

**INFORMATION MEMORANDUM  
VIRAMGAM MAHESANA PROJECT LIMITED**

**Incorporated on 18<sup>th</sup> February, 2003 under the Companies Act, 1956**  
**Registered Office:** C-66, South Extension Part II, New Delhi – 110049  
 Tel: 011-26255835,26256837,26252753; Fax: 011-26252386, 26252248

**SHELF INFORMATION MEMORANDUM FOR PRIVATE PLACEMENT OF SECURED  
REDEEMABLE NON-CONVERTIBLE DEBENTURES OF RS. 1,000,000/- EACH FOR CASH AT  
PAR AGGREGATING RS. 95 CRORES**

**General Risk**

Investment in debt instruments involves a degree of risk and investors should invest any funds in the issue only after reading the risk factors in the shelf Information Memorandum carefully. For taking investment decision, investors must rely on their own examination of the Issuer and the issue including the risk involved. The Securities have not been recommended or approved by Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document.

**Issuer's Absolute Responsibility**

The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this offer document contains all information with regard to the issuer and the issue, which is material in the context of the issue, that the information contained in the shelf Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect

**Listing**

The Debentures of the Company are proposed to be listed on the Stock Exchange, Mumbai (BSE).

**Credit Rating**

Fitch Ratings India Private Limited has assigned rating **"AA+(ind)"** (pronounced as double A plus ind) to these Debentures. Rating Letter of FITCH is attached as Annexure to this shelf Information Memorandum.

<p><b>DEBENTURES TRUSTEE</b>          IDBI Trusteeship Services Limited          Asian Building, Ground Floor,          17, R. Kamani Marg,          Ballard Estate,          Mumbai -400001</p>	<p><b>REGISTRAR TO THE ISSUE</b>          Beetal Financial &amp; Computer Services Private          Limited, Beetal House 3rd Floor, Behind          Local Shopping Centre, Near Data          Harsukhdas Mandir, New Delhi - 110062</p>
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**Issue Schedule**

Issue Opening Date	Issue Closing Date	Deemed Date of Allotment
To be finalised	To be finalized	To be finalised

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**DEFINITIONS/ABBREVIATIONS USED**

Act	The Companies Act, 1956
BARSYL	Balaji Railroad Systems Limited
BG	Broad Gauge
BOT	Build Own Transfer
BSE	The Stock Exchange, Mumbai
CA	Concession Agreement
CDSL	Central Depository Services Limited
COD	Commercial Operation Date
CRS	Commissioner of Railway Safety
DRR	Debenture Redemption Reserve
DSCL	DS Constructions Limited
DSRA	Debt Service Reserve Account
EPC	Engineering Procurement & Construction
FI	Financial Institution
FII	Foreign Institutional Investors
G-Sec	Government Securities
IDC	Interest during Construction
IE	Independent Engineer
MG	Meter Gauge
NAV	Net Asset Value
NCDs	Non Convertible Debentures
NPAs	Non Performing Assets
NRI(s)	Non Resident Individuals
NRVY	National Rail Vikas Yogna
NSDL	National Securities Depository Limited
NSE	National Stock Exchange
O&M	Operation & Maintenance
OTCEI	Over The Counter Exchange of India
OCB	Overseas Corporate Body
PFC	Performance Certificate
PVC	Provisional Certificate
RBI	Reserve Bank of India
RDSO	Railways Design and Standards Organisation
RITES	Rail India Technical and Economic Services
ROW	Right of Way
RVNL	Rail Vikas Nigam Limited
SCOD	Scheduled Commercial Operation Date
SEBI	Securities and Exchange Board of India
TCCL	Tantia Construction Company Limited
VCCL	Vogue Construction and Consultancy Limited
VMPL	Viramgam Mahesana Project Limited
WR	Western Railways / Indian Railways

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**VIRAMGAM MAHESANA PROJECT LIMITED**  
**Incorporated on 18<sup>th</sup> February, 2003 under the Companies Act, 1956**

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**RISK FACTORS & PROPOSAL TO ADDRESS RISK**

The project like most of the infrastructure projects is characterized by a long payback period requiring huge capital investment. Also, roles and responsibilities of various parties involved in such projects are intricately defined through a web of contractual agreements, which requires a thorough understanding of the risks associated with respect to a project and mechanisms for mitigation available / required to be engineered for successful operation of the arrangement to the benefit of all concerned parties. In view of the same, an analysis of major risks associated with VMPL's project, their sharing and mitigation / implications, is being presented hereunder:

***Risk Description and Risk Mitigation***

**Project Completion Risk:**

The Concession Agreement (CA) requires Viramgam Mahesana Project Limited (VMPL) to achieve commencement of commercial operation on or before Scheduled Commercial Operation Date (SCOD). The Concessionaire is responsible for obtaining all the approvals and permits under the applicable laws and financing, design and construction of the Project Railway and obtaining all design and other approvals from relevant authorities such as Railways Design and Standards Organisation (RDSO) and Commissioner of Railway Safety (CRS) for completion of works of Project Railway.

Under the CA, the concessionaire needs to obtain the Provisional Certificate (PVC) from the Independent Engineer (IE), when the latter is satisfied that the commercial operation can be commenced, despite certain items of works are not yet complete. The PVC shall be appended with a list of outstanding items (Punch List), which are yet to be completed.

Only after obtaining the PVC, the Concessionaire can approach CRS with a recommendation to open the Project Railways to the Central Government.

VMPL shall complete all outstanding work in the Punch List within 120 days (Defect Liability Period) of obtaining PVC, and obtain the Performance certificate (PFC). During this period, VMPL is liable to rectify any defects or damages as notified by the IE or CRS.

During the Maintenance Liability Period of 12 months, VMPL is liable to rectify any defects that might arise in the project railway due to defective material and poor workmanship and not normal wear and tear. The project would be considered as complete and the O&M Liability will cease to exist subject to the Railways awarding the Completion Certificate.

The Project was completed and Provisional Certificate was issued by the IE on 25<sup>th</sup> October, 2004 along with a Punch List to be completed within 120 days of the issue of the PVC. The Viramgam Mahesana converted BG Section was authorized to be opened for Public Carriage of Passengers on 2<sup>nd</sup> December, 2004 by CRS/Central Circle, Mumbai after his inspection of the said section. Accordingly, date of Commencement of Commercial Operations was achieved on 2<sup>nd</sup> December, 2004. The access to the Project assets and facilities of the section to Railways

was granted by the Concessionaire under the Handover Certificate for Project Assets and Project Facilities on 6<sup>th</sup> December, 2004.

All defects on the Project railways assets falling in the scope of the work of the Concessionaire have been remedied and rectified except certain minor items which the IE considered not material enough in the fitness of things to withhold the Performance Certificate when major share of responsibility for complying the same rests with Railways. Hence, the Performance Certificate was issued by IE on 31<sup>st</sup> October, 2005, though with the caution note that defects as observed related to the project assets shall remain part of the obligation of the Concessionaire under the defect liability until rectified and both the concessionaire and the Railways shall remain liable for fulfillment of their respective obligations outstanding at the time of issue of the Performance Certificate.

The maintenance period of 12 months commences from the date of issue of the Performance Certificate.

#### **Sponsor Risk:**

D.S.Constructions Limited (DSCL), Tantia Construction Company Limited (TCCL) and Vogue Construction and Consultancy Limited (VCCL) are The sponsors of the Company. While TCCL and VCCL are modest in size, DSCL is the company which has operations in various countries, viz., UK, USA, UAE and Libya, with interest in road constructions, real estate development, trading, retailing and hospitality. VCCL is a Railway approved technical consultancy specializing in railway technology, urban transportation, etc., VLCC is the sub-contractor for design, engineering and supervision and activities for obtaining design and completion approvals.

DSCL has infused the entire equity for completing the project and besides being promoter is also EPC Contractor for the Project and has successfully completed the contract, thus the sponsor risk is not there.

#### **Construction Risk / EPC Contract:**

The provisions of EPC contract are back to back in line with the Concession Agreement and mirror VMPL's obligations in terms of the CA with regard to the execution of the Project. DSCL had appointed WR approved sub-contractors to execute the project. The EPC contract provides for sufficient penalty payments if the project is not completed on time, on budget or up to the required performance standards.

The Construction was completed with a delay of four months and VMPL has already received the Performance Certificate. VMPL is currently in talks with the Railways to waive off the penalty. VMPL is likely to be insulated from any deduction in annuity as it would recover the same from the EPC Contractors as per the terms of the EPC Contract.

#### **Design Failure Risk:**

The design failure risk is low as the gauge conversion methodologies and technologies are proven and standardized. Further, the design and engineering work had been pre-approved by the Railways / IE, thereby preventing any deviation form the standards followed by the Railways. The track was inspected by the CRS and was opened for public carriage of passenger trains.

**Delay Risk:**

VMPL had earlier planned to achieve the COD before the SCOD of 27<sup>th</sup> June, 2004 as the project was subject to the close monitoring and control by the IE / WR including the monthly progress reports and regular site inspection. The CA stipulates that any deviation or failure to achieve project milestones needs to be cured within 90 days, failing which there is a provision for penalty of 0.05% of the semi-annual access charges per day till such milestone is achieved. In case of delays due to Railways and / or force majeure events, the CA provides for extension of the project schedule, which shall be determined by the IE. COD was achieved on 02.12.2004, when the Commissioner of Railway Safety, Central Circle, Mumbai inspected the site and opened the section for Passenger Trains. There was delay of 159 days from the stipulated date of commercial operation, i.e., 26.06.2004 in achievement of COD. Aggregate number of days of delay not attributable to the company or exclusively attributable to the railways event of default were worked out by Railways to be 94 days. The amount of penalty in terms of CA has been worked out to be Rs. 2,87,78,750.

The company has agitated the penalty and is contemplating the action in terms of the Concession agreement.

**Operation Risk:**

The project is complete now and the performance certificate has also been obtained. VMPL's role is limited to completing the punch list items and any other liability arising out of inadequate design or poor workmanship during the defect liability period of 12 months. The entire project was implemented under the close supervision of the Railways / IE and RDSO by Railway approved contractors all of which limits the risks during the operation period.

**Revenue Risk:**

The Concession Agreement practically eliminates any liability of the concessionaire after receiving Certificate of Completion. The Concessionaire's liabilities are limited to 12 months maintenance period. Given the technologies involved in the project Railway are standardized and proven, and the EPC contract mirrors the obligations stipulated in the CA, the liabilities of VMPL are expected to be low during the liability period. VMPL has already received two installments of annuity in December, 2004 and June, 2005, the revenue risk is also low.

**HIGHLIGHTS OF THE PROJECT**

Indian Railways (IR) embarked on 'Project Unigauge' over a decade ago by undertaking conversion of meter gauge (MG) and narrow gauge (NG) tracks into broad gauge (BG). Since then, IR has implemented various gauge conversion projects along its key routes. As a part of its efforts to involve private sector in such projects, IR through Western Railways (WR), acting on behalf of the President of India had invited bids for gauge conversion of Viramgam to Mahesana section (Project Railway) of Western Railways from meter gauge to broad gauge under Build, Own and Transfer (BOT) scheme on fixed semi-annual access charges.

Project Railway i.e. the Viramgam-Mahesana direct link, is strategically located on the railway lines linking the important ports of Gujarat, such as Kandla, Mundhra and Okha to North India. Before conversion of the existing section, the traffic from Okha and Kandla was moving north via Viramgam – Ahmedabad – Mahesana (133 kms). Even though Viramgam-Mahesana section is a shorter route (65 kms), it was constrained by being a MG section. Viramgam-Mahesana MG line, now converted to BG has reduced the distance between North / North-Western states and ports of Gujarat by about 70 Kms and the trains will also be able to avoid congested Ahmedabad

section thereby resulting in large savings for the Railway. The anticipated traffic on the project railway line is about 10 freight trains and 2 passenger trains each way initially, which is likely to grow further in future, as against just two trains at present.

The Railways has opened the construction financing for private parties on BOT model since this shall reduce the dependence on the budgetary allocations given that there is pressure on its finances. The operation of such projects shall help the Government implement the National Rail Vikas Yojana to strengthen the railway network in the country, which would take up self-sustaining projects with the private sector participation thus limiting budgetary dependence for railways projects.

Viramgam to Mahesana section has ten station points, out of which there are six intermediate crossing stations and four halt stations, including the MG junction station at Katosan Road. The MG railway line from Kalol to Ranuj junction via Chanasma crosses the Project Railway at Katosan Road. The total length of track of the Viramgam – Mahesana section, including loops and sidings is approximately 82 track kilometres. There are about 80 bridges in the section, out of which, 3 are major bridges and the remaining 77 are minor bridges. There are a total of 65 level crossings, 33 electrical crossings and 19 telephone crossings in the section. The section also has 3 foot over bridges, one each at Viramgam, Katosan Road and Mahesana.

To reap the benefit of cost effective freight and looking into the development of the area and the future income, the Railways awarded the concession for implementing the gauge conversion of Viramgam-Mahesana section based on competitive bidding to the consortium led by DS Constructions Limited (DSCL) on 27<sup>th</sup> December, 2002 keeping in view the lowest semi-annual access charges quoted by the consortium. The other members of the consortium are Tantia Construction Company Ltd. (TCCL) and Vogue Construction and Consultancy Services Pvt. Ltd. (VCCL). DSCL, TCCL and VCCL as per their joint venture agreement and in accordance with the terms of Letter of Award of the concession, incorporated Viramgam Mahesana Project Limited (VMPL), the Concessionaire, which signed the Concession Agreement (CA) with WR on 23<sup>rd</sup> May, 2003, to implement the project.

As per the terms of the Concession Agreement, the concession has been granted to VMPL for a period of 13.5 years from 27<sup>th</sup> December, 2002, the date of Letter of Award, which includes 18 months for design, engineering, finance, and construction of the project railway and opening of the Viramgam-Mahesana section for commercial operations. Upon achieving commercial operations, the concessionaire has allowed exclusive use of the project railway by WR, who would be responsible for its maintenance and operations after the Commercial Operations Date (COD). In lieu of the use of the project railway by WR, the concessionaire is entitled to 24 equal and fixed semi-annual payments (Rs. 7.96 crores each) in the form of access charges by WR during the remaining concession period of 12 years.

The project implementation envisaged equipment & material procurement, track works as also setting up of signaling and communication system along the project stretch. The total project cost was estimated to be about Rs. 90.00 crores, which was envisaged to be funded through a debt-equity mix of 70:30 (Debt: Rs. 63.00 crores, Equity: Rs. 27.00 crores).

### **IMPORTANT NOTICE**

No part of this document is intended for the use of any recipient located outside India or any recipient who is not resident in India. This document is also not intended for the use of Non-Resident Indians ('NRIs') (except on non repatriation basis as stated elsewhere), Overseas Corporate Bodies ('OCBs') or Foreign Institutional Investors ('FIIs')

This issue by VMPL (the "Issuer"), of Secured Redeemable Non-Convertible Debentures ("Debentures") is being made strictly on a private placement basis. It is not and should not be deemed to constitute an offer to the public in general or any section or class thereof. This Memorandum ("shelf Information Memorandum" or "IM") is neither a prospectus nor a statement in lieu of prospectus. It cannot be acted upon by any person other than to whom it has been specifically addressed, neither can this document be circulated, reproduced or redistributed in any form whatsoever.

This shelf Information Memorandum is not intended to provide the sole basis of any credit decision or other evaluation and should not be considered as a recommendation that any recipients of this shelf Information Memorandum should invest in the Debentures proposed to be issued by Issuer. Each potential investor should make its own independent assessment of the investment merit of the Debentures and the Issuer.

