Particulars	Indian GAAP	U. S. GAAP
1.	**Changes in accounting policies**	Include effect in the income statement for the period in which the change is made except as specified in certain standards (transitional provision) where the change during the transition period resulting from adoption of the standard has to be adjusted against opening retained earnings and the impact needs to be disclosed.	Effective from fiscal years beginning after 15 December 2005, changes in accounting policy are accounted for retrospectively. Comparative information is restated, and the amount of the adjustment relating to prior periods is adjusted against the opening balance of retained earnings of the earliest year presented. An exemption applies when it is impracticable to change comparative information.
2.	**Revenue**	Revenue is recorded on the basis of services rendered.	US GAAP has extensive literature on revenue recognition and the application of these guidelines could result in differences in measurement of amounts recognised as revenues and/or the timing of when revenues are recognised.
3.	**Consolidation of Variable interest entities**	There is no specific guidance with respect to Variable Interest Entities.	Entities are required to evaluate if they have any interest in Variable Interest Entities, as defined by the standard. Consolidation of such entities may be required if certain conditions are met.
4.	**Accounting for jointly controlled entities in consolidated financial statements**	Accounting for jointly controlled entities is required to be done under the proportionate consolidation method.	Does not permit proportionate consolidation for corporate joint ventures. Venturer applies the equity method to recognise the investment in a jointly controlled entity. Equity accounting is also appropriate for investments in unincorporated joint ventures.
5.	**Consolidated financial statements**	Consolidation is required when there is a controlling interest, directly or indirectly through subsidiaries, by virtue of holding a majority of voting shares or control over board of directors.	All majority-owned subsidiaries (i.e., all companies in which a parent has a controlling financial interest through direct or indirect ownership of a majority voting interest) must be consolidated unless control does not rest with the majority owner.

Sr. No.	Particulars	Indian GAAP	U. S. GAAP
6.	**Intangible assets**	Intangible assets are capitalised if specific criteria are met and are amortised over their useful life, generally not exceeding 10 years. The recoverable amount of an intangible asset that is not available for use or is being amortised over a period exceeding 10 years should be reviewed at least at each financial year end even if there is no indication that the asset is impaired.	When allocating purchase price of a business combination, companies need to identify and allocate such purchase price to intangible assets, based on specific criteria. Intangibles that have an indefinite useful life are required to be tested, at least annually, for impairment. Intangible assets that have finite useful life are required to be amortised over their estimated useful lives.
7.	**Segment Information and Segment Reporting**	Segmental disclosures are required to be given by all public companies (listed or in the process of getting listed), banks, financial institutions, entities carrying on insurance business and enterprises having turnover above Rs. 50 crores or borrowings above Rs. 10 crores. Specific requirements govern the format and content of a reportable segment and the basis of identification of a reportable segment. Both business and geographical segments are identified and either of the two is classified as primary segment (with the other one being classified as the secondary segment). Report primary and secondary (business and geographic) segments based on risks and returns and internal reporting structure. Use group accounting policies or entity accounting policy.	Segmental disclosures are required to be made by all public business enterprises. A Company is required to report information about its products and services, the geographical areas in which it operates and its major customers. Reportable segments are required to be identified based on specified criteria. Report based on operating segments and the way the chief operating decision-maker evaluates financial information for purposes of allocating resources and assessing performance. Use internal financial reporting policies (even if accounting policies differ from group accounting policy).
8.	**Dividends**	Dividends are reflected in the financial statements of the year to which they relate even if proposed or approved after the year end.	Dividends are accounted for when approved. If the approval is after year end, the dividend is not considered to be a subsequent event that needs to be reflected in the financial statements.
9.	**Property, Plant and Equipment (PPE)**	Fixed assets are recorded at the historical costs or revalued amounts. Foreign exchange gains or losses relating to liabilities incurred in the procurement of property, plant and equipment from outside India were required to be adjusted to the cost of the asset. Recently, Companies (Accounting Standard) Rules have been notified which prohibit capitalization of exchange differences on transactions entered into after the effective date.	Revaluation of fixed assets is not permitted under U.S. GAAP. All foreign exchange gains or losses relating to the payables for the procurement of property, plant and equipment are recorded in the income statement.

Sr. No.	Particulars	Indian GAAP	U. S. GAAP
		Depreciation is recorded over the asset's useful life subject to minimum rates of depreciation prescribed by Schedule XIV of the Companies Act, 1956.. Interest cost on specified or identifiable borrowings is capitalised to qualifying assets during its construction period.	The depreciable amount of an item of property, plant and equipment is allocated on a systematic basis over its useful life, reflecting the pattern in which the entity consumes the asset's benefits. An entity must capitalise borrowing costs attributable to the acquisition, construction or production of a qualifying asset.
10.	**Investment in Securities**	Investments are categorised into: ➢ Current investments which are measured at the lower of cost and net realizable value. ➢ Long term investments which are carried at cost unless there is a permanent diminution in value, in which case, a provision for diminution is required to be made by the entity.	Investments are categorised into: ➢ Held to maturity (measured at amortised cost using effective interest method) ➢ Trading (where changes in fair value, regardless of whether they are realised or unrealised are recognised as profit or loss) ➢ Available for sale (where unrealised gains or losses are accounted as a component of equity and recognised as profit or loss when realised)
11.	**Inventory**	Measured at cost or net realizable value whichever is lower. Net realizable value is the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.	Measurement is done at lower of cost or market. Market value is defined as being current replacement cost subject to an upper limit of net realizable value (i.e. estimated selling price in the ordinary course of business less reasonably predictable costs of completion and disposal) and a lower limit of net realizable value less a normal profit margin. Reversal of a write down is prohibited, as a write down creates a new cost basis.
12.	**Impairment of assets, other than Goodwill, intangible assets with indefinite useful lives and intangible assets not available for use**	An entity is required to assess whether there is any indication that an asset is impaired at each balance sheet date. Impairment loss (if any) is provided to the extent the carrying amount of assets/Cash generating units (CGUs) exceeds their Recoverable amount. Recoverable amount is the higher of an asset's/CGU's selling price or its Value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset/CGU and from its disposal at the end of its useful life. An impairment loss for an asset/CGU recognised in prior accounting periods may be reversed if there has been a change in estimates of cash inflows, cash outflows or discount rates used to determine the asset's/CGU's recoverable amount since the last impairment loss was recognised. In this case,	An impairment analysis is performed if impairment indicators exist. An impairment loss shall be recognised only if the carrying amount of a long-lived asset (asset group) is not recoverable and exceeds its fair value. The carrying amount of a long-lived asset (asset group) is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset (asset group). An impairment loss shall be measured as the amount by which the carrying amount of a long-lived asset (asset group) exceeds its fair value (which is generally determined based on discounted cash flows). Impairment loss is recorded in the income statement. Reversal of impairment loss recognised in prior period is prohibited.

Sr. No.	Particulars	Indian GAAP	U. S. GAAP
		the carrying amount of the asset/CGU should be increased to its recoverable amount. The reversal of impairment loss should be recognised in the income statement.	
13.	**Goodwill on consolidation**	Goodwill arising on consolidation is computed as the excess of the purchase price over the carrying value of the net assets acquired. Goodwill is tested for impairment annually. Though amortization of goodwill arising on consolidation is not mandatory, it can be amortised on a systematic basis over its useful life.	Goodwill arising on consolidation is computed as the excess of the cost of acquisition over the acquirer's share of fair value of identifiable assets, liabilities and contingent liabilities acquired and is tested for impairment annually or more frequently if there are indicators of impairment.Goodwill is not amortised.
14.	**Pension / Gratuity / Post Retirement Benefits (Defined Benefit Plans)**	The liability for defined benefit plans like gratuity and leave encashment is determined as per an actuarial valuation determined based on the projected unit credit method. Discount rate to be used is determined by reference to market yields on government bonds. Actuarial gains or losses are recognised immediately in the statement of income. (As per pre-revised AS-15)	The liability for defined benefit schemes is determined using the projected unit credit actuarial method. The discount rate for obligations is based on market yields of high quality corporate bonds. The plan assets are measured using fair value or using discounted cash flows if market prices are unavailable. If at the beginning of the year, the actuarial gains or losses exceeds 10.00% of the greater of the projected benefit obligation or the market-related value of plan assets, then such amount is not recognised immediately, but amortised over the average remaining service period of active employees expected to receive benefits under the plan.
15.	**Leases**	Leases are classified as finance or operating in accordance with specific criteria. Judgment is required to determine if the criteria are met or not.	The criteria to classify leases as capital or operating include specific quantitative thresholds.
16.	**Deferred Taxes**	Deferred taxes are accounted for using the income statements approach, which focuses on timing differences. The tax rate applied on deferred tax items is the enacted or the substantively enacted tax rate as on the balance sheet date. Except for deferred tax on certain expenses written off directly against equity which is required to be adjusted in equity, deferred tax is always recognised in the income statement.	Deferred taxes are accounted for using the balance sheet liability method which focuses on temporary differences. The tax rate applied on deferred tax items is the enacted tax rate. Deferred tax is charged or credited directly to equity if the tax relates to items that are credited or charged directly to equity.

Sr. No.	Particulars	Indian GAAP	U. S. GAAP
17.	**Contingent liabilities**	A possible obligation whose outcome will be confirmed only on the occurrence or non-occurrence of uncertain future events outside the entity's control. Contingent liabilities are disclosed unless the probability of outflows is remote. Discounting of liability is not permitted and no provision is recognised on the basis of constructive obligation.	An accrual for a loss contingency is recognised if it is probable (defined as likely) that there is a present obligation resulting from a past event and an outflow of economic resources is reasonably estimable. If a loss is probable but the amount is not estimable, the low end of a range of estimates is recorded. Contingent liabilities are disclosed unless the probability of outflows is remote.
18.	**Related parties disclosures**	The nature and extent of any transactions with all related parties and the nature of the relationship must be disclosed, together with the amounts involved.	The nature and extent of any transactions with all related parties and the nature of the relationship must be disclosed, together with the amounts involved. Scope of related party is wider than the scope defined in Indian GAAP. All material related party transactions (other than compensation arrangements, expense allowances and similar items) must be disclosed in the separate financial statements of wholly-owned subsidiaries, unless these are presented in the same financial report that includes the parent's consolidated financial statements (including those subsidiaries).
19.	**Post balance sheet events**	Adjust the financial statements for subsequent events, providing evidence of conditions at balance sheet date and materially affecting amounts in financial statements (adjusting events). Non-adjusting events are not required to be disclosed in financial statements but are disclosed in report of approving authority e.g. Directors' Report.	Adjust the financial statements for subsequent events, providing evidence of conditions at balance sheet date and materially affecting amounts in financial statements (adjusting events). Non-adjusting events should be disclosed if material.
20.	**Provisions**	Record the provisions relating to present obligations from past events if outflow of resources is probable and can be reliably estimated. Discounting is not permitted.	Similar to Indian GAAP. Rules for specific situations (including employee termination costs, environmental liabilities and loss contingencies). Discounting required only when timing of cash flows is fixed.
21.	**Correction of errors**	Restatement is not required. The effect of correction is included in the current-year income statement as a prior period item. The nature and amount of prior period item should be disclosed separately in the statement of profit and loss in such a manner that its impact on current year profits or losses can be perceived.	The correction of material errors usually results in the restatement of relevant prior periods.
22.	**Share issue expenses**	May be adjusted against the premium on shares issued, else expensed out.	Should be set off against the realised proceeds of share issue.

OUR INDEBTEDNESS

We have availed of certain credit facilities from various lenders. The loans availed have been deployed for working capital requirements, development and construction of various projects undertaken by us.

Set forth below is a brief summary of our aggregate borrowings as of August 31, 2007:

Category of Borrowing Outstanding Amount	(Rs. in crore)
Secured Loan*	2,418.20
Unsecured Loan **	16.20
Total	**2,434.40**

*including vehicle and equipment loans amounting to Rs. 32.00 crore and excluding non fund based limit balances.
** excluding FCDs amounting to Rs. 264 crore.

Details of Secured Borrowings

Set forth below is a summary of the total outstanding secured borrowings of the Company together with a brief description of significant terms of such financing arrangements.

Name of the Lender	Loan documentation, facility amount and the purpose of the loan	Amount outstanding as of August 31, 2007	Interest rate	Repayment schedule	Security created
Canara Bank	Cash credit limited for an amount of Rs. 237 Crore for the working capital requirements	Rs. 232 crore	Interest rate: 12.59% Margin: 10%	Repayable at the end of the 13th month	Original fixed deposit receipts for an amount of Rs. 263.70 Crore are placed with Canara Bank as security for the purpose of the facility.

Set forth below is a summary of significant outstanding secured borrowings of the Subsidiaries together with a brief description of significant terms of such financing arrangements.

The details of secured borrowings in Ideal Road Builders Private Limited are as follows:

<table>
<tr><th>Name of the Lender</th><th>Loan documentation, facility amount and the purpose of the loan</th><th>Amount outstanding as of August 31, 2007 (Rs.)</th><th>Interest rate</th><th>Repayment schedule</th><th>Security created</th></tr>
<tr><td>Housing Development Finance Corporation Limited</td><td>Rupee Loan Agreement dated March 31, 2003 for a rupee term facility of Rs. 62.50 crore for refinancing the existing loans and for long term fund requirements.</td><td>Rs. 15.42 crore</td><td><u>Interest rate</u>

9.50% p.a. from the date of disbursement and to be paid on monthly basis;
and

2% p.a. penal interest on amount not paid within due dates.</td><td>66 monthly instalments as under ending September 30, 2008:

(Rs. in crore)
<table>
<tr><th>Installments monthly</th><th>Principal amounts</th></tr>
<tr><td>12</td><td>0.63</td></tr>
<tr><td>12</td><td>0.73</td></tr>
<tr><td>12</td><td>1.00</td></tr>
<tr><td>12</td><td>1.08</td></tr>
<tr><td>12</td><td>1.17</td></tr>
<tr><td>6</td><td>1.21</td></tr>
</table></td><td>The rupee term loan has been secured by way of a mortgage of all IRBPL's immoveable properties and, hypothecation of IRBPL's movable properties. The lender has a charge upon the operation cash flows, book debts and receivables and intangibles including goodwill and uncalled capital of IRBPL.</td></tr>
</table>

Name of the Lender	Loan documentation, facility amount and the purpose of the loan	Amount outstanding as of August 31, 2007 (Rs.)	Interest rate	Repayment schedule	Security created
			Pre-payment Penalty The lender has the right to impose prepayment penalty on IRBPL.		Further, IRBPL has assigned all its right, title, interest, benefits, claims and demands in the project documents in favour of the lender. The lender has a charge on the trust and retention account, debt service reserve and other reserves and any other bank accounts of IRBPL, wherever maintained. The entire shareholding of IRBPL has been pledged in favour of the lender. The rupee term loan has been additionally secured by a demand promissory note. Mr. Dattatraya P. Mhaiskar, Mr. Virendra D. Mhaiskar and Mr. Jayant D. Mhaiskar have provided unconditional and irrevocable personal guarantees and IRBPL has provided a corporate guarantee in favour of the lender.
State Bank of India	Term loan agreement dated September 5, 2003 for the following: (a) USD 1.16 crore i.e., Rs. 54.66 crore for refinancing high cost debt	Rs. 9.42 crore	• 2.5% over 6 months LIBOR as on the date of disbursement of the loan with monthly resets on the FCNRB Term Loans.	Term Loan of RNKT 61 monthly instalments commencing from December 2003: (Rs. in crore) Instalments Monthly / Principal Amounts: 7 / 0.27 12 / 0.26 12 / 0.35	The term loan has been secured by way of a *pari passu* charge on IRBPL's immoveable properties, hypothecation of all IRBPL's movable properties. The lender has a charge upon the operation cash flows, book debts and receivables

<table>
<tr><th>Name of the Lender</th><th>Loan documentation, facility amount and the purpose of the loan</th><th>Amount outstanding as of August 31, 2007 (Rs.)</th><th>Interest rate</th><th>Repayment schedule</th><th>Security created</th></tr>
<tr><td></td><td>("FCNRB Term Loan"); and

(b) USD 0.17 crore i.e., Rs. 7.84 crore n as general purpose corporate loan for the purpose of the long term requirement.</td><td>

Rs.8.55 crore</td><td>• 1.75% below State Bank Medium Term Lending Rate (SBMTLR), with monthly resets, such rate being 9.25% (at the time of agreement) on the term loan.

<u>Pre-payment Penalty</u>

• The lender has a right to charge a prepayment penalty of 1.5% per annum on the amount of loan prepaid for an unexpired period of loan</td><td><table><tr><td>12</td><td>0.40</td></tr><tr><td>12</td><td>0.52</td></tr><tr><td>5</td><td>0.55</td></tr><tr><td>1</td><td>0.55</td></tr></table>
<u>Term Loan of Rs. 0.25 crore</u>

43 monthly instalments commencing from September, 2003:

(Rs. in crore)<table><tr><th>Instalments Monthly</th><th>Principal Amounts</th></tr><tr><td>10</td><td>0.005</td></tr><tr><td>12</td><td>0.005</td></tr><tr><td>12</td><td>0.006</td></tr><tr><td>8</td><td>0.008</td></tr><tr><td>1</td><td>0.008</td></tr></table>
<u>FCNRB Term Loan of US$ 0.40 crore</u>

60 monthly instalments commencing from September, 2003

(USD in crore)<table><tr><th>Instalments monthly</th><th>Principal</th></tr><tr><td>10</td><td>0.004</td></tr><tr><td>12</td><td>0.004</td></tr><tr><td>12</td><td>0.006</td></tr><tr><td>12</td><td>0.007</td></tr><tr><td>12</td><td>0.009</td></tr><tr><td>2</td><td>0.009</td></tr></table>
<u>FCNRB Term Loan of US$ 0.17 crore</u>

43 monthly instalments commencing from September, 2003:

(USD in crore)<table><tr><th>Instalments monthly</th><th>Principal</th></tr><tr><td>10</td><td>0.003</td></tr><tr><td>12</td><td>0.003</td></tr><tr><td>12</td><td>0.004</td></tr><tr><td>9</td><td>0.005</td></tr></table>
<u>FCNRB Term Loan of US$ 0.26 crore</u></td><td>upon all intangibles including goodwill and uncalled capital of IRBPL.

Further, IRBPL has assigned all its right, title, interest, benefits, claims and demands in the project documents in favour of the lender. The lender has a charge on the trust and retention account, debt service reserve and other reserves and any other bank accounts of IRBPL wherever maintained.

The promoters' shareholding in IRBPL has been pledged in favour of the lender.

Mr. Dattatraya P. Mhaiskar, Mr. Virendra D. Mhaiskar, Mr. Jayant D. Mhaiskar and Mrs. Sudha D. Mhaiskar have provided an unconditional and irrevocable personal guarantees in favour of the lender

IRBPL has created an escrow account for crediting toll collections of IRBPL and executed a trust and retention agreement for the purpose of depositing project proceeds assigned in favour of the lender.</td></tr>
</table>

<table>
<tr><th>Name of the Lender</th><th>Loan documentation, facility amount and the purpose of the loan</th><th>Amount outstanding as of August 31, 2007 (Rs.)</th><th>Interest rate</th><th>Repayment schedule</th><th>Security created</th></tr>
<tr><td></td><td></td><td></td><td></td><td>57 monthly instalments commencing from December, 2003:

(USD in crore)
<table>
<tr><th>Instalments Monthly</th><th>Principal</th></tr>
<tr><td>7</td><td>0.003</td></tr>
<tr><td>12</td><td>0.003</td></tr>
<tr><td>12</td><td>0.004</td></tr>
<tr><td>12</td><td>0.004</td></tr>
<tr><td>12</td><td>0.006</td></tr>
<tr><td>2</td><td>0.006</td></tr>
</table></td><td></td></tr>
<tr><td>Industrial Development Bank of India Limited</td><td>Sanction letter dated March 28, 2006 for working capital facility of Rs. 50 crore</td><td>Rs. 25.25 crore</td><td>1% below Bank Prime Lending Rate (BPLR) prevailing at the time of disbursement subject to the maximum of 9.50% per annum</td><td>Renewable at the end of each year.</td><td>Personal guarantee of Mr. Dattatraya P. Mhaiskar, Mr. Virendra D. Mhaiskar and Mr. Jayant D. Mhaiskar

A demand promissory note has been issued by IRBPL.

Escrow of toll collections pertaining to the contract dated February 27, 2006 with NHAI for toll collection.</td></tr>
<tr><td>Canara Bank</td><td>Sanction Letter dated December 2, 2006 for the following

a) Working capital facility of Rs. 2 crore

b) Bank guarantee limit of Rs. 125 Crore

c) Import/ inland L/C for an amount of Rs. 25 crore (as a sub limit) for the purchase of the raw materials.</td><td>

Rs. 0.004 crore

Rs. 68.32 crore</td><td>

<u>Overdraft facility</u>:

Rate of interest (BPLR) - 11.50% p.a. Margin – 25%

<u>Bank guarantee</u>:

Rate of commission 1% p.a.

Margin – 5% for bid bond and 10% for</td><td>Renewable at the end of each year.</td><td>Personal guarantee of Mr. Dattatraya P. Mhaiskar, Mr. Virendra D. Mhaiskar and Mr. Jayant D. Mhaiskar.

Hypothecation of book debts and raw material on pari passu basis.

IRBPL has created a second charge on its fixed assets.

IRBPL has issued a counter guarantee in favour of the lender.</td></tr>
</table>

Name of the Lender	Loan documentation, facility amount and the purpose of the loan	Amount outstanding as of August 31, 2007 (Rs.)	Interest rate	Repayment schedule	Security created
			other guarantees <u>Import/ inland Letter of credit</u> Rate of commission - 1% p.a. Margin – 10% in Foreign Depository Receipts		
Bank of India	Sanction letter dated September 20 2006 for the following a) Cash Credit Working Capital facility of Rs. 2.50 crore b)Bank Guarantee Limit of Rs. 50 crore	 Rs. 0.86 crore Rs.7.11 crore	<u>Cash Credit facility</u>: 1% over BPLR (12.5% per annum) <u>Bank guarantee</u>: Rate of Commission - 1% p.a. Margin – 10% for bank guarantees	Renewable at the end of each year.	Personal guarantee of Mr. Dattatraya P. Mhaiskar, Mr. Virendra D. Mhaiskar, Mr. Jayant D. Mhaiskar and Mr. Sudha D. Mhaiskar. Hypothecation of book debts and raw material on *pari passu* basis. IRBPL has created a second charge on its fixed assets. IRBPL has issued a counter guarantee in favour of the lender.
Punjab National Bank	Bank guarantee limit of Rs. 60 crore	Rs. 7.24 crore	Rate of Commission - 1% p.a. on all bank guarantees Margin – 10% on all the bank guarantees	Renewable at the end of each year	Personal guarantee of Mr. Dattatraya P. Mhaiskar, Mr. Virendra D. Mhaiskar and Mr. Jayant D. Mhaiskar. Hypothecation of book debts and raw material on *pari passu* basis IRBPL has created a second charge on its fixed assets. IRBPL has issued a counter guarantee in favour of the lender.

Name of the Lender	Loan documentation, facility amount and the purpose of the loan	Amount outstanding as of August 31, 2007 (Rs.)	Interest rate	Repayment schedule	Security created
Andhra Bank	Bank Guarantee Limit of Rs. 45 crore	Rs. 15.18 crore	Rate of commission - 1% p.a. Margin – 5% for bid bond bank guarantees 10% for other bank guarantees	Renewable at the end of each year.	Personal guarantee of Mr. Dattatraya P. Mhaiskar, Mr. Virendra D. Mhaiskar and Mr. Jayant D. Mhaiskar. Hypothecation of book debts and raw material on *pari passu* basis. IRBPL has created a second charge on its fixed assets. IRBPL has issued a counter guarantee in favour of the lender.
Bank of Baroda	Bank Guarantee Limit of Rs. 45 crore	Nil	Rate of commission - 1% p.a. Margin – 5% for Bid Bond 10% for other guarantees	Renewable at the end of each year.	Personal guarantee of Mr. Dattatraya P. Mhaiskar, Mr. Virendra D. Mhaiskar and Mr. Jayant D. Mhaiskar. Hypothecation of book debts and raw material of specified projects on *pari passu* basis. IRBPL has created a second charge on its fixed assets. IRBPL has issued a counter guarantee in favour of the lender.
State Bank of India	Bank Guarantee Limit of Rs. 25 crore	Rs.9.78 crore	Rate of commission – As per rules specified by bank from time to time Margin –10%	Renewable at the end of each year.	Personal guarantee of Mr. Dattatraya P. Mhaiskar, Mr. Virendra D. Mhaiskar, Mr. Jayant D. Mhaiskar. Hypothecation of book debts and raw material on *pari passu* basis. IRBPL has created a second charge on its

Name of the Lender	Loan documentation, facility amount and the purpose of the loan	Amount outstanding as of August 31, 2007 (Rs.)	Interest rate	Repayment schedule	Security created
					fixed assets. IRBPL has issued a counter guarantee in favour of the lender.

The details of secured borrowings in Modern Road Makers Private Limited are as follows:

Name of the Lender	Loan Documentation, facility amount and the purpose of the loan	Amount outstanding as of August 31, 2007 (Rs.)	Interest Rate	Repayment Schedule	Security created
Industrial Development Bank of India Limited	Sanction letter dated January 8, 2007 for the following: (a) Cash credit facility for an amount of Rs. 25 crore for the working capital requirements; (b) Bank guarantee for an amount of Rs. 50 crore for various purposes; and (c) Import/ inland L/C for an amount of Rs. 25 crore for the purchase of the raw materials.	Cash credit facility: Rs.17.39 crore Nil Nil	Cash credit facility: Rate of interest - 10.50% p.a. Margin – 25% Bank guarantee: Rate of interest - 1% p.a. Margin – 10% in FDR Import/ inland L/C: Rate of interest - 2% p.a. Margin – 10% in FDR	12 months form the date of disbursement	Personal guarantee has been provided by Mr. Virendra D. Mhaiskar for all the facilities availed by MRM. Corporate guarantee has been provided by the Company. First charge by way of hypothecation on the movable properties and other fixed assets of MRM has been created in favour of the lender.

The details of secured borrowings in Aryan Toll Roads Private Limited are as follows:

Name of the Lender	Loan Documentation and facility amount and the purpose of the loan	Amount outstanding as of August 31, 2007 (Rs.)	Interest Rate	Repayment Schedule	Security created
IDBI (erstwhile	Sanction Letter	Rs. 38.48 crore	12.50% (fixed)	30 quarterly	ATRPL has assigned

<table>
<tr><th>Name of the Lender</th><th>Loan Documentation and facility amount and the purpose of the loan</th><th>Amount outstanding as of August 31, 2007 (Rs.)</th><th>Interest Rate</th><th>Repayment Schedule</th><th>Security created</th></tr>
<tr><td>known as The United Western Bank Ltd.)</td><td>dated July 1, 2003 for a term loan of Rs. 30 crore and sanction letter dated March 6, 2004 for a term loan of Rs. 15 crore (Total term loan Rs.45 crore) for the construction of road and collection of toll at Pune-Solapur-Hyderabad Road NH-9 from KM 14/000 to KM 40/000 on the Pune side.</td><td></td><td></td><td>instalments as under. After moratorium period of 2 years from first disbursement. Repayment commenced from December 2005

(Rs. in crore)
<table>
<tr><th>Instalments Quarterly</th><th>Principal Amounts</th></tr>
<tr><td>2</td><td>1.50</td></tr>
<tr><td>4</td><td>0.75</td></tr>
<tr><td>4</td><td>1.25</td></tr>
<tr><td>4</td><td>1.25</td></tr>
<tr><td>4</td><td>1.25</td></tr>
<tr><td>4</td><td>1.63</td></tr>
<tr><td>4</td><td>1.75</td></tr>
<tr><td>4</td><td>2.63</td></tr>
</table>
The above repayment is combined for total term loan of Rs. 45 crore .</td><td>its toll rights related to the BOT project and created a first charge on the trust and retention account, debt service reserve, other reserves and any other bank account maintained in connection with the project.

The entire share capital of ATRPL has been pledged in favour of the lender.

Mr. Dattatraya P. Mhaiskar and Mr. Jayant D. Mhaiskar have provided an unconditional and irrevocable personal guarantee.

ATRPL has hypothecated in favour of the lender its tangible movable properties, present and future book debts, outstanding, monies, receivables, claims, demands and bills (present or future).</td></tr>
</table>

The details of secured borrowings in Mhaiskar Infrastructure Private Limited are as follows:

<table>
<tr><th>Name of the Lender</th><th>Loan documentation, facility amount and the purpose of the loan</th><th>Amount outstanding as of August 31, 2007 (Rs.)</th><th>Interest Rate</th><th>Repayment Schedule</th><th>Security created</th></tr>
<tr><td>The following is the consortium of the lenders:
1. Canara Bank (“Lead Bank”)
2. Union Bank of India
3. Industrial Development Bank of India</td><td>Common loan agreement dated August 7, 2004 for a term loan facility of Rs.1187 crore for the following:

(a) Four laning and improvements to Mumbai – Pune</td><td>Total aggregate outstanding of Rs. 1185.28 crore from all banks</td><td>2.25% less than BPLR (8.5% p.a., to be paid on monthly basis)

<u>Pre-payment penalty</u></td><td>138 monthly instalments as per repayment schedule given below ending 28 February 2018

(Rs. in crore)
<table>
<tr><th>Installments</th><th>Principal Amount</th></tr>
<tr><td>12</td><td>0.42</td></tr>
<tr><td>12</td><td>0.67</td></tr>
<tr><td>12</td><td>3.75</td></tr>
</table></td><td>The rupee term loan has been secured by way of hypothecation of all MIPL’s movable properties in the favour of the lender.
The Directors of MIPL, Mr.</td></tr>
</table>

Name of the Lender	Loan documentation, facility amount and the purpose of the loan	Amount outstanding as of August 31, 2007 (Rs.)	Interest Rate	Repayment Schedule	Security created
4. Bank of India 5. Indian Overseas Bank 6. UCO Bank 7. Andhra Bank 8. Corporation Bank 9. Bank of Baroda 10. Bank of Maharashtra	section of NH 4 (Km 131/200 to Km 20/400); (b) O&M of NH4 and the MPEW; and (c) Acquisition of toll rights for NH4 and the MPEW		0.25% on the principal portion of the residual tenure	12 – 4.33 12 – 1.33 12 – 8.33 12 – 9.17 12 – 11.00 12 – 16.67 12 – 14.50 12 – 19.33 6 – 18.83	Dattatraya P. Mhaiskar, Mr. Virendra D. Mhaiskar and Mr. Jayant D. Mhaiskar have provided an undertaking they would not be entitled to any commission until the repayment of the loan. The lenders have a charge upon the operation cash flows, book debts and receivables, upon all intangibles including goodwill, uncalled capital of MIPL. MIPL has assigned all its right, title, interest, guarantees, warranties, indemnities and securities in the project documents in favour of the lender. The lenders have a charge on the trust and retention account, applicable permits, uncalled capitals and insurance policies wherever maintained. The entire shareholding of MIPL has been pledged in favour of the lender. Mr. Dattatraya P. Mhaiskar, Mr. Virendra D. Mhaiskar and Mr. Jayant D. Mhaiskar have provided an

Name of the Lender	Loan documentation, facility amount and the purpose of the loan	Amount outstanding as of August 31, 2007 (Rs.)	Interest Rate	Repayment Schedule	Security created
					unconditional and irrevocable personal guarantee and IRBPL has provided a corporate guarantee in favour of the lenders.

The details of secured borrowings in Thane Ghodbunder Toll Road Private Limited are as follows:

<table>
<tr><th>Name of the Lender</th><th>Loan documentation, facility amount and the purpose of the loan</th><th>Amount outstanding as of August 31, 2007 (Rs.)</th><th>Interest Rate</th><th>Repayment Schedule</th><th>Security created</th></tr>
<tr>
<td>The following is the consortium of the lenders:
1. Canara Bank "(“Lead Bank”)
2. Industrial Development Bank of India (“IDBI”)
3. Indian Overseas Bank</td>
<td>Common loan agreement dated December 14, 2005 for a term loan facility of Rs. 216.60 Crore</td>
<td>Total aggregate outstanding of Rs. 212.80 Crore from all the banks</td>
<td>• 2.25% less BPLR (8.25% p.a. applicable to loan amounts from Indian Overseas Bank and IDBI, to be paid on monthly basis.)

• 8.5% p.a. on the loan from the Lead Manager, to be paid on monthly basis.

<u>Prepayment penalty</u>
0.25% on the principal portion of the residual tenure</td>
<td>142 monthly instalments as per schedule below ending 31^{st} January, 2019

(Rs. in crore)
<table>
<tr><th>Installments</th><th>Principal Amount</th></tr>
<tr><td>12</td><td>0.10</td></tr>
<tr><td>12</td><td>0.15</td></tr>
<tr><td>12</td><td>0.23</td></tr>
<tr><td>12</td><td>0.36</td></tr>
<tr><td>12</td><td>0.85</td></tr>
<tr><td>12</td><td>1.05</td></tr>
<tr><td>12</td><td>1.80</td></tr>
<tr><td>12</td><td>0.65</td></tr>
<tr><td>12</td><td>2.35</td></tr>
<tr><td>12</td><td>3.50</td></tr>
<tr><td>12</td><td>3.40</td></tr>
<tr><td>9</td><td>4.30</td></tr>
<tr><td>1</td><td>4.62</td></tr>
</table>
</td>
<td>The rupee term loan has been secured by way of hypothecation of all TGTRPL’s movable properties in favour of the lender.
The lenders have a charge upon the toll receivables, book debts, upon all intangibles including goodwill, uncalled capital of MIPL.
Further, TGTRPL has assigned all its right, title, interest, guarantees, warranties, indemnities and securities in the project documents in favour of the lenders.
The lenders have a charge on the trust and retention account of IRBPL, applicable permits, uncalled capitals and insurance policies wherever maintained.
The entire shareholding of TGTRPL has been pledged in favour of the lender.
Mr. Dattatraya P. Mhaiskar, Mr. Virendra D. Mhaiskar and Mr. Jayant D. Mhaiskar have provided an unconditional and irrevocable personal guarantee.
IRBPL, the Company and Ideal Toll & Infrastructure Company Private Limited</td>
</tr>
</table>

Name of the Lender	Loan documentation, facility amount and the purpose of the loan	Amount outstanding as of August 31, 2007 (Rs.)	Interest Rate	Repayment Schedule	Security created
					have provided a corporate guarantee in favour of the lenders.

The details of secured borrowings in NKT Road & Toll Private Limited are as follows:

<table>
<tr><th>Name of the Lender</th><th>Loan documentation, facility amount and the purpose of the loan</th><th>Amount outstanding as of August 31, 2007 (Rs.)</th><th>Interest Rate</th><th>Repayment Schedule</th><th>Security created</th></tr>
<tr><td>State Bank of India</td><td>Rupee loan agreement dated July 15, 2002 for a term loan facility of Rs. 22.40 crore</td><td>Rs. 17.10 crore</td><td>13.75% p.a. from the first date of disbursement on the initial loan amount of Rs. 22.40 crore to be paid on monthly basis.</td><td>83 monthly instalments ending in March 2012

(Rs. in crore)<table>
<tr><th>Instalments Monthly</th><th>Principal Amounts</th></tr>
<tr><td>12</td><td>0.10</td></tr>
<tr><td>12</td><td>0.12</td></tr>
<tr><td>12</td><td>0.19</td></tr>
<tr><td>12</td><td>0.23</td></tr>
<tr><td>12</td><td>0.26</td></tr>
<tr><td>12</td><td>0.37</td></tr>
<tr><td>11</td><td>0.44</td></tr>
</table></td><td>The lender has obtained charge on the movable and immovable properties of the NKT.