This shelf Information Memorandum is made available to potential Debentures investors on the strict understanding that it is confidential. Recipients shall not be entitled to use any of the information otherwise than for the purpose of deciding whether or not to invest in the Debentures.

No person including any employee of the Issuer has been authorised to give any information or to make any representation not contained in this shelf Information Memorandum. Any information or representation not contained herein must not be relied upon as having being authorised by or on behalf of the Issuer. Neither the delivery of this shelf Information Memorandum at any time nor any statement made in connection with the offering of the Debentures shall under the circumstances imply that any information/representation contained herein is correct at any time subsequent to the date of this shelf Information Memorandum.

The distribution of this shelf Information Memorandum and the offering of the Debentures in certain jurisdictions may be restricted by law. Persons into whose possession this shelf Information Memorandum comes are required by the Issuer to inform themselves about, and observe any such restrictions.

## PART I

### GENERAL INFORMATION

**Shelf Information Memorandum for Private Placement of Secured Redeemable Non-Convertible Debentures of Rs. 1,000,000/- each for cash at par aggregating Rs. 95 crores.**

#### **Authority for Present Issue**

Board of Directors of the Company has passed a resolution to raise the fund aggregating Rs. 95 Crores by issuing Privately Placed Secured Redeemable Non-Convertible Debenture under the Information Memorandum vide its Board Meeting dated 10<sup>th</sup> March, 2006 .

#### **Stock Exchange Disclaimer Clause**

It is to be distinctly understood that the submission of the Information Memorandum to the Stock Exchange should not in any way be deemed or construed that the Information Memorandum has been cleared or approved by Exchange. Stock Exchange does not take any responsibility either for the financial or other soundness of this Issuer, or the achievement of the object for which placement is proposed to be made or for the correctness of the statement made or opinions expressed in the Information Memorandum.

#### **General Disclaimer**

The issuer accepts no responsibility for statements made otherwise than in the shelf Information Memorandum or in the advertisement or any other material issued by or at the instance for the issuer and that anyone placing reliance on any other source of information would be doing so at his own risk.

#### **Disclaimer Clause**

This Memorandum of Information for Private Placement ("shelf Information Memorandum") is neither a prospectus nor a statement in lieu of prospectus and does not constitute an offer to the public generally to subscribe for or otherwise acquire the Debentures to be issued by us. This Information is not intended to be circulated to more than 49 persons. The shelf Information Memorandum is for the exclusive use of the Institutions to whom it is delivered and it should not be circulated or distributed to third parties or should not be reproduced. Potential investors are required to make their independent evaluation and judgment before making the investment.

This shelf Information Memorandum for issue of Debentures on private placement basis has been prepared in conformity with SEBI circular no. SEBI/MRD/SE/AT/36/2003/30/09 dated September 30, 2003 and SEBI circular no. SEBI/MRD/SE/AT/46/2003 dated December 22, 2003 and RBI circular dated October 4, 2004. Therefore as per the applicable provisions, copy of this shelf Information Memorandum has not been filed or submitted to SEBI and Stock Exchanges. It is to be distinctly understood that the shelf Information Memorandum should not, in any way, be deemed or construed that the same has been cleared or vetted 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 shelf Information Memorandum. We certify that the disclosures made in this shelf Information Memorandum are generally adequate and are in conformity with the captioned SEBI circular. 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 the Issuer Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the shelf

Information Memorandum. We also certify that we have disclosed various material information including those relating to litigations etc in the shelf Information Memorandum for the said Issue.

We further confirm that:

- a. This shelf Information Memorandum 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 this shelf Information Memorandum are true, fair and adequate to enable the investors to make a well informed decision as to the investment in the proposed Issue; and

Viramgam Mahesana Project Limited (VMPL) accepts no responsibility for statements made otherwise than in the document or any other material issued by or at the instance of arranger and anyone placing reliance on any other source of information would be doing so at his own risk.

### **Listing**

The Debentures are proposed to be listed on The Stock Exchange Mumbai.

### **Impersonation**

Any person who-

- a) makes in a fictitious name an application to a company of acquiring, or subscribing for any Securities therein, or
- b) otherwise induces a company to allot or register any transferor of Securities therein to him, or any other person in a fictitious name shall be punishable under the extant laws.

### **Minimum Subscription**

Pursuant to the notification no. SEBI/MRD/SE/AT/46/2003 dated 22<sup>nd</sup> December 2003 issued by SEBI minimum subscription clause is not applicable to the privately placed debt securities.

### **Issue of Letter of Allotment/ Allotment Advice and Debenture Certificates**

The Issuer will execute and despatch Letters of Allotment/ Allotment advice in favour of the allottees or Refund Letter along with refund amount, not later than 7 days after the Deemed Date of Allotment. After completion of all legal formalities, the Issuer will issue the Debentures certificate(s) / credit the DP account of the allottees against surrender of the letter(s) of allotment within three month(s) of the Deemed Date of Allotment, or such extended period subject to obtaining the approvals, if any. Interest at the applicable coupon rate will be paid via interest warrants on the application money to the applicants for the relevant option applied. Such interest will be paid for the period commencing from the date of realisation of the cheque(s) / demand drafts (s) up to but excluding the Deemed Date of Allotment. The interest warrants for interest payable on application money will be dispatched by Registered Post/ Courier the next working day after the Deemed Date of Allotment. The letters of allotment/ allotment advice/refund orders, as the case may be, will be sent by Registered Post/ Courier /Hand Delivery within 7 days from the Deemed Date of Allotment to the first/sole applicant, at the sole risk of the applicant. The payment will be subject to deduction of tax at source at the rates prescribed under the provisions of the Income Tax Act, 1961 or any other statutory modification or re-enactment thereof.

**Issue Schedule**

<b>Issue Opening Date</b>	<b>Issue Closing Date</b>	<b>Deemed Date of Allotment</b>
To be finalised	To be finalized	To be finalised

The issuer reserves the right to close the issue earlier from the aforesaid date or change the issue time table including the Deemed Date of Allotment at its sole discretion, without giving any reasons or prior notice.

**Names and Addresses of Auditors, Registrars, Debenture Trustees**

<b>STATUTORY AUDITORS</b>	<b>REGISTRARS TO THE ISSUE</b>	<b>DEBENTURES TRUSTEE</b>
<b>GREWAL &amp; SINGH</b> <b>Chartered Accountants</b> A-17, Lajpat Nagar –III, New Delhi – 110024. Tel: 011-29833394,29842641, 29839823 Fax : 011-29849331 E-mail: grewal_s@vsnl.net	Beetal Financial & Computer Services Private Limited, Beetal House 3rd Floor, Behind Local Shopping Centre, Near Data Harsukhdas Mandir, New Delhi - 110062	IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai -400001

**Credit Rating**

- Fitch Ratings India Private Limited has assigned rating **“AA+ (ind)”** (pronounced as double A plus ind) to these Debentures. Rating Letter of FITCH is attached as Annexure to this shelf Information Memorandum.
- Company has not obtained any Credit Rating in the past Three Years from the date of this issue.

Please note that, the rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The ratings obtained are subject to revision at any point of time in the future. The Rating agencies have a right to suspend, withdraw the rating at any time on the basis of new information etc.

**Compliance Officer:****Mr. M.S.Narula, Director**

S/o. Mr. B.S.Narula  
 3, Golf Links, New Delhi – 110003  
 Phone: 011-26255835, 26258637, 26252753  
 Fax: 011-26252386, 26252248

The Investor may contact the compliance officer in case of any pre-issue / post-issue related problems such as non-receipt of letters of allotment / debenture certificates / refund orders.

**I. CAPITAL STRUCTURE OF THE COMPANY**

<b>Particulars</b>	<b>Amount (Rs. Crs.)</b>
<b>A. Authorised Capital</b>	
2,70,00,000 Equity Shares of Rs. 10/- each	27.00
<b>B. Issued Subscribed and Paid-up Capital</b>	
2,70,00,000 Equity Shares of Rs. 10/- each	27.00
<b>C. Paid Up Capital after the present issue</b>	
2,70,00,000 Equity Shares of Rs. 10/- each	27.00
<b>D. Share Premium Account (before and after issue)</b>	Nil

**Details regarding Shareholders****Top Ten Shareholders**

<b>Sr. No.</b>	<b>Name of the Shareholder</b>	<b>Shares Held (Number)</b>	<b>% Stake In Total</b>
1	D.S.Constructions Limited	2,69,97,000	99.988
2	Mrs. Gurvinder Kaur Narula	500	0.002
3	Mr. Mohinder Singh Narula	500	0.002
4	Mrs. Satwinder Kaur Narula	500	0.002
5	Mr. Virender Singh Narula	500	0.002
6	Mrs. Rajinder Kaur Narula	500	0.002
7	Mr. Narinder Singh Narula	500	0.002
	<b>Total</b>	<b>2,70,00,000</b>	<b>100.00</b>

**Details regarding Shareholding of Promoters Group**

<b>Sr. No.</b>	<b>Name of the Shareholder</b>	<b>Shares Held (Number)</b>	<b>% Stake In Total</b>
1	D.S.Constructions Limited	2,69,97,000	99.988
2	Mrs. Gurvinder Kaur Narula	500	0.002
3	Mr. Mohinder Singh Narula	500	0.002
4	Mrs. Satwinder Kaur Narula	500	0.002
5	Mr. Virender Singh Narula	500	0.002
6	Mrs. Rajinder Kaur Narula	500	0.002
7	Mr. Narinder Singh Narula	500	0.002
	<b>Total</b>	<b>2,70,00,000</b>	<b>100.00</b>

Details of shares traded by the Promoter Group and its Director and maximum and minimum price at which purchases and sales were made along with the relevant dates, if any.

**TERMS OF THE PRESENT ISSUE**

Viramgam Mahesana Projects Limited proposed to issue Secured Redeemable Non-Convertible Debentures Of Rs. 1,000,000/- Each For Cash At Par Aggregating Rs. 95 Crores

The common terms are as given below. The specific terms of each tranche will be finalized closer to the actual date of issuance and would be submitted to the stock exchanges.

Instrument	Secured, Redeemable, Non-Convertible Debentures (“NCDs”)
Face Value	Rs1000,000/- per debenture
Security	<ul style="list-style-type: none"> <li>• Escrow-cum-retention account with the designated bank, wherein all cash inflows of the project shall be deposited. Subject to payment to Indian Railways (IR) under Concession Agreement (CA) and statutory payments, the escrow account shall be charged to the debenture trustee.</li> <li>• First mortgage and charge on all movable and immovable assets (including revenues and receivables) of VMPL (except project assets &amp; facilities as defined in CA) in favour of the debenture trustee.</li> <li>• Assignment of all rights, titles and interests of VMPL in the project railway in favour of the debenture trustee.</li> <li>• Pledge of 29% of equity shares of VMPL held by sponsors till the date of issue of completion certificate.</li> <li>• Tripartite agreement with IR, VMPL, and the debenture holder/trustee giving right of substitution to the debenture trustee.</li> <li>• Assignment of all project contracts and insurance policies.</li> <li>• Corporate guarantee of DS Construction Limited, till the issue of completion certificate.</li> <li>• Undertaking from the sponsors to meet any cost overrun through interest free, subordinated sources (project has been completed with additional funding from sponsors)</li> <li>• Upfront maintenance of Debt Service Reserve account (DSRA) equivalent to one installment of peak debt service during the entire tenure of the NCDs (The delay in completion of the project has resulted in a shortfall in maintaining the DSRA) plus the contingent amount for meeting the liability imposed by the Indian Railways due to delay in implementation of the project.</li> <li>• The debenture agreement would allow no dividend declaration during the tenure of the CA</li> </ul>
Rating	‘AA+(ind)’ by Fitch Ratings
Redemption	<i>To be finalized during actual launch</i>
Coupon Rate	<i>To be finalized during actual launch</i>
Interest Payment Frequency	<i>To be finalized during actual launch</i>
Issue & Redemption Price	At par
Maturity Date	<i>To be finalized during actual launch</i>
Form of issuance	In dematerialized form
Trustees	IDBI Trusteeship Services Limited
Listing	BSE

### **Place and Currency of Payment**

The Debentures are being issued by VMPL in India. All obligations under these Debentures are payable solely by the Issuer in Indian Rupees only.

### **Tax Deduction at Source**

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source on the debentures. Tax exemption certificate / document / form, under Section 193 of the Income Tax Act, 1961, if any, must be lodged at the Registered Office, at least thirty days before the relevant interest payment becoming due.

### **Issue of Debentures in Dematerialised Form**

The Company has made depository arrangements with NSDL for the Debentures. The investors will have the option to hold the debentures in dematerialised form and deal with the same as per the provisions of Depositories Act, 1996/ Rules as notified by NSDL from time to time.

Investors desirous of receiving debenture certificate in the dematerialised form should mention their Depository Participant's name, DP-ID and beneficiary account number in the appropriate place in the application form. Debentures allotted to successful allottee(s) having depository account shall be credited to their depository account against surrender of letter of allotment.

In case of incorrect details provided by the investors and inability of the Registrar to credit the Depository Account the debentures will be issued in physical form to such investors.

As per the provisions of Depositories Act, 1996, the Bonds issued by The Company can be held in a dematerialised form, i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. In this context:

- tripartite agreements have been signed with NSDL
- An applicant who wishes to apply for Bonds in the electronic form must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the application.
- The applicant seeking allotment of Bonds in the electronic form must necessarily fill in The details (including the beneficiary account number and Depository Participant's ID) appearing in the Application form under the heading 'Request for Bonds in Electronic Form'.
- Bonds allotted to an applicant in the electronic account form will be credited directly to the applicant's respective beneficiary account(s) with the DP.
- For subscription in electronic form, names in the application form should be identical to those appearing in the account details in the depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the depository.
- If incomplete/incorrect details are given under the heading 'Request for Bonds in electronic form' in the application form, it will be deemed to be an application for Bonds in physical form.
- In case of allotment of Bonds in electronic form, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The Applicant is therefore responsible for the correctness of his/her

demographic details given in the application form vis-à-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for losses, if any.

#### **Issue of Letter of Allotment/ Allotment Advice and Debenture Certificates**

The Issuer will execute and despatch Letters of Allotment/ Allotment advice in favour of the allottees, not later than seven days after the Deemed Date of Allotment. After completion of all legal formalities, the Issuer will issue the Debentures certificate(s) / credit the DP account of the allottee against surrender of the letter(s) of allotment within three month(s) of the Deemed Date of Allotment, or such extended period subject to obtaining the approvals, if any. Interest at coupon rate will be paid via interest warrants on the application money to the applicants for the relevant option applied. Such interest will be paid for the period commencing from the date of realisation of the cheque(s) / demand drafts (s) up to but excluding the Deemed Date of Allotment.

#### **Right to Re-purchase and Re-issue the Debentures**

This would be as per the prevailing guidelines/regulations of Reserve Bank of India and other statutes.

#### **Face Value**

Each Debenture shall have a face value of Rs.1,000,000 /- (Rupees Ten Lacs only)

#### **Payment on Application**

The full face value of the Bonds applied for, is to be paid along with the application form.

#### **Date of Allotment**

The Date of Allotment for each tranche will be finalized at the time of actual issuance

#### **Minimum Lot Size**

The minimum lot size for trading of the Bonds on the NSE is proposed to be 1 Bond

#### **Record Date**

The record date would be 7 days prior to the Interest Payment Date / Redemption Date.

#### **Mode of Transfer**

Transfer of debentures in dematerialised form would be in accordance to the rules /procedures as prescribed by NSDL.

#### **Succession**

In the event of demise of a Registered Debenture holder of the Debentures, or the first holder in the case of joint holders, the Issuer will recognize the executor or administrator of the demised Debenture holder or the holder of succession certificate or other legal representative of the demised Debenture holder as the Registered Debentures holder of such Registered Holder's Debentures if such a person obtains probate or letter of administration or is the holder of succession certificate or other legal representation, as the case may be, from a Court of India having jurisdiction over the matter and delivers a copy of the same to the Issuer. The Issuer may in its absolute discretion, where it thinks fit, dispense with the production of the probate or letter

of administration or succession certificate or other legal representation, in order to recognize such holder as being entitled to the Debentures standing in the name of the demised debentures holder on production of sufficient documentary proof or indemnity. In case the debentures are held by person other than individual, the rights in the debentures shall vest with the successor acquiring interest therein, including liquidator or such any person appointed as per the applicable laws.

### **Issue of Duplicate Debenture Certificates**

If any Debenture certificate(s) issued in physical form is/are mutilated or defaced, then, upon production of such certificates at the Registered Office, the same will be cancelled and a new certificate issued in lieu thereof. If any Debenture certificate is lost, stolen or destroyed then, upon production of proof thereof to the satisfaction of the Issuer and upon furnishing such indemnity as the Issuer may deem adequate and upon payment of any expenses incurred by the Issuer in connection thereof, new certificate(s) shall be issued. A fee will be charged by the Issuer on each fresh Debenture certificate issued hereunder.

### **Modifications of Rights**

The rights, privileges, terms and conditions attached to all Debentures may be varied, modified or abrogated with the consent, in writing, of those holders of the Debentures who hold at least three-fourths of the outstanding amount of Debentures or with the sanction accorded pursuant to a resolution passed at a meeting of the Debentureholders, carried by a majority consisting of not less than three-fourths of the persons voting there upon a show of hands or, if a poll is demanded by a majority representing not less than three-fourths in value of the votes cast on such poll, provided that nothing in such consent or resolution shall be operative against the Issuer if the same are not accepted in writing by the Issuer.

### **Notices**

The notices, communications and writings to the Debentureholder(s) required to be given by the Issuer shall be deemed to have been given if sent by Registered Post to the Registered Debentureholder(s) at the address of the Debentureholder(s) registered with the Registered Office.

All notices, communications and writings to be given by the Debentureholder(s) shall be sent by Registered Post or by hand delivery to the Issuer at Registered Office or to such persons at such address as may be notified by the Issuer from time to time and shall be deemed to have been received on actual receipt.

### **Application for the Debentures**

- **How to Apply**

Applications for the Debentures must be made in the prescribed Debenture Application Form which would be attached with the Respective Issue Term Sheet and must be completed in block letters in English by investors. Debentures Application forms must be accompanied by either a demand draft or cheque drawn or made payable in favour of "**Viramgam Mahesana Project Limited**". The full amount of the face value of the Debentures applied for under any series has to be paid along with the delivery of the fully completed and executed Debenture Application Form together with other applicable documents described below.

Cheques / demand drafts may be drawn on any bank which is situated and is a member or sub-member of the Banker's Clearing House located at Mumbai, Calcutta, Chennai, or New Delhi.

Investors in centres which do not have any bank which is a member or sub-member of the Banker's Clearing House located at the above mentioned centres will be required to make payments only through demand drafts payable at Mumbai.

The issuer assumes no responsibility for any applications / cheques / demand drafts lost in mail or transit.

- **Who can apply**

Only investors who have been addressed through a communication directly are eligible to apply. Furthermore, NRIs (on non-repatriation basis), OCBs, FIs and minors are not eligible to apply or hold the Debentures.

- **Application by Banks/Corporate Bodies / Mutual Funds / FIs / Trusts/Statutory Corporations/ NRI (on non-repatriation basis).**

The applications must be accompanied by certified true copies of (i) Memorandum and Articles of Association Constitution / Bye-laws / Trust Deed, (ii) Resolution authorizing investment and containing operating instructions, (iii) Specimen signatures of authorized signatories, (iv) Necessary form for claiming exemption from deduction of tax at source on interest on application money. Application made by Asset Management Company or custodian of Mutual Fund shall clearly indicate the name of the concerned scheme for which application is being made.

- **Application under Power of Attorney**

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signatures of all authorised signatories must be lodged along with the submission of the completed Debenture Application form. Further modifications/additions in the power of attorney or authority should be delivered to the Issuer at Registered Office.

- **Basis of Allotment**

The Issuer has sole and absolute right to allot the Debentures to any applicant.

- **Right to Accept or Reject Applications**

The Issuer is entitled at its sole and absolute discretion to accept or reject any application, in part or in full, without assigning any reason. Debenture Application Forms that are not complete in all respects may be rejected at the sole and absolute discretion of the Issuer.

- **Trustees for the Debentureholders**

The Company has appointed IDBI Trusteeship Services Limited as Debenture Trustees registered with SEBI, for the holders of the Debentures (hereinafter referred to as 'Trustees'). The Bank will enter into a Trustee Agreement/Trust Deed, inter-alia, specifying the powers, authorities and obligations of the Bank and the Trustees in respect of the Debentures. The Debentureholders shall, without any further act or deed, be deemed to have irrevocably given their consent to and authorised the Trustees or any of their Agents or authorised officials to do, all incidental acts, deeds and things necessary in terms of this Memorandum of Private Placement. All rights and remedies under the Trust Deed/Trust Agreement and/or other security documents shall rest in and be exercised by the Trustees without having it referred

to the Debentureholders. Any payment made by the Company to the Trustees on behalf of the Debentureholder(s) shall discharge the Bank pro tanto to the Debentureholder(s).

- **Future Borrowings**

The Issuer shall be entitled, from time to time, to make further issue of Debentures, other debt securities (whether senior, pari passu or junior to the Debentures) and other instruments and securities to any person or persons including to the public or a section of the public and / or members of the Issuer and / or to raise further loans, advances and / or avail further financial and / or guarantee facilities from financial institutions, banks and / or any other person (s) without any further approval from or notice to the Debenture holders/Debenture Trustees.

- **Governing Laws and Jurisdiction**

The Debentures are governed by and will be construed in accordance with the Indian Law. The Issuer, the Debentures and Issuer's obligations under the Debentures shall, at all times, be subject to the directions of the Reserve Bank of India and Securities & Exchange Board of India. The Debenture holders, by purchasing the Debentures, agree that the Delhi High Court shall have exclusive jurisdiction with respect to matters relating to the Debentures.

- **Despatch of Refund Orders**

The Company shall ensure despatch of refund orders of value over Rs. 1500/- and Debenture certificates by Registered Post/Hand Delivery only and adequate funds for the purpose shall be made available to the Registrars by the Issuer Company.

- **Undertaking by the Issuer Company:**

- a. The complaints received in respect of any issue of Debentures pursuant to this IM shall be attended to by the issuer company expeditiously and satisfactorily
- b. All steps for completion of the necessary formalities for listing and commencement of trading at all stock exchange where the securities are to be listed are taken within 7 working days of finalization of basis of allotment.
- c. No further issue of securities shall be made till the securities offered through this Shelf Information Memorandum are listed or till the application moneys are refunded on account of non-listing.
- d. Necessary co-operation with the credit rating agency shall be extended in providing true and adequate information till the debt obligations in respect of the instrument are outstanding.
- e. The Company shall forward the details of utilisation of the funds raised through the debentures duly certified by the statutory auditors of the company, to the debenture trustees at the end of each half-year.
- f. The Company shall disclose the complete name and address of the debenture trustee in the annual report.
- g. The Company shall provide a compliance certificate to the debenture holders (on yearly basis) in respect of compliance with the terms and conditions of issue of debentures as contained in the shelf Information Memorandum duly certified by the debenture trustee.

### **Utilization of Proceeds**

Statement by the Board of Directors:

- Details of all monies utilized out of Issue shall be disclosed under an appropriate separate head in the Balance Sheet of the Company indicating the purpose for which such monies had been utilized; and
- Details of all unutilized monies out of issue of Debentures, if any, shall be disclosed under an appropriate separate head in the Balance Sheet of the Company indicating the form in which such unutilized monies have been invested.

### **Debenture Redemption Reserve**

The company was required to make Debenture Redemption Reserve of an amount equivalent to 25 percent of the face value of the debentures. In view of the loss incurred by the company and also taking into consideration the circular number 9/2002 dated April 18, 2002 issued by the Department of Company Affairs, Debenture Redemption Reserve has not been created.

### **Payment of Interest**

Interest at the applicable rate, which could be either fixed or variable with reference to certain benchmark rates, would be decided when the terms of each tranche are finalized, at appropriate interval (as specified in the terms of issue). Interest would be payable either quarterly, semi-annually or annually, as may be decided at the time of each tranche. The interest payable to each Debentureholder shall be paid by interest warrants bearing the interest payment dates. Such warrants shall be dispatched to the Debentureholders whose names appear in the Register of Debentureholders on the record date and in case of joint holders to the one whose name appears first in the Register of Debentureholders. In the event of the Company not receiving any notice of transfer on the record date i.e. 30 days before the interest payment date, the transferee(s) for the Debenture shall not have any claim against the Company in respect of amount so paid to the registered Debentureholders

- The interest shall be computed on the basis of actual number of days elapsed in a year, for this purpose a year to comprise of a period of 365 days except in case of a leap year where the year will comprise of 366 days. The first interest period is defined as the actual number of days falling between the Date of Allotment to \_\_\_\_\_ (including the first day and the last day).
- Subsequent interest periods are defined as the actual number of days falling between \_\_\_\_\_ and \_\_\_\_\_ and so on, including the first date and the last date of each interest period, till the final maturity.

Wherever the signature(s) of such transferor(s) in the intimation sent to the Company is/are not in accordance with the specimen signature(s) of such transferor(s) available on the records of the Company, all payments on such Debenture(s) will be kept at abeyance by the Company till such time as the Company is satisfied in this regard.

No interest / interest on interest shall accrue on the Debentures after the date of maturity of the respective instruments.

The last interest payment will be proportionately made on the redemption date.

### **Interest on Application Money**

Interest on Application Money is payable at the applicable coupon rate (subject to deduction of tax at source at the rates prevailing from time to time under the provisions of Income Tax Act, 1961 or any statutory modification or reenactment thereof), will be paid on the entire application

money on all valid applications. The same will be released within 30 days from the Date of Allotment.

Such interest shall be paid for the period commencing from the date of realisation of the cheque(s)/draft(s) up to one day prior to the date of allotment. The interest warrants will be dispatched by registered post at the sole risk of the applicant, to the sole/first applicant.

### **Effect of Holidays**

Should any of dates defined above or elsewhere in the shelf Information Memorandum, excepting the Date of Allotment, fall on a Sunday or a Public Holiday in Mumbai, the interest for the period would be paid on the immediate preceding or succeeding working day in Mumbai with interest upto the day preceding the actual date of payment. The interest for the next succeeding interest period will correspondingly be adjusted.

### **Payment on Redemption**

The payment of the redemption amount of the Debentures will be made by the Company to the Registered Debentureholders recorded in the books of the Company and in the case of joint holders, to the one whose name appears first in the Register of Debentureholders as on the record date. In the event of the Company not receiving any notice of transfer, before the record date, the transferee(s) for the Debenture(s) shall not have any claim against the Company in respect to the amount so paid to the Registered Debentureholders.

The Debentures held in the Dematerialised Form shall be taken as discharged on payment of the redemption amount by the Company on maturity to the registered Debentureholders whose name appears in the Register of Debentureholders on the record date. Such payment will be a legal discharge of the liability of the Company towards the Debentureholders. On such payment being made, the Company will inform NSDL and accordingly the account of the Debentureholders with NSDL will be adjusted.

The Company's liability to the Debentureholders towards all their rights including for payment or otherwise shall cease and stand extinguished from the due dates of redemption in all events. Further the Company will not be liable to pay any interest or compensation from the dates of such redemption.

### **Tax benefits**

- **To the Issuer**

There is no additional benefit arising to the Issuer under the Income Tax Act 1961 by issue of Unsecured Redeemable Non Convertible Debentures.

- **To the Debentureholders of the Issuer**

A Debentureholder is advised to consider in his own case the tax implications in respect of subscription to the Bonds after consulting his tax advisor as alternate views are possible.

## **II. PARTICULARS OF THE ISSUE**

### **Objects of the Borrowing**

The object of the borrowing is for refinancing / recapitalization of existing debt and for general corporate purpose.

**Board of Directors**

Sl No	Name Designation & Address	Age (years)	Particulars of Other Directorships
1	Mr. M.S.Narula Director	44 years	<ul style="list-style-type: none"> <li>• DS Constructions Ltd.</li> <li>• Delhi Gurgaon Super Connectivity Ltd. (formerly, Jaypee-DSC Ventures Ltd.)</li> <li>• Viramgam Mehasana Projects Ltd.</li> <li>• DSC – Vicon Ventures Private Ltd.</li> <li>• Lucknow Sitapur Expressways Ltd.</li> <li>• Sandur Bypass Project Ltd.</li> <li>• Raipur Expressways Ltd.</li> <li>• KMP Expressways Ltd.</li> </ul>
<p><b>Mr. M.S. Narula</b>, a Civil Engineer, has been instrumental in execution of all the overseas and Indian assignments of the DS Group. He joined the company in 1985 in North Africa Operations and within an year of hands on experience he took the full responsibility for all construction activity in leading projects in North Africa and set new standards in directing and organizing field construction activities, including operations, safety, and procurement. He has been instrumental in forming consortiums of DSC with other leading companies for big-ticket international projects with an idea to pool in the financial and technical competences and bid as EPC contractors, where margins and volumes are higher. He had been supervising the execution of the VMPL project</p>			
2	Mr. N.S.Narula Director	63 years	<ul style="list-style-type: none"> <li>• Ebony Retail Holdings Ltd.</li> <li>• Select Promoters Pvt. Ltd.</li> <li>• DS Promoters &amp; Developers Pvt. Ltd.</li> <li>• DS Capital &amp; Finance Ltd.</li> <li>• DS Fincap Pvt. Ltd.</li> <li>• Variety Properties Ltd.</li> <li>• Regal Properties Ltd.</li> <li>• Season Impex Ltd.</li> <li>• Faith Real Estates Ltd.</li> <li>• Savera Impex Ltd.</li> <li>• Devkusha Buildcon Ltd.</li> <li>• Legend Property Pvt. Ltd.</li> <li>• Grand Real Estate Pvt. Ltd.</li> <li>• DS Exports Pvt. Ltd.</li> <li>• DS Precious Marbles &amp; Granites Ltd.</li> <li>• Ebony Click.com Pvt. Ltd.</li> <li>• Net Vision Global Pvt. Ltd.</li> <li>• Net Vision India Pvt. Ltd.</li> <li>• Birbal.com Pvt. Ltd.</li> <li>• Velocity Solutions India Pvt. Ltd.</li> <li>• Delhi Gurgaon Superconnectivity Ltd. (formerly, Jaypee-DSC Ventures Ltd.)</li> <li>• Viramgam Mehasana Projects Ltd.</li> <li>• DSC – Vicon Ventures Private Ltd.</li> </ul>

**Mr. N.S. Narula** holds a Diploma in Metallurgical Engineering and is actively involved in Group's Indian operations. Mr. N.S. Narula's joined the family business in his early 20s and has over time, played a key role in the expansion of the D.S. Group.