NKT has assigned all project contracts in favour of the lender.

The entire shareholding of the promoters of NKT has been pledged in favour of the lender.

The lender has lien on the residual amounts in the trust & retention account in respect of toll collections of Thane-Bhiwandi Phase II. The lender will draw upon these cash flows if the toll collections in any year are not sufficient to meet NKT's debt obligations.

Mr. Dattatraya P. Mhaiskar, Mr. Virendra D. Mhaiskar and Mr. Jayant D. Mhaiskar have provided an unconditional and irrevocable personal guarantee and Ideal Road Builders Private Limited has provided a corporate guarantee in favour of the lender.</td></tr>
</table>

<table>
<tr><th>Name of the Lender</th><th>Loan documentation, facility amount and the purpose of the loan</th><th>Amount outstanding as of August 31, 2007 (Rs.)</th><th>Interest Rate</th><th>Repayment Schedule</th><th>Security created</th></tr>
<tr><td>State Bank of India</td><td>Additional loan agreement dated July 30, 2005 for a term loan facility of Rs. 10 crore.</td><td>Rs. 9.80 crore</td><td>8.75% p.a. on the additional loan amount of Rs.10 crore to be paid on monthly basis.</td><td>To be repaid in 102 monthly instalments ending in December, 2013
(Rs. in crore)<table><tr><th>Average Instalments Monthly</th><th>Principal Amounts</th></tr><tr><td>9</td><td>0.01</td></tr><tr><td>12</td><td>0.01</td></tr><tr><td>12</td><td>0.01</td></tr><tr><td>12</td><td>0.01</td></tr><tr><td>12</td><td>0.01</td></tr><tr><td>12</td><td>0.01</td></tr><tr><td>11</td><td>0.01</td></tr><tr><td>1</td><td>0.04</td></tr><tr><td>12</td><td>0.45</td></tr><tr><td>8</td><td>0.45</td></tr><tr><td>1</td><td>0.16</td></tr></table></td><td>NKT has extended the mortgage on its immoveable property situated at Dombivli.</td></tr>
</table>

The details of secured borrowings in MMK Toll Road Private Limited are as follows:

<table>
<tr><th>Name of the Lender</th><th>Loan documentation, facility amount and the purpose of the loan</th><th>Amount outstanding as of August 31, 2007 (Rs.)</th><th>Interest Rate</th><th>Repayment Schedule</th><th>Security created</th></tr>
<tr><td>State Bank of India</td><td>Rupee loan agreement dated March 26, 2003 for a term loan facility of Rs.11 crore.</td><td>Rs. 7.18 crore</td><td>12.85% p.a. from the first date of disbursement on the initial loan amount of Rs. 11 crore to be paid on monthly basis.
1% p.a. penal interest on amount not paid within due dates.
<u>Prepayment penalty</u>

The lender has the right to impose prepayment penalty on IRBPL.</td><td>The rupee term loan to be repaid in 72 monthly instalments ending in April 2010 as under:
(Rs. in crore)<table><tr><th>Instalments Monthly</th><th>Principal Amounts</th></tr><tr><td>12</td><td>0.08</td></tr><tr><td>12</td><td>0.10</td></tr><tr><td>12</td><td>0.13</td></tr><tr><td>12</td><td>0.13</td></tr><tr><td>12</td><td>0.15</td></tr><tr><td>12</td><td>0.24</td></tr></table></td><td>The rupee term loan has been secured by way of a mortgage of all MMK's immoveable properties, hypothecation of all MMK's movable properties.

Further, MMK has assigned all its right, title, interest, in the project documents, permits, licenses, insurance contracts/ insurance proceeds in relation to the project in favour of the lender.

MMK has assigned all project contracts in favour of the lender.

The entire shareholding of the promoters of MMK has been pledged in favour of the lender.

The lender has obtained charge on the current and future cash flows of the Project of MMK.

The lender has obtained charge on the toll collections of MMK and has</td></tr>
</table>

<table>
<tr><th>Name of the Lender</th><th>Loan documentation, facility amount and the purpose of the loan</th><th>Amount outstanding as of August 31, 2007 (Rs.)</th><th>Interest Rate</th><th>Repayment Schedule</th><th>Security created</th></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td>opened Escrow/ Trust & Retention Account for the same.

Mr. Dattatraya P. Mhaiskar, Mr. Virendra D. Mhaiskar and Mr. M.J. Vazirani have provided an unconditional and irrevocable personal guarantee.</td></tr>
<tr><td>State Bank of India</td><td>Additional loan agreement dated June 25, 2005 for a term loan facility of Rs. 5 crore.</td><td>Rs. 5 crore</td><td>• 8.75% p.a. on the additional loan amount of Rs. 5 crore to be paid on monthly basis.</td><td>92 monthly instalments ending in April 2012.
(Rs. in crore)
<table>
<tr><th>Instalments Monthly</th><th>Principal Amounts</th></tr>
<tr><td>12</td><td>0.001</td></tr>
<tr><td>12</td><td>0.001</td></tr>
<tr><td>12</td><td>0.001</td></tr>
<tr><td>12</td><td>0.001</td></tr>
<tr><td>12</td><td>0.001</td></tr>
<tr><td>12</td><td>0.001</td></tr>
<tr><td>12</td><td>0.242</td></tr>
<tr><td>7</td><td>0.242</td></tr>
<tr><td>1</td><td>0.361</td></tr>
</table></td><td>The same security as provided for the rupee term loan continues for the additional loan.</td></tr>
</table>

The details of secured borrowings in IDAA Infrastructure Private Limited are as follows:

<table>
<tr><th>Name of the Lender</th><th>Loan documentation, facility amount and the purpose of the loan</th><th>Amount outstanding as of August 31, 2007 (Rs.)</th><th>Interest Rate</th><th>Repayment Schedule</th><th>Security created</th></tr>
<tr><td>The following is the consortium of the lenders:
1. Union Bank of India
2. Indian Overseas Bank
3. Canara Bank
4. Bank of India
5. Indian Bank
6. Corporation Bank
7. Andhra Bank
8. Corporation Bank
9. Bank of Baroda
10. Bank of Maharashtra</td><td>Common loan agreement dated November 15, 2006 for a term loan facility of Rs. 1210.95 crore</td><td>Total aggregate outstanding of Rs. 591.40 crore from all banks</td><td>9.25% p.a., to be paid on a monthly basis.

2% p.a. penal interest on amount not paid within due dates.

Disbursement made pending creation shall carry further interest at the rate of 1% p.a.

<u>Prepayment penalty</u></td><td>120 monthly instalments as per schedule below commencing from 30 months from the date of first disbursement
(Rs. in crore)
<table>
<tr><th>Installments</th><th>Principal Amount</th></tr>
<tr><td>6</td><td>2.17</td></tr>
<tr><td>12</td><td>2.58</td></tr>
<tr><td>12</td><td>4.33</td></tr>
<tr><td>12</td><td>6.25</td></tr>
<tr><td>12</td><td>5.92</td></tr>
<tr><td>12</td><td>6.75</td></tr>
<tr><td>12</td><td>11.33</td></tr>
<tr><td>12</td><td>15.08</td></tr>
<tr><td>12</td><td>16.00</td></tr>
<tr><td>12</td><td>19.50</td></tr>
<tr><td>6</td><td>24.15</td></tr>
</table></td><td>The rupee term loan has been secured by way of mortgage of IDAA movable properties and immovables in favour of the lenders.
The lenders have a charge upon the receivables including toll, accounts and book debts of IDAA.
The right, title and interest of IDAA under all of the project documents have been assigned to the lenders.
The lenders have obtained charge over</td></tr>
</table>

Name of the Lender	Loan documentation, facility amount and the purpose of the loan	Amount outstanding as of August 31, 2007 (Rs.)	Interest Rate	Repayment Schedule	Security created
			The lender has a right to impose a prepayment penalty at the rate 0.25% for prepayment made from the project cash accruals and 1% for payment made from other sources.		the right, title and interest of the IDAA in all the accounts, including collection accounts in the name of IDAA, and accounts held in trust for the benefit OF IDAA. The entire shareholding of IDAA has been pledged in favour of the lenders. Mr. Dattatraya P. Mhaiskar, Mrs. Deepali V. Mhaiskar and Mrs. Sudha D. Mhaiskar have provided an unconditional and irrevocable personal guarantee. IRBPL, the Company, Aryan Toll Road Private Limited and ATR Infrastructure Private Limited have provided a corporate guarantee in favour of the lenders.

The details of equipment loans and vehicle loans are as follows:

Agreement for finance of Almeida Stone Crusher dated September 29, 2005 with ABN Amro Bank

(in crore)

Sanctioned Amount	Amount Outstanding as on August 31, 2007 (Rs. in crore)	Repayment and Interest Rate
1.98	0.88	• Repayment in 36 equal monthly installments commencing from October 29, 2005. • Interest Rate of 7.67% per annum.

Agreement for finance of Almeida Stone Crusher dated September 29, 2005 with ABN Amro Bank

(in crore)

Sanctioned Amount	Amount Outstanding as on August 31, 2007 (Rs. in crore)	Repayment and Interest Rate
1.98	0.88	• Repayment in 36 equal monthly installments commencing from October 29, 2005. • Interest Rate of 7.67% per annum.

Agreement for finance of Transit Mixer dated October 20, 2005 with HDFC Bank

(in crore)

Sanctioned Amount	Amount Outstanding as on August 31, 2007 (Rs. in crore)	Repayment and Interest Rate
0.21	0.08	• Repayment in 34 equal monthly installments commencing from November 20, 2005. • Interest Rate of 6.87% per annum.

Agreement for finance of Transit Mixer dated October 20, 2005 with HDFC Bank

(*in* crore)

Sanctioned Amount	Amount Outstanding as on August 31, 2007 (Rs. in crore)	Repayment and Interest Rate
0.21	0.08	• Repayment in 34 equal monthly installments commencing from November 20, 2005. • Interest Rate of 6.87% per annum.

Agreement for finance of Transit Mixer dated October 20, 2005 with HDFC Bank

(*in* crore)

Sanctioned Amount	Amount Outstanding as on August 31, 2007 (Rs. in crore)	Repayment and Interest Rate
0.21	0.08	• Repayment in 34 equal monthly installments commencing from November 20, 2005. • Interest Rate of 6.87% per annum.

Agreement for finance of Transit Mixer dated October 20, 2005 with HDFC Bank

(*in* crore)

Sanctioned Amount	Amount Outstanding as on August 31, 2007 (Rs. in crore)	Repayment and Interest Rate
0.21	0.08	• Repayment in 34 equal monthly installments commencing from November 20, 2005. • Interest Rate of 6.87% per annum.

Agreement for finance of Batch Mix Plant dated February 15, 2006 with ICICI Bank

(*in* crore)

Sanctioned Amount	Amount Outstanding as on August 31, 2007 (Rs. in crore)	Repayment and Interest Rate
1.42	0.72	• Repayment in 34 equal monthly installments commencing from March 15, 2006. • Interest Rate of 7.50% per annum.

Agreement for finance of JCB 3D EX dated January 22, 2006 with ICICI Bank

(*in* crore)

Sanctioned Amount	Amount Outstanding as on August 31, 2007 (Rs. in crore)	Repayment and Interest Rate
0.15	0.07	• Repayment in 22 equal monthly installments commencing from February 22, 2006. • Interest Rate of 7% per annum.

Agreement for finance of JCB 3D EX dated January 22, 2006 with ICICI Bank

(*in* crore)

Sanctioned Amount	Amount Outstanding as on August 31, 2007 (Rs. in crore)	Repayment and Interest Rate
0.15	0.07	• Repayment in 22 equal monthly installments commencing from February 22, 2006. • Interest Rate of 7% per annum.

Agreement for finance of JCB 3D EX dated January 22, 2006 with ICICI Bank

(*in* crore)

Sanctioned Amount	Amount Outstanding as on August 31, 2007 (Rs. in crore)	Repayment and Interest Rate
0.15	0.07	• Repayment in 22 equal monthly installments commencing from February 22, 2006. • Interest Rate of 7% per annum.

Vehicle Loan Agreement dated June 22, 2006 with Srei Infra Finance Limited

(*in* crore)

Sanctioned Amount	Amount Outstanding as on August 31, 2007 (Rs. in crore)	Repayment and Interest Rate
1.41	0.85	• Repayment in 32 equal monthly installments commencing from July 22, 2006. • Interest Rate of 9% per annum.

Vehicle Loan Agreement dated September 8, 2005 with Srei Infra Finance Limited

(*in* crore)

Sanctioned Amount	Amount Outstanding as on August 31, 2007 (Rs. in crore)	Repayment and Interest Rate
1.10	0.40	• Repayment in 33 equal monthly installments commencing from October 8, 2005. • Interest Rate of 7.14% per annum.

Agreement for finance of Tippers dated May 22, 2006 with Srei Infra Finance Limited

(*in* crore)

Sanctioned Amount	Amount Outstanding as on August 31, 2007	Repayment and Interest Rate

	(Rs. in crore)	
1.98	1.16	• Repayment in 33 equal monthly installments commencing from June 22, 2006. • Interest Rate of 8.75% per annum.

Agreement for finance of Tippers dated March 22, 2006 with Srei Infra Finance Limited

(*in* crore)

Sanctioned Amount	**Amount Outstanding as on August 31, 2007 (Rs. in crore)**	**Repayment and Interest Rate**
1.41	0.77	• Repayment in 34 equal monthly installments commencing from April 22, 2006. • Interest Rate of 8.25% per annum.

Agreement for finance of Tippers dated September 08, 2005 with Srei Infra Finance Limited

(*in* crore)

Sanctioned Amount	**Amount Outstanding as on August 31, 2007 (Rs. in crore)**	**Repayment and Interest Rate**
1.68	0.58	• Repayment in 33 equal monthly installments commencing from October 08, 2005. • Interest Rate of 7.17% per annum.

Agreement for finance of Tippers dated September 08, 2005 with Srei Infra Finance Limited

(*in* crore)

Sanctioned Amount	**Amount Outstanding as on August 31, 2007 (Rs. in crore)**	**Repayment and Interest Rate**
1.91	0.66	• Repayment in 33 equal monthly installments commencing from October 08, 2005. • Interest Rate of 6.83% per annum.

Agreement for finance of Tippers dated September 08, 2005 with Srei Infra Finance Limited

(*in* crore)

Sanctioned Amount	**Amount Outstanding as on August 31, 2007 (Rs. in crore)**	**Repayment and Interest Rate**
2.18	0.75	• Repayment in 33 equal monthly installments commencing from October 08, 2005. • Interest Rate of 6.83% per annum.

Agreement for finance of BD 50 Bull Dozer dated September 08, 2005 with Srei Infra Finance Limited

(*in* crore)

Sanctioned Amount	**Amount Outstanding as on August 31, 2007 (Rs. in crore)**	**Repayment and Interest Rate**
0.95	0.31	• Repayment in 33 equal monthly installments commencing from October 08, 2005.

Sanctioned Amount	Amount Outstanding as on August 31, 2007 (Rs. in crore)	Repayment and Interest Rate
		• Interest Rate of 7.15% per annum.

Agreement for finance of Big Excavator dated September 08, 2005 with Srei Infra Finance Limited

(*in* crore)

Sanctioned Amount	Amount Outstanding as on August 31, 2007 (Rs. in crore)	Repayment and Interest Rate
0.81	0.28	• Repayment in 33 equal monthly installments commencing from October 08, 2005. • Interest Rate of 7.15% per annum.

Agreement for finance of 25/160/180/380 KVA DG Set dated December 01, 2005 with SREI Infra Finance Limited

(*in* crore)

Sanctioned Amount	Amount Outstanding as on August 31, 2007 (Rs. in crore)	Repayment and Interest Rate
0.93	0.41	• Repayment in 21 equal monthly installments commencing from January 01, 2006. • Interest Rate of 6.75% per annum.

UNSECURED BORROWINGS

Further, we have also availed unsecured loans from associates and others. As of August 31, 2007, the total amount outstanding for repayment under these loans as per consolidated accounts (excluding FCDs) was Rs. 16.20 crore.

Type of loan	(Rs. in crore)
Unsecured loans from Promoter and Promoter Group	16.20

Some of the corporate actions for which our subsidiaries require the prior written consent of our lenders include the following:

(a) to mortgage, dispose, sell, lease, exchange or create any charge, lien or encumbrance of any kind on specified undertakings, assets, security secured with the lender and change in use of the assets;
(b) to enter into an allied line of business or manufacture or to change a line of activity;
(c) to implement any scheme of expansion/ modernization, diversification or renovation;
(d) to enter into any contract (i) to acquire ownership of any other entity, (ii) profit sharing arrangement or royalty arrangement with any other entity or person (iii) for a management agreement by which the business and operations of the company is managed by another person;
(e) to declare or pay any dividend to its shareholders during any financial year unless it has paid all the dues to the lenders up to the date on which the dividend is proposed to be paid or has made satisfactory provisions for the payment of such dues;
(f) to affect any material change in shareholding, ownership or management of the business or that of any subsidiary which would create an equitable mortgage on the securities of the lender;
(g) to declare or pay dividends;
(h) to incur any capital expenditure other than in the ordinary course of business;
(i) transfer (voluntary or involuntary), sale, grant, lease or disposal of more than a specified portion of the book value of our assets;
(j) to assume, guarantee, endorse or in any manner become directly or contingently liable for or in connection with the obligation of any person, firm or corporation except for transaction in the ordinary course of business;
(k) to prepay or repay the outstanding loan amount prior to the set off date or other than as agreed under the financing documents; and
(l) to enter into or permit any further borrowing from any source without prior written permission from the lender.

Further, in certain cases, in case of default in payment of any instalments, the lenders have a right to convert the whole or part of the defaulted amount into fully paid-up shares of the Company or the Subsidiaries, as the case may be, which shall rank pari-passu with the existing equity shares in all respects.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below, there is no outstanding material litigation, suit, criminal or civil prosecution, proceeding or tax liabilities against the Company, the Subsidiaries and the members of the Promoter Group and there are no material defaults, non payment of statutory dues, over dues to banks or financial institutions, defaults against banks or financial institutions, defaults in dues payable to holders of any debenture, bonds or fixed deposits or arrears of preference shares issued by the Company, the Subsidiaries and the members of the Promoter Group, defaults in creation of full security as per terms of issue or other liabilities, proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of the Company and its Subsidiaries and no disciplinary action has been taken by SEBI or any stock exchanges against the Company, the Subsidiaries, the Promoters or the members of the Promoter Group or the Directors, that may have a material adverse effect on unconsolidated financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.

Neither the Company, the Subsidiaries, the Promoters, members of the Promoter Group and the Directors have been declared as willful defaulters by the Reserve Bank of India or any other Governmental authority and, except as disclosed in this section in relation to litigation, there are no violations of securities laws committed by them in the past or pending against them.

Contingent liabilities of the Company as of August 31, 2007:

The Company has contingent liabilities in an amount of Rs. 153.82 crore that are not provided for, as set forth in its restated audited consolidated financial statements as of March 31, 2007, prepared in accordance with the Indian GAAP. For further information, please see note 9 of Annexure IV of audited consolidated financial statements as of August 31, 2007, beginning on page 171 of this Red Herring Prospectus. The details are herein under below:

(Amount INR Thousand)

Particulars	August 31, 2007	March 31, 2007
Claims against the company not acknowledged as debts	292,364	279,349
Guarantees to banks for loans taken by Others	1,398,414	1,167,658
Guarantees and Counter Guarantees given by the Company	113,674	91,211
Total	**1,804,452**	**1,538,218**

Outstanding Litigation and Material Developments or Proceedings against the Company and the Subsidiaries

Cases against the Company

As of date, there is no outstanding litigation against the Company.

Cases against the Subsidiaries (including appeals from adverse decisions)

Sr. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant/ Plaintiff/ Petitioner	Respondents	Name & Address of the Court/ Arbitration Panel	Amount under Consideration	Brief Description of Case	Status
1.	W.C.A No. 4/06	April 12, 2006	Laxmanbhai Shanabhai Damor and others	Weldone Limited and others	Workmen's Compensation Commissioner Court, Godhra, Gujarat	Rs. 0.02 crore	The applicant has filed a suit for compensation against the responden	Pending hearing and final disposal.

Sr. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant/ Plaintiff/ Petitioner	Respondents	Name & Address of the Court/ Arbitration Panel	Amount under Consideration	Brief Description of Case	Status
							t under the Workmen's Compensation Act, 1923 for the death of his son caused during service stating that his deceased son was in the employment of Ideal Road Builders Private Limited. (IRBPL). The applicant served a notice of the claim at the address of IRBPL. IRBPL has filed a written reply to the said notice.	
2.	Civil Suit No. 13/ 2007	April 3, 2007	Rajendra G. Bharadwaj	Modern Road Makers Private Limited	Court of 2nd Additional Senior Civil Judge, Himmatnagar, Gujarat	Rs. 0.19 crore	The plaintiff has filed a civil suit for recovery of an amount of Rs. 0.19 crore under an agreement dated January 22, 2002, between the plaintiff and the	Pending hearing and final disposal.

Sr. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant/ Plaintiff/ Petitioner	Respondents	Name & Address of the Court/ Arbitration Panel	Amount under Consideration	Brief Description of Case	Status
							defendant. The plaintiff has alleged that although it had completed the works contract for the Himmatnagar-Ratanpur Road assigned to it under the agreement to the satisfaction of the defendant and subsequently raised a bill in respect of the completed works, the bill has not been paid by the defendant.	
3.	Show Cause Notice dated December 12, 2006	December 12, 2006	NHAI	Ideal Road Builders Private Limited (IRBPL)	Arbitrator to be appointed	Rs. 17.44 crore	Pursuant to a toll agency contract for collection of toll fees between IRBPL and the NHAI, IRBPL was responsible for collection of the toll user fee at Manglej	IRBPL has requested NHAI to appoint an arbitrator.

Sr. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant/ Plaintiff/ Petitioner	Respondents	Name & Address of the Court/ Arbitration Panel	Amount under Consideration	Brief Description of Case	Status
							and Chalthan Toll Plaza. The NHAI had served a show cause notice (SCN) dated December 12, 2006 on IRBPL for shortfall of toll fees aggregating approximately to an amount of Rs. 17.44 crore IRBPL filed a reply dated December 20, 2006 to the SCN.	
4.	Civil Suit No. 52 of 2005	June 7, 2005	Hemant Arvindrao Chiddawar	The State of Maharashtra, the Sub - Divisional Officer, Kelapur and Ideal Road Builders Private Limited	Court of the Civil Judge (Senior Division), Kelapur (Pkd.)	Not Applicable.	The applicant has filed a civil suit to terminate the lease granted to Modern Road Makers Private Limited under a lease deed dated June 28, 2005.	The civil court of Pandharkawada has now ruled to include MRM as defendant no. 3 and strike off the name of IRBPL from the suit. Date of commencement of fresh proceedings as per above revision is pending.

Sr. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant/ Plaintiff/ Petitioner	Respondents	Name & Address of the Court/ Arbitration Panel	Amount under Consideration	Brief Description of Case	Status
								.
5.	Notice No. 172	January 10, 2006	Collector of Stamps (Thane) and Assistant District Collector (Class-I) (Thane), Maharashtra, India	(a) MSRDC (b) MEP Toll Road Private Limited (MEP) and (c) Ideal Road Builders Private Limited (IRBPL)	N.A.	Rs. 6.75 crore	A demand notice dated January 10, 2006, has been issued by the Collector of Stamps (Thane) and Assistant District Collector (Class-I), Thane, Maharashtra, India against IRBPL demanding payment of Rs. 6.75 crore as stamp duty payable for the agreement dated November 27, 2002, between MSRDC, IRBPL and MEP. In addition to the deficit stamp duty, MSRDC, MEP and IRBPL have been ordered to pay a penalty of 2% per month on the deficient amount of stamp	Pending final disposal

Sr. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant/ Plaintiff/ Petitioner	Respondents	Name & Address of the Court/ Arbitration Panel	Amount under Consideration	Brief Description of Case	Status
							duty. MEP has filed a reply vide dated March 16, 2006, to this notice.	
6.	Notice No. 67/3635109	December 30, 2005	Deputy Inspector General Registration and Deputy, Superintendent of Stamp, Mumbai Division, Maharashtra India	(a) MSRDC (b) A. J. Tolls Private Limited (AJTPL) (c) Ideal Road Builders Private Limited (IRBPL)	N.A.	Rs. 0.43 crore	A demand notice dated December 30, 2005, has been issued by the Deputy Inspector General of Registration and Deputy Superintendent of Stamp Mumbai Division, Maharashtra, India against IRBPL demanding payment of Rs. 0.43 crore as stamp duty for the agreement dated January 17, 2004, between MSRDC, IRBPL and AJTPL. In addition to the deficit stamp duty, MSRDC, AJTPL	Pending final disposal

Sr. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant/ Plaintiff/ Petitioner	Respondents	Name & Address of the Court/ Arbitration Panel	Amount under Consideration	Brief Description of Case	Status
							and IRBPL have been ordered to pay a penalty of 2% per month on the deficient amount of stamp duty. IRBPL has filed a reply dated March 13, 2006, to such notice.	
7.	Notice No. 4696	December 30, 2005	Collector of Stamps (Satara) & Assistant District Collector (Class-1), Satara, Maharashtra, India.	(a) MSRDC and (b) Ideal Road Builders Private Limited (IRBPL)	N.A.	Rs. 0.32 crore	A demand notice dated December 30, 2005, has been passed by the Collector of Stamps (Satara) and Assistant District Collector (Class – 1), Satara, Maharashtra, India against IRBPL demanding payment of Rs. 0.32 crore as stamp duty for the agreement dated August 24, 2005, between MSRDC and	Pending final disposal

Sr. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant/ Plaintiff/ Petitioner	Respondents	Name & Address of the Court/ Arbitration Panel	Amount under Consideration	Brief Description of Case	Status
							IRBPL. In addition to the deficit stamp duty, MSRDC and IRBPL have been ordered to pay a penalty of 2% per month on the deficient amount of stamp duty payable as prescribed under the Stamp Act. IRBPL has filed a reply to such notice.	
8.	Notice No. 5360/62/07	June 30, 2007	Asst District Collector (Class-1) Kolhapur, Maharashtra, India	(a) MSRDC, Mumbai and Kolhapur (b) Ideal Road Builders Private Limited (IRBPL)	N.A.	Rs. 0.09 crore	A demand notice dated June 30, 2007, has been issued by the Assistant District Collector of Stamps (Kolhapur), Satara, Maharashtra, India to IRBPL with a copy marked to MSRDC, Mumbai and Kolhapur demanding payment of Rs.	Pending final disposal

Sr. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant/ Plaintiff/ Petitioner	Respondents	Name & Address of the Court/ Arbitration Panel	Amount under Consideration	Brief Description of Case	Status
							0.09 crore as stamp duty for the agreement dated August 24, 2005, between MSRDC and IRBPL. In addition to the deficit stamp duty, MSRDC and IRBPL have been ordered to pay a penalty of 2% per month on the deficient amount of stamp duty payable. IRBPL has filed a reply dated July 9, 2007, requesting the Assistant Collector of Stamps (Kolhapur) to defer the demand of Rs. 0.09 crore .	
9.	Notice No/. SDE.NEW/ 1067-A/07	July 19, 2007	The Collector of Stamps (Enforcement – II), Mumbai, Maharashtra, India	Ideal Road Builders Private Limited (IRBPL)	N.A.	(a) Rs. 0.16 crore with respect to BOT agreement for Kaman-Paygaon-Chinchoti Road Project and	A demand notice dated July 19, 2007, has been issued by the Collector	Pending final disposal.

Sr. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant/ Plaintiff/ Petitioner	Respondents	Name & Address of the Court/ Arbitration Panel	Amount under Consideration	Brief Description of Case	Status
						(b) Rs. 0.12 crore with respect to BOT Agreement for Bhiwandi – Wada Road Project.	of Stamps (Enforcement-II), Mumbai, Maharashtra, India to IRBPL demanding payment of Rs. 0.16 crore as stamp duty for the agreement dated December 7, 2005, between IRBPL and Government of Maharashtra for Kaman – Paygaon – Chinchoti Road Project and Rs. 0.12 crore as stamp duty for the with respect to BOT Agreement dated January 23, 1998, between IRBPL and Government of India for Bhiwandi – Wada Road Project. The abovementioned amount	

Sr. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant/ Plaintiff/ Petitioner	Respondents	Name & Address of the Court/ Arbitration Panel	Amount under Consideration	Brief Description of Case	Status
							also includes a penalty of 2% per month on the deficient stamp duty payable as per the Bombay Stamp Act, 1958. IRBPL has filed a reply dated August 17, 2007, requesting the Collector of Stamps (Enforcement – II), Mumbai, Maharashtra, India to defer the demand of Rs. 0.27 crore for both the BOT agreements.	
10.	Notice No. 4378 /07	August 3, 2007	Assistant District Collector of Stamps (Class-1), Solhapur, Maharashtra, India	(a) MSRDC and b) Ideal Road Builders Private Limited (IRBPL)	N.A	Rs. 0.04 crore	A demand notice dated August 3, 2007, was issued by the Assistant District Collector of Stamps (Class-I), Solhapur, Maharashtra, India to IRBPL demandin	Pending final disposal.

Sr. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant/ Plaintiff/ Petitioner	Respondents	Name & Address of the Court/ Arbitration Panel	Amount under Consideration	Brief Description of Case	Status
							g Rs. 0.04 crore as stamp duty for the agreement dated June 22, 2006, between IRBPL and MSRDC for toll collection at Hotgi Road and Barshi Road. In addition to the deficit stamp duty, IRBPL has been ordered to pay a penalty of 2% per month on the deficient stamp duty payable as prescribed under the Bombay Stamp Act, 1958. IRBPL has filed a reply dated August 17, 2007, requesting Assistant District Collector (Class-1) to defer the demand of Rs. 0.04 crore .	

Sr. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant/ Plaintiff/ Petitioner	Respondents	Name & Address of the Court/ Arbitration Panel	Amount under Consideration	Brief Description of Case	Status
11.	Miscellaneous. Application No. (WCA) 170/G-8/07 in Application (WCA) No. 20/B-9/04.	April 30, 2007	(a) Mr. Bansilal T. Gawli (b) Mrs. Rampyari Bansilal Gawli	(a) Ideal Road Builders Private Limited (IRBPL) (b) Ex Defense Security & Detective Network India (c) New India Assurance Corporation Limited	The 4th Labour Court, Thane before Smt. V A Raut – Judge	Rs. 0.03 crore	By an order dated November 9, 2006, passed by the 4th Labour Court, Thane, the respondents were ordered to pay the applicants an amount of Rs. 0.03 crore along with 12% interest on the compensation and 50% penalty from the date of the accident until its realization. New India Assurance Limited had moved the High Court of Judicature at Bombay by way of an appeal bearing appeal no. 2538 of 2007 for a grant of a stay order on the execution of the order of the	Pending hearing and final disposal.

Sr. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant/ Plaintiff/ Petitioner	Respondents	Name & Address of the Court/ Arbitration Panel	Amount under Consideration	Brief Description of Case	Status
							Labour Court. Pursuant to the order dated November 9, 2006, the applicants filed for recovery of the application (WCA) no. 20/B-9/04 through miscellaneous application (WCA) no. 170/G-8/07 to recover the amount of 0.03 crore from respondents 1 and 2 which is inclusive of 12% interest on the compensation and 50% penalty from the date of the accident until its realization. The High Court of Judicature at Bombay through its order	

Sr. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant/ Plaintiff/ Petitioner	Respondents	Name & Address of the Court/ Arbitration Panel	Amount under Consideration	Brief Description of Case	Status
							dated May 4, 2007, granted a stay on the order dated November 9, 2006, subject to the condition that New India Insurance Company Limited would deposit the entire amount of the claim in the Labour Court. Accordingly, New India Insurance Company Limited has deposited the entire claim amount in Labour Court, Thane.	
12.	222/I-54/07	May 23, 2007	(a) Mr. Bansilal T. Gawli (b) Mrs. Rampyari Bansilal Gawli	(a) Ideal Road Builders Private Limited (IRBPL) (b) Ex Defence Security & Detective Network India (c) New India Assurance Corporation Limited	The Commissioner for Workmen's Compensation, Court for Workmen's Compensation, Thane.	Rs. 0.02 crore	With reference to the case no 20/B-9/2004, the applicants No. 1 and 2 have filed a distribution application on May 23, 2007, for distributio	Pending hearing and final disposal

Sr. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant/ Plaintiff/ Petitioner	Respondents	Name & Address of the Court/ Arbitration Panel	Amount under Consideration	Brief Description of Case	Status
							n of compensation amount. The applicants claim that an amount of Rs. 0.10 crore be paid to each of them. Pursuant to the above application, the Commissioner for Workmen's Compensation, Court for Workmen's Compensation, Thane has directed the defendants to appear before the court on August 18, 2007, and also file a written statement.	
13.	Summary case no. 2947/2000	September 16, 2000	K. N. Patil, Inspector Security Guard Board, Greater Bombay and Thane District, Mumbai.	(a) Ideal Road Builders Private Limited (IRBPL) (b) Mr. Dattatraya. P. Mhaiskar (c) Mr. Jayant. D. Mhaiskar	The Judicial Magistrate First Class 1st Court for Thane	NIL	By the original complaint dated September 16, 2000, the complainant has charged the accused	Pending hearing and final disposal

Sr. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant/ Plaintiff/ Petitioner	Respondents	Name & Address of the Court/ Arbitration Panel	Amount under Consideration	Brief Description of Case	Status
				(d) Mr. Virendra. D. Mhaiskar (e) Mr. Kiran Potidar.			for an offence under the Private Security Guards (Regulation and Employment) Scheme, 1981 read with section 3(3) of the Maharashtra Private Security Guards (Regulation and Employment) Act, 1981 ("the Security Guards Act").	

Cases by the Company

As of date, there is no outstanding litigation by the Company.