3	Mr V S Narula Director	65 years	NA
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**Mr. V.S. Narula**, has been actively taking part in the family run construction business started by his father, Sri Sardar Darshan Singh Narula. Over the time, Mr. Narula played a key role in the expansion of the family run construction business. He is also actively associated with the running of the Group's retail interest under the brand "EBONY" across India.

#### Changes in Directors during the last 3 years and reasons thereof

No	Name of Directors	Father's/ Husband's Name	Address	Date of Appointment	Date of Resignation
1	Mr. Balbir Singh Narula	Late Shri D.S.Narula	3, Golf Links, New Delhi -110003	18.02.2003	22.02.2003
2	Mr. V.S.Narula	Late Shri D.S.Narula	3, Golf Links, New Delhi -110003	18.02.2003	22.02.2003
3	Mr. N.S.Narula	Late Shri D.S.Narula	3, Golf Links, New Delhi -110003	18.02.2003	
4	Mr. M.S.Narula	Shri Balbir Singh Narula	3, Golf Links, New Delhi -110003	18.02.2003	
5	Mr. B.S.Narula	Shri V.S.Narula	3, Golf Links, New Delhi -110003	18.02.2003	22.02.2003
6	Mrs. Gurvinder Kaur Narula	W/o Shri M.S.Narula	3, Golf Links, New Delhi -110003	18.02.2003	22.02.2003
7	Mr. S.K.Dixit	Shri R.K.Dixit	95, Navjeevan Vihar, New Delhi	18.02.2003	31.03.2005
8	Mr. Anand Swarup Aggarwal	Shri Jyoti Prashad Aggarwal	31, Link Road, Lajpat Nagar -III, New Delhi - 110024	22.02.2003	06.09.2004
9	Mr. A.K.Dokania	Shri Satya Narain Dokania	1B/27, Salt Lake City, Sector 3, Kolkatta -700091	13.03.2003	06.09.2004
10	Mr. J.S.Punia	Shri C.B.Singh	I-13, Nanak Pura, New Delhi -	13.03.2003	06.09.2004
11	Mr. B.S.Ajitsaria	Shri Shyam Sunder Ajitsaria	DL/165, Salt Lake City, Secor 3, Kolkatta-	13.03.2003	06.09.2004
12	Mr. V.K.Malik ( Alternate Director to Mr. Dokania)	Shri R.K.Malik	17, Pratap Nagar, Jail Road, New Delhi -110064	13.03.2003	06.09.2004

13	Mr. H.S.Kohli ( Alternate Director to Mr. Punia)	Late Shri P.S.Kohli	No.1, Link Road, Jangpura Extension, New Delhi -110014	13.03.2003	06.09.2004
14	Mr. Om Prakash ( Alternate Director to Mr. Ajitsaria)	Shri Ram Lal Das	C5/17, Model Town III, Delhi - 110009	13.03.2003	06.09.2004
15	<b>Mr. V.S.Narula</b>	Late Shri D.S.Narula	3, Golf Links, New Delhi -110003	<b>31.03.2005</b>	

### Changes in Auditors during the last 3 years

There have been no change in the auditors during the previous 3 years Key Managerial Personnel

Given below is a list of key managerial personnel of Viramgam Mahesana Project Limited (VMPL). The Company confirms that all these employees are on the employment of the company as permanent employees

No	Name of Personnel	Qualification	Designation	Experience
1.	Mr. Amit Singhal	B.E. (Civil)	DGM Estimation	He has more than 14 year experience in the field of Design and Construction supervision in Infrastructure Projects.
2.	Mr. S.C. Kalla	Diploma in Civil Engineering	Senior Manager Tracks	He has 42 years of experience and held positions of GM Northern Railways, Managing Director of IRCON Iraq Operations.
3.	Mr. R.K. Sehgal	Diploma in Civil Engineering	Senior Manager Tracks	He has 42 years of experience and has expertise in Track Renewal and conversions and held position of Deputy Chief Engineer in Northern Railways.
4.	Mr. G.J. Trivedi	Civil Engineering from Baroda University	Senior Manager Engineering	He is former Civil Engineer Western Railways and has expertise in Construction of Steel/Concrete Railway Bridges, Pre stress concrete work, and testing, planning, monitoring of Track Material. He has experience of more than 40 years.

### Changes in Key Managerial Personnel in the Last Three Years

After completion of the project in December, 2004, the above personnel have been working on other railway projects of D.S. Constructions Limited

## ISSUER PROFILE

### History, Main Object and Present business of the Company

#### History Note

Viramgam Mahesana Project Limited (VMPL) is a special purpose vehicle (SPV) formed to implement the conversion of railway track between Viramgam and Mahesana Stations in Gujarat from meter gauge (MG) to broad Gauge (BG) for Western Railways on Build operate and Transfer (BOT) basis. VMPL is promoted by a consortium of D.S.Constructions Limited (DSCL), Tantia Constructions Company Limited (TCCL) and Vogue Constructions and Consultancy Services Limited (VCCL).

The Project is of the strategic importance for the Railways, being the first to be implemented through BOT Route and with Private participation. The Railways expects to substantially ease traffic congestion and enhance movement of both passenger and freight train as a result of the VM gauge conversion.

To reap the benefit of cost effective freight and looking into the development of the area and the future income, the Railways awarded the concession for implementing the gauge conversion of Viramgam-Mahesana section based on competitive bidding to the consortium led by DS Constructions Limited (DSCL) on 27<sup>th</sup> December, 2002 keeping in view the lowest semi-annual access charges quoted by the consortium. DSCL, TCCL and VCCL as per their joint venture agreement and in accordance with the terms of Letter of Award of the concession, incorporated Viramgam Mahesana Project Limited (VMPL), the Concessionaire, which signed the Concession Agreement (CA) with WR on 23<sup>rd</sup> May, 2003, to implement the project.

As per the terms of the Concession Agreement, the concession has been granted to VMPL for a period of 13.5 years from 27<sup>th</sup> December, 2002, the date of Letter of Award, which includes 18 months for design, engineering, finance, and construction of the project railway and opening of the Viramgam-Mahesana section for commercial operations. Upon achieving commercial operations, the concessionaire has allowed exclusive use of the project railway by WR, who would be responsible for its maintenance and operations after the Commercial Operations Date (COD). In lieu of the use of the project railway by WR, the concessionaire is entitled to 24 equal and fixed semi-annual payments (Rs. 7.96 crores each) in the form of access charges by WR during the remaining concession period of 12 years.

The CA grants to VMPL exclusive right, licence and authority of the Railways to implement the Project as per the terms and conditions therein, and involves the scope of project to develop, procure, finance, construct and signaling and communication system along the VM MG section and maintain the Western Railways's section from Viramgam to Mahesana for gauge conversion on the site leased to VMPL, as a non-Government private railway on BOT basis. WR would have the exclusive access to the project assets and facilities created and responsible for the maintenance and operation of VM section after COD. At the end of the concession period, the project assets and facilities will get transferred to WR, without any charge or consideration.

While originally, the project was jointly promoted by D S Constructions Ltd. (DSCL), Tantia Constructions Company Limited (TCCL) and Vogue Construction and Consultancy Services Limited (VCCL) with 45:44:11% of the equity, respectively. Accordingly, DSCL, TCCL and VCCL had entered into a Shareholder's Agreement (SA) on 17<sup>th</sup> April, 2002, outlining inter-alia their respective rights and responsibilities in respect of the Joint Venture. DSCL was nominated as Lead partner of the Consortium. SA provided, amongst other things, to comply with the stipulations of the CA regarding minimum shareholding to be maintained by the Lead Partner. CA

provides that the equity share holding of the Lead Partner of the consortium constituting the Concessionaire Company shall not be reduced to less than 26% in the issued and paid up capital of the Concessionaire Company till the issue of the Completion Certificate. As per the SA, if one or more of the partners does not contribute to the project equity when invited to do so, the other partner(s) shall have the right and obligation to take up the equity not subscribed to by the first partner(s).

However, during the course of the implementation of the Project, TCCL and VCCL decided to restrict its participation in the Project to the extent of equity contribution of Rs. 2.20 lacs and Rs. 40,000 only. In view of the above, DSCL agreed to contribute the balance equity requirement of the Project. As on date, DSCL holds 100 % equity capital of the Company along with the individual promoters of DS Group.

### **Promoter Information**

D S Constructions Ltd. (DSCL)

While VMPL has been jointly promoted by DSCL, TCCL and VCCL in terms of the Letter of Award of concession for implementing the Project, TCCL and VCCL did not take any further stake in the equity capital of VMPL owing to the modest size of their operations. In view of the same, DSCL, as the leader of the consortium, agreed to bring in the entire equity required for the project. For all practical purposes, DSCL is the main promoter of the Project. As per the Concession Agreement, the composition or the Constitution of the Concessionaire Company shall not be altered and the equity share holding of the lead partner shall not be reduced to less than 26% of the total equity or less than the equity of other partners of the Joint Venture Concessionaire Company.

DSCL is the flagship company in India of the DS Group of Companies. The DS Group has operations in countries like United Kingdom, United States of America, United Arab Emirates and Libya. The Group has interests in areas covering road construction, real estate development, trading, retailing and hospitality.

The DS Group is promoted and owned by the Narula family, which has been active in the construction business in India and abroad for the past 60 years. The Group was founded by Shri. D S Narula, who started his professional life as a military contractor. In India the DS group is active in the retailing business through Ebony Retail Holdings Ltd. which runs the "Ebony" chain of departmental stores in 6 cities viz. Delhi, NOIDA, Chandigarh, Ludhiana, Amritsar and Chennai.

DSCL was incorporated in 1978 and started its construction operations in India with Military Hospitals at Siliguri and Srinagar. However, in early eighties DSCL shifted focus overseas to take advantage of the construction opportunities there.

DSCL is headed by Shri. M S Narula (Managing Director). The Composition of the Board of Directors of DSCL is as follows:

Mr. H.S.Narula - Chairman  
 Mr. M.S. Narula - Managing Director  
 Mr. N.S.Narula - Joint Managing Director

DSCL is a closely held company. The shareholding pattern of DSCL is given hereunder:

<b>Shareholders</b>	<b>31/03/2006</b>	<b>%</b>
V.S. Narula	191,360	0.39
N.S. Narula	110,760	0.22
H.S. Narula	33,528,261	67.79
B.S. Narula	803,335	1.62
Sativender Kaur Narula	246,740	0.50
Devinder Kaur Narula	300,950	0.61
Rajinder Kaur Narula	235,625	0.48
Surina Narula	804,895	1.63
D.S. Exports Private Limited	195,000	0.39
M.S.Narula	91,650	0.19
Alphamatics Investments Ltd.	10,465,416	21.16
Anhad Narula	5,999	0.01
D.S.Global Pvt. Ltd.	600,002	1.21
D.S. Developers & Promoters Pvt Ltd.	521,937	1.06
DSC Infrastructure Private Limited	1,354,041	2.74
<b>Total</b>	<b>49,455,971</b>	<b>100</b>

DSCL has executed a number of construction projects across in the following areas:

- 250 km main highway from Multan to Quetta in Baluchistan;
- Al-Goush Road, Libya;
- Runway for the Nafoora Airport, Libya;
- Seaport Terminal, Tripoli;
- Administration Complex for Sea-Port at Misurata, Libya;
- Housing Complex at Airport Road, Tripoli;
- Military Hospitals at Siliguri & Srinagar, India and also in Libya;
- Hanger projects in Libya;
- Banking & Commercial Structures at Misurata, Tripoli and Zliten in Libya;
- Water Supply and Sewerage Disposal Project in Assam

Some of the construction projects being currently executed by DSCL in India in the infrastructure sector are as under

Project	Size (Rs Cr)	Nature of Project	Construction Period	Concession Period	Status
Delhi-Gurgaon Highway	547	BOT	24 months	17.5	In Progress
Meerut-Bijnore-Nazibabad State Highway	42	EPC	24 months	-	Completed
Katni Bypass Road	42	BOT	18 months	10	Concession signed
Raipur Durg Highway	80	BOT	36 months	12	In Progress
Chandraulii-Sultanpur Railway	50	Annuity	12 months	12	LOA received

### The Project and the Cost Associates with the Project

#### • Project Background

Project Railway i.e. the Viramgam-Mahesana direct link, is strategically located on the railway lines linking the important ports of Gujarat, such as Kandla, Mundhra and Okha to North India. At present, even as the 65 Km VM section is a preferred route, the traffic from the ports moves to North via Viramgam-Ahemdabad-Mahesana (133 Km) as the VM section was constrained because of the MG section between Viramgam and Mahesana. The project on completion has reduced the distance between North/North-Western States and ports of Gujarat by 70 Km and has also eased traffic at the busy Ahemdabad Section, resulting in big savings to Railways. The anticipated traffic on the project railway line is about 10 freight trains and 2 passenger trains each way initially, which is likely to grow further in future, as against just two trains at present. The proposed project was intended to be constructed in one phase, permitting the Railway access to commence operations on the constructed asset on entire section.

The Railways accepted the proposal submitted in response to the 'Request for proposals' of the consortium led by DS Constructions Limited (DSCL) on 27<sup>th</sup> December, 2002 keeping in view the lowest semi-annual access charges quoted by the consortium and awarded the concession for implementing the gauge conversion of Viramgam-Mahesana section to it. DSCL, TCCL and VCCL as per their joint venture agreement and in accordance with the terms of Letter of Award of the concession, incorporated Viramgam Mahesana Project Limited (VMPL), the Concessionaire, which signed the Concession Agreement (CA) with WR on 23<sup>rd</sup> May, 2003, to implement the project.

- **Scope of Work**

The scope of work to be executed as per the terms of CA included:

1. Completion of balance work of formation / bridges / buildings and connected structures as per the requirements of WR.
2. Replacement of existing MG track structure by BG track structure.
3. Introduction of modified signalling system (Standard III) with Panel Interlocking and Multi Aspect Colour Light Signalling System.
4. Modification of junction arrangements at Mahesana, Katosan Road Junction (intermediate MG junction station on the project line) and Viramgam Junction, and at other stations in the section being converted both for track structure as well as for signalling and interlocking system.
5. Modifications of electric overhead crossing the railway tracks and existing electric installation for BG clearances and augmentation of power supply along with ancillary electrical works.

### **Civil works**

Civil engineering component involved the following works:

1. Earthwork
2. Bridges
3. Railway Stations including Station Buildings, Platforms, Foot-over bridges etc.
4. Level crossings, Gate Lodges etc.

### **Track works**

Railway track component involved the following works:

1. Procurement of the following materials:
  - Rails (new rails for track and old rails for loops and sidings)
  - Pre-stressed Concrete (PSC) Sleepers
  - Points & Crossings and Switch Expansion Joints (SEJ)
  - Track fittings and Fastenings
  - Track Ballast etc.
2. Dismantling and removal of track, transporting the released materials and stacking of the track material.
3. Linking and joining of tracks
4. Ancillary items like sign boards, whistle boards, etc.
5. Signalling works
6. Signalling and Interlocking component involves the following works:
7. Work installation of field function like signals, point machines and track circuits etc.
8. Installation of indoor equipment comprising relay rack panels and power equipments.
9. Laying out-door cables to field functions and in-door relay racks installations.
10. Removing existing orthodox signalling installations.

### **Telecommunications works**

Telecommunication component involved the following works:

1. Laying of telecom cables right from Viramgam to Mahesana,
2. Supplying and installation of way-side communication equipment and connecting the same to main cable through derivation cables
3. Providing and installing power packs for telecom equipment
4. Installing emergency and gate telephones

## Electrical works

Electrical component involved the following works:

1. Modification of high tension over head transmission line crossing the railway alignment (to be done by GEB on payment from concessionaire)
2. Augmentation of power supply at stations
3. Installation of battery charging arrangements for passenger rakes at terminal stations.

### • Project Execution Plan

The entire gauge conversion from Meter Gauge to Broad Gauge was carried out in Gauge Conversion Block period from 7<sup>th</sup> May, 2004 to 25<sup>th</sup> November, 2004. During this block period all train operations were suspended on this section. However, in order to be able to effectively utilize this block period, all equipment and material required in the desired form was procured and stacked at site along the entire stretch of 65 kms.

Keeping in view the conditions set in the CA and the project characteristics, VMPL had formulated an implementation strategy, which involved completing survey, design, approval and procurement activities before gauge conversion phase. The execution of the project was planned in three phases, which were:

1. **Pre-Conversion Block Phase:** During this phase, activities relating to survey, designing, taking approvals, procuring long lead materials and completing balance civil works and other works were completed.
2. **Conversion Block Phase:** In this phase the actual conversion of MG track into BG track was carried out. During the Block Period, operation of MG trains was discontinued, the MG track was dismantled and the new BG track was laid into position along with such works that which could only be executed during the block period.
3. **Post Conversion Block Phase:** In this phase the new BG track was made operational, which involved, achieving stabilization of track, inspection by Independent Engineers, Inspection by Commissioner Railway Safety, achieving commencement of commercial operations and handing over of the project to the WR for train operations.

### • Implementation Schedule

As per the schedule prepared by VMPL, the project achieved commencement of commercial operations on 02<sup>nd</sup> December 2004. The following table lists the key dates of project implementation:

#### Major Events in History of Viramgam Mahesana Project Limited (VMPL)

Key Project Milestones		
Sl	Activities	Date
1	Letter of Acceptance	27-Dec-02
2	Award of EPC Contract to DSCL	7-Mar-03
3	Signing of the Concession Agreement	23-May-03
4	Scheduled Date of Completion	27-Jun-04
5	Actual Date of Completion (PVC)	25-Oct-04
6	COD/CRS Inspection- Actual	2-Dec-04
7	Defect-Liability period/ Performance Certificate	31-Oct-02
8	Maintenance Liability period/Completion Certificate- Revised	31-Oct-06

9	Scheduled payment of first annuity	30-Jun-04
10	Actual payment of first annuity	31-Dec-04
11	Annuity payments received	Three

- **Lender's Engineer & Legal Counsel**

Having regard to the fact that it is the first Railway Project being implemented on Build-Own-Transfer basis and an array of contractual obligations involved, the Company had taken the assistance of external agencies to identify the potential risk areas and mitigation of the same. Accordingly the company appointed M/s. Balaji Railroad Systems Ltd. (BARSYL) and Indian Law Services (ILS) as the Lender's Engineers (LE) and Legal Counsel (LC) respectively.

BARSYL is a specialized railway consultancy firm and has provided its services for several railway projects in India and abroad. In their capacity as the LE, BARSYL were required :

1. Prior to financial close review the project contracts / agreements including scope of the project, project management structure, design, construction, schedule for implementation and commissioning, project cost estimates and infrastructure support to the project;
2. Report at regular intervals on physical progress in construction upto commencement of commercial operation.
3. Assess variation in orders & contracts and its implication on the technical aspects of the project and capital cost estimates.
4. Report and certify physical performance testing and acceptance provisions.
5. Monitor and certify compliance with Concession Agreement and other regulatory requirements.

During the construction LE monitored the progress of the Project, Disbursements beyond 50% of the sanctioned amount was made only upon receipt of the report from the LE confirming satisfactory progress in respect of implementation of the project.

ILS is a partnership firm involved in providing legal services to infrastructure projects and other corporate related matters. As the LC, major responsibilities of ILS were to:

1. Carry out legal due diligence of the project contracts and advise the lenders on the risk sharing and comprehensiveness of the project contracts and provide specific local law advice, as requested by lenders, on all project contracts;
2. Vet the executed or to be executed project contracts;
3. Review and comment on the compliance of the obligations of the company in terms of the agreements and on the guarantees obtained under the project contracts;
4. Provide a legal opinion, inter-alia on the statutory and legal approvals and consents required for the project and the validity of the project documents under the agreements and their enforceability and transferability;
5. Review and comment on any applicable laws, regulations, codes of conduct or similar requirements, any rules of general law or any requirements of any regulatory body with jurisdiction over the project;
6. Draft, review, comment, modify and finalize the drafts of the finance and security documents with the terms and conditions in accordance with the terms of sanctions of the lenders and to vet the executed documents;
7. Confirm and certify that the project contracts executed are in conformity with the concession agreement and that the financing documents and securities are valid in law and enforceable;
8. Advise and assist on all legal and documentary arrangements required for the purpose of financial closure up to and including, the first drawl of the lenders' loan by the project company;

9. Carry out a scrutiny all the title deeds of the company, including investigation of the company's title to its properties for the purpose of creation of mortgage security in terms of sanction and the common terms agreement and to confirm that the mortgage security proposed to be created is in accordance with the requirements of the law.

- **Project Cost**

The total cost of the project was Rs. 90.00 crores including IDC. The break up of the project costs is given in the table below:

S. No	Particulars	Cost (Rs. crores)
1	Construction Costs (EPC)	81.81
2	Pre operative and preliminary costs	3.59
3	Interest during construction	4.60
	<b>Total</b>	<b>90.00</b>

### Construction Cost

The total construction cost (Value of EPC Contract) for the project was Rs 81.81 crores. The construction cost is divided mainly into

1. **Track work:** Track work includes cost of laying tracks and electrical work associated with it, the civil works for the gauge conversion, the cost of concrete sleepers for laying tracks of PSC 60 Kg and the signalling costs. The total track work cost was Rs 48.5 crores.
2. **Telecom works:** The telecom cost includes the cost of setting up telecommunication systems along the track and was Rs 0.73 crores
3. **Material cost:** Materials for gauge conversion include the cost of Rails to be replaced, the cost of cable and other equipment and materials. Of these, rails account for a majority of the cost. The total material cost was Rs 30.13 crores.
4. **Fees of design and supervision consultant** was Rs 0.85 crores
5. **Testing and commissioning** of the new rail tracks cost was Rs 0.2 crores
6. **Contingency:** The construction cost factors a contingency provision of 2%.

- **Means of Finance**

The project was funded in a debt: equity ratio of 70:30, i.e., a leverage of 2.33 (which can be considered acceptable given the fact that revenue figure for VMPL would be more or less certain). Hence, the debt and equity contribution was as follows:

Sources of Finance	Amount (Rs. in crores)
Equity	27.00
Term Debt	63.00
<b>Total</b>	<b>90.00</b>

The equity contribution of Rs. 27.00 crores was brought by the Project Sponsors. It was understood that given their modest size of operations, VCCL and TCCL would not be subscribing to any further issue of VMPL's equity and thus, entire further equity contribution to the project was provided by DSCL. In this regard it is to be mentioned that while at the time of submission of bids the proposed equity structure envisaged was 44% equity by TCCL and 11% by VCCL, however, the CA does not stipulate maintaining the same proportion of equity holding. The CA only provides that the shareholding of the leader of consortium, DSCL, to be maintained at minimum 26% till the date of issuance of the completion certificate.

DSCL, the main promoter and the EPC contractor, is one of the leading construction companies in the country focused on developing infrastructure projects. Given the profitable operations and project management expertise of the DS Group of companies, no problem was faced in respect of bringing in the envisaged promoters' contribution and timely implementation of the project. DSCL brought its equity contribution from its internal accruals as well as inward remittances from its associate companies.

### **Main Object as per Memorandum and Articles of Association**

To construct, design, execute, develop, maintain, operate, undertake, erect, establish, carry – out, improve, repair, work, own, administer or manage on commission or on “Build – Own – Transfer” (BOT) basis or otherwise of the Project Railway viz – VIRAMGAM – MAHESANA Gauge Conversion project for the Western Railways.

### **Declaration by Directors:**

In our opinion and to the best of our knowledge and belief, there have arisen no circumstances since the date of the last financial statements as disclosed in the shelf Information Memorandum which materially and adversely affect or are likely to affect the profitability of the company, or the value of its assets, or its ability to pay its liabilities within the next twelve months.

### **Performance of Subsidiaries/Affiliates**

The Company has no subsidiaries

### **Related Party transactions**

D.S. Constructions Limited is the promoter of the Company. It holds 99.989% shares of the Company out of Rs 27.00 Crores of Paid up capital. D.S. Constructions Limited was also appointed as EPC Contractor of the Company to execute the engineering, procurement and construction of the gauge conversion project. The EPC Contract was for Rs. 93.58 Crores.

**Financial Information – A Report by Auditors**

**The Board of Directors  
Viramgam Mahesana Project Limited  
C-66, South Extension-II  
New Delhi-110049**

Dear Sir,

As required for the purpose of certification of Summary of Statement of Accounts in connection with the listing of Non- Convertible Debentures of the Company in Bombay Stock Exchange Ltd., Mumbai we state as follows:

- 1) We have examined the unaudited financial statements of **Viramgam Mahesana Project Limited** for the period ended on December 31, 2005, also the audited financial statements for the preceding two financial years ended March 31, 2005. The said accounts upto the year ended March 31, 2005, have also been audited by us in the capacity of statutory auditors.
- 2) On the basis of and on consideration and examination of these financial statements, we certify that the figures included in the annexed statement of Profit and Loss accounts for the period ended December 31, 2005, and for the preceding two financial years ended March 31, 2005 and the annexed Statement of Assets and Liabilities for the preceding two financial years as at March 31<sup>st</sup>, 2005, along with the significant accounting policies, are prepared from the audited financial statement of **Viramgam Mahesana Project Limited**.
- 3) Further, we confirm that the annexed statements have been restated after making therein the adjustments required to be made in accordance with the provisions of [paragraph 6.10.2.7] of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 ('the Guidelines') issued by the Securities and Exchange Board of India (SEBI) in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992.
- 4) As stated above this report is for the purpose of certifying the **Viramgam Mahesana Project Limited's** Summary Statement of Accounts in connection with the listing of Non-Convertible Debentures in Bombay Stock Exchange Ltd., Mumbai, and is not to be and should not be used for any other purpose except as stated above.

**PLACE: NEW DELHI  
DATE : JUNE 08, 2006**

**(GURMEET S. GREWAL)  
PARTNER  
M. NO. 82918**

**VIRAMGAM - MEHASANA PROJECT LIMITED**  
**SUMMARY OF ASSETS AND LIABILITIES, AS RESTATED**

PARTICULARS	31-Dec-05	31-Mar-05	31-Mar-04	18-Feb-03 to 31-Mar-03
<b>FIXED ASSETS</b>				
Gross Block	1,022,433,389	1,022,433,389	-	-
Less: Depreciation	90,961,989	27,072,715	-	-
Net Block	931,471,400	995,360,674	-	-
Capital Work In Progress Including Capital Advances	-	-	730,418,291	-
<b>TOTAL</b>	<b>931,471,400</b>	<b>995,360,674</b>	<b>730,418,291</b>	<b>-</b>
<b>INTANGIBLE ASSETS</b>	-	-	-	-
<b>DEFERRED TAX ASSETS</b>	-	-	-	-
<b>INVESTMENTS</b>	-	-	-	-
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>				
Amount Recoverable from Holding Company	409,488,458	-	-	-
Deposits for Bank Guarantee	-	25,000,000	50,000,000	-
Fixed Deposits(inclusive of interest)	60,661,312	15,024,873	-	-
Cash and Bank Balances	90,079,366	271,140	53,816	499,900
Advances to Contractors	-	-	118,243,054	417,000
Other Current Assets	1,960,228	37,188	-	500,700
<b>TOTAL</b>	<b>562,189,364</b>	<b>40,333,201</b>	<b>168,296,870</b>	<b>1,417,600</b>
<b>TOTAL ASSETS</b>	<b>1,493,660,764</b>	<b>1,035,693,875</b>	<b>898,715,161</b>	<b>1,417,600</b>
<b>LIABILITIES &amp; PROVISIONS</b>				
Secured Loans(inclusive interest)	1,030,474,521	610,541,020	620,428,028	-
Unsecured Loans	-	-	-	-
Current Liabilities & Provisions	160,601,832	154,189,978	10,171,738	1,428,205
Deferred Tax Liability	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>1,211,076,353</b>	<b>764,730,998</b>	<b>630,599,766</b>	<b>1,428,205</b>
<b>NET WORTH</b>	<b>282,584,411</b>	<b>270,962,877</b>	<b>268,115,395</b>	<b>(10,605)</b>
<b>REPRESENTED BY</b>				
Share Capital	270,000,000	270,000,000	270,000,000	500,000
<b>RESERVES &amp; SURPLUS</b>				
General Reserve	-	-	-	-
Balance in Profit & Loss Account	12,584,411	962,877	-	-
Miscellaneous Expenditure(to the extent not written off or adjusted	-	-	(1,884,605)	(510,605)
<b>TOTAL</b>	<b>282,584,411</b>	<b>270,962,877</b>	<b>268,115,395</b>	<b>(10,605)</b>

The accompanying significant accounting policies and Statement of changes are an integral part of this statement

**AUDITORS' REPORT**  
 In terms of our report of even date  
 for GREWAL & SINGH  
 Chartered Accountants

*Gurmeet S. Grewal*

(GURMEET S. GREWAL)  
 PARTNER  
 M. NO. 82918

DATE : JUNE 08, 2006  
 PLACE : NEW DELHI



for and on behalf of the  
 VIRAMGAM - MEHASANA PROJECT

NARINDER SINGH NARULA  
 DIRECTOR

VIRINDER SINGH NARULA  
 DIRECTOR

DATE : JUNE 08, 2006  
 PLACE : NEW DELHI

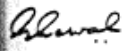
## VIRAMGAM MEHASANA PROJECTS LIMITED

## STATEMENT OF PROFITS / (LOSS), AS RESTATED

PARTICULARS	31-Dec-05	31-Mar-05	31-Mar-04	18-Feb-03 to 31-Mar-03
<b>INCOME</b>				
Annuity Receipts	119,542,500	50,794,615	-	-
Interest	1,356,184	177,850	-	-
<b>TOTAL</b>	<b>120,898,684</b>	<b>50,972,465</b>		
<b>EXPENDITURE</b>				
Administration & General Expenses	276,122	103,914	-	-
Establishment Expenses	-	-	-	-
Finance Charges	44,035,314	20,502,966	-	-
Professional/ Audit/ Statutory fees	8,632	356,917	-	-
Miscellaneous Expenditure Written off	-	1,884,605	-	-
Depreciation/Amortization	63,889,274	27,072,715	-	-
Less: Transfer From Revaluation Reserve	-	-	-	-
<b>TOTAL</b>	<b>108,209,342</b>	<b>49,921,117</b>		
<b>PROFIT /(LOSS) BEFORE TAX &amp; EXTRA - ORDINARY</b>	<b>12,689,342</b>	<b>1,051,348</b>		
<b>ITEMS</b>				
PROVISION FOR TAX	1,067,808	88,471	-	-
Income Tax Adjustment	-	-	-	-
Deferred Tax	-	-	-	-
<b>NET PROFIT/(LOSS) BEFORE EXTRA- ORDINARY ITEMS</b>	<b>11,621,534</b>	<b>962,877</b>		
Extra - Ordinary Items (net of tax)	-	-	-	-
Unspent Liabilities and Provisions Written Back	-	-	-	-
<b>NET PROFIT/(LOSS) AFTER EXTRA- ORDINARY ITEMS &amp; BEFORE ADJUSTMENTS</b>	<b>11,621,534</b>	<b>962,877</b>		
Adjustments for Unspent Liabilities & Provisions for earlier Years	-	-	-	-
Balance b/f from Previous years	962,877	-	-	-
<b>PROFIT /(LOSS) AVAILABLE FOR APPROPRIATIONS, AS RESTATED</b>	<b>12,584,411</b>	<b>962,877</b>		
<b>APPROPRIATIONS</b>				
Deferred Tax Adjustment	-	-	-	-
<b>BALANCE CARRIED FORWARD, AS RESTATED</b>	<b>12,584,411</b>	<b>962,877</b>		

The accompanying significant accounting policies and Statement of changes are an integral part of this statement

**AUDITORS' REPORT**  
in terms of our report of even date  
for GREWAL & SINGH  
Chartered Accountants

  
(GURMEET S. GREWAL)  
PARTNER  
M. NO. 82918

DATE : JUNE 08, 2006  
PLACE : NEW DELHI



for and on behalf of the  
VIRAMGAM - MEHASANA PROJECT

NARINDER SINGH NARULA  
DIRECTOR

VIRINDER SINGH NARULA  
DIRECTOR  
DATE : JUNE 08, 2006  
PLACE : NEW DELHI

**VIRAMGAM – MAHESANA PROJECT LIMITED****NOTES TO RESTATED FINANCIAL STATEMENTS****BACKGROUND**

Viramgam – Mahesana Project Limited was incorporated under the Companies Act, 1956 on the 18<sup>TH</sup> day of February 2003 with the main object of carrying a contract to convert meter gauge railway line to broad gauge railway line between Viramgam and Mahesana in the state of Gujarat by Western Railways on 'Build Own Transfer' (BOT) basis.