Cases by the Subsidiaries (including appeals from adverse decisions)

Sr. No.	Suit No./ Appeal No./Case No.	Dated	Plaintiff/ Petitioner/ Complainant/Applicant/ Appellant	Defendant/ Respondent	Name & Address of the Court/ Arbitration Panel/ Competent Authority	Amount under Consideration	Brief Description of Case	Status
1.	**Appeal No. 78/ 2006**	**December, 2006**	**Ideal Road Builders Private Limited**	**State of Maharashtra, through Sub Divisional Officer, Thane**	**Deputy Collector (Appeal Desk), Thane Division, Thane.**	**Rs. 0.10 crore**	**Pursuant to an order dated February 21, 2007, the respondent has raised a penalty of Rs. 0.10 crore towards royalty. The appellant**	**Pending hearing and final disposal.**

Sr. No.	Suit No./ Appeal No./Case No.	Dated	Plaintiff/ Petitioner/ Complainant/Applicant/ Appellant	Defendant/ Respondent	Name & Address of the Court/ Arbitration Panel/ Competent Authority	Amount under Consideration	Brief Description of Case	Status
							has paid 10% of penalty amount and has obtained a stay order dated March 16, 2007, against the order dated February 21, 2007.	
2.	**Appeal No. 78/2006**	**January 19, 2007**	**Ideal Road Builders Private Limited**	**The Tahsildar, Office of the Tahsildar, Thane**	**In the court of Sub Division, Divisional Officer, Thane Division, Thane**	**Rs. 0.01 crore**	**Pursuant to an order dated January 19, 2007, the respondent has raised a penalty of Rs. 0.01 crore towards royalty. The appellant has filed an application dated February 8, 2007, for cancellation of the demand of payment of royalty.**	**Pending hearing and final disposal.**
3.	**Miscellanous Applicati (ESI) No. 1 of 2006**	**In the year 2006**	**Ideal Road builders Private Limited (IRBPL)**	**The Employees State Insurance Corporation, Mumbai (ESIC)** **The Recovery Officer, Division Office Marol, The Employees Insurance**	**The Employees Insurance Court, Mumbai**	**Rs. 0.28 crore**	**A show cause notice dated July 22, 1997, was issued to IRBPL by the ESIC to determine contributions for the period from October 1986, to March 1989, on an**	**Pending hearing and final disposal.**

Sr. No.	Suit No./ Appeal No./Case No.	Dated	Plaintiff/ Petitioner/ Complainant/Applicant/ Appellant	Defendant/ Respondent	Name & Address of the Court/ Arbitration Panel/ Competent Authority	Amount under Consideration	Brief Description of Case	Status
				State Corporation, Mumbai.			**ad-hoc basis in accordance with the Employees State Insurance Act, 1948 ("the ESIC Act") pertaining to the coverage of employees employed at various sites. Pursuant to an order dated July 20, 1997, IRBPL was directed to pay a sum of Rs. 0.001 crore towards the contribution under the ESIC Act. Thereafter, the Employees Insurance Court passed an order dated July, 15 2005, directing IRBPL to pay as contribution an amount of Rs. 0.10 crore in accordance with the ESIC Act. IRBPL had filed a reply dated December**	

Sr. No.	Suit No./ Appeal No./Case No.	Dated	Plaintiff/ Petitioner/ Complainant/Applicant/ Appellant	Defendant/ Respondent	Name & Address of the Court/ Arbitration Panel/ Competent Authority	Amount under Consideration	Brief Description of Case	Status
							7, 2005. By Recovery Notice No. 35/Q/11/20/2004/RRRC/MRL 13241 dated. October 27, 2005, issued by the Recovery Officer, Employees State Insurance Corporation, Mumbai, IRPBL has been directed to pay past dues of contributions amounting to Rs. 0.28 crore including penalties and interest for the period from October 1986, to October 27, 2005. IRBPL had filed an application before the Employees Insurance Court for a stay order on the recovery proceedings initiated by the Recovery Officer, the Employees	

Sr. No.	Suit No./ Appeal No./Case No.	Dated	Plaintiff/ Petitioner/ Complainant/Applicant/ Appellant	Defendant/ Respondent	Name & Address of the Court/ Arbitration Panel/ Competent Authority	Amount under Consideration	Brief Description of Case	Status
							State Insurance Corporation, Mumbai. Pursuant to an order dated January 17, 2006, the Employees Insurance Court has granted the stay.	
4.	Appeal No. 10 of 2006 (Writ petition no 845 of 2007)	Order dated September 16, 2006 Order dated October 11, 2007	Mhaiskar Infrastructure Private Limited (MIPL)	1) State of Maharashtra through Deputy Inspector General of Registration, Deputy Collector of Stamps and Collector of Stamps, Mumbai, Division Mumbai; 2) Deputy Inspector General of Registration, Deputy Collector of Stamps and Collector of Stamps, Mumbai, Division Mumbai; and 3) Deputy Inspector General of Registration and Collector of Stamps (Enforcement) Mumbai.	Inspector General of Registration, Deputy Collector of Stamps and Collector of Stamps, Mumbai, Maharashtra	Rs. 27.54 crore	By the order dated September 16, 2006 passed by the Deputy Inspector General of Registration and Deputy Collector of Stamps (Enforcement) against MIPL and IRBPL demanding a sum of Rs. 27.54 crore as the stamp duty payable on the agreement dated August 4, 2004 under which MIPL is given rights to collect tolls on Mumbai-Pune Expressway ("MPEW") as the said agreement was	Pending hearing and final disposal

Sr. No.	Suit No./ Appeal No./Case No.	Dated	Plaintiff/ Petitioner/ Complainant/Applicant/ Appellant	Defendant/ Respondent	Name & Address of the Court/ Arbitration Panel/ Competent Authority	Amount under Consideration	Brief Description of Case	Status
							considered a lease agreement. Additionally, the Deputy Inspector General of Registration and Deputy Collector of Stamps (Enforcement) has ordered MIPL to pay a penalty of 2% per month on the deficient amount of stamp duty. MIPL preferred an appeal before the Inspector General of Registration and Controller of Stamps, Pune, Maharashtra being appeal no. 10 of 2006 against the order dated September 16, 2006. An ex-parte order dated October 11, 2007 has been passed by the Inspector General of Registration and	

Sr. No.	Suit No./ Appeal No./Case No.	Dated	Plaintiff/ Petitioner/ Complainant/Applicant/ Appellant	Defendant/ Respondent	Name & Address of the Court/ Arbitration Panel/ Competent Authority	Amount under Consideration	Brief Description of Case	Status
							Controller of Stamps, Pune, Maharashtra whereby the order dated September 16, 2006 passed by the Deputy Inspector General of Registration, Deputy Collector of Stamps and Collector of Stamps, Mumbai, Maharashtra, India has been upheld and the appeal has been dismissed. MIPL filed a writ petition being Writ Petition No 845 of 2007 in the High Court, Bombay for quashing the order dated October 11, 2007. The Hon'ble High Court was pleased to set aside the said order dated October 11. 2007 and further directed Inspector General of Registratio	

Sr. No.	Suit No./ Appeal No./Case No.	Dated	Plaintiff/ Petitioner/ Complainant/Applicant/ Appellant	Defendant/ Respondent	Name & Address of the Court/ Arbitration Panel/ Competent Authority	Amount under Consideration	Brief Description of Case	Status
							n and Deputy Collector of Stamps for a fresh hearing.	

Tax cases against the Company

As of date, there is no outstanding tax litigation against the Company.

Tax cases against the Subsidiaries

Sr. No.	Appeal No.	Dated	Appellant	Respondents	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration	Brief Description of Case	Status
1.	277/M/05	July 20, 2005	Deputy Commissioner of Income Tax	Ideal Road Builders Private Limited (IRBPL)	Income Tax Appellate Tribunal, Mumbai	Rs. 0.25 crore	The Commissioner of Income Tax, (Appeals), through an order, directed the Assessing Officer to delete the imposition of a penalty of Rs. 0.25 crore on account of unexplained cash found and seized. The Deputy Commissioner of Income Tax has appealed against the order praying that the direction	Pending hearing and final disposition.

Sr. No.	Appeal No.	Dated	Appellant	Respondents	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration	Brief Description of Case	Status
							be set aside and the order of the Assessing Officer be restored.	
2.	821/05	June 29, 2005	Commissioner of Income Tax (Central IV)	Ideal Road Builders Private Limited (IRBPL)	High Court of Judicature at Bombay	Rs. 0.41 crore	The Assessing Officer in his assessment order had made an addition of Rs. 0.41 crore as the undisclosed income on account of fixed deposit receipts (FDRs) for the block period 1987-88 to 1997-98. Being aggrieved by the order of the Assessing Officer, IRBPL preferred an appeal to the Commissioner of Income Tax (Appeals). The Commissioner of Income Tax (Appeals) based on	Pending hearing and final disposal.

Sr. No.	Appeal No.	Dated	Appellant	Respondents	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration	Brief Description of Case	Status
							its findings deleted the addition of the FDRs and thereby upheld the appeal of IRBPL. Being aggrieved by the order of the Commissioner of Income Tax (Appeals), the appellant appealed to the ITAT, Mumbai. The ITAT upheld the order of the Commissioner of Income Tax (Appeals). Being aggrieved by the order of the ITAT, the appellant has filed this present appeal before the High Court of the Judicature at Bombay. The	

Sr. No.	Appeal No.	Dated	Appellant	Respondents	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration	Brief Description of Case	Status
							appellant has further filed a Notice of Motion No. 2375 of 2005 for condonation of delay.	
3.	Show Cause Cum Demand Notice NoV/ST/ HQ/PREV ./C119/05	September 28, 2006	Commissioner of Service Tax, Mumbai	Ideal Road Builders Private Limited (IRBPL)	Commissioner of Service Tax (Mumbai)	Rs. 1.35 crore	The Commissioner of Service Tax has raised a demand by way of a show cause notice towards O&M works executed by IRBPL for the NHAI. IRBPL has filed a reply to the show cause notice.	Pending further actions.
4.	Show Cause cum demand notice F. No. DGCEI/AZU/36-01/2007-08/5201	April 10, 2007	Additional Director General, Directorate General of Central Excise Intelligence, Zonal Unit, Ahmedabad	Ideal Road Builders Private Limited (IRBPL)	Commissioner of Service Tax, Mumbai	Rs. 0.96 crore	Notice has been issued to IRBPL by the Additional Directorate General of Central Excise by way of a show cause notice demanding a sum of Rs. 0.96 crore as service	Pending further actions.

Sr. No.	Appeal No.	Dated	Appellant	Respondents	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration	Brief Description of Case	Status
							tax along with interest and penalties on the basis of service tax payable on certain toll collection contracts with the NHAI. IRBPL has filed a reply to the SCN dated April 10, 2007.	

Tax cases by the Company

As of date, there is no outstanding tax litigation by the Company.

Tax cases by the Subsidiaries

Sr. No.	Forum and Appeal No.	Dated	Appellant	Respondents	Name and address of the Court or Tribunal	Amount Under Consideration	Brief Description of Case	Status
1.	Appeal No. 941/MUM 2007	February 1, 2007	IRB Infrastructure Private Limited (IRBIL)	Joint Commissioner of Income Tax Range 6(1)	Income Tax Appellate Tribunal, Mumbai Bench. (ITAT)	Rs. 0.56 crore	A penalty order under the I. T. Act was passed by the Joint Commissioner of Income Tax directing IRBIL to pay a sum of Rs. 0.56 crore in compliance with the order of the	Pending hearing and final disposal.

Sr. No.	Forum and Appeal No.	Dated	Appellant	Respondents	Name and address of the Court or Tribunal	Amount Under Consideration	Brief Description of Case	Status
							Assessing Officer in the assessment year 2001-2002. IRBIL filed an appeal before the ITAT, Mumbai stating that the Assessing Officer erred in levying the penalty.	
2.	Appeal Number not yet received by the Company	April 15, 2005	IRB Infrastructure Private Limited (IRBIL)	Income Tax Officer, Mumbai	Income Tax Appellate Tribunal, Mumbai Bench (ITAT)	Rs. 1.32 crore	The Commissioner of Income Tax (Appeals) upheld the rejection by the Assessing Officer of the accounting policy in respect of completion of contract method of accounting for BOT infrastructure projects with toll rights and added an excess tax of Rs. 1.32 crore to the assessabl	Pending hearing and final disposal

Sr. No.	Forum and Appeal No.	Dated	Appellant	Respondents	Name and address of the Court or Tribunal	Amount Under Consideration	Brief Description of Case	Status
							e income of IRBIL. IRBIL has filed this appeal to set aside the order of the Commissioner of Income Tax (Appeals).	

Proceedings initiated against the Company for economic offences

There are no proceedings initiated against the Company for any economic offences.

Litigation/Proceedings involving the Directors of the Company

There is no outstanding material litigation involving the Directors. There are no suits or criminal prosecutions or civil proceedings involving the Directors, and there are no material defaults, non-payment of statutory dues, overdues to banks or financial institutions or defaults against banks/financial institutions by the Directors (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of part 1 of Schedule XIII of the Companies Act).

Proceedings initiated against the Directors for economic offences

There are no proceedings initiated against the Directors for any economic offences.

Details of past penalties imposed on the Directors

There are no past penalties imposed on the Directors.

Litigation involving Promoters

There is no outstanding litigation involving our Promoters.

There is no outstanding material litigation, suits or criminal prosecutions or civil proceedings or tax liabilities against companies promoted by the Promoters, and there are no material defaults, non-payment of statutory dues, overdues to banks or financial institutions (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of part 1 of Schedule XIII of the Companies Act).

Litigation/ Defaults in respect of companies/ firms/ ventures with which the Promoters were Associated in the Past

There is no outstanding litigation/defaults in respect of companies/firms/ventures with which the Promoters were associated in the past.

Litigation involving Promoter Group Companies

There is no outstanding litigation involving our Promoter Group.

There is no outstanding material litigation, suits or criminal prosecutions or civil proceedings or tax liabilities against our Promoter Group, and there are no material defaults, non-payment of statutory dues, overdues to banks or financial institutions (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of part 1 of Schedule XIII of the Companies Act).

Past Penalties paid by the Subsidiaries and the Promoter Group Companies

Other than as disclosed in this Red Herring Prospectus, there are no past penalties paid by the Subsidiaries and the Promoter Group Companies.

Material Developments since the Last Balance Sheet Date

Other than as disclosed in this Red Herring Prospectus, there has not arisen, since the date of the last financial statements set out herein, any circumstance that materially or adversely affects our profitability taken as a whole or the value of our unconsolidated assets or our ability to discharge our material liabilities over the next 12 months.

GOVERNMENT AND OTHER APPROVALS

On the basis of the indicative list of approvals provided below, the Company can undertake this Issue and its current business activities and no further major approvals from any Government or regulatory authority, are required to undertake the Issue or continue these activities. Unless otherwise stated, these approvals are valid as of the date of this Red Herring Prospectus.

Approvals for the Issue

The following approvals have been obtained or will be obtained in connection with the Issue:

The Board of Directors has, pursuant to a resolution passed on September 7, 2007, authorised the Issue subject to the approval by the shareholders of the Company under Section 81(1A) of the Companies Act and such other authorities as may be necessary.

The shareholders of the Company have, pursuant to a resolution dated September 7, 2007, under Section 81(1A) of the Companies Act, authorised the Issue.

The IPO Committee pursuant to its resolutions dated December 30, 2007 has approved and authorized the Red Hearing Prospectus.

The Company has obtained in-principle listing approvals dated October 12, 2007 and October 18, 2007 from the BSE and the NSE, respectively.

The Company has also obtained necessary contractual approvals required for the Issue.

Approvals for the Business

We have obtained all approvals necessary to conduct our business in India, as well as renewals for such approvals as may be required. The approvals that we require include the following:

Within India

Sr. No.	Date of issue	Description of the approval	Issuing authority	Validity
General Approvals for the Company				
1.	May 24, 2007	Tax Deduction Account Number ("TAN") MUMD10213A under the I.T. Act	Income Tax Authority	Valid until cancelled
2.	April 10, 2007	Permanent Account Number ("PAN") AABCD1071G under the I. T. Act	Income Tax Authority	Valid until cancelled
3.	March 9, 2007	Certificate No. PT/E/1/1/26/18/2245 under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Profession Tax Officer	Valid until cancelled
4.	March 9, 2007	Certificate No. PT/R/ 1/1/26/11757 under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Sales Tax Officer	Valid until cancelled
5.	May 22, 2007	Service Tax Registration No. AABCD1071GST001	Directorate of Service Tax, Mumbai Department of Revenue, Ministry of Finance, GoI	Valid until cancelled
6.	November 12, 2007	Code no. M.H/THN/201140	Office of Regional Provident Fund	Valid until cancelled

Sr. No.	Date of issue	Description of the approval	Issuing authority	Validity
			Commissioner	
Approvals for ATR Infrastructure Private Limited				
1.	November 7, 2007	Licence No. RLCP/46(40) 2006 L under the Contract Labour (Regulation and Abolition) Act, 1970	Regional Labour Commissioner (Central), Pune	Valid up to November 6, 2008
2.	March 9, 2007	Certificate No. PT/E/1/1/26/18/2237 under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Profession Tax Officer	Valid until cancelled
3.	March 9, 2007	Certificate No. PT/R/ 1/1/26/11758 under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Sales Tax Officer	Valid until cancelled
4.	April 25, 2007	TAN MUMA24028E under the I.T. Act	Income Tax Authority	Valid until cancelled
5.	March 24, 2007	PAN AAECA5167H under the I.T. Act	Income Tax Authority	Valid until cancelled
6.	January 5, 2004	Importer Exporter Code Number 0303064684 under the Foreign Trade (Development and Regulation) Act, 1992	Foreign Trade Development Officer	Valid until cancelled
7.	December 21, 2007	Workmen's compensation insurance policy no. 140702/36/07/0100000554	New Induia Assurance Company Limited	Valid upto December 20, 2008
8.	December 21, 2007	Workmen's compensation insurance policy no. 140702/36/07/0100000555	New Induia Assurance Company Limited	Valid upto December 20, 2008
Approvals for IDAA Infrastructure Private Limited				
1.	May 2, 2007	Consent No. GPCB/CE/SRT – 1769/11851 under the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981	Environmental Engineer, Gujarat Pollution Control Board	Valid up to May 1, 2012
2.	May 18, 2007	Consent No. GPCB/CE/BRCH/NOC – 3469/14043 under the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981	Environmental Engineer, Gujarat Pollution Control Board	Valid up to May 17, 2012
3.	May 18, 2007	Consent No. GPCB/CE/BRCH/NOC – 3474/14045 under the Water (Prevention and Control of Pollution) Act, 1974 and under the Air (Prevention and Control of Pollution) Act, 1981	Environmental Engineer, Gujarat Pollution Control Board	Valid up to May 17, 2012
4.	April, 2, 2007	Licence No. 46/2007 under the Solvent Acquisition, Sale Storage and Prevention of Use in Automobiles Order, 2000	District Magistrate, Surat	Valid up to April 1, 2008
5.	April, 12, 2007	Licence No. 47/2007 under the Solvent Acquisition, Sale Storage and Prevention of Use in Automobiles Order, 2000	District Magistrate, Surat	Valid up to April 11, 2008
6.	March 2, 2007	No Objection Certificate No. A/P/WC/GJ/14/3856 (P190798 for Proposed Petroleum Class Storage Shed, Plot No. 563, B. No.392, Dhamrod, Taluka, Mangrol, Surat,	Deputy Chief Controller of Explosives	Valid until cancelled

Sr. No.	Date of issue	Description of the approval	Issuing authority	Validity
		Gujarat under the Petroleum Rules, 1976		
7.	March 28, 2006	PAN AABCI4827M under the I.T. Act	Income Tax Authority	Valid until cancelled
8.	March 20, 2006	TAN MUMI07044C, under the I.T. Act	Income Tax Authority	Valid until cancelled
9.	March 21, 2007	Central Sales Tax No.24723201995 under the Central Sales Tax (Registration and Turnover) Rules, 1957	Central Sales Tax Department	Valid until cancelled
10.	February 1, 2007	VAT Registration No. 24223201995 under the Gujarat Value Added Tax Act, 2003	Commercial Tax Department, Government of Gujarat	Valid until cancelled
11.	January 2, 2007	Workmens Compensation Insurance Policy No. 1301372711100016 with Reliance General Insurance Company Limited under the Workmen's Compensation Act, 1923	Not Applicable	Valid up to January 1, 2008
12.	March 9, 2007	Certificate No. PT/E/1/1/26/18/2236 under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Profession Tax Officer	Valid until cancelled
13.	March 9, 2007	Certificate No. PT/R/ 1/1/26/11762 under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Sales Tax Officer	Valid until cancelled
14.	January 22, 2007	Importer Exporter Code Number 0306074265 under the Foreign Trade (Development and Regulation) Act, 1992	Foreign Trade Development Officer	Valid until cancelled
Approvals for IRB Infrastructure Private Limited				
1.	May 27, 2004	Registration No. MH/BAN/ 47110/ Zone V/174 under the Employees', Provident Fund and Miscellaneous Provisions Act, 1952	Regional Provident Fund Commissioner	Valid until cancelled
2.	May 28, 2005	TAN MUMI03209D under the I.T. Act	Income Tax Authority	Valid until cancelled
3.	December 19, 2006	PAN AAACI3369P under the I.T. Act	Income Tax Authority	Valid until cancelled
4.	June 15, 2004	Certificate No. PT/E/1/1/26/18/1954 under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Profession Tax Officer	Valid until cancelled
5.	May 20, 2004	Certificate No. PT/R/ 1/1/26/10960 under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Sales Tax Officer	Valid until cancelled
Approvals for Mhaiskar Infrastructure Private Limited				
1.	April 10, 2007	Registration No. 200572/ENF/Circle II/7506 under the Employees, Provident Fund and Miscellaneous Provisions Act, 1952	Regional Provident Fund Commissioner	Valid until cancelled
2.	December 6, 2006	Licence No. 6256 under the Contract Labour (Regulation and Abolition) Act, 1970	Assistant Commissioner of Labour	Valid up to December 31, 2007
3.	April 25, 2007	TAN MUMM24344F under the I.T. Act	Income Tax Authority	Valid until cancelled

Sr. No.	Date of issue	Description of the approval	Issuing authority	Validity
4.	April 17, 2007	PAN AADCM9396D under the I.T. Act	Income Tax Authority	Valid until cancelled
5.	September 19, 2007	Workmens Compensation Insurance Policy No. 14070241060100000181 with New India Assurance Company Limited under the Workmen's Compensation Act, 1923 for toll collection and road construction at Dehu Road Toll Plaza	Not Applicable	Valid up to September 18, 2008
6.	September 19, 2007	Workmens Compensation Insurance Policy No. 14070241060100000178 with New India Assurance Company Limited under the Workmen's Compensation Act, 1923 for toll collection and allied activities at Kusgaon toll Plaza	Not Applicable	Valid up to September 18, 2008
7.	September 15, 2007	Workmens Compensation Insurance Policy No. 14070241060100000165 with New India Assurance Company Limited under the Workmen's Compensation Act, 1923 for toll collection at Seedung Toll Plaza	Not Applicable	Valid up to September 14, 2008
8.	September 19, 2007	Workmens Compensation Insurance Policy No. 14070241060100000180 with New India Assurance Company Limited under the Workmen's Compensation Act, 1923 for toll collection and allied activities at Shilphata Toll Plaza	Not Applicable	Valid up to September 18, 2008
9.	March 9, 2007	Certificate No. PT/E/1/1/26/18/2241 under the Maharashtra State Tax on Professions, Trades, Callings, and Employments Act, 1975	Profession Tax Officer	Valid until cancelled
10.	March 9, 2007	Certificate No. PT/R/ 1/1/26/11753 under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Sales Tax Officer	Valid until cancelled
11.	December 28, 2005	Importer Exporter Code Number 0305066820 under the Foreign Trade (Development and Regulation) Act, 1992	Foreign Trade, Development Officer	Valid until cancelled
Approvals for MMK Toll Road Private Limited				
1.	Application made on September 23, 2004]	TAN PNEM06847B under the I.T. Act	Income Tax Authority	Valid until cancelled
2.	October 3, 2003	PAN AADCM4969J under the I.T. Act	Income Tax Authority	Valid until cancelled
3.	December 5, 2007	Workmens Compensation Insurance Policy No. 14070236070100000500 with New India Assurance Company Limited under the Workmen's Compensation Act, 1923	Not Applicable	Valid up to December 4, 2008
4.	November 24, 2003	Importer Exporter Code Number 0303053984 under the Foreign Trade (Development and Regulation) Act, 1992	Foreign Trade Development Officer	Valid until cancelled
Approvals for NKT Road and Toll Private Limited				
1.	September 3, 2004	Registration No.	Regional Provident	Valid until

Sr. No.	Date of issue	Description of the approval	Issuing authority	Validity
		MH/THN/99004/APP/ENF/09D/1892 under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952	Fund Commissioner	cancelled
2.	January 3, 2007	Licence No. 0024978/R-36 under the Contract Labour (Regulation and Abolition Act, 1970)	Assistant Commissioner of Labour	Valid up to December 31, 2007
3.	March 24, 2007	PAN AABCN3565H under the I.T. Act	Income Tax Authority	Valid until cancelled
4.	April 25, 2007	TAN MUMNO7477B under the I.T. Act	Income Tax Authority	Valid until cancelled
5.	May 5, 2004	Employer Registration no. PT/R/1/1/30/4698 under the Maharashtra State Tax on Professions, Trades, Callings and Employment Act, 1975	Sales Tax Officer	Valid until cancelled
6.	July 21, 2004	Employer Registration No. PT/E/1/1/30/18/1120 under the Maharashtra State Tax on Professions, Trades, Callings and Employment Act, 1975	Profession Tax Officer	Valid until cancelled
7	July 20, 2007	Workmens Compensation Insurance Policy No. 14070236070100000221 with New India Assurance Company Limited under the Workmen Compensation Act, 1923	Not Applicable	Valid up to July 19, 2008
8	December 4, 2007	Registration No. 34-3945-10107 under the Employees State Insurance Act, 1948	Assistant Director	Valid until cancelled
Approvals for Thane Ghodbunder Toll Road Private Limited				
1.	April 13, 2007	Registration No. MH/THN/200581/ ENF/ Circle II/ 7512 under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952	Regional Provident Fund Commissioner	Valid until cancelled
2.	April 17, 2007	PAN AACCT3723G under the I.T. Act	Income Tax Authority	Valid until cancelled
3.	April 25, 2007	TAN MUMT12786E under the I.T. Act, 1961	Income Tax Authority	Valid until cancelled
4.	July 6, 2007	Workmens Compensation Insurance Policy No. 1242004820083240 with Oriental Insurance Company Limited under the Workmen Compensation Act, 1923	Not Applicable	Valid up to January 4, 2008
5.	March 9, 2007	Certificate No. PT/E/1/1/26/18/2238 under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Profession Tax Officer	Valid until cancelled
6.	March 9, 2007	Certificate No. PT/R/1/1/26/11752 Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Sales Tax Officer	Valid until cancelled
7.	February 21, 2006	Importer Exporter Code Number 0305079689 under the Foreign Trade (Development and Regulation) Act, 1992	Foreign Trade Development Officer	Valid until cancelled
Approvals for Aryan Toll Road Private Limited				
1.	May 22, 2007	Licence No. B-ALCO/46/(32)/05 under the Contract Labour	Assistant Labour Commissioner	Valid up to May 8, 2008

Sr. No.	Date of issue	Description of the approval	Issuing authority	Validity
		(Regulation and Abolition) Act, 1970		
2.	March 9, 2007	Certificate No. PT/E/1/1/26/18/2242 under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Profession Tax Officer	Valid until cancelled
3.	March 9, 2007	Certificate No. PT/R/1/1/26/11761 under the Maharashtra State Tax on Professions, Trades, Callings, and Employments Act, 1975	Sales Tax Officer	Valid until cancelled
4.	April 17, 2007	PAN AAECA5168J under the I.T. Act	Income Tax Authority	Valid until cancelled
5.	April 25, 2007	TAN MUMA23542B under the I.T. Act	Income Tax Authority	Valid until cancelled
6.	May 30, 2007	Workmens Compensation Insurance Policy No. 140702-36070100000110 with New India Assurance Company Limited under the Workmen Compensation Act, 1923	Not Applicable	Valid up to May 29, 2008
7.	January 5, 2004	Importer Exporter Code Number 0303064692 under the Foreign Trade (Development and Regulation) Act, 1992	Foreign Trade Development Officer	Valid until cancelled
Approvals for Modern Road Makers Private Limited				
1.	May 9, 2001	Registration No. MH/PE/APP/45286/Zone-V/05C/1543/84 under the Employees' Provident Funds and Miscellaneous Provision Act, 1952	Regional Provident Fund Commissioner	Valid until Cancelled
2.	March 17, 2006	Consent No. NRO/Wardha/E-25 of 1998/97-CC/384/06 under the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Hazardous Waste (Management and Handling) Rules, 1989 (as amended)	Regional Officer, Maharashtra Pollution Control Board	Valid up to March 31, 2008 under the Air (Prevention and Control of Pollution) Act, 1981 and Water (Prevention and Control of Pollution) Act, 1974. Valid up to March 16, 2008 under the Hazardous Wastes (Management and Handling) Rules, 1989
3.	November 5,2007	Consent No. ROR/CC/Raigad/42 under the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Hazardous Wastes (Management and Handling) Rules, 1989	Regional Officer, Maharashtra Pollution Control Board	Valid up to October 30, 2009
4.	September 30, 2005	Approval No. A/P/WC/MH/15/2397 (P161364) under the Petroleum Rules, 2002 for storage of petroleum	Joint Chief Controller of Explosives	Valid until cancelled

Sr. No.	Date of issue	Description of the approval	Issuing authority	Validity
		class 'C' furnace oil/LDO at Dapoda Plant, Thane-Bhiwandi Bypass		
5.	January 10, 2006	Licence No. P/WC/GJ/14/3214 (P152365) under Petroleum Rules, 2002	Controller of Explosives	Valid up to December 31, 2007
6.	April 13, 2007	Consumer's Licence No. 2/2007 under the Maharashtra Solvent, Raffinate, Slop Order 2007	Collector, Wardha	Valid up to April 12, 2008
7.	September 28, 2005	Licence No. 592/2005 under of the Mining Act, 1966	Collector, Wardha	Valid up to September 27, 2008
8.	July 15, 2005	Permission No. 37/NP-34/04-05 under the Maharashtra Land Revenue Code with reference to Government Order No.s/30/90/2243 (786/L/2) dated November 23, 1990 to use land for industrial purposes	Deputy Divisional Officer, Hinganghat	Valid until cancelled
9.	March 24, 2007	PAN AAACM3816F under the I.T. Act	Income Tax Authority	Valid until cancelled
10.	April 1, 1996	Registration No. 400016 S 2130 under the Bombay Sales Tax Act, 1959	Sales Tax Department, Maharashtra	Valid until cancelled
11.	April 1, 1996	Registration No. 400016 C 1618 under Central Sales Tax (Registration and Turnover) Rules, 1957 and under the Central Sales Tax Act, 1956	Central Sales Tax Department	Valid until cancelled
12.	April 25, 2007	TAN MUMM10038A under the I.T. Act	Income Tax Authority	Valid until cancelled
13.	April 1, 2006	VAT TIN No. 27960283436V under the Maharashtra Value Added Tax Act, 2005	Sales Tax Department	Valid until cancelled
14.	April 1, 2006	CST TIN No.27960283436C. under the Central Sales Tax (Registration and Turnover) Rules, 1957	Central Sales Tax Department	Valid until cancelled
15.	February 11, 2000	Registration No. PT/R/1/1/27/15443 under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Sales Tax Officer	Valid until cancelled
16.	March 24, 2000	Importer Exporter Code no. 0399066659 under the Foreign Trade (Development and Regulation) Act, 1992	Foreign Trade Development Officer	Valid until cancelled
17.	December 14, 2007	Registration as a Class 1 Contractor with Public Works Department	Public Works Department, Government of Maharashtra	Valid upto December 10, 2010
Approvals for Ideal Road Builders Private Limited				
1.	March 30, 2007	Licence No. BRC/ALC/LIC/46 (111)/2007 under the Contract Labour (Regulation and Abolition) Act, 1970 for Six/Four laning of Bharuch-Surat section of NH-8	Assistant Labour Commissioner	Valid up to March 29, 2008
2.	November 30, 2006	Licence No. AL-CN-I/46(L)/44/2005-CL under the Contract Labour (Regulation and	Assistant Labour Commissioner	Valid up to December 25, 2008

Sr. No.	Date of issue	Description of the approval	Issuing authority	Validity
		Abolition) Act, 1970 for four laning of Nagpur-Hyderabad Section of NH-7		
3.	May 10, 2007	License No. MPCB/ROK/Ulhas/R/CC-698 under the Water (Prevention and Control of Pollution) Act, 1974, under the Air (Prevention and Control of Pollution) Act, 1981, and the Hazardous Wastes (Management and Handling) Rules, 1989	Regional Officer, Maharashtra Pollution Control Board	Valid up to February 28, 2009
4.	December 28, 2006	PAN AAACI0950L under the I.T. Act	Income Tax Authority	Valid until cancelled
5.	April 25, 2007	TAN MUMI06008C under the I.T. Act	Income Tax Authority	Valid until cancelled
6.	May 30, 2005	Importer Exporter Code Number 0397051310 under the Foreign Trade (Development and Regulation) Act, 1992	Foreign Trade Development Officer	Valid until cancelled
7.	March 23, 2000	Employer Registration No. PT/R/1/1/26/9942 under the Maharashtra State Tax on Professions, Trades, Callings and Employment Act, 1975	Profession Tax Officer	Valid until cancelled
8.	April 1, 2006	VAT TIN Number 2756032876V under the Maharashtra Value Added Tax Act, 2005	Sales Tax Department, Maharashtra	Valid until cancelled
9.	March 13, 2000	Registration No. MH/BAN/21614/PF/ENF.ZONE.VII /G/4155/1372 under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952	Regional Provident Fund Commissioner	Valid until cancelled
10.	April 1, 2006	Registration No. 27560328276C under the Central Sales Tax (Registration and Turnover) Rules, 1957	Central Sales Tax Department	Valid until cancelled
11.	May 21, 2007	Registration No. 3120075 under the Employees State Insurance Act, 1948	Director General	Valid until cancelled
12.	November 4, 2003	Registration No. L-II/010394 under the Bombay Shops and Establishments Act, 1948	Chief Inspector, Bombay Shops Establishment	Valid up to March, 2008
13.	December 17, 2007	Registration as a Class 1 Contractor with Public Works Department	Public Works Department, Government of Maharashtra	December 10, 2010
Aryan Infrastructure Investments Private Limited				
1.	September 21, 2007	Permission bearing number PTA/SR/20/2007 to purchase land under the Bombay Tenancy and Agricultural Lands Act, 1948	Office of the Collector, Pune, Department of Tenancy	Valid until cancelled

Except as mentioned below, there are no other approvals that have been applied by us, which are pending or have not been received:

Sr. No.	Date of Application	Description of Approval	Issuing Authority	Reasons for delay
Company				
1.	June 20, 2007	Application for registration of the "IRB"	Trademark Registry, Mumbai, Maharashtra	Application pending for

		mark in class 37.		approval
Thane Ghodbunder Toll Road Private Limited				
2.	October 28, 2006	License under the Contract Labour (Regulation and Abolition) Act, 1970	Assistant Commissioner of Labour	Application has been filed and is under process.
IRB Infrastructure Private Limited				
3.	April 15, 2004	Registration under the Employees' State Insurance Act, 1948	Director General	Application has been filed and is under process.
Aryan Infrastructure Investments Private Limited*				
1.	October 24, 2007	Locational clearance for the special township at Mauje Taje and Mauje Pimpoli, Taluka – Maval, District – Pune in respect of land admeasuring 1400 acres.	Urban Development Department, State of Maharashtra.	Application has been filed and is under process.

* Ayran has made several applications with the Urban Development Department, State of Maharashtra for seeking approval under Section 43 of the Bombay Tenancy and Agricultural Lands Act, 1948 upon acquition of part of the Land Reserves. The said applications have been filed and are under process.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board of Directors has, pursuant to a resolution passed at its meeting held on September 7, 2007, authorised the Issue subject to the approval by the shareholders of the Company under Section 81(1A) of the Companies Act. The Board pursuant to its resolution dated September 7, 2007 has authorised a committee of its Directors referred to as the IPO Committee to take decisions on behalf of the Board in relation to the Issue. The IPO Committee has approved and authorised the Draft Red Herring Prospectus pursuant to its resolution dated September 24, 2007 and this Red Herring Prospectus pursuant to its resolution dated December 30, 2007.

The shareholders of the Company have, pursuant to a resolution dated September 7, 2007, under Section 81(1A) of the Companies Act, authorised the Issue.

Prohibition by SEBI, RBI or governmental authorities

The Company, the Directors, the Promoters, the Promoter Group, the directors or person(s) in control of the Promoter or the Promoter Group entities, the Subsidiaries and the companies in which the 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.

None of the Company, the Subsidiaries, the Directors, the directors of the Subsidiaries, the Promoters, the Promoter Group entities and the companies in which the Directors are associated as directors, has been declared as a wilful defaulter 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 the Issue

The Company is not eligible for the Issue in accordance with Clause 2.2.1 of the SEBI Guidelines.