**SIGNIFICANT ACCOUNTING POLICIES****1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

- a) The financial statements have been prepared following the historical cost convention and on the concept of an ongoing concern in accordance with the provisions of the Companies Act, 1956 as adopted consistently by the company.
- b) Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting principles.

**2. BASIS OF ACCOUNTING**

Income and expenditure are recognized on accrual basis.

**3. PRELIMINARY EXPENSES**

In terms of the provisions of Accounting Standard 26, which has become mandatory with effect from April 01, 2004, the carrying amount of preliminary expenses consisting of expenses incurred for increasing the authorised share capital have been charged of completely in the year in which these expenses are incurred.

**4. REVENUE RECOGNITION**

The Company follows the mercantile system of the accounting, recognizing Income and Expenditure on the accrual basis. The Annuity is being received on half yearly advance basis on 30<sup>th</sup> June and 31<sup>st</sup> December, every year, therefore the proportionate amount of the Income has been recognized during the year and the balance has been carried over to be accounted for in the next year and so on in compliance with the Accounting Standard AS-9 issued by the Institute of the Chartered Accountants of India.

**5. FIXED ASSETS**

Fixed Assets are stated at the historical cost less Depreciation. The Pre-operative expenses incurred during the construction period which had been transferred to the Capital Work in Progress pending capitalization on completion of the Project, have been included in the cost of the Project Assets proportionate to the Cost of Civil Works and the Railways Track Works.



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**6. DEPRECIATION/ AMORTISATION**

Depreciation has been provided on the Fixed Assets, other than Infrastructure assets under BOT of the Company as per the rates prescribed in Schedule XIV of the Companies Act, 1956 following the Written-down Value Method.

The Infrastructure assets under BOT, constructed/ created on the land not owned by the company are amortised over a period of the right given under the Concession Agreement.

**B. NOTES TO ACCOUNTS****1. PROJECT**

The company was awarded a contract to convert meter gauge railway line to broad gauge railway line between Viramgam and Mahesana, in the State of Gujarat by Western Railways, the contract value being Rs. 89.30 crores. However, the Cost of the Project on completion has been Rs. 102.22 Crores.

**2. Deferred Taxation (AS-22)**

In pursuance of the Accounting Standard Interpretation-3 issued by the Institute of Chartered Accountants of India on deferred taxation, the provision for deferred tax liability, created during the previous year and expected to be reversed during the tax holiday period under section 80IA, has been reversed back during the year to which it relates to the balance of profit and loss account.

**3. Change in Accounting Policies****Depreciation**

The company had provided or charged, during the previous year the depreciation on its fixed assets at the rates prescribed in schedule XIV of the Companies Act, 1956 following the written down value method. During the year the company has changed its policy of charging the depreciation for those fixed assets which are infrastructure assets under BOT by amortizing them over a period of the right given under the concession agreement i.e. twelve years.

This has resulted in write back of depreciation of Rs. 1,75,93,292/- for the period ended March 31, 2005 in the restated accounts.

**Deferred Taxation**

The company for the previous year ended March 31, 2005 had created the provision of deferred tax liability for timing difference on account of depreciation by following the Accounting Standard issued by the Institute of Chartered Accountants of India.

Deferred Tax Liability on account of depreciation previously created is expected to reverse during the tax holiday period under section 80IA and hence reversed back as there will no tax liability. The reversal has been done in accordance with the Accounting Standard Interpretation -3 issued by the Institute of Chartered Accountants of India.



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The deferred tax liability has therefore been reversed under the restated statement in the year in which it is created to give effect to the above. Similarly no deferred tax asset and liability has been considered for the period ended December 31, 2005.


**Impact of Change in Accounting Policies**

Particulars	Year Ended 31.12.05	Year Ended 31.03.05	Year Ended 31.03.04
Net Profit after Tax and Extra Ordinary Items	4,07,89,677	(4,34,17,286)	NA
<b>Adjustment on account of</b>			
i) Amortisation/ Depreciation on Project Assets/ Facilities	-	1,75,93,292	NA
ii) Deferred Tax Liability reversed	(2,83,83,026)	2,83,83,026	NA
iii) Preliminary Expenses written off	2,82,691	(15,07,684)	NA
<b>Restated Profit</b>	<b>1,26,89,342</b>	<b>10,51,348</b>	<b>NA</b>

4. The figures for the period from the day of incorporation of the company i.e. February 18, 2003 to March 31, 2003 have been provided in the restated financial statement. However the first annual accounts were finalized and audited for the period from February 18, 2003 to the March 31, 2004.

**AUDITORS' REPORT**

As per our report of even date  
For Grewal & Singh  
Chartered Accountants



(GURMEET S. GREWAL)  
Partner  
Membership No. 82918



For and on behalf of the board of  
Viramgam Mehasana Projects Ltd.

Narinder Singh Narula  
Director

Virinder Singh Narula  
Directors

Place : New Delhi  
Date : June 08, 2006

Place : New Delhi  
Date : June 08, 2006

**Other Financial Information****Statement of Financial Ratios**

		<b>2004</b>	<b>2005</b>
		<b>Year ended</b>	<b>Year ended</b>
	<b>Note Reference</b>	<b>31st March</b>	<b>31<sup>st</sup> March</b>
BASIC EPS (Rs.)	1	NA	-3.62
NAV (Rs.)	2	44.68	8.34
Return on Networth ( % )	3	NA	-19.29

## Notes:

- Earnings per share is calculated by dividing the adjusted net profit for the year attributable to ordinary shareholders (i.e. Net Profit after Tax) by the weighted average number of ordinary shares outstanding during the year, as set out below:

	<b>2004</b>	<b>2005</b>
	<b>Year ended</b>	<b>Year ended</b>
	<b>31st March</b>	<b>31<sup>st</sup> March</b>
(i) Basic		
(a) Number of Ordinary Shares at the beginning of the year	60,00,000	60,00,000
Number of Ordinary Shares at the end of the year	60,00,000	2,70,00,000
Weighted average number of Ordinary Shares outstanding during the year	60,00,000	1,20,00,000
Face Value of each Ordinary Share - Rs.	10	10
(b) Profit after Tax available for Ordinary Shareholders (Rs. Lakhs)	0.00	-434.17
Basic Earnings per Share - Rs.	0.00	-3.62

- Net assets value per share is arrived at by dividing total adjusted equity shareholders' funds (i.e. Net Worth) at the end of the year by the number of ordinary shares at the end of the financial year. The NAV includes value of Intangible assets.
- Return on Net Worth is arrived at by dividing adjusted net profit for the year (i.e. Net Profit after Tax) attributable to equity shareholders by total adjusted equity shareholders' funds (i.e. Net Worth) at the end of the financial year.

## Statement of Taxation

( Rupees in Lakhs)

	<b>2004</b>	<b>2005</b>
	<b>Year ended</b>	<b>Year ended</b>
	<b>31st March</b>	<b>31<sup>st</sup> March</b>
<b>Profit Before Tax As Per Books</b>	0.00	-150.34
Add : Items Disallowable as per Income Tax Act	0.00	446.66
Less : Items Allowable as per Income Tax Act	1131.93	1263.91
Taxable Profit as per I.Tax Act	-1073.25	-967.59
<b>Tax On above</b>	Nil	Nil

Note:

Effect of assessment orders where obtained, have not been considered for this Statement.

**Capitalisation Statement**

	<u>Rs. in Lakhs</u>
	<u>As on March 31, 2005</u>
<b>Debt</b>	
Short Term Debt	0.00
<b>Long Term Debt</b>	
<b><u>Debentures (inclusive of accrued interest but not due)</u></b>	6105.41
(Secured by equitable mortgage against the Land of the company and personal guarantee of directors)	
<b>Total Debt</b>	<b>6105.41</b>
<b>Shareholders' Funds</b>	
Share Capital	2700.00
Reserves and Surplus (net of Miscellaneous Expenditure to the extent not written off or adjusted)	-449.25
<b>Total Shareholders' Funds</b>	<b>2250.75</b>
<b>Long Term Debt / Equity</b>	<b>2.88</b>

## Notes:

1. Loans to be repaid within the next one year are considered as Short Term Debt for the purpose of this Capitalisation Statement. Only long term loans are considered for calculating this ratio.
2. The post-issue Capitalisation cannot be determined at this stage pending firming up of related plans.

**Terms of Loans and assets charged as securities**

Description	Balance as at 31 <sup>st</sup> March 2005 Rs. in lakhs	Interest Rate
<b>Secured Loans</b> 10.5% Redeemable Non-Convertible Debentures OF Rs. 10/- each (The debentures are collaterally secured by equitable mortgage against the land of the company and the personal guarantees of the Directors)	6105.41	10.50% p.a.

**Note :**

The company has commenced redemption of debentures in accordance with the terms of issue i.e. in 14 semi-annual instalments beginning from December 31, 2004. accordingly, 3,17,000 debentures were redeemed on December 31, 2004. In terms of section 117C of the Companies Act, 1956, the company was required to make Debenture Redemption Reserve of an amount equivalent to 25 percent of the face value of the debentures. In view of the loss incurred by the company and also taking into consideration the circular number 9/2002 dated April 18, 2002 issued by the Department of Company Affairs, Debenture Redemption Reserve has not been created.

## Financial Information of Group Companies

D.S. Constructions Limited has formed and incorporated following special purpose companies to develop the infrastructure projects won on competitive biddings, which are Co-subsidiary Companies of Viramgam Mahesana Project Limited:

### DELHI-GURGAON SUPER CONNECTIVITY LIMITED (Formerly JAYPEE DSC Ventures Limited)

Registered Office: "Dundahera", Delhi-Gurgaon Border, Km-24 Milestone, NH-8, Gurgaon – 122016 (Haryana)

No. of Company: 05-35122

Date of Incorporation: 22.03.2002

### **Conversion of existing Delhi-Gurgaon Section of NH-8 from Km. 14.3 to Km. 42.0 into an access controlled 8/6 lane Expressway on Build , Own and Transfer(BOT) Basis for National Highway Authority of India (NHAI)**

The Project is under construction stage. No Profit & Loss account is prepared as the expenditure during the construction period is being accumulated to be capitalized on completion of the project. The Project is scheduled to be substantially completed by December, 2006

Located in one of the fastest developing regions in the country and with expected toll revenues of over Rs.1,200 million in the first complete year of operations, the Delhi-Gurgaon Expressway Project is arguably India's best BOT asset in the roadways sector. The project includes conversion of Delhi- Gurgaon Section of NH-8 into an access controlled 6/8 Lane Highway with service lane along certain section & strengthening of existing lane from Km 14.300 to Km 42.00 falling partly in Delhi & Harayana to be executed at site, including maintenance of the existing lanes during Construction Period.

<b>PROJECT SUMMARY</b>	<i>(in Rs. Millions)</i>
Name of Project	Delhi Gurgaon Access Controlled Highway
Cost of Project	10,000
Debt	4,900
Equity	2,100
NHAI Source Fund	3,000
<b>KEY DATES</b>	
Concession Agreement Signed	Apr-2002
Date of Financial Closure	May-2003
Appointed Date/ Concession Period Starts	Jan -2003
COD	Dec-2006
Concession Period Ends	Jan -2023

**Paid up Capital as on date: Rs. 144.26 Crores;  
(Authorised Capital: Rs. 164.20 Crores)**

D.S.Constructions Limited and its affiliates : 98.59%  
Jaiprakash Associates Limited : 1.41%

\* \* \*

**DSC VICON VENTURES PRIVATE LIMITED**

Registered Office: C-66, South Extension Part II, New Delhi - 110049

No. of Company: 055-120130

Date of Incorporation: 01.05.2003

**Conversion of existing Raipur-Durg section of National Highway-6 from Km. 282.0 to Km.308.6 in the State of Chhatisgarh into an access controlled Four Lane Expressway on Build , Own and Transfer (BOT) Basis for Ministry of Shipping, Road Transport & Highways**

The Project is under construction stage. No Profit & Loss account is prepared as the expenditure during the construction period is being accumulated to be capitalized on completion of the project. The project is scheduled to be completed in June, 2006. The Estimated Project cost is Rs. 114 Crores.

NH6 provides connectivity between Mumbai and Kolkata and other important regions of West, Central and Eastern/North–Eastern India. It is located in the state of Chattisgarh and provides connectivity to the important cities of the urban and industrial complex of the state, such as Raipur, which is the capital of Chattisgarh, Bhilai, the steel town and Durg, the industrial town. Therefore, in addition to providing connectivity to Western and Eastern regions of India, the project highway also carries high volumes of urban/local and commercial/through traffic.

The Project Highway is one of the busiest sections of NH-6 and carries both local and inter-state traffic. There being no comparable alternative road, this section has a high traffic density. Four laning of the Raipur-Durg section is further expected to fuel the economic growth of the region, especially as a new capital of Raipur is expected to come up with the formation of the new state of Chattisgarh. High traffic volumes, lower seasonality and continuing economic growth in the Raipur-Durg region would not only ensure the commercial viability of the project but also provide an ideal financing opportunity for investors and healthy returns.