The Company is eligible to make the Issue in accordance with Clause 2.2.2 of the SEBI Guidelines as explained below:

"An unlisted company not complying with any of the conditions specified in Clause 2.2.1 may make an initial public offering (IPO) 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 (a) and (b) given below:

(a)(i) The issue is made through the book-building process, with at least 50% of net offer to public being allotted to the Qualified Institutional Buyers (QIBs), failing which the full subscription monies shall be refunded.

OR

(a)(ii) The "project" has at least 15% participation by Financial Institutions/Scheduled Commercial Banks, of which at least 10% comes from the appraiser(s). In addition to this, at least 10% of the issue size shall be allotted to QIBs, failing which the 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 a compulsory market-making for at least 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 of the date of allotment of securities, shall be at least 5% of the proposed issue of the company."*

- The Company will comply with Clause 2.2.2(a)(i) of the SEBI Guidelines and at least 60% of the Issue shall be allotted to QIBs (in order to comply with the requirements of Rule 19(2)(b) of the SCRR) and in the event the Company fails to do so, the full subscription monies shall be refunded to the Bidders.
- The Company will comply with the second proviso to Clause 11.3.5(i) of the SEBI Guidelines; accordingly, not less than 10% and 30% of the Issue shall be available for allocation to Non-Institutional Bidders and Retail Individual Bidders, respectively, subject to valid Bids being received.
- The Company will comply with Clause 2.2.2(b)(i) of the SEBI Guidelines and the post-Issue face value capital of the Company shall be Rs. 332.36 Crore, which is more than the minimum requirement of Rs. 10 crore (Rs. 10 crore).

Further, in accordance with Clause 2.2.2A of the SEBI Guidelines, the Company shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted in the Issue shall not be less than 1,000, failing which the entire application monies will be refunded forthwith. In case of delay, if any, in refund, the Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

Accordingly, the Company is eligible for the Issue under Clause 2.2.2 of the SEBI Guidelines.

Disclaimer Clause

AS REQUIRED, A COPY OF THIS RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE RED HERRING PROSPECTUS TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE RED HERRING PROSPECTUS. THE SOLE GLOBAL COORDINATOR AND BOOK RUNNING LEAD MANAGER, DEUTSCHE EQUITIES INDIA PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE 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 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 RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, DEUTSCHE EQUITIES INDIA PRIVATE LIMITED AND THE CO-BOOK RUNNING LEAD MANAGER, KOTAK MAHINDRA CAPITAL COMPANY LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 27, 2007 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 WHICH READS AS FOLLOWS:

"(I) 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 RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;

(II) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS 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 RED HERRING PROSPECTUS FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE 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;

(C) THE DISCLOSURES MADE IN THE 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;

(D) BESIDE OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND TILL DATE SUCH REGISTRATION IS VALID; AND

(E) WHEN UNDERWRITTEN, WE SHALL SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITER TO FULFIL THEIR UNDERWRITING COMMITMENTS.

WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN WILL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE RED HERRING PROSPECTUS WITH SEBI UNTIL THE DATE OF COMMENCEMENT OF THE LOCK-IN PERIOD AS STATED IN THE RED HERRING PROSPECTUS.

THE FILING OF THE RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI, FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE RED HERRING PROSPECTUS."

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 60B of the Companies Act. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Section 56, Section 60 and Section 60B of the Companies Act.

Disclaimer from the Company, the BRLM and the CBRLM

The Company, the Directors, the BRLM and the CBRLM 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 the Company's instance and anyone placing reliance on any other source of information, including the Company's website www.irb.co.in, or the website of any Subsidiary, any Promoter or member of the Promoter Group or of any affiliate or associate of any such entity would be doing so at his or her own risk.

The BRLM and the CBRLM accept no responsibility, save to the limited extent as provided in the memorandum of understanding entered into among the BRLM, the CBRLM and the Company on September 27, 2007, and the Underwriting Agreement to be entered into between the Underwriters and the Company.

All information shall be made available by the Company, the BRLM and the CBRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

Neither the Company nor any member of the Syndicate is liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Investors that bid in the Issue will be required to confirm and will be deemed to have represented to the Company, the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in the Issue 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 the Equity Shares. The Company, the Underwriter and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Issue.

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 applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in Section 4A of the Companies Act, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of Rs. 2.50 crore and pension funds with a minimum corpus of Rs. 2.50 crore and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. This Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of this Issue will be subject to the exclusive jurisdiction of the competent court(s) in Mumbai, Maharashtra, India.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Red Herring Prospectus has been filed with the SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this 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 the 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 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 will be offered and sold only outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Bidder where required agrees that such Bidder will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

Disclaimer clause of the NSE

As required, a copy of this offer document has been submitted to National Stock Exchange of India Limited. The NSE has given vide its letter ref.: NSE/LIST/58629-E dated October 18, 2007 permission to the Company to use the NSE's name in this offer document as one of the stock exchanges on which the Company securities are proposed to be listed. The NSE has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the 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 offer document has been cleared or approved by the NSE; nor does it in anymanner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that the Company's securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of the Company, its promoters, its management or any scheme or project of the Company.

Every person who desires to apply for or otherwise acquire any securities of the Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the NSE 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 any other reason whatsoever.

Disclaimer clause of the BSE

Bombay Stock Exchange Limited has given vide its letter dated October 12, 2007 permission to the Company to use the BSE's name in this offer document as one of the stock exchanges on which the Company's securities are proposed to be listed. The BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. The BSE does not in any manner:-

i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or

ii. warrant that the Company's securities will be listed or will continue to be listed on the BSE; or

iii. take any responsibility for the financial or other soundness of the Company, its promoters, its management or any scheme or project of the Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the BSE.

Every person who desires to apply for or otherwise acquires any securities of the Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the 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.

IPO Grading

The Grading does not constitute a credit rating by Fitch. The procedures for issuing a credit rating differ from the procedures used to issue the Grading. The Grading has been arrived at based on information and documents provided to Fitch by the Company and other parties. Fitch relies on these parties for the accuracy of such information and documents. Fitch did not audit or verify the truth or accuracy of any such information and does not take responsibility for the appropriateness of the information provided and used in our analysis. The Grading is provided "as is" and Fitch does not represent, warrant or guarantee (i) the accuracy, correctness, integrity, completeness or timeliness of any part of the Grading, or (ii) that the Grading (or any credit rating) and the information and analyses contained in, and constituting a part thereof, will fulfill any person's particular purposes or needs. The Grading reflects the opinion of Fitch as at the date of publication and will not be monitored, and therefore will not be updated to reflect changed circumstances or information that may affect the Grading. The report providing the Grading is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of securities. The Grading does not comment on the suitability of the issue process, the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including, without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. Fitch is not providing any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. The Grading should not be viewed as a replacement for such advice or services. In providing the Grading, Fitch is not making any recommendation or suggestion, directly or indirectly, to any person to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security of any issuer. Any person who uses the Grading does so entirely at its own risk. Investors are advised to obtain individual financial advice based on their risk profile before taking any action based on the Grading. There is no fiduciary relationship between us and any third party, including, without limitation, any user of the Grading. Fitch is not responsible for any underwriting, credit, loan, purchase, strategic or investment decision, or damages or other losses resulting from use of the Grading. None of Fitch, its officers, employees, affiliated companies and their officers and employees shall have any liability in contract, tort, or otherwise (including, without limitation, for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including lost profits) in relation to the use of the Grading by any third party. Fitch receives fees from the issuer for performing the Grading exercise.

Filing

A copy of the Draft Red Herring Prospectus dated September 28, 2007 was filed with SEBI at the Securities and Exchange Board of India, SEBI Bhavan, G Block, 3rd Floor, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051, India.

A copy of this Red Herring Prospectus, along with the other documents required to be filed under Section 60B of the Companies Act, will be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 60 of the Companies Act will be delivered for registration to the RoC.

Listing

Applications have been made to the BSE and the NSE for permission for listing of the Equity Shares being offered and sold in the Issue. The BSE will be the Designated Stock Exchange with which the basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, the Company shall forthwith repay, without interest, all monies received from applicants in reliance on the Red Herring Prospectus. If such money is not repaid within eight days from the date on which the Company has become liable to repay it (i.e. from the date of refusal or within 10 weeks from the Bid/Issue Closing Date, whichever is earlier), then the Company and every Director of the Company who is an officer in default shall, on and from the expiry of such eight day period, be liable to repay such monies together with interest at the rate of 15% per annum on the application monies, as prescribed under Section 73 of the Companies Act.

The Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges are taken within seven working days of finalisation of the basis of allotment for the Issue.

Consents

Consents in writing of: (a) the Directors, the Company Secretary, the Compliance Officer, the Auditors, the advisors to the Issue, the legal advisors, the Bankers to the Company, the Bankers to the Issue and the monitoring agency; and (b) the BRLM, the CBRLM, the Syndicate Members, the credit rating agency, the Escrow Collection Banks and the Registrar to the Issue to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 60 and 60B of the Companies Act and such consents will not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI Guidelines, S.R. Batliboi & Co., Chartered Accountants, J. M. Shah & Co., Chartered Accountants, A. J. Kotwal & Co., Chartered Accountants, Parikh Joshi & 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 will not be withdrawn up to the time of delivery of the Red Herring Prospectus to the RoC.

S.R. Batliboi & Co., Chartered Accountants, have given their written consent to inclusion of their report relating to the possible tax benefits accruing to the Company and its shareholders 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 to the RoC.

Fitch, a SEBI registered credit rating agency has given its written consent to being named as a expert for purposes of grading of the issue and to the inclusion of its grading of the Issue in the Red Herring Prospectus and such consent and report will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus to the Designated Stock Exchange.

Expert Opinion

The Company has obtained a grading of this Issue from Fitch, a credit rating agency registered with SEBI.

Issue Related Expenses

The Issue related expenses include, among others, underwriting and management fees, selling commissions, printing and distribution expenses, legal fees, advertisement expenses, registrar and depository expenses, fees and expenses of the SEBI registered credit rating agency for grading the Issue and listing fees. The estimated Issue expenses are as follows:

Activity	Expense (Rs. in)	As a % of total Issue expenses	As a % of Issue size
Lead management, underwriting and selling commissions	[●][(1)]	[●]	[●]
Listing fees and fees of SEBI registered rating agency	[●][(1)]	[●]	[●]
Advertising and marketing expenses	[●][(1)]	[●]	[●]
Printing and stationery	[●][(1)]	[●]	[●]
Other (Registrar's fees, legal fees, and other advisory fees)	[●][(1)]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

(1) Will be completed after finalisation of the Issue Price.

Fees Payable to the BRLM, the CBRLM and the Syndicate Members

The total fees payable to the BRLM, the CBRLM and the Syndicate Members (including underwriting commission and selling commission and reimbursement of their out of pocket expenses) will be as per the engagement letters dated September 11, 2007 for DEIPL and September 7, 2007, for KMCC copies of which are available for inspection at the Company's Registered Office.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of CANs/refund orders (or revised CANs, if required), preparation of refund data on magnetic tape and printing of bulk mailing register will be as per the memorandum of understanding among the Company and the Registrar to the Issue dated September 20, 2007 a copy of which is available for inspection at the Company's Registered Office.

The Registrar to the Issue will be reimbursed for all out of pocket expenses, including, cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to make refunds in any of the modes described in this Red Herring Prospectus or send allotment advice by registered post/speed post/under certificate of posting.

Particulars regarding Public or Rights Issues during the last five years

The Company has not made any previous public issues (including any rights issues to the public) in the five years preceding the date of this Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash

Except as stated in the sections "Capital Structure" and "History and Certain Corporate Matters" beginning on pages 21 and 104, respectively, of this Red Herring Prospectus, the Company has not made any previous issues of shares for consideration other than cash.

Underwriting commission, brokerage and selling commission on Previous Issues

Since this is the initial public offering of the Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since the Company's inception.

Companies under the Same Management

No company under the same management within the meaning of Section 370(1B) of the Companies Act has made any public issue (including any rights issue to the public) during the last three years.

Promise v/s performance

There has been no public issue (including any rights issue to the public) by the Company, the Subsidiaries, any of the Promoters or members of the Promoter Group.

Outstanding Debentures or Bond Issues or Preference Shares

The Company has no outstanding debentures or bonds or redeemable preference shares as of the date of this Red Herring Prospectus.

Stock Market Data of the Equity Shares

This being an initial public offering of the Equity Shares of the Company, the Equity Shares are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The memorandum of understanding among the Registrar to the Issue and the Company will provide for retention of records with the Registrar to the Issue for a period of at least one year from the last date of dispatch of the letters of allotment, or refund orders, demat credit or, where refunds are being made electronically, giving of refund instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

Disposal of Investor Grievances by the Company

The Company estimates that the average time required by the Company or the Registrar to the Issue for the redressal of routine investor grievances shall be 10 working days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, the Company will seek to redress these complaints as expeditiously as possible.

The Company has appointed Mr. Dhananjay K. Joshi as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. He can be contacted at the following address:

Mr. Dhananjay K. Joshi
IRB Complex
Chandivli Farm
Chandivli Village
Andheri (East)
Mumbai – 400 072
Maharashtra
India
Tel: +91 22 6640 4220
Fax: +91 22 6675 1024
Email: compliance@irb.co.in
Website: www.irb.co.in

Disposal of investor grievances by listed companies under the same management as the Company

There is no listed company under the same management as the Company.

Other Disclosures

Except as disclosed in this Red Herring Prospectus, the Promoter Group, the directors or any member of the Promoter Group entities or the Directors of the Company and its Subsidiaries have not purchased or sold any securities of the Company during a period of six months preceding the date on which this Red Herring Prospectus is filed with SEBI.

Change in Auditors

There have been no changes in the Company's auditors in the last three years, except as described below:

Name of Auditor	Date of appointment	Date of resignation	Reasons for change
J. M. Shah & Co.	September 30, 2006	February 22, 2007	Resignation.
S.R. Batliboi & Co.	March 17, 2007		Pursuant to the terms of

			the Debenture Subscription Agreement, the Company appointed S.R Batliboi & Co. as the statutory auditors to fill in the casual vacancy caused by the resignation of J.M. Shah & Co.
S.R. Batliboi & Co.	September 7, 2007		Re-appointment till the conclusion of the next AGM

Capitalisation of Reserves or Profits

The Company has not capitalized its reserves or profits at any time during the last five years.

Tax Implications

Investors that are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, see the section “Statement of Tax General Benefits” beginning on page 46 of this Red Herring Prospectus.

Revaluation of Assets

The Company has not revalued its assets in the last five years.

Interest of Promoters and Directors

Promoters

The Promoters are interested parties in any dividend that may be declared and any distributions that may be made by the Company and to the extent of their shareholding in the Company.

The Company’s Promoters will also be interested in any future contracts that the Company may enter into with any of the members of the Promoter Group or any company in which our Promoters are directors.

For details, see the section “Our Promoters and Promoter Group Companies” beginning on page 155 of this Red Herring Prospectus.

Directors

The Directors of the Company may be deemed to be interested to the extent of remuneration and benefits, if any, payable to them for attending meetings of the Board or any committee thereof. The Directors may also be regarded as interested in the Equity Shares, if any, held by or that may be subscribed by and allotted to the companies, firms and trusts in which they are interested as directors, members, partners and/or trustees.

For details, see the sections “Related Party Transactions” and “Our Management” beginning on pages 169 and 144 of this Red Herring Prospectus.

Payment or Benefit to Officers of the Company

For details, see the section “Our Management” beginning on page 144 of this Red Herring Prospectus.

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, the Memorandum and Articles of Association, the terms of this Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Bid-cum-Application Form, the Revision Form, the CAN, the listing agreements and other terms and conditions as may be incorporated in the Allotment advice and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the Registrar of Companies, the RBI, the FIPB and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Issue

From the Company

The Board of Directors has, pursuant to a resolution passed at its meeting held on September 7, 2007, authorised the Issue subject to the approval by the shareholders of the Company under Section 81(1A) of the Companies Act, and such other authorities as may be necessary. The shareholders of the Company have, pursuant to a resolution dated September 7, 2007, under Section 81(IA) of the Companies Act, authorised the Issue. The Board pursuant to its resolution dated September 7, 2007 has authorised a committee of its Directors referred to as the IPO Committee to take decisions on behalf of the Board in relation to the Issue. The IPO Committee has approved and authorised the Draft Red Herring Prospectus pursuant to its resolution dated September 24, 2007 and this Red Herring Prospectus pursuant to its resolution dated December 30, 2007.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act and the Memorandum and Articles of Association and shall rank *pari passu* with the existing Equity Shares of the Company including rights in respect of dividends. The Allottees of the Equity Shares in this Issue shall be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of Allotment. For further details, see the section "Main Provisions of the Articles of Association" beginning on page 506 of this Red Herring Prospectus.

Mode of Payment of Dividend

The Company shall pay dividends to its shareholders in accordance with the provisions of the Companies Act.

Face Value and Issue Price

The face value of each Equity Share is Rs. 10. The Floor Price of the Equity Shares is Rs. 185 per Equity Share and the Cap Price is Rs. 220 per Equity Share. At any given point of time there shall be only one denomination of Equity Shares.

The Floor Price is 18.5 times of the face value and the Cap Price is 22 times of the face value.

Compliance with the SEBI Guidelines

The Company shall comply with applicable disclosure and accounting norms specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, the equity shareholders of the Company shall have the following rights:

1. The right to receive dividends, if declared;
2. The right to attend general meetings and exercise voting powers, unless prohibited by law;
3. The right to vote on a poll either in person or by proxy;
4. The right to receive offers for rights shares and be allotted bonus shares, if announced;
5. The right to receive any surplus on liquidation subject to any statutory and other preferential claims being satisfied;
6. The right to freely transfer their Equity Shares; and
7. Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the

terms of the listing agreements executed with the Stock Exchanges, and the Memorandum and Articles of Association of the Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/or consolidation/splitting, see the section "Main Provisions of the Articles of Association" beginning on page 506 of this Red Herring Prospectus.

Market Lot and Trading Lot

Under Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Guidelines, the trading of the Equity Shares shall be in dematerialised form only. Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be in electronic form in multiples of one Equity Share, subject to a minimum Allotment of 30 Equity Shares.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts in Mumbai, Maharashtra, India.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of the sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Equity Shares Allotted shall vest. A person, being a nominee entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same benefits to which 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 the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can only be made on the prescribed form available on request at the Registered Office of the Company or with the Registrar or transfer agents of the Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

1. to register himself or herself as the holder of the Equity Shares; or
2. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to register himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised form, there is no need to make a separate nomination with the Company. Nominations registered with the respective depository participant of the applicant will prevail. If the investors wish to change their nomination, they are requested to inform their respective depository participant.

Minimum Subscription

If the Company does not receive a minimum subscription of 90% of the Issue, including devolvement to the Underwriters within 60 days from the Bid/Issue Closing Date, the Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Company becomes liable to refund the subscription amount (i.e., from the date of refusal or within 10 weeks from the Bid/Issue Closing Date, whichever is earlier), the Company shall pay interest prescribed under Section 73 of the Companies Act.

Further, in terms of clause 2.2.2A of the SEBI guidelines, we shall ensure that the number of prospective allotees to whom Equity Shares will be allotted will not be less than 1,000.

Application by Eligible NRIs and FIIs

It is to be distinctly understood that there is no reservation for Eligible NRIs or FIIs registered with SEBI. Eligible NRIs and FIIs registered with SEBI will be treated on the same basis as other categories for the purpose of allocation. As per the RBI regulations, OCBs cannot participate in the Issue.

Arrangement for disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restriction on transfer of shares

There are no restrictions on transfers and transmission of shares or debentures and on their consolidation or splitting except as provided in our Articles. See the section "Main Provisions of the Articles of Association" beginning on page 506 of this Red Herring Prospectus.

Withdrawal of the Issue

The Company, in consultation with the BRLM and the CBRLM reserves the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before the Board meeting for Allotment, without assigning any reason therefor. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which the Company shall apply for after Allotment and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. Under the SEBI Guidelines, QIBs are not allowed to withdraw their Bids after the Bid/Issue Closing Date.

ISSUE STRUCTURE

The Issue of 51,057,666 Equity Shares of Rs. 10 each at the Issue Price for cash aggregating Rs. [●] is being made through the 100% Book Building Process. Upto 125,000 Equity Shares will be reserved in the Issue for subscription by Eligible Employees at the Issue Price. The Issue will constitute 15.36% of the fully diluted post-Issue Equity Share capital of the Company.

If at least 60% of the Net Issue cannot be allotted to QIBs, then the entire application money shall be refunded forthwith.

	QIBs	Non-Institutional Bidders	Retail Individual Bidders	Employee Reservation Portion
Number of Equity Shares*	At least 30,559,600 Equity Shares.	Not less than 5,093,266 Equity Shares or the Issue size less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation.	Not less than 15,279,800 Equity Shares or the Issue size less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation.	Up to 125,000 Equity Shares.
Basis of Allocation if respective category is oversubscribed	Proportionate as follows: (a) 1,527,980 Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds; and (b) 29,031,620 Equity Shares shall be Allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate.	Proportionate.	Proportionate.
Minimum Bid	Such number of Equity Shares so that the Bid Amount exceeds Rs. 100,000 and in	Such number of Equity Shares so that the Bid Amount exceeds Rs. 100,000 and in multiples of 30 Equity Shares.	Such number of Equity Shares so that the Bid Amount is less than Rs. 100,000 and in multiples of 30 Equity Shares.	30 Equity Shares and in multiples of 30 Equity Shares thereafter.

	QIBs	Non-Institutional Bidders	Retail Individual Bidders	Employee Reservation Portion
	multiples of 30 Equity Shares.			
Maximum Bid	Such number of Equity Shares not exceeding the Issue size subject to applicable limits.	Such number of Equity Shares not exceeding the Issue size subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed Rs. 100,000.	As per the Employee Reservation procedure described in the section "Issue Procedure-Bids by Eligible Employees" beginning on page 493 of this Red Herring Prospectus.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Trading Lot	One Equity Share.	One Equity Share.	One Equity Share.	One Equity Share.
Who can Apply **	Public financial institutions as specified in Section 4A of the Companies Act, FIIs registered with SEBI, scheduled commercial banks, Mutual Funds, multilateral and bilateral development financial institutions, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with a minimum corpus of Rs. 25 crore and pension funds with a minimum corpus of Rs. 25 crore in accordance	Eligible NRIs, Resident Indian individuals, HUFs (in the name of the *Karta*), companies, corporate bodies, scientific institutions, societies and trusts.	Individuals (including HUFs in the name of the karta and Eligible NRIs) applying for Equity Shares such that the Bid Amount per individual Bidder does not exceed Rs. 100,000 in value.	Eligible Employees as defined in the section "Definitions and Abbreviations- Issue Related Terms" beginning on page i of this Red Herring Prospectus.

	QIBs	Non-Institutional Bidders	Retail Individual Bidders	Employee Reservation Portion
	with applicable law.			
Terms of Payment	Margin Amount applicable to QIBs shall be payable at the time of submission of the Bid-cum-Application Form to the Syndicate Members.***	Margin Amount applicable to Non-Institutional Bidders shall be payable at the time of submission of the Bid-cum-Application Form to the Syndicate Members.	Margin Amount applicable to Retail Individual Bidders shall be payable at the time of submission of the Bid-cum-Application Form to the Syndicate Members.	Margin Amount applicable to Eligible Employees at the time of submission of the Bid–cum-Application Form to the Syndicate Members.
Margin amount	At least 10% of the Bid Amount.	100% of the Bid Amount.	100% of the Bid Amount.	100% of the Bid Amount.

* Subject to valid Bids being received at or above the Issue Price. In terms of Rule 19(2)(b) of the SCRR, this is an Issue for less than 25% of the post-Issue capital. Therefore, the Issue is being made through a 100% Book Building Process wherein at least 60% of the Net Issue shall be allotted on a proportionate basis to QIBs. 5% of the Net Issue in the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allotment on a proportionate basis to QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. If at least 60% of the Net Issue cannot be allotted to QIBs, then the entire application money will be refunded. Further, not less than 10% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. If the aggregate demand from Mutual Funds is less than 1,527,980 Equity Shares, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and be allocated proportionately to the QIB Bidders in proportion to their Bids.

Under-subscription, if any, in the Non-Institutional Portion, Retail and Employee Reservation Portion categories, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of the Company, in consultation with the BRLM and the CBRLMs and the Designated Stock Exchange. For details, see the section “Issue Procedure” beginning on page 480 of this Red Herring Prospectus.

If the aggregate demand in the Employee Reservation Portion is greater than 125,000 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis.

** 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 the names are in the same sequence in which they appear in the Bid-cum-Application Form.

*** After the Bid/Issue Closing Date, depending on the level of subscription, additional Margin Amount, if any, may be called for from the QIB Bidders.

Notice to QIBs: Allotment Reconciliation and Revised CANs

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bids uploaded on the BSE/NSE system. This shall be followed by a physical book prepared by the Registrar on the basis of Bid-cum-Application Forms received. Based on the electronic book or the physical book, as the case may be, QIBs may be sent a CAN, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to the 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. Any revised CAN, if issued, will supersede in its entirety the earlier CAN.

Withdrawal of the Issue

The Company, in consultation with the BRLM and the CBRLM reserves the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before the Board meeting for Allotment, without assigning any reason therefor. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which the Company shall apply for after Allotment and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. Under the SEBI Guidelines QIBs are not allowed to withdraw their Bids after the Bid/Issue Closing Date.

Letters of Allotment or Refund Orders

The Company shall credit each beneficiary account with its depository participant within 15 days of the Bid/Issue Closing Date. Applicants that are residents of 15 cities where clearing houses are managed by the RBI will receive refunds through ECS only (subject to availability of all information for crediting the refund through ECS) except where the applicant is eligible to receive refunds through direct credit, NEFT or RTGS. In the case of other applicants the Company shall ensure the dispatch of refund orders, if any, of value up to Rs. 1,500 by "Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or First Bidder's, sole risk within 15 days of the Bid/Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter (refund advice) through ordinary post informing them about the mode of credit of refund, within 15 days of the Bid/Issue Closing Date.

Interest in Case of Delay in Dispatch of Allotment Letters/Refund Orders

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Guidelines, the Company undertakes that:

1. Allotment shall be made only in dematerialised form within 15 days from the Bid/Issue Closing Date;
2. Dispatch of refund orders shall be done within 15 days from the Bid/Issue Closing Date; and
3. The Company shall pay interest at 15% per annum, if Allotment is not made, refund orders are not dispatched to the applicant or if, in a case where the refund or portion thereof is made in electronic mode/manner, the refund instructions have not been given to clearing members and/or demat credits are not made to investors within the 15 day time period prescribed above.

The Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar.

Refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received, except where the refund or portion thereof is made in electronic mode/manner. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Bid/Issue Program

BID/ISSUE OPENS ON	**January 31, 2008**
BID/ISSUE CLOSES ON	**February 05, 2008**

Bids and any revision in Bids shall be accepted **only between 10.00 a.m and 3.00 p.m**. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centres mentioned on the Bid-cum-Application Form **except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10.00 a.m. and 1.00 p.m (Indian Standard Time)** and uploaded until such time as permitted by the BSE and the NSE on the Bid/Issue Closing Date. 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 only be accepted on working days, i.e., Monday to Friday (excluding any public holiday).

The Company, in consultation with the BRLM and the CBRLM, reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI Guidelines. The cap should not be more than 20% of the floor of the Price Band. Subject to immediately preceding sentence, the floor of the Price Band can be revised up or down to the extent of 20% of the floor of the Price Band disclosed in the Red Herring Prospectus.

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 the BSE and the NSE, by issuing a press release and also by indicating the change on the websites of the BRLM and the CBRLM and the terminals of the other members of the Syndicate.

ISSUE PROCEDURE

Book Building Procedure

In terms of Rule 19(2)(b) of the SCRR, this is an Issue for less than 25% of the post-Issue Equity Share capital. The Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue shall be allotted on a proportionate basis to QIBs, including up to 5% of the QIB Portion, which shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allotment on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. If at least 60% of the Net Issue cannot be allotted to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. In addition, 125,000 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.

Bidders are required to submit their Bids through the Syndicate. Further, QIB Bids can be procured only through the BRLM or the CBRLM or their affiliates or Syndicate Members. In case of QIB Bidders, the Company, in consultation with the BRLM and the CBRLM, may reject Bids at the time of acceptance of the Bid-cum-Application Form provided that the reasons for such rejection shall be disclosed to such Bidder in writing. In the cases of Non-Institutional Bidders and Retail Individual Bidders, the Company will have a right to reject the Bids only on technical grounds.

Investors should note that allotment of Equity Shares to all successful Bidders will only be in the dematerialised 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. The Bidders shall have the option to make a maximum of three Bids in the Bid-cum-Application Form and such options shall not be considered as multiple Bids. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the Bid-cum-Application Form shall be considered as the Application Form. Upon completing and submitting the Bid-cum-Application Form to a member of the Syndicate, the Bidder is deemed to have authorised the Company to make the necessary changes in the Red Herring Prospectus and the Bid-cum-Application Form as would be required for filing the Prospectus with the RoC and as would be required by the RoC 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
Resident Indians and Eligible NRIs applying on a non-repatriation basis.	White
Eligible NRIs applying on a repatriation basis, FIIs, registered Multilateral and Bilateral Development Financial Institutions and other Non-Residents applying on a repatriation basis.	Blue
Eligible Employees.	Pink

Who can Bid?

1. Persons eligible to invest under all applicable laws, rules, regulations and guidelines.

2. Indian nationals resident in India who are not minors in single or joint names (not more than three).

3. 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.

4. Eligible NRIs on a repatriation basis or a non-repatriation basis subject to compliance with applicable laws. NRIs, other than Eligible NRIs, are not permitted to participate in this Issue.

5. FIIs registered with SEBI.

6. State Industrial Development Corporations.

7. Insurance companies registered with the Insurance Regulatory and Development Authority, India.

8. Provident funds with a minimum corpus of Rs. 25 crore and who are authorised under their constitution to invest in equity shares.

9. Pension funds with a minimum corpus of Rs. 25 crore and who are authorised under their constitution to invest in equity shares.

10. Companies, corporate bodies and societies registered under applicable laws in India and authorised to invest in Equity Shares.

11. VCFs registered with SEBI.
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12. Mutual Funds.

13. Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to the RBI regulations and the SEBI Guidelines and regulations, as applicable).

14. Multilateral and bilateral development financial institutions.

15. Trusts registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts and who are authorised under their constitution to hold and invest in equity shares.

16. Scientific and/or industrial research organisations in India authorised to invest in equity shares.

17. Eligible Employees.

18. Any other QIBs permitted to invest, subject to compliance with all applicable laws, rules, regulations, guidelines and approvals in the Issue.

As per existing regulations, OCBs cannot Bid in the Issue.

The information below is given for the benefit of the Bidders. The Company, the BRLM and the CBRLM do not accept responsibility for the completeness and accuracy of the information stated. The Company, the BRLM and the CBRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for does not exceed the limits prescribed under laws or regulations.

Participation by associates of the BRLM, the CBRLM and Syndicate Members

The BRLM, the CBRLM and Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLM, the CBRLM and

Syndicate Members may subscribe for Equity Shares in the Issue, including in the QIB Portion and Non-Institutional Portion, where the allocation is on a proportionate basis. Such bidding and subscription may be on their own account or on behalf of their clients.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand is greater than 1,527,980 Equity Shares, allocation shall be made to Mutual Funds on a proportionate basis to the extent of the Mutual Fund 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 the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with the 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 for which the Bid has been made.

In accordance with current regulations, the following restrictions are applicable for investments by Mutual Funds:

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

Bids by Eligible NRIs

Bid-cum-Application Forms have been made available for Eligible NRIs at the Registered Office of the Company and with members of the Syndicate or the Registrar to the Issue**.**

NRI applicants should note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the Eligible NRI category. The Eligible NRIs who intend to make payment through the Non-Resident Ordinary (NRO) account shall use the application form meant for Resident Indians (white form).

Bids by FIIs

In accordance with the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of the post-Issue paid-up capital of the Company (i.e., 10% of 332,364,110 Equity Shares). In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total paid-up capital of the Company or 5% of the total paid-up capital of the Company, in case such sub-account is a foreign corporate or an individual. In accordance with the foreign investment limits applicable to us, the total FII investment cannot exceed 24% of the Company's total paid-up capital. With the approval of the Board and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%. However, as of the date of this Red Herring Prospectus the Company has not obtained board or shareholder approval to increase the FII limit to more than 24%.

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, offshore derivative instruments such as participatory notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed on any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance with "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.

Associates and affiliates of the Underwriters, including the BRLM, the CBRLM and Syndicate Members that are FIIs or its sub-account may issue offshore derivative instruments against Equity Shares allocated to them in the Issue.

Bids by the SEBI-registered Venture Capital Funds

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended prescribe investment restrictions on VCFs. Accordingly, whilst the holding by any VCF in one venture capital undertaking should not exceed 25% of the corpus of the VCF, the VCF can invest its entire funds committed for investments into India in one company. Further, VCFs can invest only upto 33.33% of the investible funds by way of subscription to an Initial Public Offer.

Pursuant to the SEBI Guidelines, the shareholding of VCFs held in a company prior to making an initial public offering is exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing the draft prospectus with SEBI.

Maximum and Minimum Bid Size

a) **For Retail Individual Bidders:** The Bid must be for a minimum of 30 Equity Shares and in multiples of 30 Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 100,000. Where the Bid Amount is over Rs. 100,000 due to a revision in the Bid or a revision in the Price Band or upon exercise of the option to bid at Cut-off Price, the Bid would be considered for allocation under the Non-Institutional Portion. The Cut-off Price option is given to Retail Individual Bidders indicating their agreement to the Bid and to purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.

b) **For Non-Institutional Bidders and QIB Bidders:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and is a multiple of 30 Equity Shares. A Bid cannot be submitted for more than the Issue size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them under applicable laws. In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 100,000 to be considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in the Bids or a revision in the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Non-Institutional Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIB Bidders are not allowed to Bid at the Cut-off Price.

c) **For Bidders in the Employee Reservation Portion:** The Bid must be for a minimum of 30 Equity Shares and in multiples of 30 Equity Shares thereafter. Where the Bid Amount is over Rs. 100,000 due to a revision in the Bid, a revision in the Price Band or upon exercise of the option to Bid at Cut-off Price, the Bid would be considered for allocation under the Non-Institutional Portion. The allotment in the Employee Reservation Portion will be on a proportionate basis. If the aggregate demand at or above the Issue Price in the Employee Reservation Portion is greater than 125,000 Equity Shares, allocation shall be made on a proportionate basis. Bidders in the Employee Reservation Portion may Bid at the Cut-off Price only where the Bid Amount is less than Rs 100,000

Bidders are advised to ensure that any single Bid by them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus. Refund amounts following a permitted withdrawal of a Bid shall be paid in the manner described under the section "Issue Procedure - Payment of Refund" beginning on page 499 of this Red Herring Prospectus.

Information for the Bidder:

1. The Company will file the Red Herring Prospectus with the RoC at least three days before the Bid/Issue Opening Date.

2. The members of the Syndicate will circulate copies of the Bid-cum-Application Form to potential investors, and at the request of potential investors, copies of the Red Herring Prospectus.

3. Any investor (who is eligible to invest in the Equity Shares) who would like to obtain the Red Herring Prospectus along with the Bid-cum-Application Form can obtain the same from the Registered Office of the Company or from any member of the Syndicate.

4. Eligible investors who are interested in subscribing for the Equity Shares should approach the BRLM, the CBRLM or Syndicate Members or their authorised agent(s) to register their Bid.

5. The Bid should be submitted on the prescribed Bid-cum-Application Form only. Bid-cum-Application Forms should bear the stamp of the member of the Syndicate. Bid-cum-Application Forms which do not bear the stamp of a member of the Syndicate will be rejected.

Method and Process of Bidding

1. The Company, the BRLM and the CBRLM shall declare the Bid/Issue Opening Date, the Bid/Issue Closing Date and Price Band in the Red Herring Prospectus to be filed with the RoC and also publish the same in two widely circulated national newspapers (one each in English and Hindi) and one widely circulated Marathi newspaper. This advertisement, subject to the provisions of Section 66 of the Companies Act, shall be in the format prescribed in Schedule XX-A of the SEBI Guidelines, as amended by the SEBI Circular No. SEBI/CFD/DIL/DIP/17/2005/11/11 dated November 11, 2005. The BRLM, the CBRLM and the Syndicate Members shall accept Bids from the Bidders during the Bidding Period in accordance with the terms of the Syndicate Agreement.

2. The Bidding Period shall be for a minimum of three working days and shall not exceed seven working days. Where 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) and one widely circulated Marathi newspaper and also by indicating the change on the websites of the BRLM, the CBRLM 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.

3. During the Bidding Period, eligible investors who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or their authorised agents to register their Bids.

4. 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 "Bids at Different Price Levels") within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid-cum-Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.

5. The Bidder cannot Bid on another Bid-cum-Application Form after Bid(s) 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 bidding and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point in time before the Allotment of Equity Shares in the 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 487 of this Red Herring Prospectus.

6. The members of the Syndicate will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip ("**TRS**") for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid-cum-Application Form.

7. During the Bidding Period, Bidders may approach the members of the Syndicate to submit their Bids. 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.

8. Along with the Bid-cum-Application Form, all Bidders will make payment into the Escrow Account in the manner described under the paragraph "Terms of Payment and Payment into the Escrow Account" on page 486 of this Red Herring Prospectus.

Bids at Different Price Levels

1. The Price Band has been fixed at Rs. 185 to Rs. 220 per Equity Share, Rs. 185 being the Floor Price and Rs. 220 being the Cap Price. The Bidders can Bid at any price within the Price Band in multiples of Re.1 (Rupee One).

2. The Company, in consultation with the BRLM and the CBRLM, reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI Guidelines. The cap on the Price Band should not be more than 20% of the Floor Price. 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 disclosed in the Red Herring Prospectus.

3. In case of a revision of the Price Band, the Bidding Period shall be extended for three additional working days, subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a public notice in two widely circulated national newspapers (one each in English and Hindi) and in one widely circulated Marathi newspaper, and also by indicating the change on the websites of the BRLM, the CBRLM and at the terminals of the members of the Syndicate.

4. The Company, in consultation with the BRLM and the CBRLM can finalise the Issue Price within the Price Band without the prior approval of, or intimation to, the Bidders.

5. The Bidder can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price.

   Retail Individual Bidders and Bidders in the Employee Reservation Portion applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000, may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB Bidders or Non-Institutional Bidders or Bidders in the Employee Reservation Portion whose Bid exceeds Rs. 100,000 and such Bids from QIBs, Non-Institutional Bidders or Eligible Employees shall be rejected.

6. Retail Individual Bidders and Bidders in the Employee Reservation Portion who Bid at the Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders and Bidders in the Employee Reservation Portion bidding at the Cut-off Price shall deposit the Bid Amount based on the cap of the Price Band in the Escrow Account. In the event that the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders and Bidders in the Employee Reservation Portion, who Bid at the Cut-off Price, the Retail Individual Bidders and Bidders in the Employee Reservation Portion shall receive the refund of the excess amounts from the Escrow Account in the manner described under the paragraph “Payment of Refund”.

7. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders and Bidders in the Employee Reservation Portion who had Bid at the Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the higher cap of the revised Price Band (such that the total amount, i.e., the original Bid Amount plus additional payment does not exceed Rs. 100,000 if the Bidder wants to continue to Bid at the Cut-off Price), with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 100,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band before revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of Allotment, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at the Cut-off Price.

8. In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders and Bidders in the Employee Reservation Portion who have Bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.

9. In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain 30 Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs. 5,000 to Rs. 7,000.

Escrow Mechanism

The Company and the members of the Syndicate shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour the Bidders 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 Escrow Collection Banks will act in terms of the Red Herring Prospectus, the Prospectus and the

Escrow Agreement. 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 Accounts to the Public Issue Account and the Refund Account as per the terms of the Escrow Agreement, the Red Herring Prospectus and the Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement among the Company, the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Account

Each Bidder shall pay the applicable Margin Amount, and shall, with the submission of the Bid-cum-Application Form, draw a cheque or demand draft in favour of the Escrow Account of the Escrow Collection Bank(s) (see the section "Payment Instructions" beginning on page 494 of this Red Herring Prospectus), and submit such cheque or demand draft 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 or the CBRLM. 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 the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds 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 of the Company shall be transferred to the Refund Account on the Designated Date. No later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Bank(s) shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for Allotment, to the Bidders.

Each category of Bidders, i.e., QIB Bidders, Non-Institutional Bidders, Retail Individual Bidders and Bidders in the Employee Reservation Portion are required to pay their applicable Margin Amount at the time of submission of the Bid-cum-Application Form. The Margin Amount payable by each category of Bidders is mentioned in the section "Issue Structure" beginning on page 475 of this Red Herring Prospectus. 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. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be rejected. However, if the applicable Margin Amount for Bidders 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 a lesser number of Equity Shares than he or she had Bid for, the excess amount paid on Bidding, if any, after adjustment for Allotment, will be refunded to such Bidder within 15 days from the Bid/Issue Closing Date, failing which the Company shall pay interest according to the provisions of the Companies Act for any delay beyond the periods as mentioned above.

Electronic Registration of Bids

1. The members of the Syndicate will register the Bids using the on-line facilities of the BSE and the NSE. There will be at least one on-line connectivity facility in each city where a stock exchange is located in India and where Bids are being accepted.

2. The NSE and the BSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorised agents during the Bidding Period. The members of the Syndicate can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for book building on a regular basis. On the Bid/Issue Closing Date, the members of the Syndicate shall upload the Bids until such time as may be permitted by the Stock Exchanges.

3. The aggregate demand and price for Bids registered on electronic facilities of the NSE and the BSE will be uploaded on a regular basis, consolidated and displayed on-line at all bidding centres as well as on the NSE's website at www.nseindia.com and on the BSE's website at www.bseindia.com. A graphical representation of consolidated demand and price will be made available at the bidding centres during the Bidding Period.

4. At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:

   a) Name of the Bidder(s). Bidders should ensure that the name given in the Bid-cum-Application Form is exactly the same as the name in which the Depositary Account is held. In case the Bid-cum-Application Form is submitted in joint names, Bidders 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;

   b) Investor category—Individual, Corporate, QIBs, Eligible NRI, FII, Mutual Fund, etc.;

   c) Numbers of Equity Shares bid for;

   d) Bid price;

   e) Bid-cum-Application Form number;

   f) Margin Amount paid-upon submission of Bid-cum-Application Form; and

   g) Depository Participant identification number and client identification number of the demat account of the Bidder.

5. A system-generated TRS will be given to the Bidder as proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate. The registration of the Bid by the member of the Syndicate does not guarantee that the Equity Shares shall be allocated either by the members of the Syndicate or the Company.

6. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

7. In case of QIB Bidders, members of the Syndicate also have the right to accept the Bid or reject the Bid. However, such rejection should be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders and Bidders in the Employee Reservation Portion, Bids would not be rejected except on the technical grounds listed in this Red Herring Prospectus.

8. The permission given by the NSE and the 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 the Company or the BRLM or the CBRLM are cleared or approved by the NSE and the BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of the Company, the Promoters, the management or any scheme or project of the Company.

9. It is also to be distinctly understood that the approval given by the NSE and the BSE should not in any way be deemed or construed that the Red Herring Prospectus has been cleared or approved by the NSE or the BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the NSE and the BSE.

Build Up of the Book and Revision of Bids

1. 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.

2. The book gets built up at various price levels. This information will be available from the BRLM and the CBRLM on a regular basis.

3. During the Bidding Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid-cum-Application Form.

4. Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision

Form. The Bidder must complete the details of all the options in the Bid-cum- Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid-cum-Application Form and he is changing only one of the options in the Revision Form, he must still complete all 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.

5. The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom the original Bid was placed.

6. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only on such Revision Form or copies thereof.

7. 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 the case of QIB Bidders, 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 the Bid at the time of one or more revisions by the QIB Bidders.

8. When a Bidder revises a Bid, the Bidder shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. **It is the responsibility of the Bidder to request and obtain the revised TRS, which will act as proof of revision of the original Bid.**

9. Only Bids that are uploaded on the online IPO system of the NSE and the BSE shall be considered for allocation. In the event of a discrepancy of data between the Bids registered on the online IPO system and the physical Bid-cum-Application Form, the decision of the Company, in consultation with the BRLM, the CBRLM and the Designated Stock Exchange, based on the physical records of Bid-cum-Application Forms, shall be final and binding on all concerned.

Price Discovery and Allocation

1. After the Bid/Issue Closing Date, the BRLM and the CBRLM shall analyse the demand generated at various price levels and discuss pricing strategy with the Company.

2. The Company, in consultation with the BRLM and the CBRLM, shall finalise the Issue Price and the number of Equity Shares to be allocated in each investor category.

3. The allotment to QIBs will be at least 60% of the Net Issue, on a proportionate basis and the availability for allocation to Non-Institutional and Retail Individual Bidders will be not less than 10% and 30% of the Net Issue, respectively, on a proportionate basis, in a manner specified in the SEBI Guidelines and this Red Herring Prospectus, in consultation with the Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price. If at least 60% of the Net Issue cannot be allotted to QIBs then the entire application money will be refunded. The allocation under the Employee Reservation Portion will be on a proportionate basis, in the manner specified in the SEBI Guidelines and this Red Herring Prospectus, in consultation with the Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.

4. In case of over-subscription in all categories, at least 60% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, out of which 5% shall be reserved for Mutual Funds. Mutual Funds participating in the 5% share in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. However, if the aggregate demand by Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares from the portion specifically available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allocated proportionately to the QIBs in proportion to their Bids.

   Under-subscription, if any, in the Retail Portion, the Non-Institutional Portion and the Employee Reservation Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of the Company, in consultation with the BRLM and the CBRLM. However, if the aggregate demand by Mutual Funds is less than 1,527,980 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allotted proportionately to the QIB Bidders.

5. The BRLM and the CBRLM, in consultation with the Company, shall notify the members of the Syndicate of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.

6. Allotment to Eligible NRIs, FIIs or Mutual Funds will be subject to applicable laws, rules, regulations, guidelines and approvals.

7. The Company reserves the right to cancel the Issue at any time after the Bid/Issue Opening Date but before the Board meeting for Allotment without assigning any reasons whatsoever.

8. Under the SEBI Guidelines, QIBs are not allowed to withdraw their Bids after the Bid/Issue Closing Date.

9. The Company, in consultation with the BRLM and the CBRLM, reserves the right to reject any Bid procured from QIB Bidders, by any member of the Syndicate. Rejection of Bids by QIBs, if any, will be made at the time of submission of Bids provided that the reasons for rejecting such Bid shall be provided to such Bidder in writing.

10. The allotment details shall be hosted on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and RoC Filing

(a) The Company, the BRLM, the CBRLM and the Syndicate Members may enter into an Underwriting Agreement upon finalisation of the Issue Price.

(b) After signing the Underwriting Agreement, the Company will update and file the Red Herring Prospectus with the RoC, which will be termed the "Prospectus". The Prospectus will have details of the Issue Price, Issue size and the underwriting arrangements and will 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, the Company shall, after receiving final observations, if any, on this Red Herring Prospectus from the SEBI, publish an advertisement, in the form prescribed by the SEBI Guidelines, in two widely circulated national newspapers (one each in English and Hindi) and one widely circulated Marathi newspaper.

Advertisement regarding the Price Band and the Red Herring Prospectus

A statutory advertisement will be issued by the Company after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that is required to be set out in the statutory advertisement, shall indicate the Issue Price along with a table showing the number of Equity Shares and the amount payable by an investor. Any material updates between the date of the Red Herring Prospectus and the Prospectus shall be included in such advertisement.

Issue of the Confirmation of Allocation Note ("CAN")

(a) Upon approval of the basis of Allotment by the Designated Stock Exchange, the BRLM, the CBRLM or the Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated Equity Shares in the Issue. The approval of the basis of allocation by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail Individual Bidders and Non-Institutional Bidders. However, the investor should note that the Company shall ensure that the instructions for credit of the Equity Shares to all investors in this Issue shall be given on the same date of Allotment.

(b) The BRLM, the CBRLM or the members of the Syndicate will then send a CAN to the Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid the Bid Amount in full into the Escrow Account at the time of bidding shall pay the full 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 into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of their cheque or demand draft paid into the Escrow Account.

(d) The issue of a CAN is subject to "Notice to QIBs: Allotment Reconciliation and Revised CANs" as set forth below.

INVESTORS ARE ADVISED TO INSTRUCT THEIR DEPOSITORY PARTICIPANT TO ACCEPT THE EQUITY SHARES THAT MAY BE ALLOTTED TO THEM PURSUANT TO THIS PUBLIC ISSUE.

Notice to QIBs: Allotment Reconciliation and Revised CANs

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bids uploaded on the BSE/NSE system. This shall be followed by a physical book prepared by the Registrar on the basis of Bid-cum-Application Forms received. Based on the electronic book or the physical book, as the case may be, QIBs will 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 physical book prepared by the Registrar. Subject to the 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. Any revised CAN, if issued, will supersede in its entirety the earlier CAN.

Designated Date and Allotment of Equity Shares

(a) The Company will ensure that the Allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Accounts to the Public Issue Account and the Refund Account on the Designated Date, the Company shall credit the successful Bidder(s) depository account. Allotment of the Equity Shares to the successful Bidders shall be within 15 days from the Bid/Issue Closing Date.

(b) As per the SEBI Guidelines, Allotment of the Equity Shares will be only in dematerialised form to the allottees.

(c) Successful Bidders will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

GENERAL INSTRUCTIONS

DOs:

(a) Check if you are eligible to apply having regard to applicable law, rules, regulations, guidelines and approvals and the terms of the Red Herring Prospectus.

(b) Ensure that your Bid is within the Price Band;

(c) Read all the instructions carefully and complete the Bid-cum-Application Form;

(d) Ensure that the details of your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Equity Shares will be Allotted in dematerialised form only;

(e) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate;

(f) Ensure that you have collected a TRS for all your Bid options;

(g) Submit Revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;

(h) Ensure that in all cases where Bids are received, the PAN of the Bidder is quoted in the Bid-cum-Application Form and necessary evidence for verifying the PAN is attached along with such form. (See the section "Issue Procedure - PAN Number" beginning on page 496 of this Red Herring Prospectus);

(i) Ensure that the name(s) given in the Bid-cum-Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. Where the Bid-cum- Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid-cum- Application Form; and

(j) Ensure that the Demographic Details are updated, true and correct in all respects.

DON'Ts:

(a) Do not Bid for lower than the minimum Bid size;

(b) Do not Bid or revise the Bid to a price that is less than the Floor Price or higher than the Cap Price;

(c) Do not Bid on another Bid-cum-Application Form after you have submitted a Bid to the members of the Syndicate;

(d) Do not pay the Bid amount in cash, postal order or by Stockinvest;

(e) Do not send Bid-cum-Application Forms by post; instead submit the same to a member of the Syndicate only;

(f) Do not Bid at the Cut-off Price, in the case of a Bid by a QIB Bidder or a Non-Institutional Bidder or a Bidder in the Employee Reservation Portion where the Bid Amount is in excess of Rs 100,000;

(g) Do not complete the Bid-cum-Application Form such that the number of 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 bid at Bid Amount exceeding Rs. 100,000, in the case of a Bid by a Retail Individual Bidder;

(i) Do not submit the Bid without the QIB Margin Amount, in the case of a Bid by a QIB; and

(j) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

INSTRUCTIONS FOR COMPLETING THE BID-CUM-APPLICATION FORM

Bidders can obtain Bid-cum-Application Forms and/or Revision Forms from the members of the Syndicate.

Bids and Revisions of Bids

Bids and revisions of Bids must be:

1. Made only on the prescribed Bid-cum-Application Form or Revision Form, as applicable (white, blue or pink).

2. Made in a single name or in joint names (not more than three, and in the same order as their Depository Participant details).

3. Completed in full, in BLOCK LETTERS in English and in accordance with the instructions contained herein, on the Bid-cum-Application Form or in the Revision Form. Incomplete Bid-cum- Application Forms or Revision Forms are liable to be rejected.

4. Bids from the Retail Individual Bidders must be for a minimum of 30 Equity Shares and in multiples of 30 Equity Shares thereafter subject to a maximum Bid Amount of Rs. 100,000.

5. For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of 30 Equity Shares. Bids cannot be made for more than the Issue size. Bidders are advised to ensure that a single Bid from them does not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws and regulations.

6. For Bidders in the Employee Reservation Portion, the Bid must be for a minimum of 30 Equity Shares and in multiples of 30 thereafter. The Allotment in the Employee Reservation Portion will be on a proportionate basis. If the aggregate demand at or above the Issue Price in the Employee Reservation Portion is greater than 125,000 Equity Shares, allocation shall be made on a proportionate basis.

7. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bidder's Depository Account and Bank Account Details

Bidders should note that on the basis of the 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 their address, bank account details for printing on refund orders or giving credit through ECS or Direct Credit, and occupation (hereinafter referred to as "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 could result in delays in credit of refunds to Bidders at the Bidder's sole risk and neither the BRLM, the CBRLM nor the Company shall have any responsibility or undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details on the Bid-cum-Application Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO RECEIVE 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 ON THE BID-CUM-APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IF 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 SUCH JOINT NAMES ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR ON THE BID-CUM-APPLICATION FORM.

These Demographic Details will be used for all correspondence with the Bidders including mailing of the refund orders/ECS credit for refunds/direct credit of refund/CANs/allocation advice/NEFT or RTGS for refunds and printing of Company particulars on the refund order. The Demographic Details given by Bidders in the Bid-cum-Application Form will not be used for any other purposes by the Registrar to the Issue.

By signing the Bid-cum-Application Form, the Bidder will be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund orders/allocation advice/CAN would be mailed to 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 such refund orders or documents, 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 Bidder's sole risk and neither the Escrow Collection Bank(s) nor the BRLM nor the CBRLM shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or pay any interest for such delay. **In case of refunds through electronic modes 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.**

Where no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidder's (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.

See also "Bids under Power of Attorney" given below.

Bids by Eligible Employees

For the purpose of the Employee Reservation Portion, Eligible Employees means all or any of the following:
a) A permanent employee of the Company;
b) A Director of the Company (whether a wholetime Director, part time Director or otherwise); or
c) An employee as defined in sub-clauses (a) and (b) of a Subsidiary.

An Eligible Employee, as used in the context of the Employee Reservation Portion, means an Indian National who is a person resident in India (as defined under FEMA) and excludes any Promoter or member of the Promoter Group. The Eligible Employee should be on the payroll of the Company or the Subsidiary on the date of filing the Red Herring Prospectus with the RoC.

Bids under the Employee Reservation Portion by Eligible Employees shall be:

- Made only in the prescribed Bid-cum-Application Form or Revision Form (i.e. pink colour form).
- Eligible Employees, as defined above, should mention their Employee Number at the relevant place in the Bid-cum-Application Form.
- The sole/first Bidder should be an Eligible Employee as defined above. 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 in the same sequence in which they appear in the Bid-cum-Application Form.
- Only Eligible Employees are eligible to apply in this Issue under the Employee Reservation Portion.
- Eligible Employees will have to bid like any other Bidder. Only those bids, which are received at or above the Issue Price, would be considered for allocation under this category.
- Eligible Employees can apply at Cut-off Price if the Bid Amount does not exceed Rs. 100,000.
- Bids by Eligible Employees can also be made in the Net Issue portion and such Bids shall not be treated as multiple bids.
- If the aggregate demand in this category is less than or equal to 125,000 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, if any, in the Employee Reservation Portion would be allowed to be met from any other category or combination of categories at the discretion of the Company in consultation with the BRLM and CBRLM.
- If the aggregate demand in this category is greater than 125,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis.

Bids by Non-Residents, Eligible NRIs and FIIs on a repatriation basis

Bids and revisions to Bids must be made:

1. On the Bid-cum-Application Form or the Revision Form, as applicable (blue form), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

2. In the names of individuals, or in the names of FIIs and multilateral and bilateral development financial institutions but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding Eligible NRIs) or their nominees.

3. In a single name or joint names (not more than three and in the same order as their Depository Participant details).

   Bids by Eligible NRIs for a Bid Amount of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and Bids by Eligible NRIs for a Bid Amount of more than Rs. 100,000 would be considered under the Non-Institutional Portion for the purposes of allocation.

   Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only at the prevailing exchange rate 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 on the Bid-cum-Application Form. The Company will not be responsible for any loss incurred by the Bidder on account of conversion of foreign currency.

It is to be clearly understood that there is no reservation for Non-Residents, Eligible NRIs and FIIs and other non-resident bidders, and all such Bidders will be treated on the same basis as with other categories for the purpose of allocation.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

Bids under Power of Attorney

In the 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 submitted along with the Bid-cum-Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In the case of Bids made pursuant to a power of attorney by FIIs, a certified copy of the power of attorney or the relevant resolution or authority as the case may be, along with a certified copy of their SEBI registration certificate must be submitted with the Bid-cum-Application Form. Failing this, the Company reserves the right to accept or reject any Bid, in whole or in part, in either case, without assigning any reason therefor.

In the case of Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid-cum-Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In the case of Bids made by provident funds, subject to applicable law, with a minimum corpus of Rs. 25 crore and pension funds with a minimum corpus of Rs. 25 crore, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid-cum-Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In the case of Bids made by Mutual Funds and venture capital funds registered with the SEBI, a certified copy of their SEBI registration certificate must be submitted with the Bid- cum-Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

The Company, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid-cum-Application Form, subject to such terms and conditions that the Company, the BRLM and the CBRLM may deem fit.

The Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue 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 to the Issue shall use Demographic Details as given on the Bid-cum-Application Form instead of those obtained from the Depositories.

PAYMENT INSTRUCTIONS

The Company shall open Escrow Accounts with the Escrow Collection Banks for the collection of the Bid Amount 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 Accounts

1. The Bidders for whom the applicable Margin Amount is equal to 100% of the Bid Amount shall, with the submission of the Bid- cum-Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the members of the Syndicate.

2. Where 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.

3. The payment instruments for payment into the Escrow Account should be drawn in favour of:

(i) In case of resident QIB Bidders: “Escrow Account – IRBIDL – Public Issue – QIB – R”;

(ii) In case of Non Resident QIB Bidders: “Escrow Account – IRBIDL – Public Issue – QIB – NR”;

(iii) In case of resident Retail and Non-Institutional Bidders: “Escrow Account – IRBIDL – Public Issue – R”;

(iv) In case of Non Resident Retail and Non-Institutional Bidders: “Escrow Account – IRBIDL – Public Issue – NR”; and

(v) In case of Eligible Employees in the Employees Reservation Portion: “Escrow Account – IRBIDL– Employees”.

4. In the case of Bids by Eligible NRIs applying on a repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. 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 draft should be accompanied by a bank certificate confirming that the draft has been issued by debiting a NRE Account or a FCNR Account.

5. In the case of Bids by Eligible NRIs applying on a non-repatriation basis, the payments must be made by Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application, remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of an NRO Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or a FCNR or an NRO Account.

6. In case of Bids by FIIs the payment should be made out of funds held in a special rupee account along with documentary evidence in support of the remittance. Payment by draft should be accompanied by a bank certificate confirming that the draft has been issued by debiting a special rupee account.

7. 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 Refund Account.

8. The monies deposited in the Escrow Accounts will be held for the benefit of the Bidders until the Designated Date.

9. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Accounts into the Public Issue Account as per the terms of the Escrow Agreement.

10. No later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Banks shall refund all amounts payable to unsuccessful Bidders and the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders.

11. Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers’ clearing house located at the centre where the Bid-cum-Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/Stockinvest/money orders/postal orders will not be accepted.

Payment by Stockinvest

Under the terms of the RBI Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use the stockinvest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn. Accordingly, payment through Stockinvest will not be accepted in this Issue.

Submission of Bid-cum-Application Form

All Bid-cum-Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid.

Separate receipts shall not be issued for the money payable on the submission of Bid-cum-Application Forms or Revision Forms. However, the collection centre of the members of the Syndicate will acknowledge the receipt of the Bid-cum-Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid-cum-Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all refund payments will be made in favour of the Bidder whose name appears first in the Bid-cum-Application Form or Revision Form. All communications will be addressed to the first Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one). Two or more Bids will be deemed to be multiple Bids if the sole or first Bidder is one and the same.

In this regard, the procedures to be followed by the Registrar to the Issue to detect multiple applications are given below:

1. All applications with the same name and age will be accumulated and taken to a separate process file which will serve as a multiple master document.

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 addresses of all these applications from the multiple master will be strung from the address master. This involves including the addresses in a single line after deleting non-alpha and non-numeric characters, i.e., commas, full stops, hashes etc. Sometimes, the name, the first line of the address and pin code will be converted into a string for each application received and a photo match will be carried out among all the applications processed. A print-out of the addresses will be made to check for common names. Applications with the same name and same address will be treated as multiple applications.

4. The applications will be scanned for similar DP ID and client identity numbers. If applications bear the same numbers, these will be treated as multiple applications.

5. After the aforesaid procedures, a print-out of the multiple master will be taken and the applications physically verified to tally signatures and also father's/husband's names. Upon completion of this exercise, 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 Funds and such Bids in respect of more than one scheme of the Mutual Funds will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

Bids made by Eligible Employees under both the Employee Reservation Portion and the Net Issue shall not be treated as multiple bids. The Company, in consultation with the BRLM and the CBRLM, reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

Permanent Account Number ("PAN")

Ensure that in all cases where Bids are received, the PAN of the Bidder is quoted in the Bid-cum-Application Form and necessary evidence for verifying the PAN is attached along with such form. **A copy of the PAN card or PAN allotment letter is required to be submitted with the Bid-cum-Application Form.** Applications without this information and document will be considered incomplete and are liable to be rejected. **It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN, as the Bid is liable to be rejected on this ground.**

THE COMPANY'S RIGHT TO REJECT BIDS

In case of QIB Bidders, the Company, in consultation with the BRLM and the CBRLM may reject Bids provided that the reason for rejecting the Bid shall be provided to such Bidders in writing. In case of Non-Institutional Bidders, Retail Individual Bidders and Bidders under the Employee Reservation Portion, the Company will have a right to reject Bids based on technical grounds only. Consequent refunds shall be made as described in this Red Herring Prospectus and will be sent to the Bidder's address at the Bidder's risk.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected on, *inter alia*, the following technical grounds:

1. Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for;
2. Bank Account details (for refund) not given;
3. Age of first Bidder not given;
4. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
5. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors and insane persons;
6. GIR number given instead of PAN or proof of PAN is not attached to the Bid-cum-Application Form;
7. Bids for lower number of Equity Shares than specified for that category of investors;
8. Bids at a price less than the lower end of the Price Band;
9. Bids at a price more than the higher end of the Price Band;
10. Bids at Cut-off Price by Non-Institutional Bidders, QIB Bidders and Bidders in the Employee Reservation Portion where the Bid Amount is in excess of Rs 100,000;
11. Bids for a number of Equity Shares, which are not in multiples of 30;
12. Category not ticked;
13. Multiple Bids;
14. In the case of a Bid under power of attorney or by limited companies, corporates, trusts etc., relevant documents are not submitted;
15. Bids accompanied by Stockinvest/money order/postal order/cash;
16. Signature of sole and/or joint Bidders missing;
17. Bid-cum-Application Form does not have the stamp of the BRLM, the CBRLM or the Syndicate Members;
18. Bid-cum-Application Form does not have the Bidder's depository account details;
19. Bid-cum-Application Form is not delivered by the Bidder within the time prescribed as per the Bid- cum-Application Form and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid-cum-Application Form;
20. 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 account number;

21. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;

22. Bids by QIBs not submitted through members of the Syndicate;

23. Bids by OCBs;

24. Bids in the Employee Reservation Portion by persons who are not Eligible Employees;

25. Bids by U.S. residents or U.S. persons other than in reliance on Regulation S under the Securities Act;

26. Bids by persons who are not eligible to acquire Equity Shares of the Company under any applicable law, rule, regulation, guideline or approval, in India or outside India.

Equity Shares in Dematerialised 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 dematerialised form (i.e. not in the form of physical certificates but fungible statements issued in electronic mode).

In this context, two tripartite agreements have been signed among the Company, the respective Depositories and the Registrar to the Issue:

(a) a tripartite agreement dated November 13, 2007 among NSDL, the Company and the Registrar to the Issue; and

(b) a tripartite agreement dated November 8, 2007 among CDSL, the Company and the Registrar to the Issue.

Bidders will be allotted Equity Shares only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

1. A Bidder applying for Equity Shares must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the Bid.

2. The Bidder must necessarily complete the details (including the beneficiary account number and Depository Participant's identification number) appearing on the Bid-cum-Application Form or Revision Form.

3. 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.

4. Names in the Bid-cum-Application Form or Revision Form should be identical to those appearing in the account details with the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details with the Depository.

5. If incomplete or incorrect details are given under the heading "Bidder's Depository Account Details" in the Bid-cum-Application Form or Bid Revision Form, it is liable to be rejected.

6. The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid-cum-Application Form vis-à-vis those recorded with his or her Depository Participant.

7. Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

8. The trading of the Equity Shares will be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

9. Non-transferable allotment advice or refund orders will be directly sent to the Bidders by the Registrar to the 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, the Bid-cum-Application Form number, details of the Depository

Participant, number of Equity Shares applied for, the date of the Bid-cum-Application Form, the name and address of the member of the Syndicate where the Bid was submitted and the cheque or draft number and issuing bank thereof.

Investors can contact the Contact Person/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 accounts, refund orders etc.

Disposal of Investor Grievances by the Company

The Company estimates that the average time required by it or the Registrar to the Issue for the redressal of routine investor grievances shall be seven days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, the Company will seek to redress these complaints as expeditiously as possible.

The Company has appointed Mr. Dhananjay Joshi as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue-related problems.

PAYMENT OF REFUND

Bidders should note that on the basis of the 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 Bidder's bank account details including a nine digit Magnetic Ink Character Recognition ("MICR") code. 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 Bidder's sole risk and neither the Company, the BRLM, the CBRLM and the Syndicate Members nor the Escrow Collection Banks shall have any responsibility and undertake any liability for the same.

Mode of making refunds

The payment of refund, if any, would be done through various modes in the following order of preference:

1. ECS—Payment of refund would be done through ECS for applicants having an account at any of the following 15 centres: Ahmedabad, Bengaluru, Bhubaneshwar, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Kolkata, Mumbai, Nagpur, New Delhi, Patna and Thiruvananthapuram. This mode of payment of refunds would be subject to availability of complete bank account details including the nine-digit MICR code as appearing on a cheque leaf from the Depository. The payment of refund through ECS is mandatory for applicants having a bank account at any of the 15 centres named hereinabove, except where the applicant is otherwise disclosed as eligible to receive refunds through direct credit or RTGS.

2. NEFT—Payment of refund may 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. The IFSC Code will be obtained from the website of the RBI as at 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.

3. Direct Credit—Applicants having their bank account with the Refund Banker shall be eligible to receive refunds, if any, through direct credit. Charges, if any, levied by the Refund Bank(s) for the same will be borne by the Company.

4. RTGS—Applicants having a bank account at any of the 15 centres detailed above, and whose Bid Amount exceeds Rs. 0.5 crore, shall have the option to receive refunds, if any, through RTGS. Such eligible applicants who indicate their preference to receive refunds through RTGS are required to provide the IFSC Code in the Bid-cum-Application Form. In the event of failure to provide the IFSC Code in the Bid-cum-Application Form, the refund shall be made through the ECS or direct credit, if eligibility is disclosed. Charges, if any, levied by the Refund Bank(s) for the same will be borne by the Company. Charges, if any, levied by the applicant's bank receiving the credit will be borne by the applicant.

5. Please note that only applicants having a bank account at any of the 15 centres where clearing houses for ECS are managed by the RBI are eligible to receive refunds through the modes detailed hereinabove. For all the other

applicants, including applicants who have not updated their bank particulars along with the nine-digit MICR Code, the refund orders will be dispatched "Under Certificate of Posting" for refund orders of value up to Rs. 1,500 and through Speed Post/Registered Post for refund orders of Rs. 1,500 and above. Some refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Interest on refund of excess Bid Amount

The 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.

DISPOSAL OF APPLICATIONS AND APPLICATIONS MONEY AND INTEREST IN CASE OF DELAY

The Company shall ensure dispatch of allotment advice, transfer advice or refund orders and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the allotment to the Stock Exchanges within 15 days of the Bid/Issue Closing Date. The Company shall dispatch refunds above Rs. 1,500, if any, by registered post or speed post at the sole or first Bidder's sole risk, except for Bidders who have opted to receive refunds through the ECS facility or RTGS or Direct Credit.

The Company shall use its best efforts to ensure that all steps for completion of the necessary formalities for allotment and trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within seven working days of the finalisation of the basis of Allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Guidelines, we further undertake that:

- Allotment of Equity Shares only in dematerialised form shall be made within 15 days of the Bid/Issue Closing Date;

- Dispatch of refund orders, except for Bidders who have opted to receive refunds through the ECS facility, shall be made within 15 days of the Bid/Issue Closing Date; and

- The Company shall pay interest at 15% per annum for any delay beyond the 15 day time period as mentioned above, if allotment is not made or if, in a case where the refund or a portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner, and/or demat credits are not made to investors within the 15 day time period 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.

The Company will provide adequate funds required for dispatch of refund orders 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 Forms or Revision Forms. However, the collection centre of the Syndicate Members 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, pay orders or demand drafts drawn on a bank appointed by us, as an Escrow Collection Bank and payable at par at places where Bids are received, except for Bidders who have opted to receive refunds through the ECS facility. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

"Any person who:

(a) ***makes in a fictitious name, an application to a company for acquiring or subscribing 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".***

ALLOTMENT

Basis of Allotment

A. For Retail Individual Bidders

1. Bids received from Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all successful Retail Individual Bidders will be made at the Issue Price.

2. The Issue size less Allotment to Non-Institutional Bidders and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

3. If the valid Bids in this portion are less than or equal to 15,279,800 Equity Shares at or above the Issue Price, full Allotment shall be made to Retail Individual Bidders to the extent of their valid Bids.

4. If the valid Bids in this portion are greater than 15,279,800 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis of not less than 30 Equity Shares and in multiples of one Equity Share thereafter. For the method of proportionate basis of allocation, refer below.

B. For Non-Institutional Bidders

1. Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.

2. The Issue size less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation to Non-Institutional Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

3. If the valid Bids in this portion are less than or equal to 5,093,266 Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their valid Bids.

4. If the valid Bids in this portion are greater than 5,093,266 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis of not less than 30 Equity Shares and in multiples of one Equity Share thereafter. For the method of proportionate basis of allocation, refer below.

C. For QIB Bidders

1. Bids received from QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to QIB Bidders will be made at the Issue Price.

2. The QIB Portion shall be available for allocation to QIB Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

3. Allotment shall be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion shall be determined as follows:

(i) If bids from Mutual Funds exceed 5% of the QIB Portion, allocation to Mutual Funds shall be made on a proportionate basis for up to 5% of the QIB Portion.

(ii) If the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.

(iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available to QIB Bidders as set out in (b) below.

(b) In the second instance allocation to all Bidders shall be determined as follows:

(i) In the event of an oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.

(ii) Mutual Funds who have received allocation as per (a) above, for less than the number of Equity Shares bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.