<b>PROJECT SUMMARY</b>	<i>(in Rs. Millions)</i>
Name of Project	Raipur Durg
Cost of Project	1140
Debt	637
Equity	273
<b>KEY DATES</b>	
Concession Agreement Signed	May – 2003
Appointed Date/ Construction Start Date	Jun - 2003
Date of Financial Closure	Jul - 2003
Scheduled COD	Jun - 2006
Concession Period Ends	Mar - 2015

**Paid up Capital as on date: Rs. 24.53 Crores;  
(Authorised Capital: Rs. 27.00 Crores)**

D.S. Constructions Limited and its affiliates: 100%

\* \* \*

**RAIPUR EXPRESSWAYS LIMITED**

Registered Office: C-66, South Extension Part II, New Delhi – 110049

No. of Company: 055-13538

Date of Incorporation: 06.05.2005

**Improvement , Operation and Maintenance of Rehabilitation and strengthening of existing two lane road and widening to four lane divided Highway of Km. 239.000 to Km. 281.000 of NH -6 ( Raipur –Aurang Section ) in the State of Chhatisgarh on Build Own and Transfer (BOT) Basis for National Highways Authority of India (NHAI).**

The Project is under construction stage and first set of accounts books are being closed for period ended 31<sup>st</sup> March, 2006. No Profit & Loss account is prepared as the expenditure during the construction period is being accumulated to be capitalized on completion of the project.

The project assignment contemplates widening and upgrading the Aurang – Raipur section (Km 239 to Km 282 of NH-6) in the state of Chattisgarh from existing 2-lane to 4-lane configuration on a BOT basis. The National Highway 6 (NH-6) originates from West Bengal and traverses through the states of Chatisgarh, Madhya Pradesh and Maharashtra, connecting Kolkata to Surat in Gujarat. Project Cost is Rs.2.6 billion with a concession period of 25 years. The expressway links Raipur with the surrounding industrial areas. The Project Road starts at Km 239 and ends at Km 282 (right at the start of the ongoing Raipur Durg project) on NH-6. Located adjacent to the Raipur Durg project, there would be considerable saving in terms of cost and time of construction for Raipur-Aurang.

<b>PROJECT SUMMARY</b>	<i>(in Rs. Millions)</i>
Name of Project	Raipur Aurang Expressway
Cost of Project	2,587
Debt	1,811
Equity	741
Grant	35
<b>KEY DATES</b>	
Concession Agreement Signed	Oct- 2005
Appointed Date/ Construction Start Date	Apr - 2006
COD	Oct -2008
Concession Period Ends	Oct - 2031

**Paid up Capital as on date : Rs. 1.00 Crores ;  
(Authorised Capital :Rs. 1.00 Crore)**

D.S.Constructions Limited and its associates : 58.22%  
 Apollo Enterprises Limited, U.K. : 40.00%  
 ( A DSC Group Company)  
 John Laing International Limited, U.K. : 1.25%  
 Laing O'Rourke Plc, U.K. : 0.50%

\* \* \*

**SANDUR BYPASS PROJECT LIMITED**

Registered Office: C-66, South Extension Part II, New Delhi – 110049

No. of Company: 055-139226

Date of Incorporation: 02.08.2005

**Development of Bypass Roads to Sandur Town ( Bellary District) on Build Operate and Transfer(BOT) basis for PWD, State Government of Karnatka**

The Project is under construction stage and first set of accounts books are being closed for period ended 31<sup>st</sup> March, 2006. No Profit & Loss account is prepared as the expenditure during the construction period is being accumulated to be capitalized on completion of the project.

The project is the development of a bypass roads to Sandur town, which would help divert the heavy iron ore traffic moving from mines situated in and around Sandur away from the town. The town is surrounded by Bellary and Hospet, two of the important cities in the area. Project cost is of Rs. 0.4 billion for a concession period of 20 years. Sandur town is well connected with railways for transporting the material from mines and has railway heads at Yashwantpura, Ranjitpura, Bannihatti and Hospet railway yard. The town has no provision for passenger transportation with Hospet being the only nearest railway station. Preliminary observations of the traffic on the corridors passing through the Sandur town indicate high volume of commercial traffic especially two-axle trucks and MAVs. Smaller volume of two-wheelers and cars also contribute to the total traffic observed on the corridors and may be attributed mainly to the local factor.

<b>PROJECT SUMMARY</b>	<i>(in Rs. Millions)</i>
Name of Project	Sandhur Bypass
Cost of Project	397
Debt	278
Equity	119
<b>KEY DATES</b>	
Concession Agreement Signing Date	Nov. 2005
Concession Period / Constructions Starts	May, 2006
COD	Nov.2007,
Concession Period Ends	May, 2026

**Paid up Capital as on date : Rs. 5.00 Lacs ;  
(Authorised Capital :Rs. 5.00 Lacs)**

D.S.Constructions Limited and its associates : 100%

\* \* \*

**LUCKNOW-SITAPUR EXPRESSWAYS LIMITED**

Registered Office: C-66, South Extension Part II, New Delhi – 110049

No. of Company: 055-142204

Date of Incorporation: 28.10.2005

**Improvement , Operation and Maintenance including strengthening and widening of existing two lane road to four lane dual carriageway from Km. 488.270 to Km. 413.200 of NH -24 ( Lucknow-Sitapur Section ) in the State of Uttarpradesh on Build Operate and Transfer(BOT) Basis for National Highway Authority of India**

The Project is under construction stage and first set of accounts books are being closed for period ended 31<sup>st</sup> March, 2006. No Profit & Loss account is prepared as the expenditure during the construction period is being accumulated to be capitalized on completion of the project.

The project involves strengthening and widening to 4-lanes of the existing 2-lane section of NH24 between Lucknow and Sitapur (Km 413.600 to Km 489.000) in the state of Uttar Pradesh on a BOT basis. The project cost is Rs. 4.2 billion and the concession is for a period of 20 years. The National Highway 24 (NH24) originates at New Delhi and ends at Lucknow, covering approximately 500Km. Except for initial 15Km in Delhi, the entire NH24 is in UP State, in the northern part of Indian Peninsula.

The project enhances the accessibility of western UP, Uttaranchal, Northern Haryana, Punjab, Himachal Pradesh and Jammu & Kashmir States to the EW corridor and GQ. Due to its connectivity to EW corridor, high economic growth of area along NH24 and accordingly rapid traffic growth on NH24 are likely in the future. Lucknow, the capital of UP State, at one end is likely to add to the traffic growth on the project road.

<b>PROJECT SUMMARY</b>	<i>(in Rs. Millions)</i>
Name of Project	Lucknow Sitapur Expressway
Cost of Project	4,151
Debt	2,906
Equity	65
Grant	1180
<b>KEY DATES</b>	
Concession Agreement Signed	Dec – 2005
Appointed Date/ Construction Start Date	Jun - 2006
COD	Jun -2009
Concession Period Ends	Jun - 2026

**Paid up Capital as on date : Rs. 1.00 Crores ;  
(Authorised Capital :Rs. 1.00 Crore)**

D.S.Constructions Limited and its associates : 58.22%  
Apollo Enterprises Limited, U.K. : 40.00%  
( A DSC Group Company)  
John Laing International Limited, U.K. : 1.25%  
Laing O'Rourke Plc, U.K. : 0.50%

\* \* \*

**KMP EXPRESSWAYS LIMITED**

Registered Office: C-66, South Extension Part II, New Delhi – 110049

No. of Company: 055-142356

Date of Incorporation: 09.11.2005

**Development of access controlled 4/6 lane Kundli-Manesar-Palwal Expressway in the State of Haryana on Build Own and Transfer(BOT) basis for Haryana State Industrial Development Corporation (HSIDC)**

The Project is under construction stage and first set of accounts books are being closed for period ended 31<sup>st</sup> March, 2006. No Profit & Loss account is prepared as the expenditure during the construction period is being accumulated to be capitalized on completion of the project.

The alignment of proposed Express highway takes off from NH-I near Kundli, crosses NH-10 at west of Bahadurgarh, crosses the NH-8 near Manesar and finally joins NH-2 near Palwal. The length of proposed Expressway is around 135.65km. Project Cost is of Rs.16.5 billion with a concession period of 23 years 9 months. The stretch of 135 km access controlled expressway is one of the longest stretches in the country. The project lies in the NCR which has experienced major industrial and urban development in the satellite towns like Gurgaon and Noida. This exponential growth around NCR has brought all surrounding areas into focus. The project provides a high-speed link to the Northern Haryana with its southern districts like Sonipat, Jhajjar, Gurgaon & Faridabad. This western peripheral spells the large opportunity for large scale developments and it would be a third ring road in NCR once the eastern peripheral is also constructed.

Kundli - Manesar - Palwal Expressway is a perfect destination for being a Dry Port and development of an SEZ as this project intersects the key railways line and four national highways and links and connects all major industrial estates and integrates Haryana with Delhi.

<b>PROJECT SUMMARY</b>	<i>(in Rs. Millions)</i>
Name of Project	Kundli Manesar Palwal Expressway
Cost of Project	16,490
Debt	11,543
Equity	4,947
<b>KEY DATES</b>	
Concession Agreement Signed	Jan – 2006
Appointed Date/ Construction Start Date	Jul - 2006
COD	Jun - 2009
Concession Period Ends	Oct - 2029

**Paid up Capital as on date : Rs. 10.00 Crores ;**  
**(Authorised Capital :Rs. 10.00 Crore)**

D.S.Constructions Limited and its associates : 67.00%  
 Apollo Enterprises Limited, U.K. : 33.00%  
 (A DSC Group Company)

\* \* \*

- **High & Low Share Price during previous 6 mths**

The Companies are not listed ones.

- **Disclosures for changes in Capital Structure during previous 6 mths**

**DSC-VICON VENTURES PRIVATE LIMITED**

**Changes in paid up Share Capital and transfer of shares:**

<b>Name of the Shareholders</b>	<b>01.05.2003</b>	<b>09.03.2004</b>	<b>30.07.2004</b>	<b>31.03.2005</b>	<b>11.02.2006</b>	<b>Demat</b>
V.S.Narula	3,000	3,000	3,000	3,000	3,000	Demat
N.S.Narula	3,000	3,000	3,000	3,000	3,000	Demat
Vimal Jain	4,000	4,000	4,000			
D.S.Constructions Limited		1,39,90,000	1,39,90,000 70,00,000	1,39,90,000 70,00,000 <b>4,000</b> 16,00,000	1,39,90,000 70,00,000 <b>4,000</b> 16,00,000 19,30,000	Demat Demat <b>Physical</b> Demat Demat
<b>Total</b>	<b>10,000</b>	<b>1,40,00,000</b>	<b>2,10,00,000</b>	<b>2,26,00,000</b>	<b>2,45,30,000</b>	

**All Shares except 4000 above are pledged with SBOP**

**JAYPEE DSC VENTURES LIMITED**

**Changes in paid up Share Capital and transfer of shares: All Shares are in Physical Form and are pledged with HUDCO**

<b>Name of the Shareholders</b>	<b>23.03.02</b>	<b>31.10.02</b>	<b>20.02.2003</b>	<b>03.02.2004</b>	<b>11.03.04</b>	<b>13.10.2005</b>
Mr. Jaiprakash Gaur	10,000	10,000				
Mr. P.K.Jain	10,000	10,000				
Mr. Manoj Gaur	10,000	10,000				
Mr. Sunil Kumar Sharma	10,000	10,000				
Mr. Harpinder Singh Narula	10,000	10,000				
Mr. Narinder Singh Narula	10,000	10,000				
Mr. Virender Singh Narula	10,000	10,000				
Jaiprakash Associates Ltd.		20,00,000	20,00,000	20,00,000	20,00,000	20,00,000
D.S. Constructions Ltd.		20,00,000	20,00,000 5,000	20,00,000 5,000 4,97,83,000	20,00,000 5,000 4,97,83,000 1,30,08,000	20,00,000 5,000 4,97,83,000 1,30,08,000 4,42,59,420

Mr. Jaiprakash Gaur & Jaiprakash Associates Ltd.			10,000	10,000	10,000	10,000
Mr. P.K.Jain & Jaiprakash Associates Ltd.			10,000	10,000	10,000	10,000
Mr. Manoj Gaur & Jaiprakash Associates Ltd.			10,000	10,000	10,000	10,000
Mr. Sunil Kumar Sharma & Jaiprakash Associates Ltd.			5,000	5,000	5,000	5,000
Mr. Harpinder Singh Narula & D.S. Constructions Ltd.			10,000	10,000	10,000	10,000
Mr. Narinder Singh Narula & D.S. Constructions Ltd.			10,000	10,000	10,000	10,000
Mr. Virender Singh Narula & D.S. Constructions Ltd.			10,000	10,000	10,000	10,000
Alphamatics Investments Ltd.				2,81,39,000	2,81,39,000	2,81,39,000
DSC Infrastructures Pvt. Ltd.				50,00,000	50,00,000	50,00,000
	<b>70,000</b>	<b>40,70,000</b>	<b>40,70,000</b>	<b>8,69,92,000</b>	<b>10,00,00,000</b>	<b>14,42,59,420</b>

- **Whether Company has made loss during immediately preceding year and if so profit or loss figures for the immediately preceding 3 years**

No. the companies have not made losses during immediately preceding year. Since the projects of the Companies are still at the construction stage due to which there is no revenue, only expenses are incurred at this stage. Therefore no profit and loss account is prepared for the said SPVs. The expenses incurred for the project are capitalized during the year.

- **If the promoters have disassociated from any companies during 3 years the reasons thereof and circumstances leading to disassociation circumstances**

Not Applicable

- **Details of contracts for appointing of whole-time Directors**

There has been no whole time director in the Company.

**Outstanding Litigations or Defaults****PENDING CASES OF D.S. CONSTRUCTIONS AND ITS ASSOCIATED COMPANIES**

Sl. No.	Date of Filing	Nature of Case	Title and Case No.	Courts Name	Relief Claimed/Amount Involved	Present Position/ Next Date
1		Revisions and Appeals	D.S. Capital & Finance Vs Sunita Jamwal being Revision No. 8/05, 9/05 and 10/05 pertaining to CC No. 3372/01, 3371/01 and 3366/01 respectively.) AND A Composite Appeal being Appeal No. 69/04 filed by the Accused in respect of the above three Complaints	Shri Narottam Kaushal, ASJ, Patiala House	Cheques in the amount of Rs 96,72,000/- bounced. The Accused was convicted. Hence the Appeal by the Accused. The Company has filed Revision Petitions for grant of Compensation	Pending for Final Arguments. To come up on 25.04.2006
2		Revision and Appeal	D.S. Fincap Vs Sunita Jamwal being Revision No.11/05 and Appeal No. 70/04 pertaining to CC No.127 /01.	Shri Narottam Kaushal, ASJ, Patiala House	Cheque bounced for Rs 15,85,920/- . Accused was Convicted. Hence the Appeal by the Accused. The Company has filed Revision Petitions for grant of Compensation	Pending for Final Arguments. To come up on 25.04 2006
3	07-Jul-05	Revision and Appeal	D.S. Marketing Vs Sunita Jamwal bearing Revision No.127/05 and 125/05 AND Appeal No 5/05 and 31/05 pertaining to CC No. 3373/01 and 3376/01 respectively.	Shri Narottam Kaushal,ASJ, Patiala House	Cheque bounced for Rs. 26,28,000/-. The Accused was convicted. Hence the Appeal by the Accused. The Company has filed Revision Petitions for grant of Compensation	Pending for Final Arguments. To come up on 25.04 2006

4	25-Nov-04	Appeal	Sunita Jamwal Vs D.S. Marketing bearing No. 51/04 pertaining to CC No 3375/01	Shri Narottam Kaushal, ASJ, Patiala House.	Cheque of Rs 7,73,160/- bounced. Compensation and Simple Imprisonment has been awarded to the Complainant by the MM. Hence the Appeal by the Accused.	Pending for Final Arguments. To come up on 25.04.2006
5	13-Oct-97	Execution Petition	D.S. Marketing VS M/s. Syrus CCP No.34/ 98 AND Ex. Petition No.68/ 98.	Before Justice Badar Durrez Ahmed, High Court	A Decree against M/s Syrus was passed by the Hon'ble High Court of Delhi for a sum of Rs Rs.21,11,494 with interest @ 24% from 12.10.97 till the date of realization.	To Come up on 20.04.2006 for Directions on the Execution Petition
6	06-Oct-05	Appeal against the order dated 11.8.2005 passed by the Civil Judge.	J.P. Paul Vs D.S.Constructions Ltd. MCA 09/05	Shri. Mahavir Singhal, ADJ, Tis Hazari Courts.	J.P.Paul, an Employee in Libya had filed a Suit for Declaration for Medical Disability, Compensation and for Mental Torture, Harrasment and Overage Compensation Amount involved is Rs.12,50,000/- The Suit was dismissed and a review filed by him was also dismissed. Hence the Appeal.	To Come up on 20.04.2006 for Arguments for Proper Orders.
7	27-Sep-04	Writ Petition	D.S.Construction Ltd.VsJ.P. Paul CWP No. 16212/2004	Before Justice Ravindra Bhatt,High Court	The Writ Petition has been filed for quashing of the order passed by the Gratuity Authority. The amount involved is Rs.7,56,000/- +	To Come up on 27.04.2006 for Arguments on Maintainability of Writ Petition.