(iii) Under subscription, if any, in the Mutual Fund Portion, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

D. For Eligible Employees

- Bids received from the Eligible Employees at or above the Issue Price shall be grouped together to determine the total demand under this category. 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 125,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Employees to the extent of their demand.
- If the valid Bids in this category is greater than 125,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis of not less than 30 Equity Shares and in multiples of one Equity Share thereafter. For the method of proportionate allocation, refer below.
- Only Eligible Employees may apply for Equity Shares under the Employee Reservation Portion.

The BRLM, the CBRLM, the Registrar to the Issue and the Designated Stock Exchange shall ensure that the basis of Allotment is finalised in a fair and proper manner in accordance with the SEBI Guidelines. The drawing of lots (where required) to finalise the basis of Allotment shall be done in the presence of a public representative on the Governing Board of the Designated Stock Exchange.

Procedure and Time of Schedule for Allotment and demat Credit of Equity

The Issue will be conducted through a "100% book building process" pursuant to which the members of the Syndicate will accept bids for the Equity Shares during the Bidding Period. The Bidding Period will commence on January 31, 2008 and expire on February 5, 2008. Following the expiration of the Bidding Period, the Company, in consultation with the BRLM and the CBRLM, will determine the Issue Price and the basis of allocation and entitlement to Allotment based on the Bids received and subject to confirmation by the BSE/NSE. Successful Bidders will be provided with a confirmation of their allocation (subject to a revised confirmation of allocation) and will be required to pay any unpaid amount for the Equity Shares within a prescribed time. The SEBI Guidelines require the 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.

Method of proportionate basis of Allotment

In the event the Issue is oversubscribed, the basis of Allotment shall be finalised by the Company, in consultation with the BRLM and the CBRLM and 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, the CBRLM and the Registrar to the Issue shall be responsible for ensuring that the basis of Allotment is finalised in a fair and proper manner. Allotment to Bidders shall be made in marketable lots on a proportionate basis as explained below:

(a) Bidders will be categorised according to the number of Equity Shares applied for by them.

(b) The total number of Equity Shares to be Allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the oversubscription ratio.

(c) The number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is the total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the oversubscription ratio.

(d) If the proportionate Allotment to a Bidder is a number that is more than 30 but is not a multiple of one (which is the market lot), the decimal will be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it will be rounded off to the lower whole number. Allotment to all Bidders in such categories shall be arrived at after such rounding off.

(e) In all Bids where the proportionate Allotment is less than 30 Equity Shares per Bidder, the Allotment shall be made as follows:

- Each successful Bidder shall be Allotted a minimum of 30 Equity Shares; and
- The successful Bidders out of the total Bidders for a portion shall be determined by the drawing 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; and

(f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that portion, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance of Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for the minimum number of Equity Shares.

Illustration of Allotment to QIBs and Mutual Funds ("MF")

Issue details

Particulars	**Issue details**
Net issue size	20.00 crore equity shares
Allocation to QIB (at least 60% of the net issue)	12.00 crore equity shares
Of which:	
a. Reservation for Mutual Funds (5%)	0.60 crore equity shares
b. Balance for all QIBs including Mutual Funds	11.40 crore equity shares
Number of QIB applicants	10
Number of equity shares applied for	50.00 crore equity shares

Details of QIB Bids

Sr. No.	**Type of QIBs**	**No. of shares bid for (in** crore)
1.	A1	5
2.	A2	2
3.	A3	13
4.	A4	5
5.	A5	5
6.	MF1	4
7.	MF2	4
8.	MF3	8
9.	MF4	2
10.	MF5	2
11.	**TOTAL**	**50**

* *A1-A5: (QIBs other than Mutual Funds), MF1-MF5 (QIBs which are Mutual Funds)*

Details of Allotment to QIBs Applicants

Type of QIB	Shares bid for	Allocation of 5% equity shares	Allocation of 95% equity shares	Aggregate allocation to Mutual Funds
(I)	(II)	(III)	(IV)	(V)
	(Number of equity shares in crore*)*			
A1	5	0	11.54	0
A2	2	0	4.61	0
A3	13	0	30.00	0
A4	5	0	11.54	0
A5	5	0	11.54	0
MF1	4	1.2	8.95	10.15
MF2	4	1.2	8.95	10.15
MF3	8	2.4	17.90	20.30
MF4	2	0.6	4.48	5.08
MF5	2	0.6	4.48	5.08
	50	**6**	**114**	**50.76**

Notes:

1. The illustration presumes compliance with the requirements specified in this Red Herring Prospectus in the section "Issue Structure" beginning on page 475 of this Red Herring Prospectus.

2. Out of 12.00 crore equity shares allocated to QIBs, 0.60 crore (i.e., 5%) will be Allotted on a proportionate basis among five Mutual Fund applicants who applied for 20.00 crore equity shares in the QIB Portion.

3. The balance 11.40 crore equity shares i.e., 12.00 – 0.60 (available for Mutual Funds only) will be Allotted on a proportionate basis among 10 QIB Bidders who applied for 50.00 crore equity shares (including 5 Mutual Fund applicants who applied for 20.00 crore equity shares).

4. The figures in the fourth column entitled "Allocation of 95% equity shares in the above illustration are arrived at as explained below:

   For QIBs other than Mutual Funds (A1 to A5) = Number of equity shares Bid for (i.e., in column II of the table above)× 114/494

   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) × 114/494

   The numerator and denominator for arriving at the allocation of 11.40 crore equity shares to the 10 QIBs are reduced by 0.60 crore shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND REFUND ORDERS

Our Company shall give credit of Equity Shares Allotted to the beneficiary account with Depository Participants within 15 working days of the Bid/Issue Closing Date. Applicants residing at 15 centres where clearing houses are managed by the RBI will get refunds through ECS (subject to availability of all information for crediting the refund through ECS) except where applicants are otherwise disclosed as eligible to get refunds through Direct Credit, NEFT or RTGS.

In case of other applicants, the Company shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500 by "Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post, except for Bidders who have opted to receive refunds through Direct Credit, NEFT, RTGS or ECS.

Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 working days of the Bid/Issue Closing Date.

Our Company shall ensure dispatch of refund orders, if any, by "Under Certificate of Posting" or registered post or speed post or Direct Credit, NEFT, RTGS or ECS, 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.

The Company shall ensure dispatch of allotment advice and refund orders and shall give credit of Equity Shares allotted, if any, to the beneficiary account with Depository Participants and submit the documents pertaining to the allotment to the Stock Exchanges within 2 (two) working days of the date of Allotment.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within 7 (seven) working days of the finalisation of the basis of allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Guidelines, the Company further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialised form within 15 days of the Bid/ Issue Closing Date;
- Refunds shall be made within 15 days from the Bid/Issue Closing Date at the sole or First Bidder's sole risk, except for Bidders who have opted to receive refunds through Direct Credit, NEFT, RTGS or ECS; and
- The Company shall pay interest at 15% per annum if allotment letters/ refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT, RTGS or ECS, the refund instructions have not been given to the clearing system in the disclosed manner within 15 days from the Bid/Issue Closing Date.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by us, as an Escrow Collection Bank and payable at par at places where Bids are received, except where the refund or portion thereof is made in electronic manner as described above. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Undertakings by the Company

The Company undertakes as follows:

1. that complaints received in respect of this Issue shall be dealt with expeditiously and satisfactorily;
2. 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 the finalisation of the basis of Allotment;
3. that the Company shall apply in advance for the listing of the Equity Shares;
4. that the funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Company;
5. that the refund instructions shall be given or allotment advice shall be dispatched within the specified time;
6. that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of the Bid/Issue Closing Date, giving details of the bank where refunds shall be credited along with the amount and expected date of electronic credit of refund;
7. that the refund orders or Allotment advice to the Non-Resident Bidders shall be dispatched within the specified time; and
8. that no further issue of Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus and the Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.

Utilisation of Issue proceeds

The Board of Directors certifies that:

1. all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in Section 73(3) of the Companies Act;
2. details of all monies utilised out of the Issue shall be disclosed under an appropriate heading in the balance sheet of the Company indicating the purpose for which such monies have been utilised; and
3. details of all unutilised monies out of the Issue, if any, shall be disclosed under the appropriate head in the balance sheet of the Company indicating the form in which such unutilised monies have been invested.

The Company shall not have recourse to the proceeds of the Issue until the final listing and trading approvals from all the Stock Exchanges have been obtained.

SECTION VIII: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to Schedule II of the Companies Act and the SEBI Guidelines, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. The defined terms used in this section have the meaning given to them in the Articles of Association and not in the section "Definitions and Abbreviations" set forth in this Red Herring Prospectus. All defined terms used in this section have the meaning given to them in the Articles of Association.

Amount of Capital

The Authorised Share Capital of the Company is such amount, as stated, for the time being, or may be varied, from time to time, under the provisions of the Act, in the Clause V of the Memorandum of Association of the Company, divided into such number, classes and descriptions of Shares and into such denominations, as stated therein, and further with such powers to increase the same or otherwise as stated therein. The paid-up Share capital of the Company shall be, at any time, an amount of not less than Rs.5,00,000/- (Rupees Five Lakhs Only) or such other amount, as may, from time to time, be prescribed under the Act.

Increase of Capital by the Company and how carried into effect.

The Company, in general meeting, may, from time to time, increase the capital by the creation of new Shares. Such increase in the capital shall be of such aggregate amount and to be divided into such number of Shares of such respective amounts, as the resolution, so passed in that respect, shall prescribe. Subject to the provisions of the Act, any Shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting, resolving upon the creation thereof, shall direct, and, if no direction be given, as the Directors shall determine, and, in particular, such Shares may be issued with a preferential, restricted or qualified right to dividends, and in the distribution of assets of the Company, on winding up, and with or without a right of voting at general meetings of the Company, in conformity with and only in the manner prescribed by the provisions of the Act. Whenever capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the applicable provisions of the Act.

New Capital same as existing Capital

Except so far as otherwise provided by the conditions of issue or by these presents, 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 contained herein with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting or otherwise.

Reduction of Capital

The Company may, subject to Section 100 and the applicable provisions of the Companies Act 1956, from time to time, by special resolution, reduce its capital and any Capital Redemption Reserve Account or Other Premium Account, for the time being, in any manner, authorised by law, and, in particular, without prejudice to the generality of the foregoing powers, the capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power, the Company would have, if it were omitted.

Redeemable Preference Shares

Subject to the provisions of Section 80 and 80A of the Act, the Company shall have the power to issue preference Shares, which are liable to be redeemed and the resolution authorising such issue shall prescribed the manner, terms and conditions of redemption

Provisions to apply on issue of Redeemable Preference Shares

On the issue of Redeemable Preference Shares under the provisions of the preceding Articles, the following provisions shall take effect:

a) No such Shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of Shares made for the purpose of the redemption.

b) No such Shares shall be redeemed unless they are fully paid;

c) The premium, if any, payable on redemption, must have been provided for, out of the profits of the Company or the Share Premium Account of the Company before, the Shares are redeemed; and

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 "Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed and the provisions of the Act, relating to the reduction of the Share capital of the Company, shall, except as provided in Section 80 of the Act, apply as if "Capital Redemption Reserve Account" were paid up Share capital of the Company.

Sub-division, consolidation and cancellation of Shares

Subject to the applicable provisions of the Act, the Company, in general meeting, may, from time to time, sub-divide, reclassify or consolidate its Shares or any of them, and the resolution whereby any Share is sub-divided, may determine that, as between the holders of the Shares resulting from such sub-division, one or more of such Shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other or others. Subject as aforesaid, the Company, in general meeting, may also cancel Shares, which have not been taken or agreed to be taken by any person, and diminish the amount of its Share capital by the amount of the Shares so cancelled.

Modification of Rights

Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of Shares, all or any of the rights and privileges attached to each class may, subject to the applicable provisions of the Act, be modified, commuted, affected or abrogated, or dealt with by an agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified, in writing, by holders of at least three-fourths in nominal value of the issued Shares of the class or is confirmed by a special resolution passed at a separate general meeting of the holders of Shares of that class and all the provisions hereinafter contained as to general meetings, shall, mutatis mutandis, apply to every such meeting.

SHARES AND CERTIFICATES

Register and Index of Members

The Company shall keep or cause to be kept a Register and Index of Members, in accordance with the applicable Sections of the Act. The Company shall be entitled to keep, in any State or Country outside India, a Branch Register of Members, in respect of those resident in that State or Country.

Shares to be numbered progressively and no Share to be sub-divided.

The Shares, in the capital, shall be numbered progressively according to their several classes and denominations, and, except in the manner hereinabove mentioned, no Share shall be sub-divided. Every forfeited or surrendered Share may continue to bear the number by which the same was originally distinguished with, or as may be otherwise, as may be decided by the Board of Directors or required by any other authority, as may be, for the time being, in force.

Further Issue of Capital

1. Where at the time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of Shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further Shares either out of the inissued or out of the increased Share capital then:

   (a) Such further Shares shall be offered to the persons who at the date of the offer, are holders of the Equity Shares of the Company, in proportion, as near as circumstances admit, to the capital paid up on those Shares at that date.

   (b) Such offer shall be made by a notice specifying the number of Shares offered and limiting a time not less than thirty days from the date of the offer within which the offer if not accepted, will be deemed to have been declined.

   (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right provided that the Directors may decline, without assigning any reason to allot any Shares to any person in whose favour any member may, renounce the Shares offered to him.

(d) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that the 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.

2. Notwithstanding anything contained in sub-clause (1) thereof, the further Shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof) in any manner whatsoever.

(a) If a special resolution to that effect is passed by the Company in General Meeting, or

(b) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the chairman) by the members who, being entitled to do so, vote in person, or, where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the Company.

3. Nothing in sub-clause (c) of (1) hereof shall be deemed:

(a) To extend the time within which the offer should be accepted; or

(b) To authorize any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the Shares comprised in the renunciation.

4. Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the Debenture issued or loans raised by the Company:

(a) To convert such Debenture or loans into Shares in the Company; or

(b) To subscribe for Shares in the Company (whether such option is conferred in these Articles or otherwise)

PROVIDED THAT the terms of issue of such Debentures or the terms of such loans include a term providing for such option and such term:

(a) Either has been approved by the Central Government before the issue of the Debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and

(b) In the case of Debentures or loans or other than Debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in General Meeting before the issue of the Debentures or raising of the loans.

Share under control of Directors

Subject to the provisions of Section 81 of the Act and these Articles, the Shares in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at part or (subject to the compliance with the provisions of section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give any person or persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up Shares and if so issued, shall be deemed to be fully paid Shares. Provided that opinion or right to call of Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting. The Board shall cause to be filed the returns as to allotment provided for in Section 75 of the Act.

Power to the Company in the General Meeting to issue Shares

In addition to and without derogating from the powers for that purpose conferred on the Board under the preceding two Articles, the Company, in general meeting, may 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 or not the members of the Company, in such proportion and on such terms and conditions and, subject to compliance with the provisions of applicable provisions 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, subject to compliance with the applicable provisions of the Act, at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such general meeting, or the Company in general meeting may make any other provision whatsoever for the issue, allotment or disposal of any Shares.

Any application signed by or on behalf of an applicant for subscription to Shares in the Company, followed by an allotment of any Shares therein, shall be an acceptance of Shares within the meaning of these Articles, and every person, who, thus or otherwise, accepts any Shares and whose name is entered on the Registered shall, for the purpose of these Articles, be a member.

Deposits and calls, etc. to be a debt payable immediately.

The money, if any, which the Board shall, on the allotment of any Shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any Shares allotted by them, shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly, in the manner prescribed by the Board.

Liability of Members

Every member or his heirs, executors or administrators, shall pay to the Company the portion of the capital represented by his Share or Shares which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Board shall, from time to time, in accordance with the Regulations of the Company, require or fix for the payment thereof.

Share Certificates

(a) Every Member shall be entitled, without payment to one or more certificates in marketable lots, for all the Shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such Share and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment unless the conditions of issue thereof otherwise provide, or within two months of the receipt of application of registration of transfer, transmission, subdivision, consolidation or renewal of any of its Shares as the case may be. Every certificate of Shares shall be under the seal of the Company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and amount paid up thereon shall be in such form as the directors may prescribe or approve, provided that in respect of a Share or Shares jointly by several persons the Company shall not be bound to issue more than one certificate and delivery of certificate o Shares to one of several joint holders shall be sufficient delivery to all Share holders. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a power of attorney and the Secretary or some other person appointed by the Board for the purpose, and such two Directors or their attorneys, and the Secretary or other person shall sign the share certificates, provided that, if the composition of the Board permits, provided that, of it, at least one of the aforesaid two Directors shall be a person other than Managing Director or a Wholetime Director. Particulars of every share certificates issued shall be entered in the Register of Members against the name of the person to whom it has been issued, indicating the date of issue.

(b) Any two or more joint allottees, in respect of a Share, shall, for the purpose of this Article, be treated as a single member, and the certificate of any Share, which may be subject of joint ownership, may be delivered to the person named first in the order or otherwise even to any one of such joint owners, on behalf of all of them. For any further certificate, the Board shall be entitled but shall not be bound to prescribe a charge not exceeding Rupee One per such certificate. In this respect, the Company shall comply with the applicable provisions, for the time being, in force, of the Act.

(c) 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, but not by means of a rubber stamp provided that the Directors shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

Renewal of Share Certificates

(a) The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to receive from any member willing to advance the same, all or any part of the amount of his Shares beyond the sums actually called up and upon the monies so paid in advance or upon so much thereof as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advances has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

The member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

The Provisions of these Articles shall mutatis mutandis apply to the calls on Debentures of the Company.

(a) When a new Share certificate has been issued in pursuance of the preceding clause of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "Issued in lieu of Share certificate No.......... sub-divided/replaced/on consolidation of Shares".

(b) If any certificate be worn out, defaced, mutilated, or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, and a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificates under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.

The provision of this Article shall mutatis mutandis apply to Debentures of the Company.

(a) When a new Share certificate has been issued in pursuance of the preceding clause of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "DUPLICATE. Issued in lieu of Share Certificate No. ...." The word "DUPLICATE" shall be stamped or punched in bold letters across the face of the Share certificate.

(b) Where a new Share certificate has been issued in pursuance of clause (a) or clause (c) of this Article, particulars of every such Share certificate shall be entered in a Register of Renewed and Duplicate Share Certificates, indicating against the names of the person or persons to whom the certificate is issued, the number and date of issue of the Share certificate, in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members by suitable cross reference in the "Remarks" column.

(c) All blank forms to be issued for issue of Share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively numbered, whether by machine, hand or otherwise, and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary, where there is no Secretary, the Managing Director or Whole time Director, and where there is no such director, the Chairman of the Board, for the time being, or otherwise of such other person, as the Board may appoint for the purpose, and the Secretary, such director, Chairman or such other person shall be responsible for rendering an account of these forms to the Board.

(d) The Managing Director of the Company, for the time being, or, if the Company has no Managing Director, every director of the Company shall be severally responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of Share certificates except the blank forms of Share certificates referred to in Clause (f) of this Article.

(e) All books referred to in clause (g) of this Article shall be preserved in good order permanently, or for such period as may be prescribed by the Act or the Rules made thereunder.

The first name of joint holders deemed sole holder.

If any Share stands in the names of two or more persons, the person first named, in the Register, shall, as regards receipt of dividends or bonus or service of notices and all or any matter connected with the Company, except voting at meetings and the transfer of the Shares, be deemed the sole holder thereof but the joint holders of a Share shall be severally as well as jointly liable for the payment of all instalments of calls due in respect of such Share and for all incidents otherwise.

Company not bound to recognise any interest in Share other than that of registered holder.

Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any Share, or, except only as is, by these presents, otherwise expressly provided, any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person, from time to time, registered as the holder thereof, but the Board shall be, at liberty, at their sole discretion, to register any Share in the joint names of any two or more persons or the survivor or survivors of them.

Declaration by person not holding beneficial interest in any Shares

Subject to the provisions of Sections 77(2) and 77B of the Act, the Company may purchase its own Shares or other specified securities out of free reserves, the securities premium account or the proceeds of issue of any Share or specified securities

Power of Company to purchase its own Securities

Subject to the provisions contained in sections 77A and 77B and all applicable provisions of the Act and subject to such approvals, permissions, consents and sanctions from the concerned authorities and departments, including the Securities and Exchange Board of India and the Reserve Bank of India, if any, the Company may, by passing a special resolution at a general meeting, purchase its own Shares or other specified securities (hereinafter referred to as 'buy-back') from its existing Shareholders on a proportionate basis and/or from the open market and/or from the lots smaller than market lots of the securities (odd lots), and/or the securities issued to the employees of the Company pursuant to a scheme of stock options or sweat Equity, from out of its free reserves or out of the securities premium account of the Company or out of the proceeds of any issue made by the Company specifically for the purpose, on such terms, conditions and in such manner as may be prescribed by law from time to time; provided that the aggregate of the securities so bought back shall not exceed such number as may be prescribed under the Act or Rules made from time to time.

COMMISSION AND BROKERAGE

Commission may be paid

Subject to the provisions of Section 76 of the Act, the Company may, at any time, pay a commission to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any Shares in or Debentures of the Company or procuring or agreeing to procure the subscribers, whether absolutely or conditional, for any Shares in or Debentures of the Company, but so that the commission shall not exceed, in the case of Shares, five per cent of the price at which the Shares are issued and, in the case of Debentures two and half per cent of the price at which the debentures are issued, and such commission may be satisfied in any such manner, including the allotment of the Shares or Debentures, as the case may be, as the Board thinks fit and proper.

Subject to the provisions of the Act, the Company may pay a reasonable sum for brokerage.

INTEREST OUT OF CAPITAL

Interest may be paid out of Capital

Where any Shares are issued for the 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, the Company may pay interest on so much of that Share capital, as is, for the time being, paid up, for the period, at the rate, and subject to the conditions and restrictions provided by the applicable provisions of the Act, and may charge the same to capital, as part of the cost of construction of the works or buildings, or the provision of plant.

CALLS

Director may make calls

The Board may, from time to time, subject to the terms on which any Shares may have been issued and subject to the conditions of allotment, by a resolution passed only at a duly constituted meeting of the Board, make such call, as it thinks fit, upon the members in respect of all moneys unpaid on the Shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call may be made payable by installments.

Notice of calls

At least fifteen days' notice, in writing, of any call, shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call be paid.

Calls to be effective date of resolution

A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board.

Directors may extend time

The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members whom owing to their residence at a distance or other cause, the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension, save as a matter of grace and favour.

Calls may be revoked or postponed

A call may be revoked or postponed at the discretion of Board.

Liability of joint holders

The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.

Calls to carry interest

If any members fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall, from time to time, be fixed by the Board, but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.

Sums deemed to be calls

Any sum, which, by the terms of issue of a Share, becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which, by the terms of issue, the same becomes payable, and, in the case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise, shall apply, as if such sum had become payable by virtue of a call duly made and notified.

Proof on trial of suits for money due

On the trial or hearing of any action or suit brought by the Company against any member or his representative 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 or is entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered, is alleged to have become due on the Shares in respect of which money is sought to be recovered, and that the resolution making the call is duly recorded in the minute book, and that notice, of which call, was duly given to the member or his representatives and used in pursuance of these Articles, and it shall not be necessary to prove the appointment of the Directors who made such call, and not that a quorum of Directors was present at the meeting of the Board at which any call was made, and nor that the meeting, at which any call was made, has duly been convened or constituted nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive of the debt.

Partial payment not to preclude forfeiture

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.

Payment in anticipation of calls may carry interest

(a) The Board 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 his respective Shares beyond the sums actually called up and upon the money so paid in advance, or upon so much thereof, from time to time, and, at any time thereafter, as exceeds the amount of the calls then made upon and due in respect of the Shares on account of which such advances are made, the Board may pay or allow interest at such rate, as the member paying the sum in advance and the Board agrees upon, subject to the provisions of the Act. The Board may agree to repay, at any time, any amount so advanced or may, at any time, repay the same upon giving to the member 3 (Three) months' notice, in writing, provided that moneys paid, in advance of calls, on any Shares may carry interest but shall not confer a right to dividend or to participate in profits.

(b) No member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him, until the same would, but for such payment, become presently payable.

LIEN

Company to have lien on shares

The Company shall have a first and paramount lien upon all the Shares/Debentures (other than fully paid up Shares/Debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/Debentures and no equitable interest in any Shares shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares/Debentures. Unless otherwise agreed the registration of a transfer of Shares/Debentures shall operate as a waiver of the Company's lien if any, on such Shares/Debentures. The Directors may at any time declare any Shares/Debentures wholly or in part to be exempt from the provisions of this clause.

As to enforcing lien by sale

For the purpose of enforcing such lien, the Board may sell the Shares, subject thereto, in such manner, as it shall think fit, and, for that purpose, may cause to be issued a duplicate certificate in respect of such Shares, and may authorise one of their members to execute a transfer thereof, on behalf of and in the name of such manner. 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 on such member or his representatives and the default, whether express or implied, shall have been made by him or them in payment, fulfillment or discharge of such debts, liabilities or engagements, for such further days allowed, after the service of such notice, and stated therein.

Application of proceeds of sale

The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount, in respect of which the lien exists, as is presently payable, and the residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the Shares before the sale, be paid to the persons entitled to the Shares at the date of the sale.

FORFEITURE OF SHARES

If money payable on Shares not paid, notice to be given to member.

If any member fails to pay any call or installment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

Form of Notice

The notice shall name a day, not being less than 14 (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 non-payment at or before the time and at the place appointed, the Shares, in respect of which the call was made or installment is payable, will be liable to be forfeited.

In default of payment Shares to be forfeited

If the requirements of any such notice, as aforesaid, shall not be complied with, every or any Share, in respect of which such notice has been given, may, at any time thereafter, before payment of all calls or installments, interest and expenses, as may be due in respect thereof, be forfeited by a resolution of the Board to that effect. Subject to the provisions of the Act, such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited Shares and not actually paid before the forfeiture.

Notice of forfeiture to a member

When any Share shall have been so forfeited, notice of the forfeiture shall be given to the member, in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture with the date thereof, shall, forthwith, be made in the Register of Members. But no forfeiture shall be, in any manner, invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid

Forfeited share to be the property of the Company and may be sold etc.

Any Share, so forfeited, shall be deemed to be the property of the Company, and may be sold, reallotted or otherwise disposed off, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.

Member still liable to pay money owing at the time of forfeiture and interest

Any member, whose Shares have been forfeited, shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand, all calls, installments, interest and expenses owing upon or in respect of such Shares at the time of the forfeiture together with interest thereof, until payment, at such rate, as the Board may determine, and the Board may enforce the payment thereof, if it thinks fit.

Effect of Forfeiture

The forfeiture of a Share shall involve extinction, at the time of the forfeiture, of all interests in and all claims and demands against the Company, in respect of such Share and all other rights, incidental to the Share, except only such of those rights as by these presents are expressly saved.

Evidence of Forfeiture

A declaration, in writing, that the declarant is a director or Secretary of the Company and that a Share in the Company has duly been forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Shares.

Validity of sale under Article 46

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold, and cause the purchaser's name to be entered in the Register, 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 shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and exclusively against the Company and no one else.

Cancellation of Share Certificates in respect of Forfeited Shares.

Upon any sale, reallotment or other disposal under the provisions of the preceding Article, 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, and the Directors shall be entitled to issue a duplicate certificate or certificates, in respect of the said Shares, to the person or persons entitled thereto.

TRANSFER AND TRANSMISSION OF SHARES

Register of Transfers

The Company shall keep the "Register of Transfers" and therein shall fairly and distinctly enter particulars of every transfer or transmission of any Share.

No transfer shall be registered, unless a proper instrument of transfer has been delivered to the Company. Every instrument of transfer shall be duly stamped, under the relevant provisions of the Law, for the time being, in force, and shall be signed by or on behalf of the transferor and the transferee, and in the case of a Share held by two or more holders or to be transferred to the joint names of two or more transferees by all such joint holders or by all such joint transferees, as the case may be, and the transferor or the transferors, as the case may be, shall be deemed to remain the holder or holders of such Share, until the name or names of the transferee or the transferees, as the case may be, is or are entered in the Register of Members in respect thereof. Several executors or administrators of a deceased member, proposing to transfer the Share registered in the name of such deceased member, or the nominee or nominees earlier appointed by the said deceased holder of Shares, in pursuance of the Article 73, shall also sign the instrument of transfer in respect of the Share, as if they were the joint holders of the Share.

Form of Transfer

Shares in the Company may be transferred by an instrument, in writing, in the form, as shall, from time to time, be approved by the Directors provided that, if so required by the provisions of the Act, such instrument of Transfer shall be in the form prescribed thereunder, and shall be duly stamped and delivered to the Company within the prescribed period. All the provisions of Section 108 of the Act shall be duly complied with in respect of all transfers of Shares and registration thereof.

Transfer Books and Register of Members when closed

The Board shall have power, on giving 7 (Seven) days' previous notice, by advertisement in some newspaper circulating in the district in which the Registered Office of the Company is, for the time being, situated, to close the transfer books, the Register of Members of Register of Debenture holders, at such time or times and for such periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year, as it may seem expedient.

Directors may refuse to register transfer

Subject to the provisions of Section 111A of the Act these Articles Section 22A of the Securities Contract (Regulation) Act, 1956 and any other applicable provisions of the Act or any other law for the time being in force, the Board may, refuse, whether in pursuance of any power of the Company under these Articles or otherwise, to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a member in, or Debentures of the company, the Board shall within one month from the date on which the instrument of transfer, or the intimation of such transmission as the case may be, was delivered to the Company, send to the transferee and transferor or to the person giving intimation of such transmission, as the case may be, notice of the refusal to register such transfer, giving reasons for such refusal provided that 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 except when the Company has a lien on the Shares. Transfer of Shares/Debentures in whatever lot shall not be refused.

Application for registration of transfer

An application for the registration of a transfer of Shares in the Company may be made either by the transferor or the transferee. Where such application is made by a transferor and relates to partly paid Shares, the Company shall give notice of the application to the transferee. The transferee may, within two weeks from the date of the receipt of the notice and not later, object to the proposed transfer. The notice to the transferee shall be deemed to have been duly given, if despatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been delivered at the time when it would have been delivered in the ordinary course of post.

Death of one or deceased member

In the case of the death of any one or more of the persons named in the Register of Members as the joint holders of any Share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such Share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on Shares held by him jointly with any other person.

Title to shares of deceased member

Subject to the provisions of Article 73 hereunder, the executors or administrators or holders of a such Succession Certificate or the legal representative of a deceased member, not being one of two or more joint holders, shall be the only persons recognised by the Company as having any title to the Shares registered in the name of such member, and the Company shall not be bound to recognise such executors or administrators or holders of a Succession Certificate or the legal representatives, unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration or Succession Certificate, as the case may be, from a duly constituted Court in the Union of India, provided that, in cases, the Board may dispense with production of probate or letters of Administration or Succession Certificate upon such terms as to indemnify or otherwise, as the Board, in its absolute discretion, may think necessary, in the circumstances thereof, and, in pursuance of Article 62 hereinunder, register the name of any person, who claims to be absolutely entitled to the Shares standing in the name of a deceased member, as a member.

No transfer to infant etc.

No Share shall, in any circumstances, be transferred to any infant, insolvent or person of unsound mind, and that no Share, partly paid up, be issued, allotted or transferred to any minor, whether alone or along with other transferees or allottees, as the case may be.

So long as the director having unlimited liability has not discharged all liabilities, whether present or future, in respect of the period for which he is and continues to be, so long, liable, he shall not be entitled to transfer the Shares held by him or cease to be a member of the Stock Exchange(s) to the end and intent that he shall continue to hold such minimum number of Shares as were held by him prior to his becoming a director with unlimited liability.

Registration of persons entitled to Shares otherwise than any transfer (Transmission Article)

Subject to the provisions of Articles 58, 59 and 73 hereof, any person becoming entitled to Shares in consequences of the death, lunacy, bankruptcy or insolvency or any member, or the marriage of any female member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Board, which it shall not be under any obligation to give, upon producing such evidence that he sustains the character in respect of which he proposes to act under the Article or of his title, as the Board thinks sufficient, either be registered himself as the holder of the Share or elect to have some person, nominated by him and approved by the Board, registered as such person, provided, nevertheless, that if such person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein to in these Articles as "The Transmission Article".

Persons entitled may receive dividend without being registered as member.

Subject to the provisions of the Act, a person entitled to a Share by transmission shall, subject to the right of the Directors to retain such dividend or money as hereinafter provided, be entitled to receive and may be given a discharge for, any dividends or other moneys payable in respect of the Share.

Fee on Transfer or Transmission

No fees shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar document.

Company not liable for disregard of a notice in prohibiting registration of a Transfer

The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof, as shown or appearing in the Register of Members, to the prejudice of persons having or claiming any equitable right, title or interest to or in the said Shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting of such transfer, and may have entered such notice, referred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.

Dematerialization of the Securities

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its Securities and to offer Securities in a dematerialized form pursuant to the Depositories Act, 1996.

Every holder of or subscriber to Securities of the Company shall have the option to receive Security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a Depository, if permitted by law, in respect of any Security in the manner provided by the Depositories Act, 1996 and the Company shall in the manner and within the time prescribed, issued to the beneficial owner the required Certificates for the Securities. If a person opts to hold its Security with a Depository, the Company shall intimate such Depository the details of allotment of the Security.

All Securities of the Company held by the Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153, 187C and 372A of the Act shall apply to a Depository in respect of the Securities of the Company held by it on behalf of the beneficial owners.

Depository as the registered owner under the Act

(i) Notwithstanding anything to the contrary contained in the Act, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security of the Company on behalf of the beneficial owner.

(ii) Save as otherwise provided in (i) above, the Depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

(iii) Every person holding Securities of the Company and whose name is entered as the beneficial owner in the record 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.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

Shares may be converted into stock

The Company, by resolution in general meeting, may covert any paid up Shares into stock, or may, at any time, reconvert any stock into paid up Shares of any denomination. When any Shares shall have been converted into stock, the several holders of such stock may thenceforth transfer their respective interests therein, or any part of such interest, in the same manner and, subject to the same regulations as to which Shares in the Company may be transferred or as near thereto as circumstances will admit. But the Directors may, from time to time, if they think fit, fix the minimum amount of stock transferable, and restrict or forbid the transfer of fractions of that minimum, but with full power nevertheless, at their discretion, to waive such rules in any particular case. The notice of such conversion of Shares into stock or reconversion of stock into Shares shall be filed with the Registrar of Companies as provided in the Act.

The Stock shall confer on the holders thereof respectively the same privileges and advantages, as regards participation in profits and voting at meetings of the Company and, for other purposes, as would have been conferred by Shares of equal amount in the capital of the Company of the same class as the Shares from which such stock was converted but no such privilege or advantage, except the participation in profits of the Company, or in the assets of the Company on a winding up, shall be conferred by any such aliquot part or, consolidated stock as would not, if existing in Shares, have conferred such privileges or advantages. No such conversion shall affect or prejudice any preference or other special privilege attached to the Shares so converted. Save as aforesaid, all the provisions herein contained shall, so far as circumstances will admit, apply to stock as well as to Shares and the words "Share" and "Shareholder" in these presents shall include "stock" and "stock-holder".

The Company may issue Share warrants in the manner provided by the said Act and accordingly the Directors may, in their discretion, with respect to any fully paid up Share or stock, on application, in writing, signed by the person or all persons registered as holder or holders of the Share or stock, and authenticated by such evidence, if any, as the Directors may, from time to time, require as to the identity of the person or persons signing the application, and on receiving the certificate, if any, of the Share or stock and the amount of the stamp duty on the warrant and such fee as the Directors may, from time to time, prescribe, issue, under the Seal of the Company, a warrant, duly stamped, stating that the bearer of the warrant is entitled to the Shares or stock therein specified, and may provide by coupons or otherwise for the payment of future dividends, or other moneys, on the Shares or stock included in the warrant. On the issue of a Share warrant the names of the persons then entered in the Register of Members as the holder of the Shares or stock specified in the warrant shall be struck off the Register of Members and the following particulars shall be entered therein:

(i) fact of the issue of the warrant.

(ii) a statement of the Shares or stock included in the warrant distinguishing each Share by its number, and

(iii) the date of the issue of the warrant.

A Share warrant shall entitle the bearer to the Shares or stock included in it, and, notwithstanding anything contained in these articles, the Shares or stock shall be transferred by the delivery of the Share-warrant, and the provisions of the regulations of the Company with respect to transfer and transmission of Shares shall not apply thereto.

The bearer of a Share-warrant shall, on surrender of the warrant to the Company for cancellation, and on payment of such fees, as the Directors may, from time to time, prescribe, be entitled, subject to the discretion of the Directors, to have his name entered as a member in the Register of Members in respect of the Shares or stock included in the warrant.

The bearer of a Share-warrant shall not be considered to be a member of the Company and accordingly save as herein otherwise expressly provided, no person shall, as the bearer of Share-warrant, sign a requisition for calling a meeting of the Company, or attend or vote or exercise any other privileges of a member at a meeting of the Company, or be entitled to receive any notice from the Company of meetings or otherwise, or qualified in respect of the Shares or stock specified in the warrant for being a director of the Company, or have or exercise any other rights of a member of the Company.

The Directors may, from time to time, make rules as to the terms on which, if they shall think fit, a new Share warrant or coupon may be issued by way of renewal in case of defacement, loss, or destruction.

NOMINATION BY SHAREHOLDERS

Nomination of the shareholders

(1) Every holder of Shares in the Company may, at any time, nominate, in the prescribed manner, a person to whom his Shares in the Company, shall vest in the event of his death.

(2) Where the Shares in the Company are held by more than one person jointly, the joint-holders may together

nominate, in the prescribed manner, a person to whom all the rights in the Shares in the Company shall vest in the event of death of all joint holders.

(3) Notwithstanding anything contained in these Articles or any other law, for the time being, in force, or in any disposition, whether testamentary or otherwise, in respect of such Shares in the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the Shares in the Company, the nominee shall, on the death of the Shareholders of the Company or, as the case may be, on the death of the joint holders, become entitled to all the rights in the Shares of the Company or, as the case may be, all the joint holders, in relation to such Shares in the Company, to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.

(4) In the case of fully paid up Shares in the Company, where the nominee is a minor, it shall be lawful for the holder of the Shares, to make the nomination to appoint in the prescribed manner any person, being a guardian, to become entitled to Shares in the Company, in the event of his death, during the minority.

(1) Any person who becomes a nominee by virtue of the provisions of the preceding Article, upon the production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either —

(a) to be registered himself as holder of the Share(s); or

(b) to make such transfer of the Share(s) as the deceased Shareholder could have made.

(2) If the person being a nominee, so becoming entitled, elects to be registered as holder of the Share(s), himself, he shall deliver or send to the Company a notice in writing signed by him stating the he so elects and such notice shall be accompanied with the death certificate of the deceased Shareholder.

(3) All the limitations, restrictions and provisions of the Act relating to the right to transfer and the registration of transfers of Shares 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 has been signed by that Shareholder.

(4) A person, being a nominee, becoming entitled to a Share by reason of the death of the holder, shall be entitled to the same dividends and other advantages which he would be entitled if he were the registered holder of the Share except that he shall not, before being registered a member in respect of his Share be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Share(s) and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Share(s) or until the requirements of the notice have been complied with.

NOMINATION BY DEBENTURE HOLDERS

The provisions relating to nomination/nominee, contained in the preceding Articles, in respect of the Company's Shares/Shareholders, shall apply mutandis to the Company's debentures/debenture holders.

MEETING OF MEMBERS

Annual or Ordinary General Meeting, Annual Summary

The Company shall, in each year, hold a general meeting as its Annual General Meeting. Any meeting, other than Annual General Meeting, shall be called Extra-ordinary General Meeting.

Not more than 15 (Fifteen) months or such other period, as may be prescribed, from time to time, under the Act, shall lapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of the Act to extend time within which any Annual General Meeting may be held.

Every Annual General Meeting shall be called for a time during business hours, on a day that is not a public holiday, and shall be held at the Office of the Company or at some other place within the city, in which the Office of the Company is situated, as the Board may think fit and determine and the notices calling the Meeting shall specify it as the Annual General Meeting.

Every member of the Company shall be entitled to attend, either in person or by proxy, and by way of a postal ballot whenever and in the manner as may permitted or prescribed under the provisions of the Act, and the Auditors to the Company, who shall have a right to attend and to be heard, at any general meeting which he attends, on any part of the business, which concerns him as the Auditors to the Company. Further, the Directors, for the time being, of the Company shall have a right to attend and to be heard, at any general meeting, on any part of the business, which concerns them as the Directors of the Company or generally the management of the Company.

At every Annual General Meeting of the Company, there shall be laid, on the table, the Directors' Report and Audited Statements of Account, Auditors' Report, the proxy Register with forms of proxies, as received by the Company, and the Register of Directors' Share holdings, which Register shall remain open and accessible during the continuance of the meeting, and therefore, In terms of the provisions of Section 210 of the Act, the Annual General Meeting shall be held within six months after the expiry of such financial year. The Board of Directors shall prepare the Annual List of Members, Summary of the Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with the applicable provisions of the Act.

Extra-ordinary General Meeting

The Board may, whenever it thinks fit, call an Extra-ordinary General Meeting and it shall do so upon a requisition, in writing, by any member or members holding, in aggregate not less than one-tenth or such other proportion or value, as may be prescribed, from time to time, under the Act, of such of the paid-up capital as at that date carries the right of voting in regard to the matter, in respect of which the requisition has been made.

Requisition of Members to state object of Meeting.

Any valid requisition so made by the members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the office, provided that such requisition may consist of several documents, in like form, each of which has been signed by one or more requisitionists.

On receipt of requisition directors to call meetings an in default requisitions may do so.

Upon receipt of any such requisition, the Board shall forthwith call an Extra-ordinary General Meeting and if they do not proceed within 21 (Twenty-one) days or such other lessor period, as may be prescribed, from time to time, under the Act, from the date of the requisition, being deposited at the office, to cause a meeting to be called on a day not later than 45 (Forty-five) days or such other lessor period, as may be prescribed, from time to time, under the Act, from the date of deposit of the requisition, the requisitionists, or such of their number as represent either a majority in value of the paid up Share capital held by all of them or not less than one-tenth of such of the paid up Share capital of the Company as is referred to in Section 169(4) of the Act, whichever is less, may themselves call the meeting, but, in either case, any meeting so called shall be held within 3 (Three) months or such other period, as may be prescribed, from time to time, under the Act, from the date of the delivery of the requisition as aforesaid.

Meeting called by requisitionists

Any meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible as that in which such meetings are to be called by the Board.

Twenty-one days notice of meeting to be given.

At least 21 (Twenty-one) days' notice, of every general meeting, Annual or Extra-ordinary, and by whomsoever called, specifying the day, date, place and hour of meeting, and the general nature of the business to be transacted there at, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company, provided that in the case of an Extra-ordinary General Meeting, with the consent of members holding not less than 95 per cent of such part of the paid up Share capital of the Company as gives a right to vote at the meeting, a meeting may be convened by a shorter notice. In the case of an Annual General Meeting of the Shareholders of the Company, if any business other than (i) the consideration of the Accounts, Balance Sheet and Reports of the Board and the Auditors thereon, (ii) the declaration of dividend, (iii) appointment of directors in place of those retiring, (iv) the appointment of, and fixing the remuneration of, the Auditors, is to be transacted, and in the case of any other meeting, in respect of any item of business, a statement setting out all material facts concerning each such item of business, including, in particular, the nature and extent of the interest, if any, therein of every director and manager, if any, where any such item of special business relates to, or affects any other Company, the extent of Shareholding interest in that other Company or every director and manager, if any, of the Company shall also be set out in the statement if the extent of such Share-holding interest is not less than such percent, as may be prescribed, from time to time, under the Act, of the paid-up Share capital of that other company.

Where any item of business consists of the according of approval of the members to any document at the meeting, the time and place, where such document can be inspected, shall be specified in the statement aforesaid.

Omission to give notice not to invalidate resolution passed.

The accidental omission to give any such notice as aforesaid to any of the members, or the non-receipt thereof shall not invalidate any resolution passed at any such meeting.

Meeting not to transact business not mentioned in the notice.

No general meeting, whether Annual or Extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.

Quorum at General Meeting

Five members, present in person, shall be a quorum for a general meeting. No business shall be transacted at any general meeting unless the requisite quorum shall be present.

Body Corporate deemed to be personally present

A body corporate, being a member, shall be deemed to be personally present, if it is represented in accordance with and in the manner as may be prescribed by, the applicable provisions of the Act.

If quorum not present Meeting to be dissolved or adjourned

If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, then the meeting, if convened by or upon the requisition of members, shall stand dissolved, but in any other case, it shall stand adjourned to such time on the following day or such other day and to such place, as the Board may determine, and, if no such time and place be determined, to the same day in the next week, at the same time and place in the city or town in which the office of the Company is, for the time being, situate, as the Board may determine, and, if at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.

Chairman of General Meeting

The Chairman of the Board of Directors shall be entitled to take the chair at every general meeting, whether Annual or Extra-ordinary. If there be no such Chairman, or, if, at any meeting, he shall not be present within 15 (Fifteen) minutes of the time appointed for holding such meeting, then the members present shall elect another director as the Chairman of that meeting, and, if no director be present, or if all the Directors present decline to take the Chair, then the members present shall elect one among them to be the Chairman.

Business confined to election of Chairman whilst Chair vacant

No business shall be discussed at any general meeting, except the election of a Chairman, whilst the Chair is vacant.

Chairman may adjourn meeting

The Chairman, with the consent of the meeting, may adjourn any meeting, from time to time, and from place to place, in the city or town, in which the office of the Company is, for the time being, situate, but no business shall be transacted at any adjourned meeting, other than the business left unfinished, at the meeting, from which the adjournment took place.

Questions at General Meeting how decided

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 demanded, before or on the declaration of the result of the show of hands, by any member or members present in person or by proxy and holding Shares in the Company, which confer a power to vote on the resolution not being less than one-tenth or such other proportion as may statutorily be prescribed, from time to time, under the Act, of the total voting power, in respect of the resolution or on which an aggregate sum of not less than Rs. 50,000/- or such other sum as may statutorily be prescribed, from time to time, under the Act, has been paid up, and unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried unanimously or by a particular majority, or has been lost and an entry to that effect in the minutes book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.

Chairman's casting vote

In the case of an equality of votes, the Chairman shall, both on a show of hands and at a poll, if any, have a casting vote in addition to the vote of votes, if any, to which he may be entitled as a member, if he is.

Poll to be taken if demanded

If a poll is demanded as aforesaid, the same shall, subject to Article 94 hereinunder, be taken at Mumbai or, if not desired, then at such other place as may be decided by the Board, at such time not later than 48 (Forty-eight) hours from the time when the demand was made and place in the city or town in which the office of the Company is, for the time being, situate, and, either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment, or otherwise, and the result of the poll shall be deemed to be resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the persons, who made the demand.

Scrutineers at poll

Where a poll is to be taken, the Chairman of the meeting shall appoint one or, at his discretion, two scrutineers, who may or may not be members of the Company to scrutinise the votes given on the poll and to report thereon to him, subject to that one of the scrutineers so appointed shall always be a member, not being an officer or employee of the Company, present at the meeting, provided that such a member is available and willing to be appointed. The Chairman shall have power, at any time, before the result of the poll is declared, to remove a scrutineer from office and fill the vacancy so caused in the office of scrutineer arising from such removal or from any other cause.

In what case poll taken without adjournment

Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment of the meeting shall be taken forthwith at the same meeting.

Demand for poll not to prevent transaction of other business

The demand for a poll, except on questions of the election of the Chairman and of an adjournment thereof, shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

VOTES OF MEMBERS

Members in arrears not to vote

No member shall be entitled to vote either personally or by proxy at any general meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, or has exercised, any right of lien.

Number of votes to which members entitled

Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions so to voting, for the time being, attached to any class of Shares, for the time being, forming part of the capital of the Company, every member, not disqualified by the last preceding Article shall be entitled to be present, speak and vote at such meeting, and, on a show of hands, every member, present in person, shall have one vote and, upon a poll, the voting right of every member present in person or by proxy shall be in proportion to his Share of the paid-up Equity Share capital of the Company. Provided, however, if any preference Shareholder be present at any meeting of the Company, save as provided in clause (b) of sub-section (2) of Section 87 of the Act, he shall have a right to vote only on resolutions, placed before the meeting, which directly affect the rights attached to his Preference Shares.

Casting of votes by a member entitled to more than one vote

On a poll taken at a meeting of the Company, a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes, he uses.

Minor may vote

A member of unsound mind or in respect of whom an order has been made by a court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian; and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote, in respect of his Share or Shares, be used by his guardian, or any one of his guardians, if more than one, to be selected, in the case of dispute, by the Chairman of the meeting.

Votes of Joint Members

If there be joint registered holders of any Shares, any one of such persons may vote at any meeting or may appoint another person, whether a member or not, as his proxy, in respect of such Shares, as if he were solely entitled thereto, but the proxy so appointed shall not have any right to speak at the meeting and, if more than one of such joint holders be present at any meeting, then one of the said persons so present, whose name stands higher on the Register, shall alone be entitled to speak and to vote in respect of such Shares, but the other of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased member in whose name Shares stand shall, for the purpose of these Articles, be deemed joint holders thereof.

Voting in person or by proxy

Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate, being a member, may vote either by a proxy or by a representative, duly authorised, in accordance with the applicable provisions, if any, of the Act, and such representative shall be entitled to exercise the same rights and powers, including the right to vote by proxy, on behalf of the body corporate, which he represents, as that body corporate could exercise, if it were an individual member.

Votes in respect of Shares of deceased and insolvent member

Any person entitled, under the Article 62 hereinabove, to transfer any Share, may vote, at any general meeting, in respect thereof, in the same manner, as if he were the registered holder of such Shares provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Directors of his right to transfer such Shares and give such indemnity, if any, as the Directors may require or the Directors shall have provisionally admitted his right to vote at such meeting in respect thereof.

Appointment of Proxy

Every proxy, whether a member or not, shall be appointed, in writing, under the hand of the appointer or his attorney, or if such appointer is a body corporate under the common seal of such corporate, or be signed by an officer or officers or any attorney duly authorised by it or them, and, for a member of unsound mind or in respect of whom an order has been made by a court having jurisdiction in lunacy, any committee or guardian may appoint such proxy. The proxy so appointed shall not have a right to speak on any matter at the meeting.

Proxy either for specified meeting or for a period

An instrument of Proxy may state the appointment of a proxy either for the purpose of a particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purpose of every meeting of the Company or of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.

Proxy to vote only on a poll

A member, present by proxy, shall be entitled to vote only on a poll.

Deposit of instrument of Appointment

The instrument appointing a proxy and a Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of authority, shall be deposited at the Office not later than 48 (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 a valid after the expiration of 12 (Twelve) months or such other period as may be prescribed under the Laws, for the time being, in force, or if there shall be no law, then as may be decided by the Directors, from the date of its execution.

Form of Proxy

Every Instrument of proxy, whether for a specified meeting or otherwise, shall, as nearly as circumstances thereto will admit, be in any of the forms set out in Schedule IX to the Act.

Validity of votes given by proxy notwithstanding death of members.

A vote, given in accordance with the terms of an Instrument of Proxy, shall be valid notwithstanding the previous death of insanity of the principal, or revocation of the proxy or of any power of Attorney under which such proxy was signed or the transfer of the Share in respect of which the vote is given, provided that no intimation, in writing, of the death or insanity, revocation or transfer shall have been received at the Office before the meeting.

Time for objections of votes

No objections shall be made to the validity of any vote, except at any meeting or poll at which such vote shall be tendered, and every vote, whether given personally or by proxy, or not disallowed at such meeting or on a poll, shall be deemed as valid for all purposes of such meeting or a poll whatsoever.

Chairman of Meeting to be the judge of validity of any votes

The Chairman, present at the time of taking of a poll, shall be the sole judge of the validity of every vote tendered at such poll.

Minutes of General Meeting and inspection thereof by Members

The Company shall cause minutes of all proceeding of every general meeting to be kept by making, within 30 (Thirty) days of the conclusion of every such meeting concerned, entries thereof in books kept, whether manually in the registers or by way of loose leaves bound together, as may be decided by the Board of Directors, for that purpose with their pages consecutively numbered.

Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a director duly authorised by the Board for that purpose.

In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

The minutes of each meeting shall contain a fair and correct summary of the proceedings there at.

All appointments of Officers made at any meeting aforesaid shall be included in the minutes of the meeting.

Nothing herein contained shall require or to be deemed to require the inclusion, in any such minutes, of any matter, which, in the opinion of the Chairman of the meeting, (i) is or could reasonably be regarded as, defamatory of any person, or (ii) is irrelevant or immaterial to the proceedings, or (iii) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.

Any such minutes shall be conclusive evidence of the proceedings recorded therein.

The book containing the minutes of proceedings of general meetings shall be kept at the Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than 2 (Two) hours, in each day, as the Directors determine, to the inspection of any member without charge.

DIRECTORS

Number of Directors

Until otherwise determined by a general meeting of the Company and, subject to the applicable provisions of the Act, the number of Directors (excluding Debenture and Alternate Directors) shall not be less than three nor more than fifteen.

The First Directors of the Company are:

1. MR. VIRENDRA DATTATRAYA MHAISKAR

2. MRS. DEEPALI VIRENDRA MHAISKAR

Special Directors

(a) Whenever, Directors enter into a contract with any Government, whether central, state or local, bank or financial institution or any person or persons (hereinafter referred to as "the appointer") for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or enter into any other arrangement whatsoever, or in case of Promoters of the Company (hereinafter referred as “Promoters”), the Directors shall have, subject to the provisions of Section 255 and other applicable provisions, if any, of the Act, the power to agree that such appointer shall have the right to appoint or nominate by a notice, in writing, addressed to the Company, one or more Directors on the Board (hereinafter referred to as "Special Director") for such period and upon such terms and conditions, as may be mentioned in the agreement, and that such director or Directors may or may not be liable to retire by rotation, nor be required to hold any qualification Shares. The Directors may also agree that any such director or Directors may be removed, from time to time, by the appointer or Promoters, entitled to appoint or nominate them and the appointer or Promoters may appoint another or others in his or their place and also fill in vacancy, which may occur as a result of any such director or directors ceasing to hold that office for any reasons whatsoever. The directors, appointed or nominated under this Article, shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the directors of the Company including payment of remuneration, sitting fees and travelling expenses to such director or directors, as may be agreed by the Company with the appointer.

Terms of Office of Special Directors

(b) The Special Directors, appointed under the preceding Article, shall be entitled to hold Office until required by the Government, person, firm, body corporate, Promoters or financial institution/s who may have appointed them, and will not be bound to retire by rotation or be subject to the Articles hereof. A Special Director shall not require to hold any qualification Share(s) in the Company. As and when a Special Director vacates Office, whether upon request as aforesaid or by death, resignation or otherwise, the Government, person, firm or body corporate or financial institution, who appointed such Special Director, may appoint another director in his place. Every nomination, appointment or removal of a Special Director or other notification, under this Article, shall be in writing and shall, in the case of the Government, be under the hand of a Secretary or some other responsible and authorised official to such Government, and in the case of a Company or financial institution, under the hand of director of such Company or institution duly authorised in that behalf by a resolution of the Board of Directors. Subject as aforesaid, a Special Director shall be entitled to the same rights and privileges and be subject to the same of obligations as any other director of the Company.

Appointment of Debenture Directors

If it is provided by the Trust Deed, securing or otherwise, in connection with any issue of Debentures of the Company, that any person or persons shall have power to nominate a director of the Company, then in the case of any and every such issue of Debentures, the person or persons having such power may exercise such power, from time to time, and appoint a director accordingly. Any director so appointed is hereinafter referred to as "the Debenture Director." A Debenture Director may be removed from Office, at any time, by the person or persons in whom, for the time being, is vested the power, under which he was appointed, and another director may be appointed in his place. A Debenture Director shall not be required to hold any qualification Share(s) in the Company.

Appointment of Alternate Directors

The Board 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 3 (Three) months or such other period as may be, from time to time, prescribed under the Act, from the State, in which the meetings of Board are ordinarily held. An alternate director appointed, under this Article, shall not hold Office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate Office, if and when the Original Director returns to that State. If the term of Office of the Original Director is determined before he so returns to that State, any provisions in the Act or in these Articles for the automatic re-appointment of a retiring director, in default of another appointment, shall apply to the original director and not to the alternate director.

Appointment of Additional Directors

Subject to the provisions of the Act, the Board shall have power, at any time and from time to time, to appoint any other qualified person to be an Additional Director, but so that the total number of Directors shall not, at any time, exceed the maximum fixed under these Articles. Any such Additional Director shall hold Office only upto the date of the next Annual General Meeting.

Directors' Power to fill casual vacancies

Subject to the provisions of the Act, the Board shall have power, at any time and from time to time, to appoint any other qualified person to be a director to fill a casual vacancy. Any person so appointed 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 by him.

Qualification Shares

A director shall not be required to hold any qualification Share(s) in the Company.

Remuneration of Directors

(i) Subject to the provisions of the Act, a Managing Director or Director who is in the Wholetime employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, or in any other manner, as may be, from time to time, permitted under the Act or as may be thought fit and proper by the Board or, if prescribed under the Act, by the Company in general meeting.

(ii) Subject generally to the provisions of the Act, and, in the case of the Managing Director, subject to the provisions of the Articles hereinbelow, as may be applicable, the Board shall have power to pay such remuneration to a director for his services, Wholetime or otherwise, rendered to the Company or for services of professional or other nature rendered by him, as may be determined by the Board. If any director, being willing, shall be called upon to perform extra services or make any special exception in going to or residing at a place other than the place where the director usually resides, or otherwise in or for the Company's business or for any of the purpose of the Company, then, subject to the provisions of the Act, the Board shall have power to pay to such director such remuneration, as may be determined by the Board.

(iii) Subject to the provisions of the Act, a director, who is neither in the Wholetime employment nor a Managing Director, may be paid remuneration either;

(a) by way of monthly, quarterly or annual payment with the approval of the Central Government; or

(b) by way of commission, if the Company, by a special resolution, authorises such payment.

(iv) The fee payable to a director, excluding a Managing or Whole time Director, if any, for attending a meeting of the Board or Committee thereof shall be such sum, as the Board may, from time to time, determine, but within and subject to the limit prescribed by the Central Government pursuant to the provisions, for the time being, under the Act.

Travelling Expenses incurred by Directors or by the Directors going out on Company's business

The Board may allow and pay to any director such sum, as the Board may consider fair compensation, for travelling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified and if any director be called upon to go or reside out of the ordinary place of his residence for the Company's business, he shall be entitled to be repaid and reimbursed of any travelling or other expenses incurred in connection with business of the Company. The Board may also permit the use of the Company's car or other vehicle, telephone(s) or any such other facility, by the director, only for the business of the Company.

Directors may act notwithstanding any vacancy

The continuing Directors may act, notwithstanding, any vacancy in their body but if, and so long as their number is not reduced below the minimum number fixed by Article 112 hereof. The continuing Directors not being less than two, may only act, for the purpose of increasing the number of Directors to that prescribed minimum number or of summoning a general meeting but for no other purpose.

When Office of Directors to become vacant

Subject also to the other applicable provisions, if any, of the Act, the office of a director shall become vacant if:

(i) he is found to be of unsound mind by a court of competent jurisdiction; or

(ii) he applies to be adjudicated an insolvent; or

(iii) he is adjudged as an insolvent; or

(iv) 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 6 (six) months, or such other period as may statutorily be fixed, from time to time, under the Act, from the date fixed for the payment of such call, unless the Central Government has, by notification in the Official Gazette, removed the disqualification incurred by such failure; or

(v) he absents himself from three consecutive meetings of the Directors, or from all meetings of the Board for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board; or

(vi) he become disqualified by an order of the Court under Section 203 of the Act; or

(vii) he is removed in pursuance of Section 284 of the Act; or

(viii) 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

(ix) he acts in contravention of Section 299 of the Act; or

(x) he is convicted by a Court of an offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than six months or such other period as may be prescribed, from time to time, under the Act; or

(xi) having being appointed a director by virtue of his holding any Office or other employment in the Company, he ceases to hold such Office or other employment; or

(xii) resigns his Office by a notice addressed to the Company.

Directors may contract with Company

If and as may be prescribed, for time to time, under the Act, and subject to and in pursuance of the provisions of the Act;

(a) a director or his relative, firm in which such director or relative is a partner, in such firm or a private company of which the director is a member or director, may enter into any contract with the Company, for the sale, purchase or supply of any goods, materials, or services or for underwriting the subscription of any Shares in, or Debentures of the Company, provided that, if the paid-up Share capital of the Company is not less than Rupees One Crore or such other amount, as may be prescribed, from time to time, under the Act, no such contract shall be entered into, except with the previous approval of Central Government, and the sanction of the Board shall be obtained before or within three months of the date on which the contract is entered into in accordance with Section 297 of the Act.

(b) No sanction shall, however, be necessary for:

    (i) any purchase of goods and materials from the Company, or the sale of goods or materials of the Company, by any such director, relative, firm, partnership or private company as aforesaid, for cash, at prevailing market prices; or

    (ii) any contract or contracts, between the Company on one side and any such director, relative, firm, partner or private company on the other, for sale, purchase or supply of any goods, materials and services in which either the Company or the director, relative, firm, partner or private company, as the case may be, regularly trades provided that such contract or contracts do not relate to goods and materials, the value of which, or the services the cost of which exceeds Rs. 5,000/- or such other amount as may be prescribed, from time to time, under the Act, in the aggregate in any year comprised in the period of the contract or contracts. Provided that in circumstances of urgent necessity, a director, relative, firm, partnership or private company as aforesaid may, without obtaining the consent of the Board, enter into any such contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or the cost of such services exceeds Rs. 5,000/-, or such other amount as may be prescribed, from time to time, under the Act, in aggregate, in any year, comprised in the period of the contract, if the consent of the Board shall be obtained to such contract at a meeting within 3 (Three) months, or such other period, as may be prescribed, from time to time, under the Act, of the date on which the contract was entered into.

Disclosure of interest

A director of the Company, who is, in any way, whether directly or indirectly, concerned or interested in a contract or arrangement, or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board, in the manner provided under the Act; provided that it shall not be necessary for a director to disclose his concern or interest in any contract or arrangement entered into or to be entered into with any other company, where any of the directors of the Company or two or more of them together holds or hold not more than 2 (Two) percent or such other percentage as may be prescribed, from time to time, under the Act, of the paid-up Share capital in any such other Company.

General Notice of Interest

A general notice, within the meaning of the applicable provisions of the Act, given, to the Board, by the director, to the effect that he is a director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such General Notice shall expire at the end of the financial year, in which it is given, but may be renewed for a further period of 1 (One) financial year at a time by a fresh notice to be given in the last month of the financial year, in which it would have otherwise expired. No such general Notice and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the director concerned takes reasonable steps to secure that it is brought up and read at the immediate first meeting of the Board after it is given.

Interested Directors not to participate or vote in Board's Proceedings

No director shall, as a director, 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, whether directly or indirectly, concerned or interested in such contract or arrangement, nor shall his presence be counted for the purpose of forming a quorum at the time of any such discussion or vote, and if he does vote, his vote shall be void, provided however, that nothing herein contained shall apply to :-

(a) any contract of indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company;

(b) any contract or arrangement entered into or to be entered into with a public company or a private company which is a subsidiary or a public company, in which the interests of the Directors consists solely :-

  (i) in his being

    (a) a director of such company, and

    (b) 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

  (ii) in his being a member, holding not more than 2 (Two) percent of its paid-up Share capital or such other percentage as may be prescribed, from time to time, under the Act,.

Register of contracts in which Directors are interested

The Company shall keep a Register, in accordance with Section 301(1) of the Act, and shall, within the time specified in Section 301(2) of the Act, enter therein such of the particulars, as may be relevant having regard to the application thereto of Section 297 or Section 299 of the Act, as the case may be. The Register aforesaid shall also specify, in relation to each director of the Company, names of the bodies corporate and firms of which notice has been given by him, under the preceding two Articles. The Register shall be kept at the Office of the Company and shall be open to inspection at such Office, and the extracts may be taken therefrom and copies thereof may be required by any member of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 163 of the Act shall apply accordingly.

Directors may be Directors of Companies promoted by the Company

A director may be or become a director of any other Company promoted by the Company or in which it may be interested as a vendor, Shareholder or otherwise, and no such director shall be accountable for any benefits received as director or Shareholder of such company except in so far as the provisions of the Act may be applicable.

Retirement and rotation of Directors

(a) At every Annual General Meeting of the Company, one-third of such of the Directors, for the time being, as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire from Office. The Nominee, Special and Debenture Directors, if any, shall not be subject to retirement under this clause and shall not be taken into account in determining the rotation of retirement or the number of directors to retire, subject to Section 255 and other applicable provisions, if any, of the Act.

(b) Subject to Section 256 of the Act, the directors, liable to retire by rotation, at every annual general meeting, shall be those, who have been longest in Office since their last appointment, but as between the persons, who became Directors on the same day, and those who are liable to retire by rotation, shall, in default of and subject to any agreement among themselves, be determined by lot.

Eligibility of re-election

A retiring director shall be eligible for re-election and shall act as a director throughout the meeting at which he retires.

Company to appoint successors

Subject to Section 255 of the Act, the Company, at the general meeting at which a director retires in manner aforesaid, may fill up the vacated Office by electing a person thereto.

Provision in default of appointment

(a) If the place of retiring director is not so filled up and further the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place or if that day is a public holiday, till the next succeeding day, which is not a public holiday, at the same time and place.

(b) If at the adjourned meeting also, the place of the retiring director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring director shall be deemed to have been re-appointed at the adjourned meetings, unless:-

  (i) at that meeting or at the previous meeting, resolution for the re-appointment of such director has been put to the meeting and lost;

  (ii) the retiring director has, by a notice, in writing, addressed to the Company or its Board, 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 re-appointment by virtue of any provisions of the Act; or

  (v) the proviso to the sub-section (2) of Section 263 of the Act is applicable to the case.

Company may increase or reduce the number of Directors

Subject to the provisions of Section 259 of the Act, the Company may, by ordinary resolution, from time to time, increase or reduce the number of directors, and may alter their qualifications and the Company may, subject to the provisions of Section 284 of the Act, remove any director before the expiration of his period of Office and appoint another qualified 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, had he not been removed.

Notice of Candidate for Office or Director

(a) No person, not being a retiring director, shall be eligible for appointment to the office of director at any general meeting unless he or some member, intending to propose him, has, not less than 14 (Fourteen) days or such other period, as may be prescribed, from time to time, under the Act, 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 an intention of such member to propose him as a candidate for that office, along with a deposit of Rupees Five Hundred or such other amount as may be prescribed, from time to time, under the Act, which shall be refunded to such person or, as the case may be to such member, if the person succeeds in getting elected as a director.

(b) Every person, other than a director retiring by rotation or otherwise or a person who has left at the Office of the Company a notice under Section 257 of the Act signifying his candidature for the Office of a director, proposed as a candidate for the Office of a director shall sign and file with the Company, the consent, in writing, to act as a director, if appointed.

(c) A person, other than a director re-appointed after retirement by rotation immediately on the expiry of his term of Office, or an Additional or Alternate Director, or a person filling a casual vacancy in the Office of a director under Section 262 of the Act, appointed as a director or reappointed as a director immediately on the expiry of his term of Office, shall not act as a director of the Company, unless he has, within thirty days of his appointment, signed and filed with the Registrar his consent, in writing, to act as such director.

Register of Directors etc., and notification of change to Registrar

The Company shall keep at its Office a Register containing the particulars of its directors, managers, secretaries and other persons mentioned in Section 303 of the Act, and shall otherwise comply with the provisions of the said Section in all respects.

Register of Shares or Debentures held by Directors

The Company shall in respect of each of its Directors also keep at its Office a Register, as required by Section 307 of the Act, and shall otherwise duly comply with the provisions of the said Section in all respects.

Disclosure by Director of appointment to any other body corporate

Every director, including a person deemed to be a director by virtue of the Explanation of sub-section (1) of Section 303 of the Act, managing director, manager or secretary of the Company shall, within 21 (Twenty-one) days of his appointment to any of the above offices in any other body corporate, disclose to the Company the particulars relating to his office in the other body corporate which are required to be specified under sub-section (1) of Section 303 of the Act.

Every director and every person deemed to be director of the Company, by virtue of sub-section (10) of Section 307 of the Act, shall give notice to the Company of such matters relating to himself, as may be necessary, for the purpose of enabling the Company to comply with the provisions of that Section.

Disclosure by a Director of his holdings of shares and debentures of the Company etc.

The Company may, subject to the provisions of sections 322 and 323 of the Act, alter the Memorandum of Association of the Company by a special resolution to render unlimited the liability of all or any one or more or majority of the directors of the Company, who, apart from being members of the Company, shall also be members of the stock exchange or exchanges.

MANAGING DIRECTOR

Board may appoint Managing Director

Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint, from time to time, any of its number as Managing Directors of the Company for a fixed term, not exceeding 5 (Five) years at a time, and upon such terms and conditions as the Board thinks fit, and subject to the provisions of the succeeding Article hereof, the Board may, by resolution, vest in such Managing Director or Managing Directors such of the powers hereby vested in the Board generally, as it thinks fit, and such powers may be made exercisable for such period or periods; and upon such conditions and subject to such restrictions, as it may determine. The remuneration of a Managing Director may be by way of salary and/or allowances, commission or participation in profits or perquisites of any kind, nature or description, or by any or all of these modes, or by any other mode(s) not expressly prohibited by the Act or the Rules made thereunder, or any notification or circular issued under the Act.

Restriction on Management

Subject to the superintendence, directions and control of the Board, the Managing Director or Managing Directors shall exercise the powers, except to the extent mentioned in the matters, in respect of which resolutions are required to be passed only at the meeting of the Board, under Section 292 of the Act:-

(a) to make calls;

(b) to issue Debentures,

(c) to borrow moneys, otherwise than on Debentures;

(d) to invest the funds of the Company; and

(e) to make loans.

Certain persons not to be appointed Managing Directors

Subject also to the other applicable provisions, if any, of the Act, the Company shall not appoint or employ, or continue the appointment or employment of, a person as its Managing or Wholetime Director who :-

(a) is an undischarged insolvent, or has any time been adjudged an insolvent;

(b) suspends, or has at any time suspended, payment to his creditors, or makes or has, at any time, made, a composition with them; or

(c) is or has, at any time, been convicted by a Court of an offence involving moral turpitude.

PROCEEDINGS OF THE BOARD OF DIRECTORS

Special position of Managing Directors

Unless decided by the Board to the contrary, depending upon the circumstances of the case, a Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation, in accordance with the Article 129 hereof. If he ceases to hold the office of director, he shall ipso-facto and forthwith ceases to hold the office of Managing Director.

Meeting of Directors

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 3 (Three) months and at least 4 (Four) such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings as they think fit, subject to the provisions of the Act.

Notice of Meetings

Notice of every meeting of the Board may be given, in writing, to every director, for the time being, in India, and at his usual address in India to every other director and in addition, to every director resident outside India, written notice shall be given at his usual address outside India, provided that the Chairman of the Board shall have the power to convene a meeting on a shorter notice in case of urgency or an emergency or if special circumstances shall so warrant. Notice may be given by telegram, fax, e-mail or other means of communication to any director, who is not in India, and the same may be confirmed by a notice sent by mail, if thought fit.