					Interest.		
8	06-Nov-03	Application Under Section 33C(2) of Industrial Disputes Act.	J.P. Vs D.S. Constructions Ltd bearing No. 2CA 303/03	Paul	Ms.Rekha Rani, ADJ, Presiding Officer, Labour Court No.4, Karkardooma Courts.	For recovery of Past Wages dues etc. The amount involved is Rs.19,73,000/-	To Come up on 26.04.2006 for Cross Examination of Management Witness.
9	19-Mar-05	Application under Section 2-A of the Industrial Disputes Act, 1947	J.P. Vs D.S. Constructions Ltd bearing I.D.No. 34/05	Paul	Shri.Chandra Bose, ADJ, Presiding Officer, Labour Court No.7, Karkardooma Courts.	The Case is of Reference by the Secretary ( Labour ) Govt of N.C.T of Delhi . The Demand of the Claimant is reinstatement into service with full back wages.	To Come up on 05.04.2006 for Framing of Issues and Documents.
11	17-Nov-02	Suit for Injunction	D.S. Constructions Ltd. Vs Ashoka Buildcon being CS(OS) No. 2087/2002		Before Justice Sanjay Kishan Kaul, High Court	Restraining the Defendant from diluting, alienating or dealing with any manner affecting Plaintiff's 33% shareholding.	To Come up on 16.02.2006 for Arguments on IA No. 10050/03 to dismiss their Counter Claim and for Framing of Issues
12	03-Jul-04	Appeal against Interim Orders dated 20.5.2004 passed by The Ld. Single Judge	Ashoka Buildcon VS D.S. Constructions Ltd. Being FAO(OS) No. 292/2004		Before (DB-3)High Court	For setting aside interim order whereby the Court had restrained the Defendant to proceed against the MOU and the Concession Agreement.	To come up on 24.04.2006 for filing of Additional Affidavit of the Appellant for condoning the delay in filing the Appeal.
13	23-Oct-03	Recovery Under Section 10 of Workmen Compensation Act.	Rajkali VS D.S. Constructions Ltd. being WCD No. 09/2003		Before Sh. S.P.Singh CWC, Pushpa Bhawan.	This is a Claim filed by the Wife of Mr. Jaynath Kohar, who worked in Libya and died. The Amount involved is Rs 2,03,850/-	To come up on 10.04.2006 for Final Arguments of Management Witness.

14	18-Mar-99	Suit for Injunction	Satwinder Kaur VS BSES. Original Suit No. 570/99 and upon transfer the Suit No. is 117/04	Sh.Sukhdev Singh, ADJ, Tis Hazari Courts	The Suit is against the inflated Electricity Bills issued by the BSES and Restraining the Defendant from taking any punitive action against the Plaintiff. The Amount involved is Rs 26,91,645.5	The Reply by Defendant has not been filed till date. To come up for Conciliation on 25.03.2006
15	24-Apr-87	Suit for Recovery	Kedar Nath Babbar VS D.S. Constructions being Suit No. 948/1987	Shri Vinay Singhal, Civil Judge, Tis Hazari	Suit filed for recovery of alleged dues of Rs 1,67,000/- plus interest against the Body Building of Buses owned by the Company.	To come up on 07.04.2006 for Judgment.
16	22-Oct-98	Suit for Recovery	Interface Communications VS D.S. Constructions being Suit No. 258/1998	Shri Inderjeet Singh, ADJ Tis Hazari Courts	Rs 4,99,000/- alongwith pendent lite and future interest @ 22% p.a.against the Advertisement Job.	To come up on 25.05.2006 for Cross Examination of Plaintiff
18	13-May-97	Complaint us 138 of the Negotiable Instruments Act, 1881.	D.S. Global VS Marktech bearing CC No. 3521/01	Vikas Dhall, MM Patiala House	The Cheque bounced for Rs.5,00,000/-. Hence the Complaint.	The Accused has been declared as Proclaimed Offender.
19	19-May-05	Appeal against order dated 24.2.05	P.C. Joshua Vs D.S. Constructions being RFA No. 396/2005	Before Justice V.Jain and Justice Manju Goel. ( DB-3), Delhi High Court	The Claimant was an Employee at Libya. He had filed a Suit for Declaration and Damages for Breach of Contract of Employment. The Amount Claimed by him is Rs 5,50,000/- plus interest. The Suit was dismissed and now the Appeal	The Appeal has been admitted.

					has been filed by the Claimant against the said order.	
20		Appeal for Claim under Insurance	D.S.Constructions Vs Expert Credit and Guarantee Corpn. Ltd	At Bombay High Court	The Company had filed a Suit for recovery against insured claims for losses suffered by the Company under a Project in Libya. The Suit was dismissed and the Company has filed an Appeal which is pending arguments. The Claim of the Company is Rs.7.84 Crores along with Interest.	Date for Arguments is awaited.
21		Appeal against the order of the ADJ, Indore	D.S. Global Vs Indo Agro being Appeal No. 2279/2003	At Indore Bench of the M.P. High Court	The Company entered into a Contract with the Indo Agro for supply of 177 Metric Tonnes of Soyabean. The disputes were referred to Arbitration. The Company against the Arbitration Award dated 30.06.99 (which directed the Company to pay Rs 11,05,000/- to the Seller), filed a petition before the ADJ, Indore. As the award of the ADJ was a mixed award, the Company has gone into Appeal against the Award of the ADJ.	The Appeal is pending.

22	10-Aug-04	Suit for Declaration and Permanent Injunction	Smt. Satvinder Kaur Vs BSES ( Suit No. 445/04)	Smt. Pinki, ADJ, Hazari	The Suit is against the inflated Electricity Bills issued by the BSES and Restraining the Defendant from taking any punitive action against the Plaintiff. The Amount involved is Rs 4,93,798/-	Now to come up on 25.03.2006 for Plaintiff's Evidence.
23	04-Aug-03	Suit for Declaration and Permanent Injunction	Shri N.S. Narula Vs BSES( Suit No. 502/2003)	Shri G.P.Mittal, ADJ, Tees Hazari	The Suit is against the inflated Electricity Bills issued by the BSES and Restraining the Defendant from taking any punitive action against the Plaintiff. The Amount involved is Rs.15,55,626.70/-	Now to come up on 28.03.2006 for Framing of Issues and Admission/ Denial of Documents.

## **Statutory Information**

### **Previous public issue if any: (during last five years)**

The company has not undertaken any public issue during the previous 5 years

### **Promise vis-à-vis Performance**

The company has privately placed Debentures on various occasions in the past, where the shelf Information Memorandum(s) given to investors may have provided financial projections. These projections were indicative and not in the nature of any promise.

In view of the above, this clause is not considered to be applicable

### **Expert Opinion**

Save as stated elsewhere in the document, the Company has not obtained any expert opinion.

### **Minimum Subscription**

In terms of the clarifications issued by SEBI (Ref No.: SEBI/MRD/SE/AT/46/2003) dated December 22, 2003, the minimum subscription is not applicable to privately placed debt securities

### **Advisor Fees**

No fees are payable to the advisor

### **Management Fees**

The fees payable to the Arrangers to the Issue shall be mutually agreed upon by the parties.

### **Brokerage and Commission**

No Brokerage or Commission would be payable.

### **Fees payable to the Registrars**

The fees payable to the Registrars to the Issue will be mutually agreed on by the parties.

### **Other Expenses**

The other expenses include fees and reimbursement of expenses towards printing and distribution, listing fees, credit rating fees, fees payable to the Auditors and other expenses. The above expenses will be met out of the proceeds of the Issue.

### **Investor Grievances & Redressal System**

The average time required by the company/ Registrar for the redressal of routine investor grievances shall be 7 days from the date of receipt of the complaint. In case of non-routine complaints and where external agencies are involved, the Company/ Registrar would strive to redress these complaints as expeditiously as possible.

All investors are hereby informed that the Company has appointed a Compliance Officer who may be contacted in case of any pre-issue/ post-issue related problems.

**Revaluation of Assets if any (during last 5 years).**

The company has not revalued assets during the last 5 years

**Option to Subscribe**

The Company has made arrangements for issue and holding of the Bonds in dematerialised form

**Material Contracts and Inspection of Documents**

- Board Resolutions authorizing the borrowing
- Rating Letter & Rationale from Fitch
- Consent Letter from Trustees
- Auditors Report
- Memorandum of Association
- Articles of Association

The above material documents and contracts will be available for inspection between 9.00 am and 5.00 p.m. on all working days in Mumbai at the office of the Company mentioned below:

Registered Office: **-66, South Extension Part II, New Delhi – 110049**

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## Virangam Mahesana Project Limited

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### PART III

#### DECLARATION

We the Directors of the company, hereby declare that all relevant provisions of the Companies Act, 1956 and the guidelines issued by the Govt. or the guidelines issued by the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be have been complied with and no statement made in this Offer Document is contrary to the provisions of the Companies Act, 1956 or the Securities and Exchange Board of India Act, 1992 or the rules made there under or guidelines issued as the case may be.

Signed by the order of the Board of Directors.



Mr. S K Dixit  
CEO

Date: June 26, 2006

**IDBI Trusteeship Services Ltd.**  
**(ISO 9001 : 2000 Trustee Company)**



Regd. Office :  
Asian Building, Ground Floor,  
17, R. Kamani Marg, Ballard Estate,  
Mumbai - 400 001.

No.3635 /ITSL/OPR/2006/CL - 275

27<sup>th</sup> March 2006

**Virangam Mahesana Project Limited**  
C- 66, South Extension Part - II,  
New Delhi - 110049.  
India.

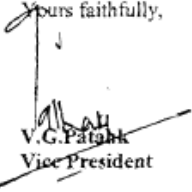
Dear Sir,

**Consent to act as Debenture Trustee**

Please refer to the discussions we had with you regarding appointment of IDBI Trusteeship Services Ltd. as Debenture Trustee for the proposed debenture trusteeship assignment . In this connection, we advise that we are agreeable to act as Debenture Trustee for the said issue.

We are agreeable for inclusion of our name as trustees in the offer document/listing application/any other document to be filed with the Stock Exchange(s).

Yours faithfully,

  
V.G. Patank  
Vice President



May 25, 2006

Virangam Mahesana Project Limited  
C/O D.S. Constructions Limited,  
C-66, South Extension-II  
New Delhi - 110049

**Kind Attention: Mr S.K Dixit, Chief Executive Officer**

Dear Sir,

**Sub: In-principle rating of Non-Convertible Debentures to be issued for an aggregate principal amount of Rs 950mn, by Virangam Mahesana Project Limited**

Fitch Ratings India Private Limited has assigned in-principle rating of AA+(ind) (double A plus ind) to the issuance of Non-Convertible Debenture programme by Virangam Mahesana Project Limited. The terms and conditions of the Non-Convertible Debenture are as at Annexure I. Please note that this letter supersedes the letter dated 7 March 2006.

The rating is based on information provided by Virangam Mahesana Project Limited (VMPL) as well as discussions we had with VMPL's management team during the due diligence exercise. Details of certain key assumptions that have critically influenced the rating including, inter-alia, transaction structure, funding of the Debt Service Reserve Account (DSRA) and payment mechanism are contained in the Presale Report, which is annexed to this letter.

This rating is subject to the execution of the documentation in a manner satisfactory to Fitch and conforming to the details submitted by VMPL during the rating process.

In order to maintain our rating through the term of our agreement, Fitch Ratings India should receive from VMPL all relevant information and other data necessary for the ongoing monitoring. Notwithstanding the above, Fitch Ratings India reserves the right to change the rating should business, financial or other conditions warrant.

Yours sincerely,

R Jayakumar  
Chief Operating Officer & Senior Director

Rakesh Vatecha  
Director

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*Fitch Ratings India's ratings are opinions on credit quality only and are not recommendations to buy, hold or sell any securities*

## Annexure: Terms and Conditions of the Non-Convertible Debenture Programme

<b>Issuer</b>	<b>Virangam Mahesana Projects Limited</b>	
<b>Instrument</b>	<b>Redeemable, Secured, Non-Convertible Debentures</b>	
<b>Principal Amount</b>	<b>Rs950mn</b>	
<b>Maturity</b>	10 years expiring six months prior to the last payment receivable under the Concession Agreement from the Indian Railways	
<b>Interest</b>	9.63% p.a. payable annually or on exercise of the put option	
<b>Redemption</b>	Half yearly in unequal instalments. The repayment of principal and interest would be 90 days after the due date of payment of access charges by the Indian Railways.	
<b>Security</b>	<ul style="list-style-type: none"> <li>• Escrow-cum-retention account with the designated bank, wherein all cash inflows of the project shall be deposited. Subject to payment to Indian Railways (IR) under Concession Agreement (CA) and statutory payments, the escrow account shall be charged to the debenture trustee.</li> <li>• First mortgage and charge on all movable and immovable assets (including revenues and receivables) of VMPL (except project assets &amp; facilities as defined in CA) in favour of the debenture trustee.</li> <li>• Assignment of all rights, titles and interests of VMPL in the project railway in favour of the debenture trustee.</li> <li>• Pledge of 29% of equity shares of VMPL held by sponsors till the date of issue of completion certificate.</li> <li>• Tripartite agreement with IR, VMPL, and the debenture holder/trustee giving right of substitution to the debenture trustee.</li> <li>• Assignment of all project contracts and insurance policies. Corporate guarantee of DS Construction Limited, till the issue of completion certificate.</li> <li>• Undertaking from the sponsors to meet any cost overrun through interest free, subordinated sources (project has been completed with additional funding from sponsors)</li> <li>• Upfront maintenance of Debt Service Reserve account (DSRA) equivalent to one installment of peak debt service during the entire tenure of the NCDs (The delay in completion of the project has resulted in a shortfall in maintaining the DSRA) plus the contingent amount for meeting the liability imposed by the Indian Railways due to delay in implementation of the project.</li> <li>• The debenture agreement would allow no dividend declaration during the tenure of the CA</li> </ul>	
<b>Contingent Option</b>	<b>Put</b>	The investors would have a put option for early redemption of the entire principal amount only in the event there are sufficient funds available in the Trust and Retention Account (TRA). The option would be available 2 months from the date of subscription and every date thereafter.