Quorum

Subject to Section 287 of the Act, the quorum for a meeting of the Board 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 such time.

Adjournment of meeting for want of quorum

If a meeting of the Board could not be held for want of quorum, then the meeting shall automatically stand adjourned to such other date and time, if any, as may be fixed by Chairman, not being later than 7 (Seven) days from the date originally fixed for the meeting.

When meeting to be convened

A director may, at any time, or Secretary shall, as and when directed by the any of the Directors to do so, convene a meeting of the Board, by giving a notice, in writing, to every other director.

Chairman

The Board may, from time to time, elect one of their number to be the Chairman of the Board and determine the period for which he is to hold the office. If at any meeting of the Board, the Chairman is not present at a time appointed for holding the same, the directors present shall choose one of them, being present, to be the Chairman of such meeting.

Questions at Board Meeting how decided

Subject to the restrictive provisions of any agreement or understanding as entered into by the Company with any other person(s) such as the collaborators, financial institutions, etc., the questions arising at any meeting of the Board shall be decided by a majority of the votes of the directors present there at and, also subject to the foregoing, in the case of an equality of votes, the Chairman shall have a second or casting vote.

Power of Board Meeting

A meeting of the Board, 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 of the Company, are, for the time being, vested in or exercisable by the Board generally.

Directors may appoint committee

Subject to the restrictions contained in Section 292 of the Act, the Board may delegate any of their powers to the committee of the Board, consisting of such number 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 and either as to persons or purposes, but every committee of the Board, so formed, shall, in the exercise of the powers so delegated, conform to any regulations that may, from time to time, be imposed on it by the Board. All acts done by any such committee of the Board, in conformity with such regulations, and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if were done by the Board.

Meeting of Committee how to be governed

The meetings and proceedings of any meeting of such Committee of the Board, consisting of two or more members, shall be governed by the provisions contained herein for regulating the meetings and proceedings of the meetings 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.

Resolution by Circulation

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 fixed for a meeting of the Board or Committee, as the case may be, and to all the directors or to all the members of the Committee, at their usual addresses in India and has been approved, in writing, 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.

Acts of Board or Committee valid notwithstanding informal appointment

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 director or persons acting as aforesaid or that they or any of them were or was, as the case may be, disqualified or had vacated office or that the appointment of any of them was disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had duly been appointed and was qualified to be a director and had not vacated his office or his appointed had not been terminated, provided that nothing in this Article shall be deemed to give validity to any act or acts done by a director or directors after his or their appointment(s) has or have been shown to the Company to be invalid or to have terminated.

Minutes of Proceedings of Meetings of the Board

(a) The Company shall cause minutes of all proceedings of every meeting of the Board and the Committee thereof to be kept by making, within 30 (Thirty) days of the conclusion of each such meeting, entries thereof in books kept, whether manually in the registers or by way of loose leaves bound together, as may be decided by the Board of Directors, for that purpose with their pages consecutively numbered.

(b) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.

(c) In no case, the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(d) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

(e) All appointment of Officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.

(f) The minutes shall also contain :-

(i) the names of the Directors present at the meeting; and

(ii) in the case of each resolution passed at the meeting, the names of the directors, if any dissenting from or not concurring in the resolution.

(g) Nothing contained in sub-clauses (a) to (f) shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting –

(i) is, or could reasonably be regarded as, defamatory of any person;

(ii) is irrelevant or immaterial to the proceedings; or

(iii) is detrimental to the interests of the Company;.

and that the Chairman shall exercise an absolute discretion with regard to the inclusion or non-inclusion of any matter in the minutes on the ground specified in this sub-clause.

(h) Minutes of the meetings kept in accordance with the aforesaid provisions shall be an evidence of the proceedings recorded therein.

Power of Directors

The Board may exercise all such powers of the Company and do all such deeds, acts and things, as are not, by the Act, or any other act or by the Memorandum of Association or these Articles of the Company, required to be exercised by the Company in general meeting, subject, nevertheless, to these Articles, and further to the provisions of the Act, or any other Act, for the time being, in force, and as applicable to the Company, and to such regulations, not being inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in general meeting, but no regulation made by the Company in general meeting, shall invalidate any prior act of the Board which would have been valid, if that regulation had not been made. Provided that the Board shall not, except with the consent of the Company in general meeting :-

(a) sell, lease or otherwise dispose off 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 undertakings;

(b) remit or give time for the repayment of any debt due by a director;

(c) invest, otherwise than in trust securities, the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in clause (a), or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;

(d) borrow moneys, where the moneys to be borrowed together with the moneys already borrowed by the Company, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose, provided further that the powers specified in Section 292 of the Act shall, subject to these Articles, be exercised only at meetings of the Board, unless the same be delegated to the extent therein stated; or

(e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed Rs. 50,000/- or five per cent of its average net profit, as determined in accordance with the provisions of Sections 349 and 350 of the Act, during the three financial years immediately preceding, whichever is greater.

Certain Powers of the Board

Without prejudice to the general powers conferred by last preceding Article as well as those under the Act, and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles or otherwise, but subject to restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have, inter alia, the following powers, that is to say, power -

(a) to pay the costs, charges and expenses, preliminary and incidental to the promotion, formation, establishment and registration of the Company;

(b) to pay and charge, to the account of the Company, any commission or interest lawfully payable thereon under the provision of the Act;

(c) subject to the provisions of the Act, to purchase or otherwise acquire for the Company any property, rights or privileges, which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and being in the interests of the Company, and in any such purchase or other acquisition to accept such title or to obtain such right as the directors may believe or may be advised to be reasonably satisfactory;

(d) at their discretion and subject to the provisions of the Act, to pay for any property, right or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in Shares, bonds, debentures, mortgages, or other securities of the Company, and any such Shares may be issued either as fully paid up, with such amount credited as paid up thereon, as may be agreed upon, and any such bonds, debentures, mortgages or other securities may either be specifically charged upon all or any part of the properties of the Company and its uncalled capital or not so charged;

(e) to secure the fulfilment of any contracts or engagement entered into by the Company or, in the interests or for the purposes of this Company, by, with or against any other company, firm or person, by mortgage or charge of all or any of the properties of the Company and its uncalled capital, for the time being, or in such manner and to such extent as they may think fit;

(f) to accept from any member, as far as may be permissible by law, a surrender of his Shares or any part thereof, whether under buy-back or otherwise, on such terms and conditions as shall be agreed mutually, and as may be permitted, from time to time, under the Act or any other Law or the Regulations, for the time being, in force,

(g) to appoint any person to accept and hold in trust, for the Company, any property belonging to the Company, in which it is interested, or for any other purposes, and execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees;

(h) to institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts, due and of any differences to arbitration and observe and perform any awards made thereon;

(i) to act on behalf of the Company in all matters relating to bankruptcy and insolvents;

(j) to make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company;

(k) subject to the applicable provisions of the Act, to invest and deal with any moneys of the Company not immediately required for the purposes thereof upon such security, not being Shares of this Company, or without security and in such manner, as they may think fit, and from time to time, to vary or realise such investments, save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name;

(l) to execute, in the name and on behalf of the Company, in favour of any director or other person, who may incur or be about to incur any personal liability whether as principal or surety, for the benefit or purposes of the company, such mortgages of the Company's property, present and future, as they may 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;

(m) to determine from time to time, who shall be entitled to sign, on behalf of the Company, bills, invoices, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and or any other document or documents and to give the necessary authority for such purpose, and further to operate the banking or any other kinds of accounts, maintained in the name of and for the business of the Company;

(n) to distribute, by way of bonus, incentive or otherwise, amongst the employees of the Company, a Share or Shares in the profits of the Company, and to give to any staff, officer or others employed by the Company a commission on the profits of any particular business or transaction, and to charge any such bonus, incentive or commission paid by the Company as a part of the operational expenditure of the Company;

(o) to provide for the welfare of directors or ex-directors, Shareholders, for the time being, or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses or dwellings, or grants of moneys, whether as a gift or otherwise, pension, gratuities, allowances, bonus, loyalty bonuses or other payments, also whether by way of monetary payments or otherwise, or by creating and from time to time, subscribing or contributing to provident and other association, institutions, funds or trusts and by providing or subscribing or contributing towards places of worship, instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance, as the Board shall think fit, and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects, which shall have any moral or other claim to support or aid by the Company, either by reason of locality or place of operations, or of public and general utility or otherwise;

(p) surety, for the benefit or purposes of the Company, such mortgages of the Company's property, present and future, as they may 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;

(q) to determine from time to time, who shall be entitled to sign, on behalf of the Company, bills, invoices, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and or any other document or documents and to give the necessary authority for such purpose, and further to operate the banking or any other kinds of accounts, maintained in the name of and for the business of the Company;

(r) to distribute, by way of bonus, incentive or otherwise, amongst the employees of the Company, a Share or Shares in the profits of the Company, and to give to any staff, officer or others employed by the Company a commission on the profits of any particular business or transaction, and to charge any such bonus, incentive or commission paid by the Company as a part of the operational expenditure of the Company;

(s) to comply with the requirements of any local laws, Rules or Regulations, which, in their opinion, it shall, in the interests of the Company, be necessary or expedient to comply with.

(t) at any time, and from time to time, by power of attorney, under the Seal of the Company, to appoint any person or persons to be the attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions, not exceeding those vested in or exercisable by the Board under these presents and excluding the powers to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys, and for such period and subject to such conditions as the Board may, from time to time, think fit, and any such appointment may, if the Board thinks fit, be made in favour of the members or in favour of any company, or the Share-holders, directors, nominees, or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such Power of Attorney may contain such powers for the protection of convenience of person dealing with such Attorneys, as the Board may think fit, and may contain powers enabling any such delegates all or any of the powers, authorities and discretions, for the time being, vested in them;

(u) Subject to the provisions of the Act, for or in relation to any of the matters, aforesaid or otherwise, for the purposes of the Company, to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company, as they may consider expedient;

(v) from time to time, make, vary and repeal bylaws for the regulation of the business of the Company, its Officers and Servants.

MANAGEMENT

Prohibition of simultaneous appointment of different categories of management personnel

The Company shall not appoint or employ, at the same time, more than one of the following categories of managerial personnel, namely

(a) Managing Director, and

(b) Manager

THE SECRETARY

Appointment of Secretary

Subject to the provisions of the Act, the Directors may, from time to time appoint, and at their discretion, remove any individual (Hereinafter called "the Secretary") to perform any functions, which by the Act are to be performed by the Secretary, and to execute any other purely ministerial or administrative duties, which may, from time to time, be assigned to the Secretary, by the Directors. The Directors may also at any time appoint some person, who need not be the Secretary, to keep the registers required to be kept by the Company and also for any such other purpose, as may be thought fit.

BORROWING POWERS

Power of Board to borrow moneys and restrictions thereon

(a) Until and unless the Company, in general meeting, does otherwise resolve, the Directors may, from time to time, at their discretion, raise or borrow, or secure the repayment of any sum or sums of money, for the purpose of the Company, from any person, firm or company, including any member of the Company, provided that the amount, for the time being, so borrowed and remaining undischarged, exclusive of the amount borrowed by the Directors by way of temporary loans availed or obtained from the bankers to the Company in the ordinary course of business, whether by way of hypothecation, pledge or mortgage of the stock-in-trade or other current assets, shall not, without the sanction of the Company in general meeting, exceed at any time the aggregate amount, of the paid up capital of the Company and the amount, for the time being, standing to the credit of the Free Reserve fund or funds. Provided however no lender or other person dealing with the Company shall be concerned to see or inquire whether this limit is observed or be bound by such limit. Any such moneys may be raised, and the payment or repayment of such moneys, as may be borrowed by the Company or any other firm, company or person may be secured or collaterally secured, in such manner and upon such terms and conditions, in all respects, as the Directors may think fit, and in particular, by promissory notes, or by opening current accounts, or by receiving deposits and advances at interest, with or without security, or by the issue of debentures or debentures-stock of the Company, or by mortgaging or charging or pledging any lands, buildings, machinery, plant, goods or other property, whether moveable, immoveable, tangible or intangible, and securities of the Company, both present and future, including its uncalled capital, for the time being, or by such other means as to them may seem expedient.

(b) Any bonds, debentures, debenture stock or other securities issued or to be issued by the Company, shall be under the control of the Directors, who may issue them, upon such terms and conditions, and in such manner, and for such consideration, as they shall consider to be for the benefit of the Company.

Any such debentures, debenture-stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Any such debentures, debenture-stock, bonds, or other securities may be issued at a discount, premium or otherwise, and on condition that they shall be convertible into Shares of any denominations, and with any privileges and conditions, as to redemption, surrender, drawings, allotment of Shares, attending but not voting at general meeting of the Company, appointment of directors, or otherwise. Debentures, with the right to conversion into or allotment of Shares, shall be issued only with the consent of the Company in general meeting by a special resolution.

Register of Charges

The Directors shall keep or cause to be kept a proper register, in accordance with the provisions of the Act, of all mortgages, debentures and charges specifically affecting the property of the Company and all floating charges on the undertaking or on any property of the Company, and shall cause the requirements of the said Act to be duly complied with, so far as they are required to be complied with by the Directors.

If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Directors may, by instrument, under the seal of the Company, authorise the person, in whose favour such mortgage or security is executed or any other person in trust for him, to make calls on the members, in respect of such uncalled capital, and the provisions hereinbefore contained, in regard to calls, shall, mutatis mutandis, apply to calls made under such authority and such authority may be made exercisable, either presently or contingently, and, either to the exclusion of the Directors' powers or otherwise, and shall be assignable if expressed so to be.

COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS

Copies to be sent to Members

Copies of the Memorandum and Articles of Association of the Company and other documents, referred to in Section 39 of the Act, shall be sent by the Company to every member, at his request, within 7 (Seven) days of the request, on payment, if required by the Board, of the sum of Re.1/- (Rupee One Only) or such other higher sum, as may be prescribed, from time to time, under the Act and further decided, from time to time, by the Board, for each such copy.

SEAL

Authority to affix the seal

(a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power, from time to time, to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal, for the time being, and that the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given. The Common Seal of the Company shall be kept at its office or at such other place, in India, as the Board thinks fit.

(b) The Common Seal of the Company shall be used by or under the authority of the Directors or by a Committee of the Board of Directors authorised by it in that behalf in the presence of at least one director, or Secretary or any other responsible officer of the Company as may be expressly authorised by the Board by way of a resolution passed at their duly constituted meeting, who shall sign every instrument to which the seal is affixed. Such instruments may also be counter-signed by other officer or officers, if any, appointed for the purpose. However, the certificates, relating to Shares or debentures in or of the Company, shall be signed in such manner as may be prescribed in the Act and/or any Rules thereunder.

DIVIDEND

The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles, and further subject to the provisions of these Articles, shall be divisible among the members in proportion to the amount of capital paid up or credited as paid up to the Shares held by them respectively.

The Company in General Meeting may declare a dividend

The Company, in general meeting, may declare that dividends be paid to the members according to their respective rights, but no dividends shall exceed the amount recommended by the Board, but the Company may, in general meeting, declare a smaller dividend than was recommended by the Board.

Dividends only to be paid out of profits

Subject to the applicable provisions of the Act, no dividend shall be declared or paid otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both provided that:-

(a) if the Company has not provided for any previous financial year or years it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or out of the profits of any other previous financial year or years;

(b) if the Company has incurred any loss in any previous financial year or years the amount of loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid as against the profits of the Company for any financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act or against both.

Provided further that, no dividend shall be declared or paid for any financial year out of the profits of the Company for that year arrived at after providing for depreciation as above, except after the transfer to the reserves of the Company such percentage of its profits for that year as may be prescribed in accordance with Section 205 of the Act or such higher percentage of its profits as may be allowed in accordance with that Section.

Interim Dividend

The Board may, from time to time, pay to the members such interim dividend, as in their judgement, the position of the Company justifies.

Capital paid-up in advance at interest not to earn dividend

Where capital is paid in advance of calls, such capital may carry interest as may be decided, from time to time, by the Board, but shall not, in respect thereof, confer a right to dividend or to participate in profits.

Dividends in proportion to amount paid-up

All dividends shall be apportioned and paid proportionately to the amounts paid up on the Shares during which any portion or portions of the period in respect of which the dividend is paid up; but if any Share is issued on the terms providing that it shall rank for dividend as from a particular date or on such preferred rights, such Share shall rank for dividend accordingly.

Retention of dividends until completion of transfer under Article 62

The Board may retain the dividends payable upon Shares in respect of which any person is, under the Article 62 hereinabove, 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 and until such transfer of Shares has been registered by the Company, notwithstanding anything contained in any other provision of the Act or these Articles, the provisions of Section 206A of the Act shall apply.

Dividend etc., in case of Joint holders

Any one of several persons, who are registered as joint holders of any Share, may give effectual receipts for all dividends or bonus and payments on account of dividends or bonus or other moneys payable in respect of such Shares.

No member to receive dividend whilst indebted to the Company and Company's right to reimbursement thereout

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 him to the Company in respect of such Share or Shares or otherwise howsoever, either alone or jointly with any other person or persons, and the Board may deduct, from the interest or dividend payable to any member, all sums of money so due from him to the Company.

Transfer of Shares must be registered

Subject to the applicable provisions, if any, of the Act, a transfer of Shares shall not pass the right to any dividend declared thereon and made effective from the date prior to the registration of the transfer.

Dividends how remitted

Unless otherwise directed, any dividend may be paid up by cheque or warrant or by a pay-slip sent through the post to the registered address of the member or person entitled, or, in the case of joint holders, to that one of them first named in the Register in respect of the joint holdings. 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 or pay-slip lost in transmission or for any dividend lost to the member or person entitled thereto due to or by the forged endorsement of any cheque or warrant or the fraudulent recovery of the dividend by any other means.

Unclaimed dividends

(a) If the Company has declared a dividend but which has not been paid or claimed within 30 (Thirty) days from the date of declaration the Company shall transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 (Thirty) days. A Special Account in that behalf in any scheduled Bank called "the Unpaid Dividend Account of .... Limited". No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.

(b) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 (Seven) years, from the date of such transfer shall be transferred by the Company to the Fund known as the Investor Education and Protection Fund established under section 205C of the Act..

No interest on dividend

Subject to the provisions of the Act, no unpaid dividend shall bear interest as against the Company.

Dividend and call together

Any general meeting declaring a dividend may, on the recommendation of the Directors, make a call on the members of such amount as the meeting decides, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members, be set off against the calls.

CAPITALISATION

Capitalisation of Reserves

(a) The Company, in 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 Account or in the hands of the Company and available for dividend, or representing premium received on the issue of Shares and standing to the credit of the Share Premium Account, be capitalised 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 capitalised fund be applied, on behalf of such Shareholders, in paying up in full either at par or at such premium, as the resolution may provide, any unissued Shares or debentures or debenture stock of the Company which shall be distributed accordingly on in or towards payment of the uncalled liability on any issued Shares or debentures, stock and that such distribution or payment shall be accepted by such Shareholders in full satisfaction of their interest in the said capitalised sum, provided that a Share Premium Account and a Capital

Redemption Reserve Account may, for the purposes of this Article, only be applied for the paying of any unissued Shares to be issued to members of the Company as, fully paid up, bonus Shares. .

(b) A general meeting may resolve that any surplus moneys arising from the realisation 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, be distributed among the members on the footing that they receive the same as capital.

(c) For the purpose of giving effect to any resolution under the preceding paragraphs of this Article, the Board may settle any difficulty, which may arise, in regard to the distribution, as it thinks expedient, and, in particular, may issue fractional certificates and may fix the value for distribution of any specific assets, and may determine that such cash payments shall be made to any members upon the footing of the value so fixed or that fraction of value less than Rs.10/- (Rupees Ten Only) 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 person entitled to the dividend or capitalised funds, as may seem expedient to the Board. Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Act and the Board may appoint any person to sign such contract, on behalf of the persons entitled to the dividend or capitalised fund, and such appointment shall be effective.

ACCOUNTS

Directors to keep true accounts

The Company shall keep at the Office or at such other place in India, as the Board thinks fit and proper, books of account, in accordance with the provisions of the Act with respect to :-

(a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place;

(b) all sales and purchases of goods by the Company;

(c) the assets and liabilities of the Company;

(d) such particulars, if applicable to this Company, relating to utilisation of material and/or labour or to other items of cost, as may be prescribed by the Central Government.

Where the Board decides to keep all or any of the books of account at any place, other than the Office of the Company, the Company shall, within 7 (Seven) days, or such other period, as may be fixed, from time to time, by the Act, of the decision, file with the Registrar, a notice, in writing, giving the full address of that other place.

The Company shall preserve, in good order, the books of account, relating to the period of not less than 8 (Eight) years or such other period, as may be prescribed, from time to time, under the Act, preceding the current year, together with the vouchers relevant to any entry in such books.

Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article, if proper books of account, relating to the transaction effected at the branch office, are kept at the branch office, and the proper summarised returns, made up to day at intervals of not more than 3 (Three) months or such other period, as may be prescribed, from time to time, by the Act, are sent by the branch office to the Company at its Office or other place in India, at which the books of account of the Company are kept as aforesaid.

The books of account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain the transactions represented by it. The books of account and other books and papers shall be open to inspection by any director, during business hours, on a working day, after a prior notice, in writing, is given to the Accounts or Finance department of the Company.

As to inspection of accounts of books by members

The Board shall, from time to time, determine, whether, and to what extent, and at what times and places, and under what conditions or regulations, the accounts and books of the Company or any of them shall be open to the inspection of members, not being the directors, and no member, not being a director, shall have any right of inspecting any account or books or document of the Company, except as conferred by law or authorised by the Board.

Statement of Accounts to be furnished to General Meeting

The Directors shall, from time to time, in accordance with sections 210, 211, 215, 216 and 217 of the Act, cause to be prepared and to be laid before the Company in Annual General Meeting of the Shareholders of the Company, such Balance Sheets, Profit and Loss Accounts, if any, and the Reports as are required by those Sections of the Act.

Copiers shall be sent to each member

A copy of every such Profit & Loss Accounts and Balance Sheets, including the Directors' Report, the Auditors' Report and every other document(s) required by law to be annexed or attached to the Balance Sheet, shall at least 21 (Twenty-one) days, before the meeting, at which the same are to be laid before the members, be sent to the members of the Company, to every trustee for the holders of any debentures issued by the Company, whether such member or trustee is or is not entitled to have notices of general meetings of the Company sent to him, and to all persons other than such member or trustees being persons so entitled.

Accounts to be audited

The Auditors, whether statutory, branch or internal, shall be appointed and their rights and duties shall be regulated in accordance with the provisions of the Act and the Rules made thereunder.

DOCUMENTS AND NOTICES

Service of documents for notices on members by Company

(a) A document or notice may be served or given by the Company on any member either personally or by sending it, by post or by such other means such as fax, e-mail, if permitted under the Act, to him at his registered address or, if he has no registered address in India, to the address, if any, in India, supplied by him to the Company for serving documents or notices on him.

(b) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, pre-paying, wherever required, and posting a letter containing the document or notice, provided that where a member has intimated to the Company, in advance, that documents or notices should be sent to him under a certificate of posting or by registered post, with or without the acknowledgement due, and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner and, such service shall be deemed to have been effected, in the case of a notice of a meeting, at the expiration of forty-eight hours after the letter containing the document or notice is posted, and in any other case, at the time at which the letter would be delivered in the ordinary course of post.

Notice by Advertisement

A document or notice, whether in brief or otherwise, advertised, if thought fit by the Board, in a newspaper circulating in the neighborhood of the Office shall be deemed to be duly served or sent on the day, on which the advertisement appears, on or to every member who has no registered address in India and has not supplied to the Company an address within India for the serving of documents on or the sending of notices to him.

Notice to Joint holders

A document or notice may be served or given by the Company on or to the joint holders of a Share by serving or giving the document or notice on or to the joint holder named first in the Register of Members in respect of the Share.

To whom documents or notices must be served or given

A document or notice may be served or given by the Company on or to the person entitled to a Share, including the person nominated in the manner prescribed hereinabove, in consequence of the death or insolvency of a member by sending it through the post as a prepaid letter addressed to them by name or by the title or representatives of the deceased, or assigned 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 entitled, or, until such an address has been so supplied, by serving the document or notice, in any manner in which the same might have been given, if the death or insolvency had not occurred.

Members bounds by documents or notices served on or given to previous holder

Documents or notices of every general meeting shall be served or given in some manner hereinafter authorised on or to (a) every member, (b) every person entitled to a Share in consequence of the death or insolvency of member, (c) the Auditor or Auditors of the Company, and (d) the directors of the Company.

Document or notice by Company and Signature thereto

Every person who, by operation of law, transfer or by other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which, previously to his name and address being entered on the Register of Members, shall have duly served on or given to the person from whom he derives his title to such Shares.

Any document or notice to be served or given by the Company may be signed by a director or some person duly authorised by the Board for such purpose and the signature thereto may be written, printed or lithographed.

Services of document or notice by member

All documents or notices to be served or given by members on or to the Company or any Officer thereof shall be served or given by sending it to the Company or Officer at the Office by post, under a certificate of posting or by registered post, or by leaving it at the Office, or by such other means such as fax, e-mail, if permitted under the Act.

WINDING UP

The Liquidator, on any winding up, whether voluntary or under supervision or compulsory, may, with the sanction of a special resolution, but subject to the rights attached to any preference Share capital, divide among the contributories, in specie, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories, as the liquidators, with the like sanction, shall think fit.

DIRECTORS' AND OTHERS' RIGHT OF INDEMNITY

Every officer or agent, for the time being, of the Company shall be indemnified out of the assets of the Company against all liabilities incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application, under Section 633 or any other applicable provisions, if any, of the Act, in which relief is granted to him by the Court.

Subject to the provisions of Section 322 of the Act and the provisions of the Securities Contract (Regulations) Act, 1956, and the rules and regulations made thereunder, or the applicable provisions of any other Law, for the time being, in force, such of the director or directors, having unlimited liability of the Company, who are required or called upon to meet such liability, shall, subject to the provisions of Section 201 of the Act, be entitled to be indemnified by the Company from and out of the assets of the Company, in respect of such liability discharged by them, except in respect of any liability arising out of negligence, default, misfeasance, breach of duty or trust, of which such director or directors may be guilty in relation to the Company.

SECRECY

(a) Every director, manager, auditor, treasurer, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with the individuals and in matters relating thereto, and shall, by such declaration, pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by Law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions contained in these presents or the Memorandum of Association of the Company.

(b) 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 details of the Company's trading or business or any matter which is or may be in the nature of a trade secret, mystery of trade, secret or patented 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, it would be inexpedient in the interests of the Company to disclose.

SECTION IX: 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 the Company or entered into more than two years before the date of this Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by the Company. These contracts, copies of which have been attached to the copy of the Red Herring Prospectus, delivered to the Registrar of Companies, Maharashtra, located at Mumbai for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of the Company at 3rd Floor, IRB Complex, Chandivli Farm, Chandivli Village, Andheri (East), Mumbai – 400 072, Maharashtra, India, from 10.00 am to 4.00 pm on working days from the date of this Red Herring Prospectus until the Bid/ Issue Closing Date.

Material Contracts

1. Engagement letter dated September 11, 2007, for appointing Deutsche Equities India Private Limited as the BRLM.
2. Engagement letter dated September 7, 2007, for appointing KMCC as the CBRLM.
3. Memorandum of Understanding dated September 27, 2007 among the Company, the BRLM and the CBRLM.
4. Memorandum of Understanding dated September 20, 2007 among the Company and the Registrar to the Issue.
5. Escrow Agreement dated [●] among the Company, the BRLM, the CBRLM, the Escrow Collection Banks and the Registrar to the Issue.
6. Syndicate Agreement dated [●] among the Company, the BRLM, the CBRLM and the Syndicate Members.
7. Underwriting Agreement dated [●] among the Company, the BRLM, the CBRLM and the Syndicate Members.
8. Debenture Subscription Agreement dated March 19, 2007 among Deutsche Bank AG, Hong Kong Branch, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited, Mr. Virendra D. Mhaiskar, Mrs. Deepali V. Mhaiskar and the Company.
9. Investor Rights Agreement dated March 19, 2007 among Deutsche Bank AG, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited, Mr. Virendra D. Mhaiskar, Mrs. Deepali V. Mhaiskar and the Company.
10. Letter Agreement dated September 27, 2007 among Deutsche Bank AG, Jade Dragon (Mauritius) Limited, CPI Ballpark Investments Limited, Mr. Virendra D. Mhaiskar, Mrs. Deepali V. Mhaiskar, Virendra D. Mhaiskar through Karta Mr. Virendra D. Mhaiskar and the Company.
11. Memorandum of Understanding dated January 10, 2007 between Deutsche Bank AG Singapore and the Company four to six laning of Chennai-Tada section of NH 5 package number NHDP-V/MC-II/01 to be executed as BOT (Toll) on DBFO pattern under NHDP Phase V in the state of Tamil Nadu.
12. Memorandum of Understanding dated January 10, 2007 between Deutsche Bank AG Singapore and the Company four to six laning of Delhi-Hapur section of NH 24 package number NHDP-V/MC-II/02 to be executed as BOT (Toll) on DBFO pattern under NHDP Phase V in the state of Delhi and Uttar Pradesh.
13. Memorandum of Understanding dated January 10, 2007 between Deutsche Bank AG Singapore and the Company four to six laning of Chandikhol–Jagatpur–Bhubaneswar section of NH 5 package number NHDP-V/MC-II/03 to be executed as BOT (Toll) on DBFO pattern under NHDP Phase V in the state of Orissa.
14. Memorandum of Understanding dated January 10, 2007 between Deutsche Bank AG Singapore and the Company four to six laning of Delhi-Agra section of NH 2 package number NHDP-V/MC-II/04 to be executed as BOT (Toll) on DBFO pattern under NHDP Phase V in the state of Delhi and Uttar Pradesh.
15. Memorandum of Understanding dated January 10, 2007 between Deutsche Bank AG Singapore and the Company four to six laning of Gurgaon-Kotputli-Jaipur section of NH 8 package number NHDP-V/MC-II/05 to be executed as BOT (Toll) on DBFO pattern under NHDP Phase V in the state of Haryana and Rajasthan.
16. Memorandum of Understanding dated January 10, 2007 between Deutsche Bank AG Singapore and the Company four to six laning of Surat–Dahisar section of NH 8 package number NHDP-V/MC-II/06 to be executed as BOT (Toll) on DBFO pattern under NHDP Phase V in the state of Gujarat and Maharashtra.
17. Memorandum of Understanding dated January 10, 2007 between Deutsche Bank AG Singapore and the Company four to six laning of Chilkaluripet-Vijaywada-Elluru-Rajamundri section of NH 5 package number NHDP-V/MC-II/07 to be executed as BOT (Toll) on DBFO pattern under NHDP Phase V in the state of Andhra Pradesh.
18. Memorandum of Understanding dated January 10, 2007 between Deutsche Bank AG Singapore and the Company four to six laning of Panipat–Jalandhar section of NH 1 package number NHDP-V/MC-II/08 to be executed as BOT (Toll) on DBFO pattern under NHDP Phase V in the state of Haryana and Punjab.
19. Agreement dated March 9, 2007 between Aryan and Aryan Constructions.
20. Memorandum of Understanding dated March 7, 2007 between Aryan and MRM.

21. Fitch Agreement letter dated August 7, 2007.
22. Letter dated October 31, 2007 received from the RBI.

Material Documents

1. The Company's Memorandum of Association and Articles of Association, as amended.
2. The Company's certificate of incorporation.
3. The special resolution passed September 7, 2007 authorising the Issue and related matters.
4. Shareholders' resolution by dated November 25, 2006 for conversion of the Company into a public limited company.
5. Shareholders' resolutions dated September 7, 2007 authorising the Issue and related matters.
6. IPO Committee resolution dated December 30, 2007 approving and authorising the Red Hearing Prospectus.
7. Present terms of employment between the Company and the Directors, as approved by the Board and the shareholders of the Company.
8. Report of the Auditors, S.R. Batliboi & Co., Chartered Accountants, dated November 22, 2007 as required by Part II of Schedule II to the Companies Act, 1956.
9. Report of the Auditors, J. M. Shah & Co., Chartered Accountants, dated November 22, 2007 as required by Part II of Schedule II to the Companies Act, 1956.
10. Report of the Auditors, Parikh Joshi & Kothare, Chartered Accountants, dated November 22, 2007 as required by Part II of Schedule II to the Companies Act, 1956.
11. Report of the Auditors, A. J. Kotwal & Co., Chartered Accountants, dated November 22, 2007 as required by Part II of Schedule II to the Companies Act, 1956.
12. Copies of annual reports of the Company and the Subsidiaries for the years ended 2003, 2004, 2005, 2006 and 2007, as applicable.
13. Consent of the Auditors, S.R. Batliboi & Co., Chartered Accountants, for inclusion of their report on accounts in the form and context in which they appear in the Red Herring Prospectus.
14. Consent of the Auditors, J.M. Shah & Co., Chartered Accountants, for inclusion of their report on accounts in the form and context in which they appear in the Red Herring Prospectus.
15. Consent of the Auditors, Parikh Joshi & Kothare, Chartered Accountants, for inclusion of their report on accounts in the form and context in which they appear in the Red Herring Prospectus.
16. Consent of the Auditors, A.J. Kotwal & Co., Chartered Accountants, for inclusion of their report on accounts in the form and context in which they appear in the Red Herring Prospectus.
17. Consents of the Auditors, the Bankers to the Company, the BRLM, the Syndicate Members, the Registrar to the Issue, the Escrow Collection Bank(s), the Bankers to the Issue, the Monitoring Agency, Legal Advisors to the Company, the Underwriters, the Directors of the Company, the Company Secretary and the Compliance Officer, as referred to, in their respective capacities.
18. Consent of Fitch, a SEBI registered credit rating agency, for inclusion of its grading of the Issue in the Red Herring Prospectus.
19. In-principle listing approvals dated October 12, 2007 and October 18, 2007 from the BSE and the NSE, respectively.
20. Tripartite Agreement among NSDL, the Company and the Registrar to the Issue dated November 13, 2007.
21. Tripartite Agreement among CDSL, the Company and the Registrar to the Issue dated November 8, 2007.
22. Due diligence certificate dated September 27, 2007 issued to SEBI by the BRLM and the CBRLM.
23. STUP report.
24. SEBI observation letter no. CFD/DIL/ISSUES/PB/SR/111296/2007 dated December 18, 2007.
25. Land title search report by Mr. Ajit Kulkarmi dated September 21, 2007 and letter dated September 24, 2007.
26. Land title search report by Mr. Ajit Kulkarni dated December 25, 2007.
27. Fitch rating letter 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 the Company or if required by the other parties, without reference to the shareholders subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

All 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 and the Securities and Exchange Board of India Act, 1992, each as amended or the rules made thereunder or guidelines issued, as the case may be. This Red Herring Prospectus has been approved by our Board of Directors and has been signed by all the Directors, the Chairman and Managing Director and the Chief Financial Officer of the Company.

We further certify that all statements in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF THE COMPANY

Mr. Virendra D. Mhaiskar (Chairman and Managing Director)

Mrs. Deepali V. Mhaiskar

Mr. Suresh G. Kelkar

Mr. Dattatraya P. Mhaiskar

Mr. Govind G. Desai

Mr. Chandrashekhar S. Kaptan

Mr. Bhalchandra K. Khare

Mr. Berjis M. Desai

SIGNED BY THE CHIEF FINANCIAL OFFICER
Mr. M.H. Kale

Date: January 14, 2008
Place: Mumbai